



NATIONAL CENTER FOR  
FAMILY PHILANTHROPY



# NATIONAL CENTER FOR FAMILY PHILANTHROPY'S **TRENDS 2020**

RESULTS OF THE SECOND NATIONAL BENCHMARK  
SURVEY OF FAMILY FOUNDATIONS

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# ACKNOWLEDGMENTS

NCFP's *Trends 2020* is the product of dozens of individuals and organizations, and is made possible thanks to more than 500 family foundation leaders who took time to share their perspectives and experiences through this field-defining survey.

*Trends 2020* was produced with generous sponsorship and collaboration from Bank of America. We also are grateful for the support of Dr. and Mrs. Richard Hunt.

NCFP is thankful to our Board of Directors and to the *Trends 2020* Advisory Committee chaired by Ellie Frey Zagel of the Frey Foundation. See page 1 and 2 for a full list of the Advisory Committee and current NCFP board members.

Lastly, I'd like to thank NCFP's President and Founder, Virginia Esposito. Ginny has worked to provide meaningful data about the field throughout her career. Her expertise has been invaluable to family donors. In 2020, she will transition to the role of Senior Fellow. Quotes from Ginny's distinguished career are featured in this report to enhance its content and honor her service.

Gratefully,

Jason Born

Principal Author, *Trends 2020*

Vice President, Programs, National Center for Family Philanthropy



NATIONAL CENTER FOR  
FAMILY PHILANTHROPY

## ABOUT THE NATIONAL CENTER FOR FAMILY PHILANTHROPY

The National Center for Family Philanthropy (NCFP) is the only national nonprofit dedicated exclusively to families who give and those who work with them. NCFP provides encouragement, community, and the resources families need to transform their values into effective giving that makes a lasting impact on the communities they serve.



## ABOUT PHOENIX MARKETING INTERNATIONAL

Founded in 1999, Phoenix Marketing International has over 400 employees across seven offices in the US, as well as offices in Hamburg, Shanghai, Mexico City, and London. Phoenix MI is considered one of the top research firms in the US and is one of the fastest-growing market research firms globally, working in all major industries. Phoenix MI helps its clients build and measure brands and communications, create and refine the products and services that they deliver, and optimize their customers' experience.

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The National Advisory Committee for NCFP's *Trends 2020* is composed of respected leaders who are dedicated to the advancement of effective and ethical family philanthropy. The Advisory Committee was tasked with guiding this national research initiative on critical trends impacting philanthropy broadly and family philanthropy specifically. The committee was asked to:

- Shape development of the survey instrument to achieve the initiative's research goals.
- Help select the research partners for the initiative.
- Identify relevant research studies or emerging efforts for potential collaboration.
- Analyze research findings and help identify implications for all potential audiences.
- Assist with promotion of the research study and its findings, encourage participation and utilization of the findings, and promote field-wide discussion and action.

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NCFP's Board of Directors is composed of family foundation donors, family members, board members, and leadership staff along with other leaders in the field of family giving.

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# FOREWORD

I am very pleased to present *Trends 2020*, the National Center for Family Philanthropy's signature research report on trends in family foundation governance, management, and grantmaking.

*Trends 2020* continues NCFP's extensive and growing collection of research on the family philanthropy field. It builds upon the *2015 Trends in Family Philanthropy Study*, a benchmark report based on the first-ever nationally representative sample of all family foundations.

NCFP's dedication to researching this field goes back to its founding in 1997.

- In 1999, NCFP partnered with Foundation Center to produce *Family Foundations: A Profile of Funders and Trends* which helped to identify and define the breadth and scope of family foundations in the US.
- In 2005, NCFP sponsored the groundbreaking publication *Generations of Giving*, based on in-depth interviews with 30 families that examined continuity and leadership in multi-generational family foundations.
- In 2010, NCFP released *Pursuit of Excellence: The Value of Family in Philanthropy*, an in-depth examination based on focus groups around the country on the value of family philanthropy to families, communities, and democracy.
- And in 2014, NCFP developed a first-of-its-kind series of guides on the role of the family foundation CEO, including the study *The Family Foundation CEO: Crafting Consensus Out of Complexity*.

This practical, in-depth research is one of the primary reasons NCFP was founded, and it continues to be an important aspect of the organization's work.

As a next-gen leader and vice-chair of my family's foundation, the Frey Foundation, I have personal experience with many of the trends and practices you will read about in *Trends 2020*. From capturing and interpreting founder legacy to defining a place-based grantmaking strategy to creating and applying approaches and engaging the next generation, the Frey Foundation has been through it all in the 20 years that I've been involved. I am hopeful that *Trends 2020* will both inspire and guide the many thousands of philanthropic families currently exploring these and other organizational challenges.

The findings in this publication are just the beginning. Over the course of the next year, NCFP will develop and make available a series of *Trends 2020 Deep Dive Issue Briefs* covering a wide range of the key trends identified by this study. NCFP will also offer members the opportunity to connect and learn through our peer networks and more.

I'd like to thank all the people who helped to make this research and report possible including the funders and Advisory Committee members who provided advice and suggestions all along the way; Phoenix Marketing International, which partnered with us to do the research; and NCFP's staff members, especially Jason Born and Katherine Scott, who shepherded the process.

My grandparents, Edward and Frances Frey, established the Frey Foundation in 1974 out of a deep love of community and their personal commitment to philanthropy. Since that time, two generations of Frey family have come along to continue their legacy, working to enhance the lives of children and families, protect natural resources, promote the arts, and build community.

Our family is one of many nationwide who have chosen to do this important work together, as a family. On behalf of NCFP, we hope that the trends and practical advice in this report deepens your personal—and family—commitment to philanthropy.

Sincerely,

Ellie Frey Zagel  
Trustee, Frey Foundation  
Chair, Trends 2020 Advisory Committee  
Board Member, National Center for Family Philanthropy

# INTRODUCTION

In many ways, family philanthropy serves as the lifeblood of America’s nonprofit and volunteer sector—and has for much of the past two centuries. By conservative estimates, family foundations represent more than 60% of the more than 90,000 grantmaking foundations in the country; there are more family foundations than all other forms combined in the US. Estimates say donors and families will create thousands more family foundations and donor-advised funds in the next two decades as part of an unprecedented transfer of intergenerational wealth now taking place. The footprint of family philanthropy will widen.

Philanthropic donors and families support new and emerging ideas, as well as tried-and-true community-based institutions. Place-based family foundations remain reliable and committed partners to organizations working in local communities, cities, counties, and regions—providing financial support, connections, and encouragement to social entrepreneurs and charities alike. Issue-based family foundations do the same for specific focus areas and populations—whether the arts, education, the environment, healthcare, Native Americans, or any of dozens, even hundreds, of other topics and populations. Family foundations without a defined focus, and those who have not yet chosen a focus, play a vitally important role by being flexible in their guidelines and open in their thinking.

That said, family foundation donors and boards are not without their challenges. Among the many questions new and evolving family foundations ask each day:

- What are the requirements and advantages of operating as a private philanthropic trust?
- Who should we involve on our board?
- How do we assess the progress we are making and how do we remain accountable to both our donor’s legacy and the communities we serve?
- How do we balance our need for privacy with the benefits of sharing and communicating the results of our work? How do our choices around transparency influence our relationships with grantees and the community?
- What is our mission and what is our strategy for achieving this mission? What is the appropriate lifespan for achieving our mission? Do we need professional staff to help achieve this mission?

## WHAT IS FAMILY PHILANTHROPY?

Although the term is used widely, there is no standard definition of *family philanthropy* in the research literature. Nor is there a standard definition of *family foundation*, because this type of entity is not part of the Internal Revenue Service’s legal classification system for nonprofit organizations and foundations.

In practice, *family foundation* typically connotes the active involvement of donors or members of the donors’ family in a private foundation. This definition becomes increasingly difficult to measure—especially over time as the original donors die and as donors’ descendants exhibit various levels of involvement with the foundation.

This study relies on the Foundation Center’s definition of family foundation, which uses a multistep process to identify and classify foundations as family foundations. The definition was formed in collaboration with NCFP in the Foundation Center publication, *Family Foundations: A Profile of Funders and Trends*, published in 2000. This methodology includes self-designation by the foundation, computer searches to identify potential family members listed on the foundation’s board or leadership staff, and other matching strategies.



- How do we stay informed of updates and developments in the fields or communities we serve?
- How do we engage the next generation of the family in our shared philanthropy? And how do we prepare them for this role?
- How do we honor our family's shared legacy while keeping the mission of the foundation relevant and vibrant to individual board members?

The list goes on. Families grapple with questions like these every day. And for the past 20 years, the National Center for Family Philanthropy's staff, board, and peer leadership network have been seeking and sharing answers.

NCFP's *Trends 2020* provides fresh insights on these questions, as well as many others. *Trends 2020* provides an update to NCFP's *2015 Trends in Family Philanthropy Study*, and includes new information on trends in areas such as transparency and community engagement, founder involvement, strategic lifespan, and diversity, equity, and inclusion (DEI) in family philanthropy. The report shares national data on the policies, practices, composition, and future plans of a statistically representative sample of more than 500 family foundations. It delves deep into the emerging practices of newly formed foundations, as well as those formed more than 50 years ago.

This overview report is the first in a series of reports featuring findings and practical insights from NCFP's *Trends 2020*. Keep on the lookout for NCFP *Trends 2020 Deep Dive Issue Briefs* on a variety of topics, including those listed below. Each *Trends 2020 Deep Dive* brief will provide detailed data about key trends from the *Trends 2020* results, alongside short case studies from family foundations, tips and questions for board discussion, and a list of additional resources for review and reflection.

This report is divided into several sections, each exploring key aspects of family foundation governance, management, and operations, as well as sections on emerging trends in the field and future directions in family philanthropy.

## DOES THIS REPORT CAPTURE TRENDS FOR ALL FAMILY DONORS?

This report focuses on those families who have chosen the family foundation vehicle. Entrepreneurs in the 21st century use a wide variety of philanthropic vehicles for their philanthropy—including donor-advised funds, charitable lead and remainder trusts, impact investing, giving circles, and direct personal giving. While many of these vehicles—particularly donor-advised funds—offer the ability to engage and involve family in shared decision making, family foundations continue to be the most common choice for donors and families seeking more structure, control, flexibility, next generation engagement, and visibility. Family foundations are also required to file a publicly available tax form each year, offering the ability to create a statistically valid random sample that is not yet possible for other forms of giving.

While this study provides significant insights into the practices of family foundations, there are limitations to this data. There are other studies of high net worth donors, but our research concentrates on giving as a family, especially across generations. Anecdotal research suggests that donors of color may choose to use alternative giving vehicles in larger numbers, and the giving practices of these populations may not be fully represented in this report.

Despite this report's focus on the family foundation vehicle, NCFP is committed to supporting family philanthropy in all forms. NCFP has created a variety of resources for families who give through other vehicles, including our online guide, to *Family Philanthropy and Donor-Advised Funds*.

## PURPOSE OF THE STUDY

This study provides insights to aid philanthropic donors and families, boards and staff of family foundations, and other leaders/advisors in family philanthropy. While many family foundations may be unique with respect to how they govern, manage, and make grants, the data provided in this report provide useful insights about general trends in the field.

The study creates a profile of family foundations in the US: documenting the current number, size, age, assets, and giving levels, and provides a baseline for tracking trends in family philanthropy over time.

### PRIMARY STUDY GOALS

- ▶ Identify emerging issues, changes in funding priorities and governance practices, innovative approaches to giving and decision making, and anticipated giving patterns among philanthropic families nationwide
- ▶ Update future trends in family philanthropy
- ▶ Increase understanding of the diversity of the field and help key audiences—including the nonprofit sector and general public—understand the importance of the insights
- ▶ Complete all of the above through a statistically sound survey methodology that is representative of the field in terms of size, geography, year of establishment, mission, and funding donor

### TRENDS 2020 DEEP DIVE ISSUE BRIEFS

This overview report introduces high level findings from the *Trends 2020* results. In addition to this overview report, please see our forthcoming series of *Trends 2020 Deep Dive Issue Briefs* on important topics highlighted in this report, including:

- ▶ Strategic Lifespan
- ▶ Grantmaking Strategy
- ▶ Engaging the Next Generation
- ▶ Founder Involvement
- ▶ Advancing Diversity, Equity, and Inclusion in Family Philanthropy
- ▶ ...and more!

## STUDY METHODOLOGY

NCFP engaged Phoenix Marketing International (“Phoenix”) to design and conduct a nationally representative survey of family foundations, with oversight by a diverse advisory committee of knowledgeable practitioners.

NCFP and Phoenix collected information about family foundations through a 52-question, mixed-mode survey (i.e., mail, web, and telephone) conducted between February and May 2019.

The survey yielded 517 responses, exceeding total responses in 2015 by more than 50%. The Foundation Center’s family foundation database was used to design the sampling frame and was the primary sample source. In total, we invited 2,500 family foundations in the Foundation Center’s database to participate in the survey.<sup>1</sup> To be eligible, a foundation had to have assets of at least \$2M or annual giving of at least \$100,000. We used a random sample of 2,000 family foundations, in addition to an oversample of 500 large foundations that have \$25M or more in assets and annual giving of at least \$100,000.

In addition to this random sample, family foundations were invited to opt-in and complete the survey online by NCFP and its partner organizations.

The final sample breakdown by when the foundation was created and by giving level is:

Unweighted Sample Sizes	ANNUAL GIVING AMOUNT			
	LESS THAN \$1M	\$1M TO \$4.9M	\$5M OR MORE	TOTAL
Before 1970	35	53	46	134
1970 to 1989	35	36	25	96
1990 to 2009	91	105	47	243
2010 or later	24	13	7	44
<b>TOTAL</b>	<b>185</b>	<b>207</b>	<b>125</b>	<b>517</b>

The sample size of 517 is sufficiently large for this population and provides reasonable sample sizes to analyze and measure significant differences for segments of interest. The general rule of thumb in market research is a sample size of 30 or more is a “Large Enough Sample Condition”; sample sizes for most segments of interest are 100 or more and all have sample sizes of 40 or more.

Sample weights were applied to the data to account for oversampling of large foundations and for slightly lower response rates among small foundations. The Foundation Center’s nationally representative database contained 17,336 active family foundations meeting the study requirements and was the basis for weighting the data to the actual population.

<sup>1</sup> The Foundation Center and GuideStar merged in early 2019 and formed a new entity now known as Candid.

The findings from this study can be generalized to family foundations across the country based on the following factors:

- Random selection of the primary sample from all eligible, active foundations in The Foundation Center’s family foundation database;
- Final sample weighting to ensure the sample distribution by size of foundation is comparable to that of the Foundation Center’s database;
- Nationwide representation of family foundations—

22%  
NORTHEAST

27%  
SOUTH

24%  
MIDWEST

27%  
WEST

### NOTES REGARDING MARKET RESEARCH PRACTICES AND LIMITATIONS

As with all market research, there are some limitations of this study. Some of the specific limitations include the number of questions asked, which were limited to avoid respondent fatigue, potential misunderstanding or misconstruing of questions, varying knowledge or memory of the respondents, and small sample sizes for less prominent segments. We made every attempt to ensure that questions were clear (via extensive peer review/input) and that an appropriate representative answered the survey (the survey specifically requested that a family member actively involved in the foundation or a knowledgeable board or staff member complete the survey). We have every reason to believe that survey respondents answered the questions accurately to the best of their abilities and memory.

While this study involved a relatively large sample of family foundations, we caution that any sample may fall short of being fully representative of an entire population. Yet, we believe the care in selection of participants combined with the sample size offers the best possible representation of trends across family foundations.

These common limitations of market research do not make findings any less valid or important. NCFP plans to probe some of the questions or areas of interest more deeply through qualitative interviews with members of the family foundation community.

Please contact NCFP’s offices at (202) 293-3424 with further questions about this study.

### NOTES REGARDING PEER REVIEW

The Philanthropy team at TCC Group was pleased to have the opportunity to review initial findings from the National Center for Family Philanthropy’s 2019 benchmarking survey. Based on our understanding of the survey methodology, the findings presented appear to reflect a statistically responsible approach. – Steven Lawrence and Melinda Fine

# TRENDS 2020 KEY FINDINGS

## FOUNDATION GIVING IDENTITY:

### Newer Foundations Focus on Issues

- Older and larger family foundations focus their giving geographically, while the vast majority of newer family foundations (those formed since 2010) focus their giving on issues.
- Compared to *2015 Trends Study* results, the oldest foundations are slightly more likely to be place-based than they were five years ago, while the newest foundations are significantly more likely to focus on issues than they were five years ago.

## FOUNDATION EFFECTIVENESS:

### Family Relationships and Good Governance Lead to Impact

- Most family foundations say that family members who are engaged in their foundation work well together. The majority also consider their internal operations to be effective. In general, they feel there is room for improvement with the level of impact they are having.
- Foundations that report being “very effective” across these three key measures (operations, family dynamics, and impact) appear to place a much higher priority on governance, and are somewhat less likely to focus on learning about grantmaking and focus areas or issues. These foundations are also more likely to have formalized governance practices and written policies.
- Foundation impact appears to depend more on effective governance and family members working well together, and less so on having effective internal operations.

## FOUNDATION GIVING:

### New Family Foundations Focus on Economic Inequality

- Giving amounts have grown since this study was last completed in 2015. However, while giving has increased, the number of grants awarded each year have declined somewhat, indicating there are fewer but larger grants.
- Consistent with findings in 2015, the top two focus areas for family foundations are education and poverty.
- Newer family foundations (those created in 2010 or after) appear to have significantly different giving priorities, with far more focused on economic inequality and/or basic needs funding (including poverty, hunger, or homelessness and economic opportunity/inclusion), and significantly fewer focused on education.
- Family foundations continue to use a variety of grantmaking strategies, with a majority reporting they use multi-year grants and general operating support grants. Nearly half say they use capacity-building grants as an important part of their strategy, representing a decrease from 2015. Newer foundations are significantly more likely to engage in all of these strategies.

## **IMPACT INVESTING AND PAYOUT: Newer Family Foundations Lead the Way**

- The number of family foundations currently engaged in mission/impact investing has doubled since 2015. Plans to institute or continue expanding mission/impact investing are also up overall from 2015, with nearly one-fourth of all family foundations saying they will institute mission/impact investing in the near future and nearly 30% planning to expand this type of investing.
- Foundations created since 2010 are also much more likely to use program related investments (PRIs) and pursue other mission-related or impact investing approaches.
- These foundations also appear to have very different plans with regard to overall assets and payout strategy. The majority of newer foundations expect an increase in assets in the next four years. The number of family foundations currently engaged in mission/impact investing has doubled since 2015. Plans to institute or continue expanding mission/impact investing are also up overall from 2015, with nearly one-fourth of all family foundations saying they will institute mission/impact investing in the near future and nearly 30% planning to expand this type of investing. One in three will institute mission or impact investing for the first time.

## **FOUNDER PRESENCE AND DONOR LEGACY: Active Involvement and Adherence to Intent**

- Founders remain actively involved in most family foundations, although this has declined slightly since 2015. Foundations consider a founder's involvement beneficial in several ways, including the founders' ability to share their values/interests and their community connections.
- Most family foundations have a clear understanding of their founder's intent and adhere very closely to that intent.
- Founders have different perspectives than other family members or non-family staff about family dynamics, governance, and impact. Founders are much more likely to feel that older and younger generations are interested in different issues, but less likely to say that generations have different opinions about how to achieve impact.
- Founders are much less likely to express interest in measuring the impact of the foundation's giving, to place value in communicating the goals and results of the foundation's giving, or to look for ways to formally integrate outside perspectives into the grantmaking process and/or governance structures of the foundation.

## **ENGAGING THE NEXT GENERATION: Opportunities for New Leaders**

- More than half of family foundations have multiple generations serving on their board. One in ten have three or more generations serving on the board. One-third have at least one member of the third generation on the board, but less than one in ten have family members from the fourth generation or beyond.
- Most family foundations actively engage next-gen leaders in one or more ways. The vast majority provide their next-gen with opportunities to formally participate in grant decision making, either by having a formal next-gen board, allowing next gen family members to participate in grant decisions, or allowing some other level of participation in governance.
- More than one in three family foundations plan to increase younger family member board representation over the next four years and almost the same number plan to give younger family members more say in the operations and giving decisions.
- The most common issues related to generational dynamics include challenges related to time constraints and differing interests across generations. Geographic dispersion of family members is also a common challenge for foundations of all ages.



## **GOVERNANCE AND STAFF:**

### **More Diversity and Non-family Leaders**

- Two-thirds of family foundation boards include non-family board members. The total number and percentage of non-family board members has grown significantly over the past five years. Foundations created since 1990 are significantly more likely to have at least three non-family board members. On boards where there is at least one non-family member, non-family makes up close to half of all board seats.
- The gender distribution of family foundation boards continues to be fairly even. About one-third of foundation boards include at least one person of color, and about one in ten have LGBTQ representation.
- Nearly 70% of family foundations have non-family staff working for the foundation. About 60% have family members serving in staff roles. However, nearly half say an unpaid family member manages the daily operations versus a paid non-family staff member. Approximately one-quarter have a paid family member responsible in part for daily operations.
- Currently, 25% use Diversity, Equity, and Inclusion (DEI) goals/strategies to guide giving, 16% use outside DEI experts, and 15% say DEI considerations are very influential to their giving approach. DEI considerations are significantly more common in family foundations formed in the past 10 years. Fully one in three family foundations have DEI initiatives in their future plans.
- Newer family foundations are much more likely to report that they assess DEI outcomes and analyze the racial/ethnic/other demographics of grantees.

## **TRANSPARENCY AND COMMUNICATION:**

### **Opinions and Approaches**

- Family foundations appear to have become more transparent in their external communications during the past five years with regard to giving priorities and processes, but continue to have diverse opinions about the value and importance of this transparency.
- The majority of family foundations use at least one type of channel to communicate externally. Social media use (in particular Facebook and Twitter) and blogs are less prevalent across all family foundations, yet are more popular among larger foundations.
- Fewer family foundations are accepting unsolicited inquiries or proposals. Family foundations that self-define as “very effective” appear to be much less likely to accept unsolicited letters of inquiry and/or proposals, yet significantly more likely to solicit feedback from grantees, and somewhat more likely to tell grant applicants why their proposal was declined.
- The newest family foundations also appear to place a higher value on transparency with grantees; they are much more likely to communicate reasons why proposals are declined, more likely to solicit feedback from grantees, and much more likely to engage community leaders, issue-area experts, other grantmaking family foundations, and DEI specialists.



Courtesy of the Tracy Family Foundation

# FOUNDATION IDENTITY

“The first question I always ask is, tell me why you’re doing this? And it comes back to some sense of gratitude. They feel that there have been blessings and gifts that they’ve received. They’re grateful for those gifts, they’re grateful for those who made them possible, and they want to give back. It all starts with that sense of gratitude.”

– Virginia Esposito, Founder, National Center for Family Philanthropy

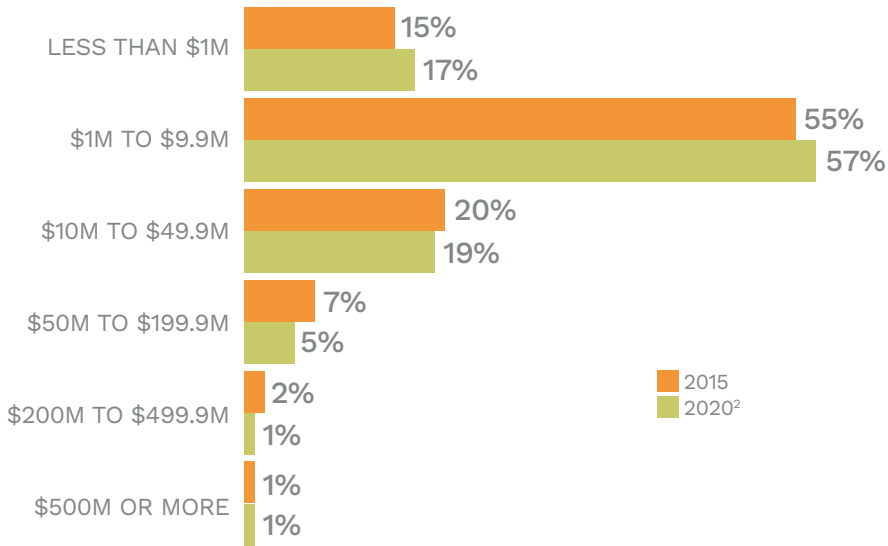
# FOUNDATION IDENTITY

## SIZE AND SCOPE

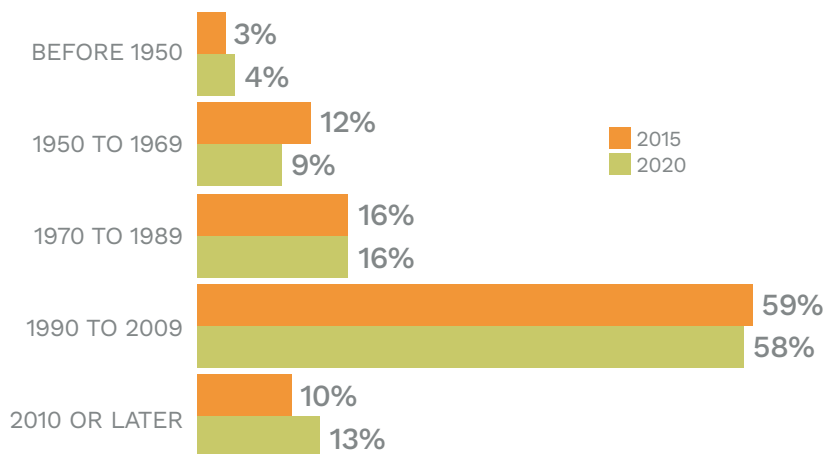
By conservative estimates, family foundations represent more than 60% of the approximately 90,000 grantmaking foundations in the country; there are more family foundations than all other forms combined in the US.

Family foundation demographics have not changed dramatically since 2015. Close to three-quarters of all family foundations have less than \$10M in assets, and more than 70% of all foundations were created in the past 30 years.

**FIGURE 1: ASSETS**



**FIGURE 2: YEAR ESTABLISHED**



<sup>2</sup> For purposes of this report, in all graphs “2015” refers to figures presented in NCFP’s 2015 Trends Study (data collected in 2014) and “2020” refers to figures presented in this Trends 2020 report (data collected in 2019).

## FOCUS OF FOUNDATIONS

Most family foundations have a specific focus—either on a geographic region and/or on one or more issue areas or populations. Nearly two-thirds have a geographic or place-based focus, and about half focus on specific issues. Only 4% of all respondents indicated a racial/ethnic/cultural focus for their current giving.

Older and larger family foundations focus their giving geographically, while the vast majority (82%) of newer family foundations (those formed since 2010) focus their giving on issues. Compared to *2015 Trends Study* results, the oldest foundations are slightly more likely (81% vs. 78% in 2015) to be place-based than they were five years ago, while the newest foundations are significantly more likely (82% vs. 61%) to focus on issues than they were five years ago. The largest foundations are most focused regionally, while the smallest more often focus locally.

**FIGURE 3: FOUNDATION FOCUS: GEOGRAPHY, ISSUE, AND/OR RACIAL/ETHNIC/CULTURAL IDENTITY**  
By year established

	TOTAL	YEAR ESTABLISHED			
	SAMPLE	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
Geographically focused	64%	81%	71%	63%	46%
Issue focused	54%	40%	47%	53%	82%
Racially/ethnically/culturally focused	4%	4%	11%	2%	4%
None of the above	8%	12%	8%	8%	1%

## DEFINING GEOGRAPHIC OR ISSUE FOCUS

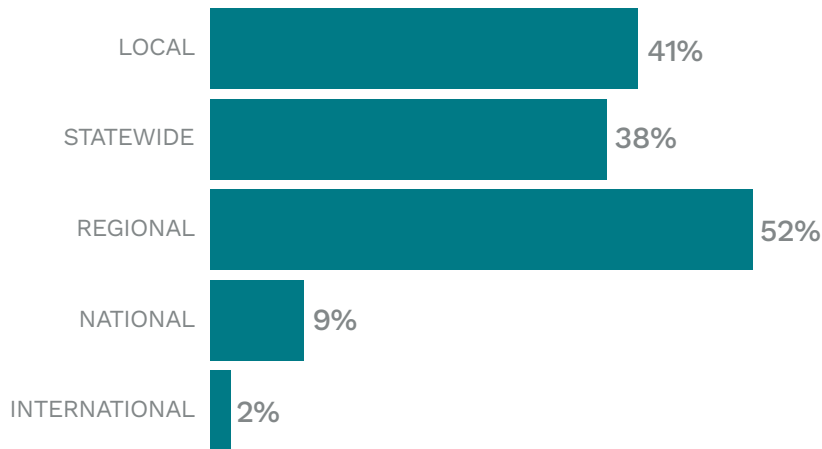
Of the family foundations who reported being exclusively focused on geography, most are place-based funders who focus on a combination of local (41%), regional (52%), or statewide (38%) efforts, a smaller number define the geographic focus as national (9%) or international (2%).

Consistent with findings from *2015 Trends Study*, top issues of focus for family foundations include education and poverty. The largest (by assets) most often focus on education (60%). Other common issues supported are social services, health, the environment, providing economic job opportunities, and community initiatives/development.

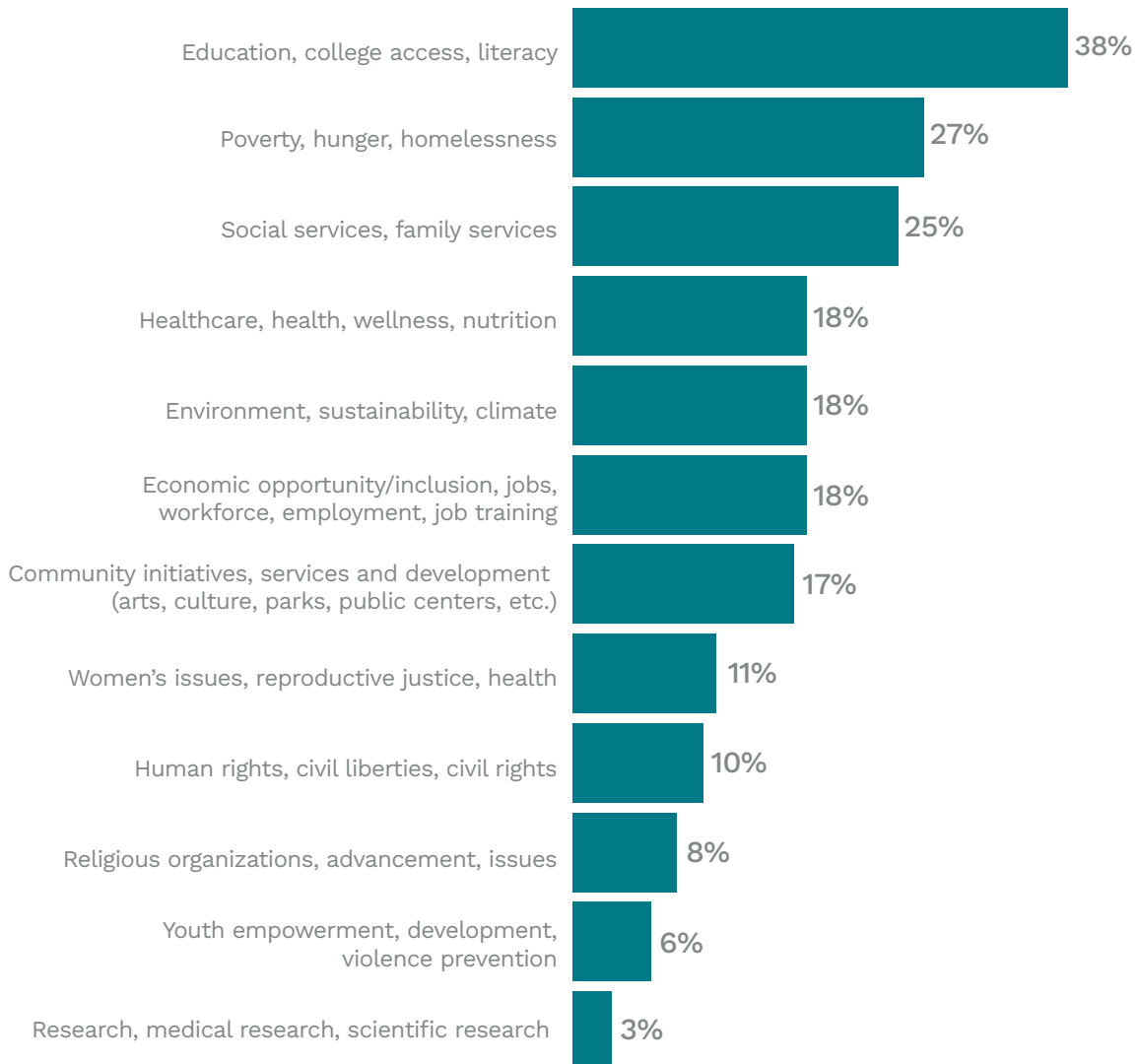


For more on the interests, strategies, and challenges of place-based family foundations, see NCFP's special report, *Pride of Place: Sustaining a Family Commitment to Geography*.

**FIGURE 4: TYPE OF GEOGRAPHIC FOCUS**  
Among Foundations with Exclusive Geographic Focus



**FIGURE 5: TYPE OF ISSUE FOCUS**  
Among All Family Foundations



## ISSUE FOCUS BY DATE FOUNDED

Newer family foundations (those created since 2010) appear to have significantly different giving priorities than all other foundations.

64% of newer family foundations select “poverty, hunger, or homelessness” as one of their top issue focus areas (vs. 17% of all other foundations in the sample), followed by “economic opportunity/inclusion” (41% vs. 12% of all others). Only 23% of newer foundations list education as a top choice versus 42% of all other foundation respondents.

Older family foundations are much more likely to list “religious organizations, advancement, issues” as a top area of interest. 24% of family foundations created before 1970 list this as a top choice, more than twice that of any other time period.

**FIGURE 6: ISSUE FOCUS**

By year established

	SAMPLE	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
Education, college access, literacy	38%	41%	36%	44%	23%
Poverty, hunger, homelessness	27%	28%	3%	19%	64%
Social services, family services	25%	19%	6%	28%	33%
Healthcare, health, wellness, nutrition	18%	13%	12%	20%	20%
Environment, sustainability, climate	18%	17%	23%	20%	10%
Economic opportunity/inclusion, jobs, workforce, employment, job training	18%	5%	13%	13%	41%
Community initiatives, services and development (arts, culture, etc.)	17%	28%	26%	17%	6%
Women's issues, reproductive justice, health	11%	2%	12%	16%	1%
Human rights, civil liberties, civil rights (includes voting rights, criminal justice, LGBTQ rights, etc.)	10%	16%	2%	13%	7%
Religious organizations, advancement, issues	8%	24%	0%	10%	1%
Youth empowerment, development, violence prevention	6%	10%	8%	7%	1%
Research, medical research, scientific research	3%	5%	2%	3%	2%
Other	6%	8%	1%	6%	8%



## ISSUE FOCUS BY STRATEGIC LIFESPAN

At some point, all foundation donors and boards must ask the question: do we operate indefinitely or limit the lifespan of our family foundation? NCFP defines this as the “strategic lifespan” discussion, and tracks key differences in the governance, management, and grantmaking practices of foundations who choose to limit their lifespan and those who plan to exist in perpetuity.

For limited life family foundations, the top two issue areas reported are “community initiatives, services, and development” (38% vs. 15% of all other foundation respondents), and “economic opportunity/inclusion” (37% vs. 16% of all other respondents).

For perpetual family foundations, areas of significant focus include the environment and climate (27% vs. 15% of all others) and healthcare (30% vs. 14%). At the same time, perpetual family foundations express much less focus/interest on “poverty, hunger and homelessness,” with only 11% listing this as a top priority (vs. 32% of all other family foundations).

“Regardless of their motivations and goals, more and more families are taking the time to think about and discuss how they should manage their assets for the greatest possible impact. Some families are also building discussions about spend-down versus perpetuity into their governance—choosing to revisit the question periodically as their foundations change over time.” –Virginia Esposito, Founder, National Center for Family Philanthropy



For more on the interests, strategies, and challenges of limited life family foundations, see the *Trends 2020 Deep Dive Issue Brief on Strategic Lifespan*.

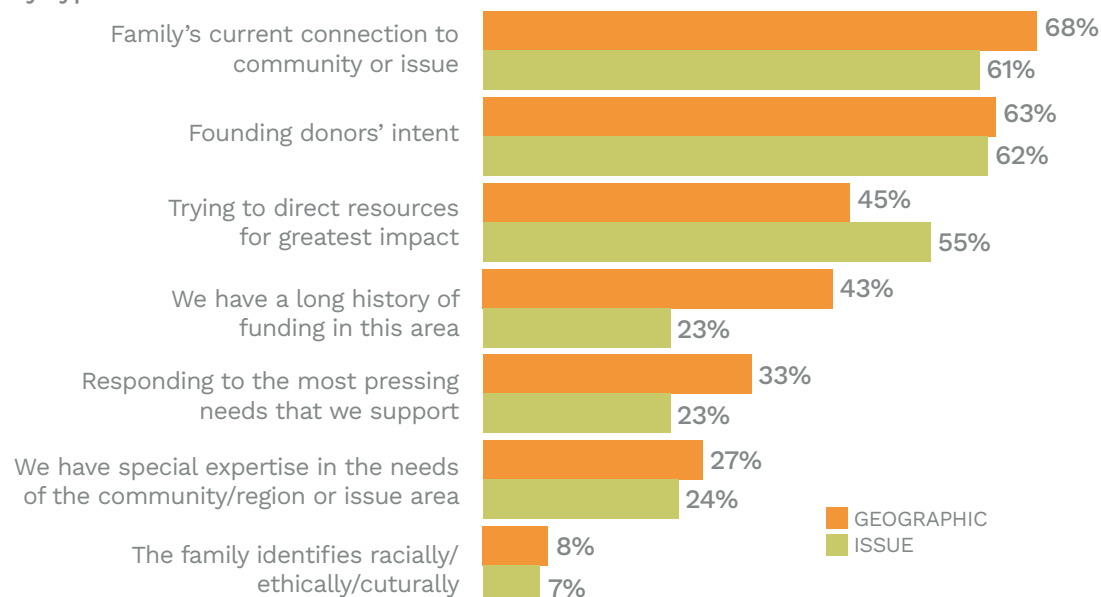
## REASONS FOR FOCUS

Connection to the community or issue and the founders’ intent (both cited by 61% of respondents) are the primary drivers of family foundations’ focus, with “directing resources for greatest impact” (47%) and “history of funding in this area” (37%) also cited as common reasons for geographic or issue focus.

A focus on “family connections to issues or a community” motivates the newest foundations, and a “long history of funding in a particular focus area” motivates the oldest and largest foundations.

**FIGURE 7: PRIMARY REASONS FOR GEOGRAPHIC OR ISSUE FOCUS**

By type of focus



## OPERATIONAL EFFECTIVENESS

90% of family foundations across all age ranges self-report that their operations are “effective,” with 55% of all respondents answering “5 – strongly agree” when asked on a five-point scale “How much do you agree or disagree: The internal operations of the foundation are effective?” An additional 35% self-reported “4 – somewhat agree.”

The largest foundations, as well as those who will operate in perpetuity and those who have non-family serving on their board or staff, are most likely to strongly agree that their operations are effective.

## FAMILY MEMBER DYNAMICS

Two-thirds of foundations strongly agree that family members associated with the foundation work well together. Smaller and newer foundations are most likely to feel this way, as are foundations that report engaging the next gen in one or more ways, and those with non-family board members. Founders are somewhat more likely than others to agree that family members work well together.

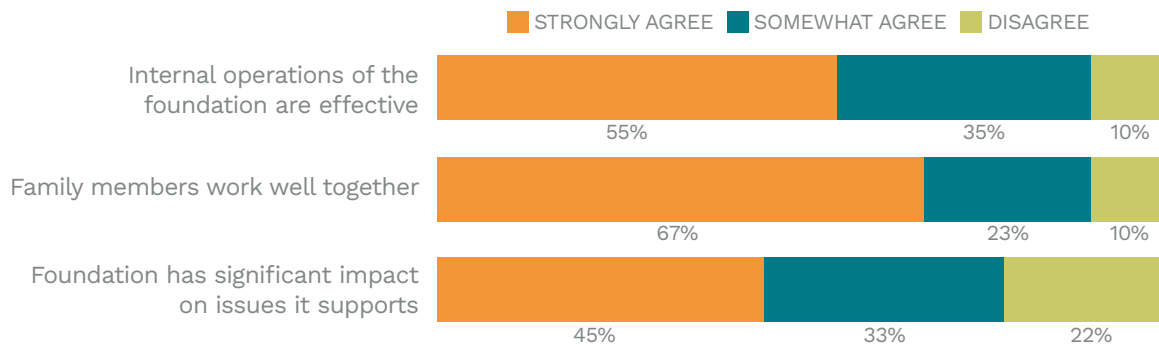
## FOUNDATION IMPACT ON ISSUES

45% of foundations strongly agree that they are having a significant impact on the issues they support. One-third agree they are having an impact.

Larger foundations, regardless of size, are more likely than smaller ones to consider their impact as significant. Among the small and medium sized foundations, newer foundations more often rate their impact as significant.

Founders rate their foundation’s impact less favorably than others (only 33% answered “strongly agree,” vs. 43% for board members/family consultants, and 54% for staff members).

**FIGURE 8: HOW EFFECTIVE DO FAMILY FOUNDATIONS THINK THEY ARE REGARDING OPERATIONS, FAMILY DYNAMICS, AND IMPACT?<sup>3</sup>**



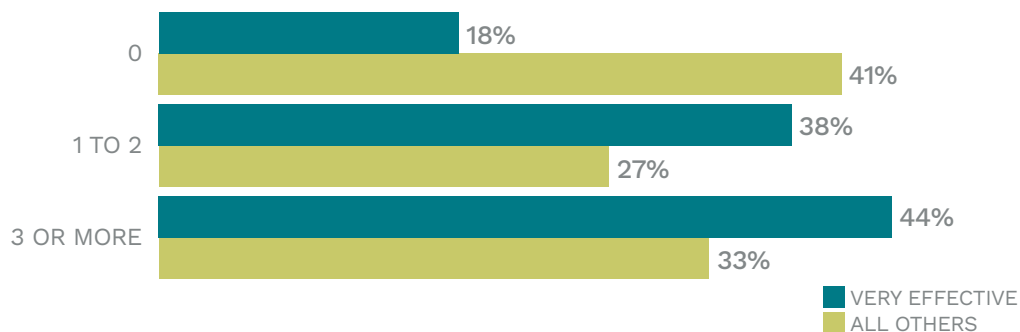
## OVERALL EFFECTIVENESS

Approximately one-quarter of family foundations self-identify as “very effective” in all three aspects of their work—operations, impact, and family dynamics. These respondents have several interesting characteristics with regard to governance, grantmaking, and family involvement.

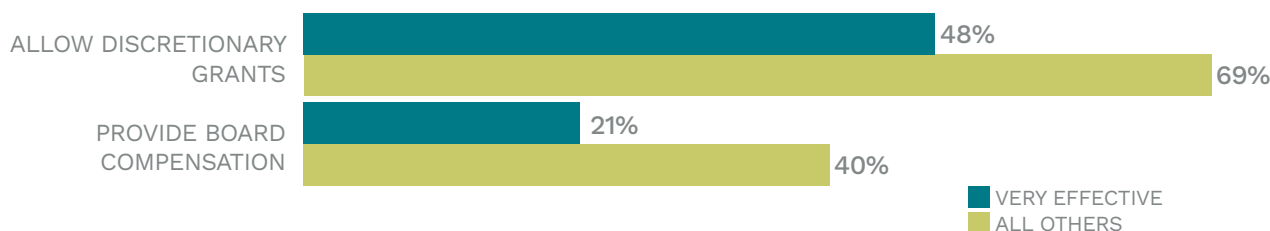
These foundations are significantly more likely to report having at least one non-family member on the board, and less likely to allow discretionary giving by board members. 48% of self-identified “very effective” foundations allow discretionary grants, while 69% of “all others” do (meaning those foundations that did not self-report as “very effective”). Only 21% of “very effective” foundations provide board compensation, while 40% of “all others” do.

<sup>3</sup> “Strongly agree” is defined as those selecting 5 on a five-point scale; “somewhat agree” refers to those selecting 4; and “disagree” refers to those selecting 1, 2 or 3.

**FIGURE 9: OVERALL EFFECTIVENESS AND PRESENCE OF NON-FAMILY BOARD MEMBERS**

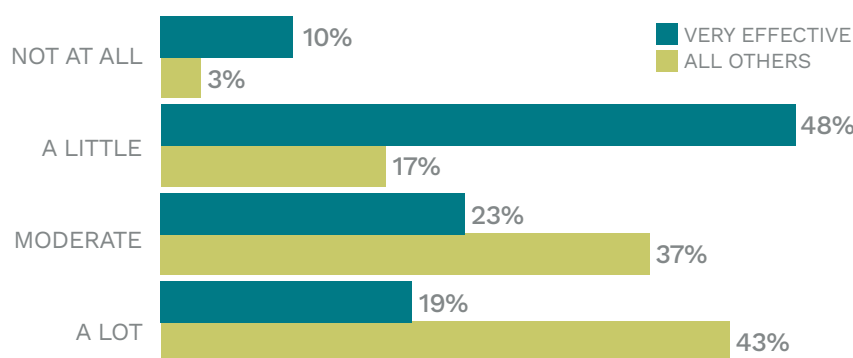


**FIGURE 10: OVERALL EFFECTIVENESS AND USE OF DISCRETIONARY GRANTS AND BOARD COMPENSATION**



Self-reported “very effective” foundations also appear to place more importance on the needs of group decision making rather than individual discretion, placing less importance on the “interests of individual board members.”

**FIGURE 11: OVERALL EFFECTIVENESS AND INFLUENCE OF INDIVIDUAL BOARD MEMBER INTERESTS ON FOUNDATION’S GIVING APPROACH**



They are more likely to focus on governance as one of the areas in which they spend the most time and attention, and less likely to focus on “learning about grantmaking and focus areas or issues.” These foundations are also more likely to have formalized governance practices and written governance policies.

**FIGURE 12: OVERALL EFFECTIVENESS AND PRIMARY BOARD ACTIVITIES (EXCLUDING GRANTS DELIBERATION)**

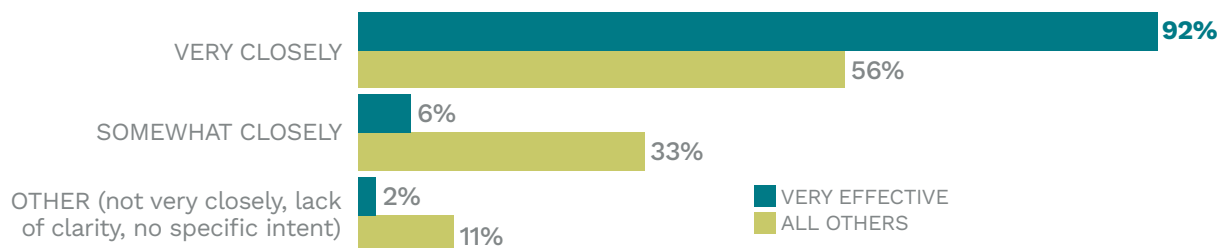
	VERY EFFECTIVE	ALL OTHERS
Planning and strategy development	50%	40%
Governance of the foundation (board development, policies, etc.)	41%	27%
Evaluation and reflection on the foundation's work	34%	39%
Site visits/community tours	31%	31%
Learning about governance and operations	30%	8%
Learning about grantmaking and focus areas or issues	14%	27%

**FIGURE 13: OVERALL EFFECTIVENESS AND WRITTEN GOVERNANCE POLICIES ARE BOARDS MOST LIKELY TO HAVE**

	VERY EFFECTIVE	ALL OTHERS
Written mission statement	75%	71%
Statement of board member responsibilities/job description	65%	43%
Written vision statement	60%	48%
Founder donor(s) or other donor(s) written or video legacy statement	49%	20%
Conflict of interest policy	45%	39%
Criteria for board member service	39%	29%
Compensation for travel/expense policy	39%	21%
Description of the role of the board chair	26%	23%
Code of ethics for board members	32%	21%
Written Diversity, Equity, & Inclusion (DEI) statement	5%	11%

Additionally, self-reported “very effective” family foundations are more likely to closely follow donor intent than others.

**FIGURE 14: HOW CLOSELY DO BOARDS FOLLOW DONOR INTENT?**



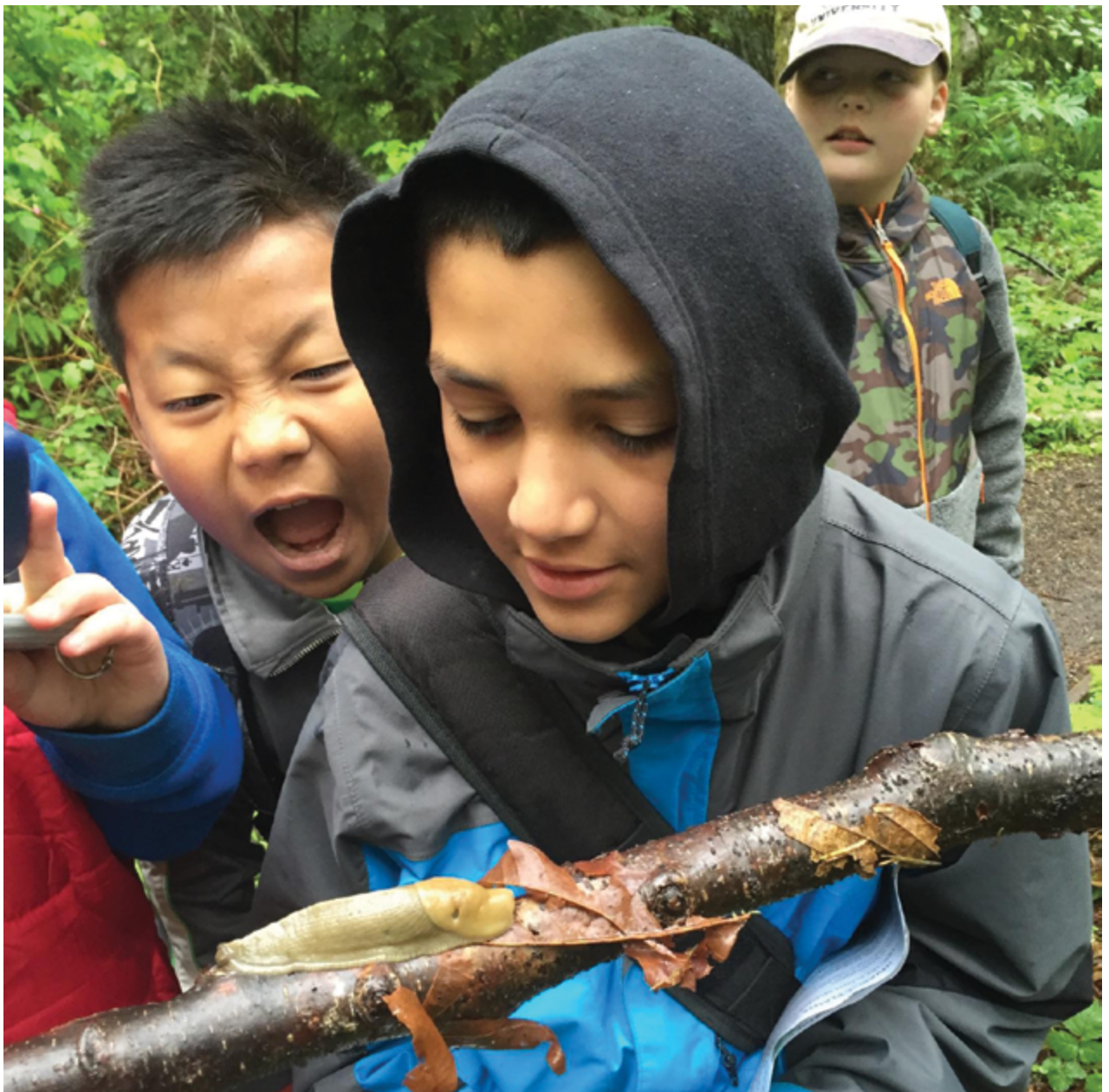
Finally, self-reporting “very effective” family foundations consistently report far fewer challenges regarding generational dynamics and differences.

**FIGURE 15: THE EFFECT OF GENERATIONAL DYNAMICS ON BOARDS**

	VERY EFFECTIVE	ALL OTHERS
Older and younger generations are interested in different issues	10%	35%
Older and younger generations have different values	4%	17%
Younger generation does not have time to be actively involved	20%	38%
Younger generation has moved away from the primary geographic location of the foundation’s funding	6%	19%
Conflicting political/social/religious views between generations	2%	11%
Conflicting views about wealth between generations	0%	8%
Older generation is reluctant to share decision-making power with younger generation	3%	15%
Generations have different opinions about how to achieve results and impact with funds	6%	21%
Generations have different opinions on what types of investments the foundation should hold	5%	11%
Generations have different opinions on how transparent the foundation should be regarding its giving/grants	3%	10%
Generations differ in their desire for technology (e.g. having a website, online grant application)	3%	7%
Older and younger generations have different values and understanding of racial equity	0%	6%
None of the above	66%	22%

## EFFECTIVENESS AND STRATEGIC LIFESPAN

Perpetual foundations are more likely to strongly agree with the statement “the foundation is having a significant impact on the issues it supports.” Specifically, 53% of perpetual foundations strongly agree, while only 35% of foundations that have decided to spend out strongly agree. Perpetual foundations are also much more likely to strongly agree with the statement “the family members engaged in the foundation work well together.” 71% strongly agree with this statement, while only 43% of foundations that have decided to spend out strongly agree.



Courtesy of The Russell Family Foundation and Mountains to Sound Greenway Trust





Courtesy of the David and Lucile Packard Foundation

# FOUNDER INVOLVEMENT, INTENT, & PERSPECTIVES

“My experience with donors is that many of them are charmed by the notion of doing this work with their family, but they never actually tell their family why they’re so charmed. So, you may have people at the table who are there out of a sense of responsibility or duty or respect for mom and dad. But you’ve never sat down with them and said, this is why you’re here.”

– Virginia Esposito, Founder, National Center for Family Philanthropy

# FOUNDER INVOLVEMENT, INTENT, & PERSPECTIVES

## FOUNDER INVOLVEMENT

Founders remain actively involved in most family foundations, yet this has declined somewhat since 2015, from 64% to 56%.

Founder involvement is low among family foundations formed before 1990, but is nearly universal among those formed since 2010.

The smallest family foundations—as defined by asset size—are notably more likely to have an actively involved founder than their larger counterparts.

**FIGURE 16: IS THE FOUNDING DONOR(S) STILL ACTIVELY INVOLVED IN THE FOUNDATION?**

By year established

	SAMPLE	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
Yes	56%	10%	28%	65%	95%
No	22%	52%	35%	16%	3%
Not applicable: Founding donor(s) is deceased	22%	38%	36%	19%	2%

**FIGURE 17: IS THE FOUNDING DONOR(S) STILL ACTIVELY INVOLVED IN THE FOUNDATION?**

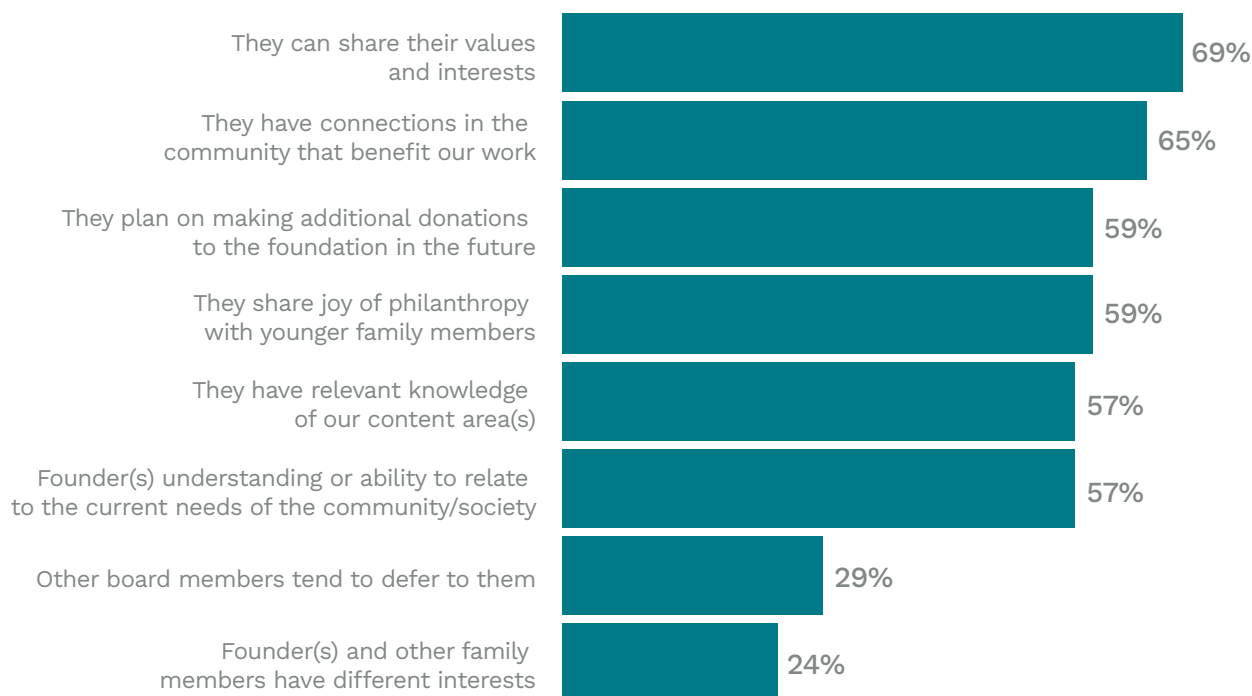
By asset size

	SAMPLE	LESS THAN \$10M	\$10M TO \$49.9M	\$50M TO \$199.9M	\$200M OR MORE
Yes	56%	62%	42%	29%	36%
No	22%	18%	32%	37%	37%
Not applicable: Founding donor(s) is deceased	22%	20%	26%	34%	27%

Foundations consider an involved founder to be beneficial in several ways, including the founders' ability to share their values/interests and their community connections.

**FIGURE 18: WAYS FOUNDER INVOLVEMENT IS VIEWED AS A “CONSIDERABLE BENEFIT”**

Among foundations with an involved founder



## ADHERENCE TO FOUNDER INTENT

Most family foundations have a clear understanding of their founder's intent and say that they adhere very closely to that intent. Adherence is notably lower among family foundations established before 1990, but even among those, most still follow the founder's intent.

Not surprisingly, when a founder is actively involved, the foundation is much more likely to very closely follow donor intent (76%), compared to when a founder is not involved (51%).

**FIGURE 19: EXTENT TO WHICH FOUNDING DONORS' INTENT IS FOLLOWED**

	SAMPLE	ACTIVE FOUNDER	FOUNDER NOT INVOLVED
Very closely	65%	76%	51%
Somewhat closely	26%	20%	35%
Not very closely	3%	0%	6%
There is disagreement or lack of clarity regarding the donors' intent	1%	2%	1%
Does not apply, the founding donor(s) did not have a specific intent	4%	2%	7%

**FIGURE 20: EXTENT TO WHICH FOUNDING DONORS' INTENT IS FOLLOWED**

By year established

	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
Very closely	54%	52%	70%	72%
Somewhat closely	25%	41%	24%	18%
Not very closely	8%	4%	2%	1%
There is lack of clarity or disagreement regarding the donors' intent	2%	0%	0%	7%
Does not apply, the donor(s) did not have a specific intent	11%	4%	4%	2%

**FIGURE 21: EXTENT TO WHICH FOUNDING DONORS' INTENT IS FOLLOWED**

By asset size

	LESS THAN \$10M	\$10M TO \$49.9M	\$50M TO \$199.9M	\$200M OR MORE
Very closely	67%	61%	59%	65%
Somewhat closely	26%	27%	30%	21%
Not very closely	3%	2%	3%	6%
There is lack of clarity or disagreement regarding the donors' intent	1%	2%	2%	3%
Does not apply, the donor(s) did not have a specific intent	3%	9%	7%	6%

## FOUNDER PERSPECTIVES

64 family foundation founders participated as respondents to the *Trends 2020* survey. 85% of these 64 founder respondents are associated with family foundations created since 1990. We can gain a useful lens into founder perspectives on many topics by analyzing differences in their responses to those of other respondents.

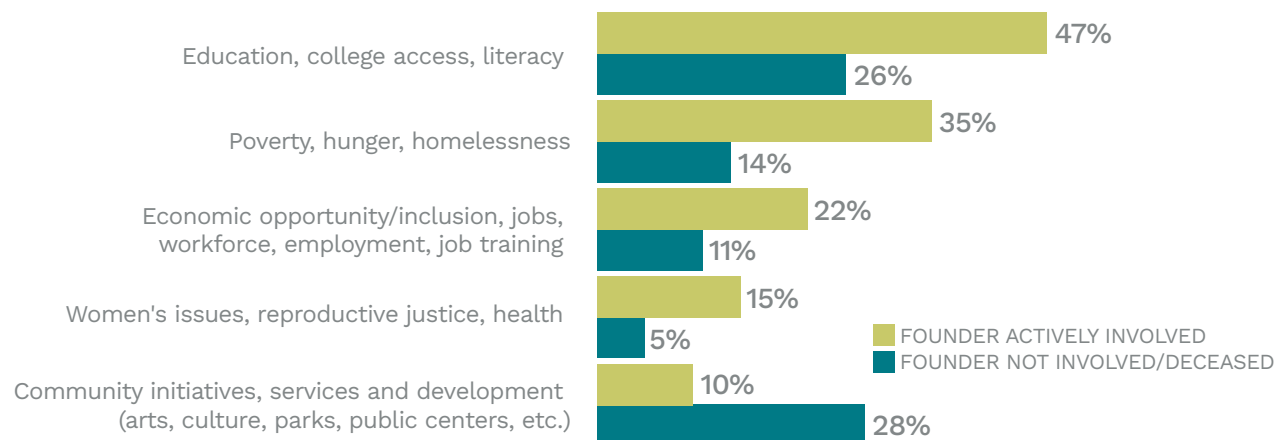
Founders rate higher the “benefit of their own community connections and their understanding of current community/society needs,” whereas others in the foundation—paid staff, for example—are more likely to say that founders’ “sharing the joy of philanthropy with younger family” is of considerable benefit.

Family foundations where a founder is still active behave differently in a variety of ways:

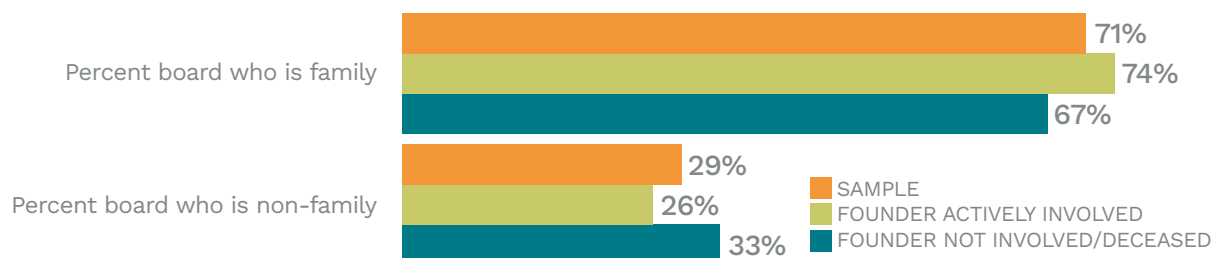
- Foundations where the founder is actively involved are less likely to focus on geography and more likely to focus on a specific issue(s), than family foundations where the founder is not involved.
- Foundations with active founders are much more likely to list education, women’s issues, and poverty, hunger, and homelessness as top areas of interest, and less likely to list youth empowerment (4% to 10%) and community initiatives including arts and culture (10% to 28%).
- The boards of these foundations are generally smaller and have a slightly higher percentage of family members.
- These foundations are less likely to assess the role and performance of the board and much less likely to assess the role and performance of staff.
- These foundations are less likely to integrate outside perspectives, and significantly less likely to communicate with outside audiences.

**FIGURE 22: ACTIVE FOUNDER INVOLVEMENT INFLUENCE ON GIVING INTEREST**

Percent listing issue in top giving interests



**FIGURE 23: ACTIVE FOUNDER INVOLVEMENT INFLUENCE ON BOARD MAKEUP**



The perspectives of founders who completed the *Trends 2020* survey differed with others in interesting ways, including:

- Founders are much more likely to define the geographic focus of the foundation as “international,” with 36% indicating this focus vs. 2% of the overall sample.
- Founders place a much higher emphasis on the issue of education (60% vs. 29% of the overall sample) and women’s issues (31% vs. 3% of the overall sample) and a lower emphasis on social services (14% vs. 30% of the overall sample) and healthcare (10% vs. 22% of the overall sample).
- Founders are less likely to strongly agree with the statement: “the foundation is having a significant impact on the issues it supports,” with 33% of founders strongly agreeing with this statement, and only 47% of all others (including staff, advisors, and other family members) strongly agreeing with this statement.

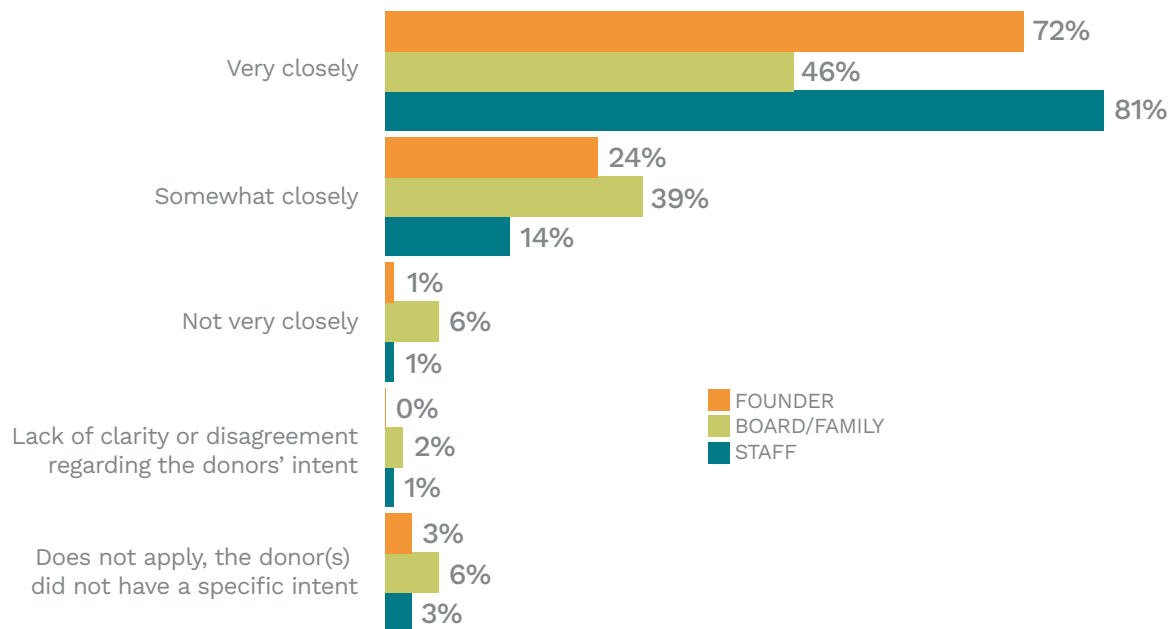
See below for additional examples of where founder perspectives differ substantially from others who completed the survey.

### FOUNDER PERSPECTIVES: DONOR INTENT

Most founders (72%) feel that the foundation “very closely” follows donor intent. By comparison, less than half of family members (other than the founder), reported that they “very closely” follow intent at the foundation.

**FIGURE 24: EXTENT TO WHICH DONORS’ INTENT IS FOLLOWED**

By role of respondent



## FOUNDER PERSPECTIVES: GOVERNANCE

Founders report spending far less time and attention on the governance of the foundation, and are much less likely to have documented their approach to governance.

- Only 6% of founders list “governance” among the three areas in which the board spends the most time and attention (vs. 41% of all other respondents, who list “governance” as one of the top three areas of time and attention).
- 27% of founders (vs. only 14% of all others) list next generation engagement as a top activity.
- Only 43% of founder respondents report the use of one or more committees or advisory groups versus 74% of all other respondents.
- 78% of founder respondents indicate their foundation allows the use of discretionary grants vs. 56% of all other respondents.

**FIGURE 25: FOUNDATION’S WRITTEN GOVERNANCE DOCUMENTS**

By role of respondent

	FOUNDERS	ALL OTHERS
Written mission statement	52%	79%
Written vision statement	14%	63%
Statement of board member responsibilities/job description	32%	57%
Conflict of interest policy	16%	46%
Criteria for board member service	3%	38%
Compensation for travel/expense policy	7%	34%
Description of the role of the board chair	5%	32%
Founder donor(s) or other donor(s) written or video legacy statement	23%	31%
Code of ethics for board members	7%	31%
Committee charters or descriptions	16%	23%
Written Diversity, Equity, & Inclusion (DEI) statement	5%	12%
None of the above	38%	5%



## FOUNDER PERSPECTIVES: FAMILY DYNAMICS

Founders seem to have different perspectives than other respondents on how generational dynamics affect the foundation. For example, 48% of founders say the older and younger generations are interested in different issues, whereas only 23% of other respondents list that as affecting their foundation. Additionally, 59% of founders place “a lot” of importance on the opportunity to engage younger generations over time as a key factor in sustaining family member participation (vs. 36% of others reporting “a lot”).

**FIGURE 26: EFFECT OF GENERATIONAL DYNAMICS ON FOUNDATION**

By role of respondent

	FOUNDERS	ALL OTHERS
Older and younger generations are interested in different issues	48%	23%
Generations have different opinions about how to achieve results/impact	12%	20%
Generations have different opinions on foundation transparency	1%	11%
Generations differ in their desire for technology	11%	4%

## FOUNDER PERSPECTIVES: TRANSPARENCY, COMMUNICATIONS, AND ASSESSMENT

Founders are much less likely than other foundation respondents to express interest in measuring the impact of the foundation’s giving, to place value in communicating the goals and results of the foundation’s giving, or to look for ways to formally integrate any of the following outside perspectives into the grantmaking process and/or governance structures.

**FIGURE 27: PERSPECTIVES ON TRANSPARENCY, COMMUNICATIONS, AND ASSESSMENT**

By role of respondent

	FOUNDERS	ALL OTHERS
We use at least one tool or channel to communicate with external audiences	38%	83%
We integrate outside perspectives	39%	72%
We communicate or solicit feedback about our giving priorities or process	53%	91%
We assess the impact of our giving	58%	92%



For more on the interests, perspectives, and challenges of family foundations where the founder is present, see the *Trends 2020 Deep Dive Issue Brief* on this topic.

## FOUNDER PERSPECTIVES: FUTURE PLANS

Founders exhibit little interest in changing their current approaches to governance, management, grantmaking, and transparency. In all areas, founders are much more likely to answer “none of the above” when presented with a list of possible actions/approaches they might take.

**FIGURE 28: ANTICIPATED CHANGES IN GOVERNANCE, MANAGEMENT, GRANTMAKING, AND TRANSPARENCY IN THE NEXT FOUR YEARS**

By role of respondent

Withing the next four years, do you anticipate or are you considering any changes to...	FOUNDERS	ALL OTHERS
	% answering none of the above	
Board and staff	46%	13%
Assets	53%	19%
Giving practices	52%	22%
Evaluation and transparency	77%	23%





Courtesy of the David and Lucile Packard Foundation

# FOUNDATION GIVING

“There is no ‘one right’ way to practice philanthropy. While the shift away from place-based family philanthropy will create some challenges, it also signals that families are working to ensure that they are being thoughtful about how they give—and that will ultimately lead to much better outcomes. The best thing any family can do is focus its philanthropy on what aligns best with their values and vision.”

– Virginia Esposito, Founder, National Center for Family Philanthropy

# FOUNDATION GIVING

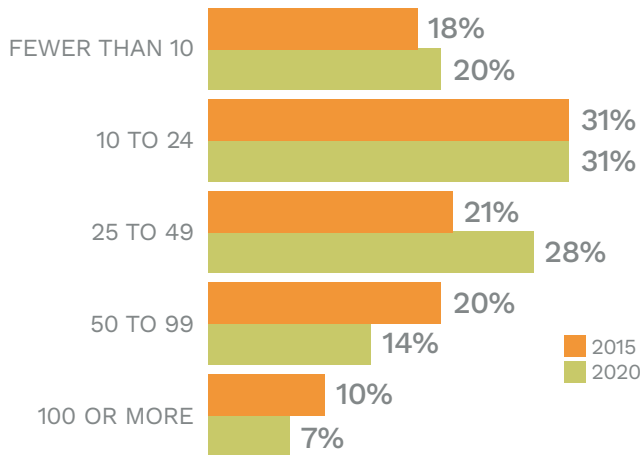
Family foundations must make choices around the size, number, and focus of their grants. They also have choices around how much they payout annually, the types of grants they make, and how they interact and communicate with the organizations and individuals they support. This section explores new trends in these and other areas related to foundation giving.

## GIVING ACTIVITY

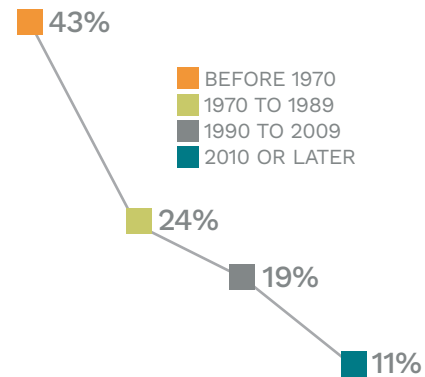
Family foundations are awarding fewer but larger grants than in 2015. Fewer family foundations today are awarding 50+ grants per year, while more are awarding in the range of 25 to 49. More family foundations are now giving \$500,000 or more annually.

The giving levels and number of grants of the oldest family foundations (those formed before 1970) are notably higher than those of newer family foundations (those formed since 2010).

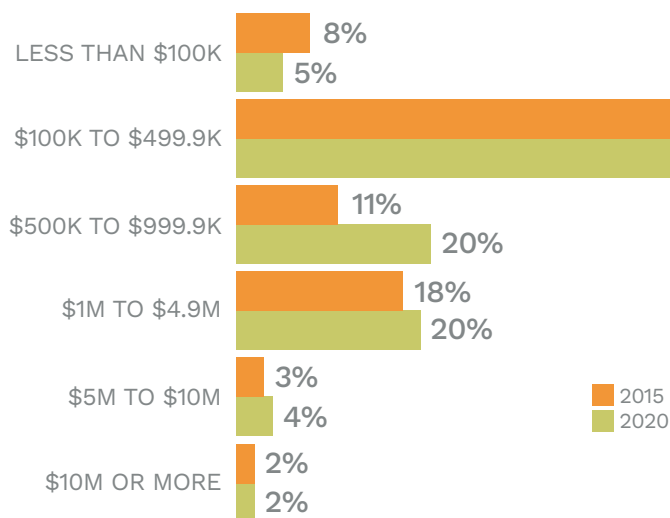
**FIGURE 29: NUMBER OF GRANTS IN PAST YEAR**



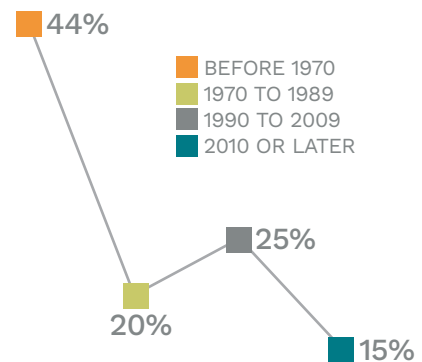
**PERCENT GIVING 50 OR MORE GRANTS**  
By year established



**FIGURE 30: AMOUNT OF GIVING IN THE PAST YEAR**



**PERCENT GIVING \$1M OR MORE GRANTS**  
By year established



## PAYOUT RATE

A little more than one-third (34%) of family foundations pay out the minimum of 5%, and another 29% pay out between 5% and 6%. The rest gave more than 6%, with approximately 13% of respondents giving above 8%. Of these, nearly 80% are family foundations created from 1990 to 2009.

Foundations with a higher payout rate (>8%) are also much less likely to self-identify as issue-focused funders, much more likely to allow discretionary grants by board members, and much more likely to have active founder involvement—perhaps indicating that they have not yet been fully endowed.

Overall, these payout rates are comparable to 2015’s rates; however, today more foundations are paying more than the minimum payout, while fewer are giving above 10%.

One in ten are pass-through family foundations. The newest family foundations are most likely to be pass-through family foundations, with approximately 30% of family foundations created since 2010 falling into this category.

As expected, family foundations established before 1970 are most likely to pay out at the minimum of 5%. These foundations are much more likely to be set up as perpetual family foundations.

**FIGURE 31: APPROXIMATE PAYOUT RATE IN LAST TWO YEARS**

By year established

	SAMPLE	BEFORE 1970	2010 OR LATER
5.0% of the corpus	34%	58%	31%
5.1 to 6.0%	29%	19%	32%
6.1 to 8.0%	13%	17%	2%
8.1 to 10.0%	11%	1%	5%
More than 10%	2%	4%	0%
N/A, we are a pass-through foundation	10%	1%	30%

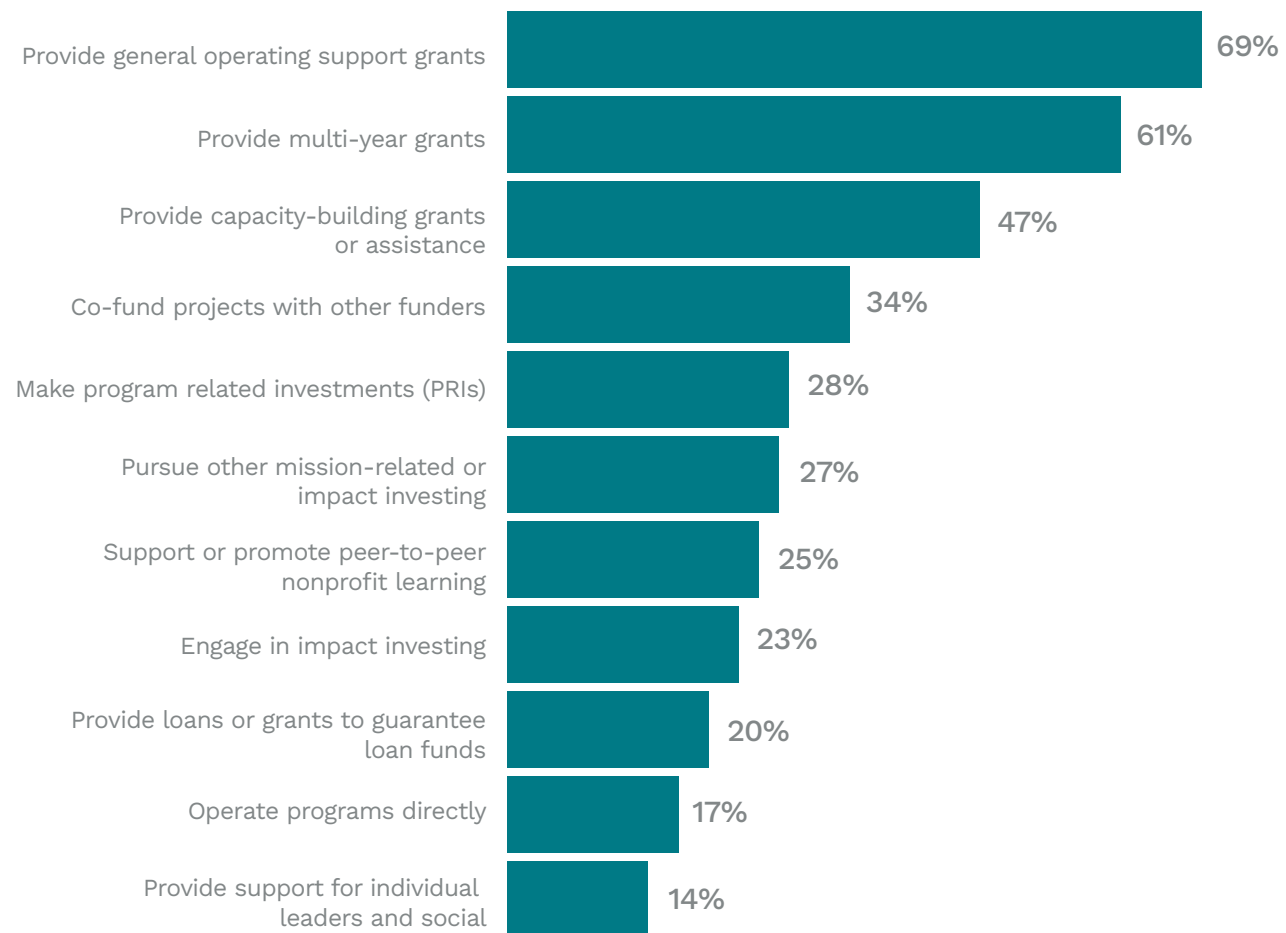
## TYPES OF GIVING

About two-thirds of family foundations make general operating support grants and provide multi-year grants, and about half provide capacity-building grants. In 2015, the majority of foundations chose these same three grant types.

Program related investments (PRIs) (63%), other mission-related or impact investing approaches (59%), impact investing (47%), and loans/grants to guarantee loan funds (39%) are much more prevalent among family foundations established after 2010.

The largest foundations are significantly more likely to provide capacity-building grants (63%), make PRIs (41%), provide loans/grants to guarantee loan funds (33%), and support peer-to-peer nonprofit learning (40%), while foundations under \$10M in assets are the most likely to engage in impact investing. While overall 17% operate programs directly, this is much more common among medium to large foundations (25% for foundations with \$1M or more in giving, vs. 15% for smaller foundations).

**FIGURE 32: TYPES OF GRANTS AND PROGRAM INVESTING**



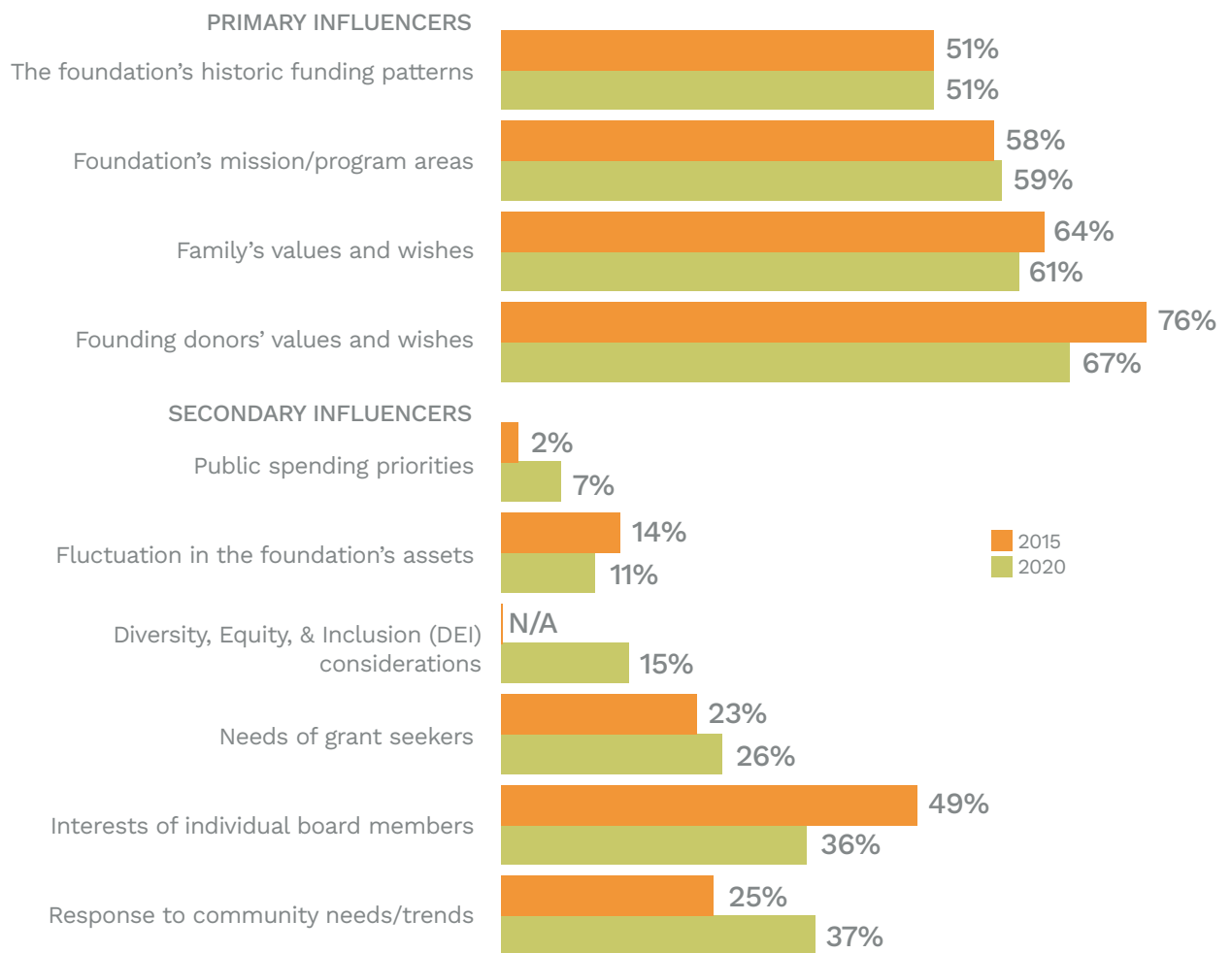
## INFLUENCES OF GIVING DECISIONS

As in 2015, internal factors more strongly influence giving approaches than external factors, although increasingly, foundations say responding to community needs is an influencing factor.

Newer foundations, which more often have an involved founder, are more influenced by that founder's wishes and the family's wishes. Older foundations appear less influenced by the founder or family.

More than one-third of newer foundations say Diversity, Equity, & Inclusion (DEI) considerations have "a lot" of influence on their giving approaches (38%, compared to 11% for all other foundations).

**FIGURE 33: INFLUENCES ON GIVING DECISIONS**





## GUIDELINES FOR GIVING

Roughly three-fourths of family foundations have guidelines in place related to the program areas they support. About half have set guidelines for creating change in the areas they support. Larger family foundations are more likely to have strategies for creating change (73%) and measurable goals (60%) in place.

A significantly higher percent of family foundations established in the past 10 years report having guidelines for creating change (80%), social justice (41%), and DEI goals/strategies (53%).

**FIGURE 34: GUIDELINES USED FOR GIVING**

By year established

	BEFORE 2010	2010 OR LATER
Program areas or issues it is addressing	71%	88%
Strategies/approaches for creating change on issues the foundation supports	45%	80%
Targets or measurable goals in relation to issues the foundation supports	43%	26%
Diversity, Equity, & Inclusion (DEI) goals or strategies	20%	53%
Social justice	22%	41%

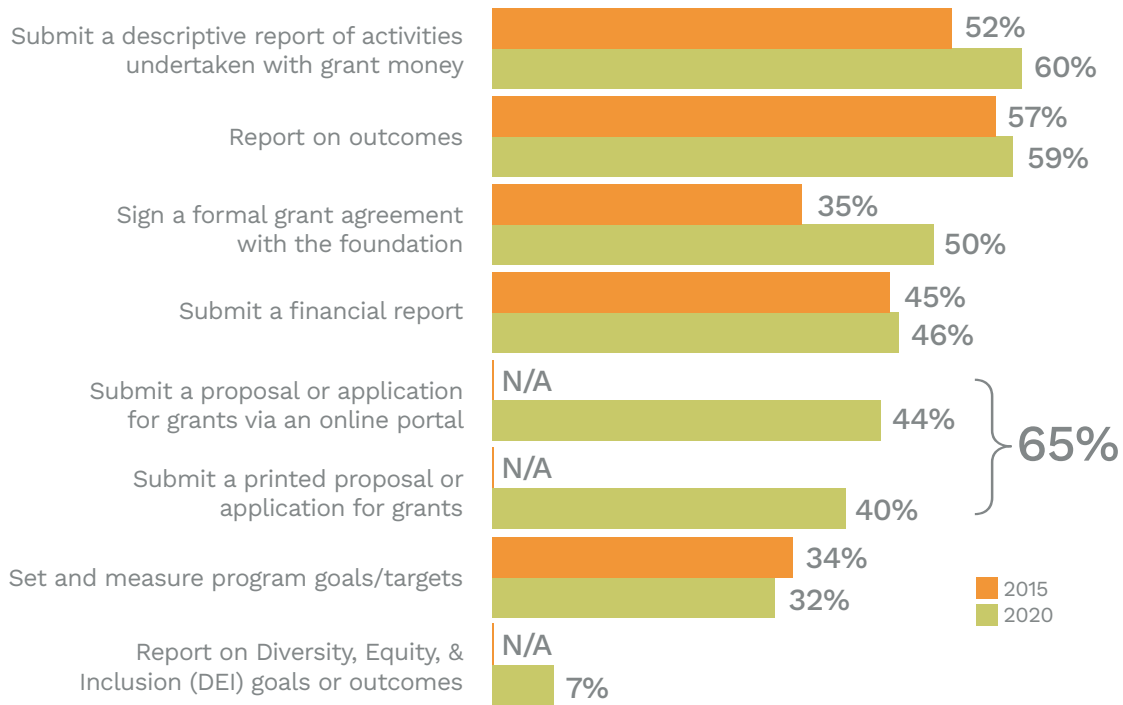
## GRANTS MANAGEMENT ACTIVITIES

Family foundations are enhancing grants management processes, and in some cases, incorporating additional grant requirements. The majority ask grantees to submit a report detailing how they used grant money, and also to report on outcomes. One-third require grantees to set and measure program goals and targets.

The practice of asking grantees to sign a formal agreement has increased considerably since 2015.

Two-thirds require grantees to submit signed applications. Although even the smallest foundations (in assets) require this, incidence is somewhat lower among smaller foundations compared to other foundations (61% with giving levels under \$1M, 76% for other foundations).

**FIGURE 35: ACTIVITIES REQUIRED OF GRANTEES**



## ASSESSMENT OF GRANTS

Most family foundations assess the impact of their work in some way. As the age of a family foundation increases, so too does the incidence of assessing impact.

- Family foundations formed before 1990 are more likely to assess staff performance (38% vs. 21% for others), board performance (27% vs. 18% for others), and individual grant outcomes (49% vs. 34% for others).
- Those established in the past 10 years more often assess their total impact (56% vs. 36% of all others), and are much more likely to assess DEI outcomes (34% vs. 13%) and to analyze the racial/ethnic/other demographics of grantees (32% vs. 10%). They are also much more likely to solicit direct feedback from grantees (55% vs. 23% of all others).

**FIGURE 36: FOUNDATION APPROACHES TO ASSESSMENT**

By year established

	BEFORE 2010	2010 OR LATER
<b>Yes, Foundation...</b>		
Assesses individual grant outcomes	39%	35%
Strives to assess our impact on issues or program areas	46%	57%
Strives to assess the total impact of the foundation's giving	36%	56%
Assesses the role and performance of the board	21%	16%
Assesses the role and performance of the staff	28%	11%
Solicits direct feedback from grantees and/or communities we serve	23%	55%
Assesses Diversity, Equity, & Inclusion (DEI) outcomes	13%	34%
Analyzes the racial/ethnic or other demographics of our grantee organizations	10%	32%
<b>No</b>		
But we are exploring how to assess our impact	12%	1%
We do not assess the impact of our giving	19%	1%

### DISCRETIONARY GRANTS

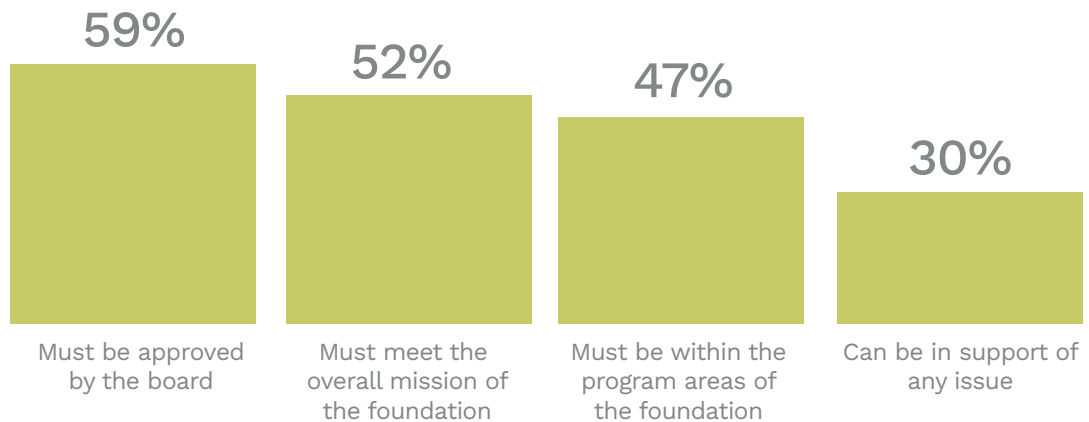
Approximately 64% of family foundations allow individual board members to recommend discretionary grants, with certain parameters in place. Smaller family foundations (less than \$10M) are more likely to allow this. This appears to be a significant decrease since 2015, when 86% of respondents indicated that they offer discretionary grants.

Foundations formed between 1970 and 1989 are also more likely than others to allow discretionary grants (76%).

Two-thirds of current family foundations require that discretionary grants meet the overall foundation mission and/or be within the program area of the foundation. 60% specify that these grants require formal approval by the board (see NOTE).

**NOTE:** Regardless of individual foundation practices on discretionary grants, federal law requires that all grants made by a foundation must be attributed to the foundation, and that all board members have a fiduciary responsibility regarding all grants made by the foundation.

**FIGURE 37: PROCESS FOR GRANT RECOMMENDATIONS BY BOARD MEMBERS**  
Among those that permit discretionary grants



### ADDITIONAL GIVING VEHICLES USED

Families and individual family members give in many ways beyond the family foundation. Most commonly, they give through direct individual support to nonprofits. About one-third have set up one or more donor-advised funds (DAFs) at community foundations, while other types of DAFs, including those offered by financial institutions, are less commonly used.

Family foundations that define themselves as place-based are much more likely to use DAFs, in particular those associated with their local community foundation (58% vs. 26% all other respondents). Place-based foundations are also more likely to participate in local giving circles (25% vs. 14%).

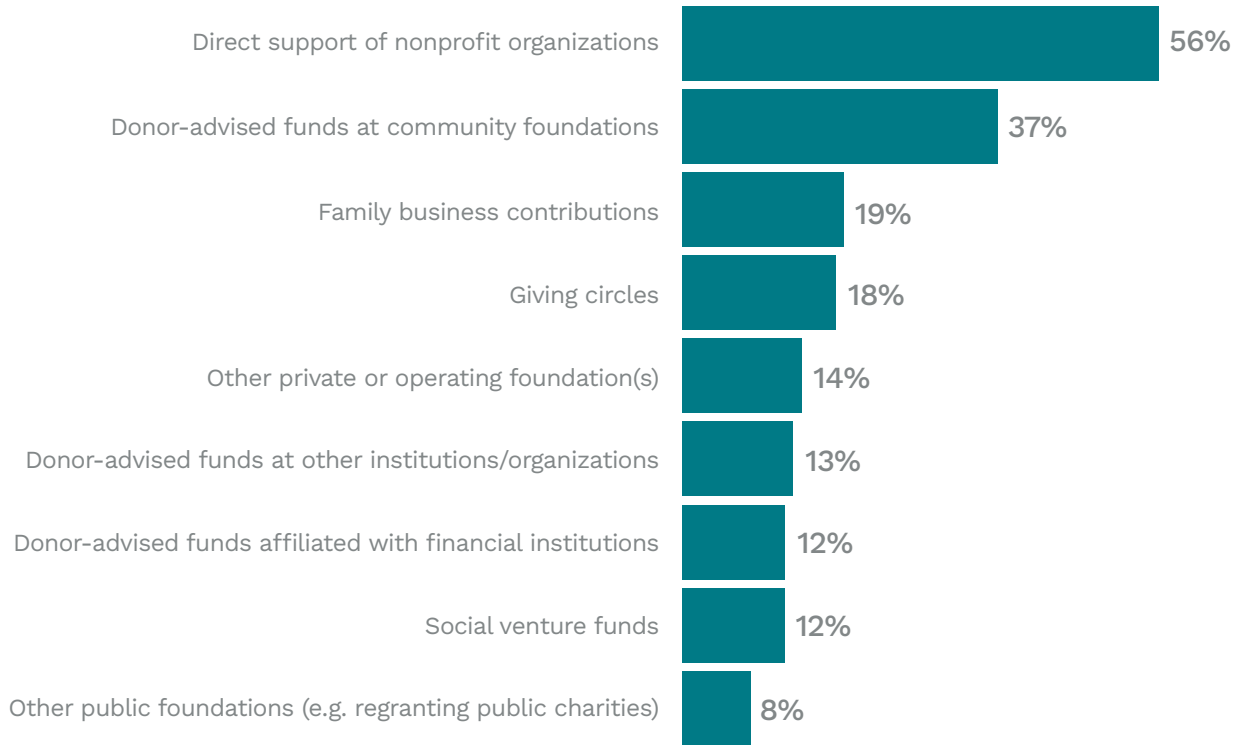
Overall, use of giving circles remains limited, yet is on the rise since 2015 (from 6% to 18%), as is the use of social venture funds (from 5% to 12%). 14% of family foundations report being connected to one or more other private or operating foundation.

The largest family foundations are notably more likely to use donor-advised funds and family business contributions.



For more on trends related to donor-advised funds, see NCFP's online guide: *Family Philanthropy and Donor-Advised Funds*

**FIGURE 38: ADDITIONAL GIVING VEHICLES USED**





# BOARD LEARNING & DECISION MAKING

“Your grantmaking program is likely based on your family’s most deeply held values. How you align your values as stated with your values in practice says a lot about your foundation and your family.”

– Virginia Esposito, Founder, National Center for Family Philanthropy

# BOARD LEARNING & DECISION MAKING

Family foundation board members must allocate time and identify ways to track and acquire the information they need to serve as effective fiduciaries for the organization. This section explores the strategies that boards and donors are using to learn about new ideas, and the ways they spend their time as board members.

## FAMILY FOUNDATIONS AS LEARNING INSTITUTIONS

Two in ten family foundations have taken steps to become “active learning institutions,” defined as regularly bringing in outside speakers to board meetings, providing specialized training for board and staff members, and related activities. This is more prevalent among mid- to large-sized family foundations and those established before 1970.

While only 3% of the newest foundations report taking steps to become an active learning institution, many of these foundations are engaged in specific activities dedicated to learning (see below), indicating that there may simply be resistance to apply the “learning institution” label to their approach.

**FIGURE 39: STEPS TAKEN TO EXPAND FOUNDATION FROM GRANTMAKING TO ACTIVE LEARNING INSTITUTION**

By year established

	SAMPLE	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
Yes	19%	33%	18%	19%	3%
No, but we are exploring this	33%	26%	35%	34%	35%
No, and have no plans to explore this	48%	41%	48%	46%	62%

## LEARNING ABOUT NEW IDEAS

Family foundation boards learn about new ideas and approaches from both internal and external sources.

Larger family foundations (\$200M or more in assets) use presentations by outside experts (76%), participation on nonprofit boards (57%), and social media (24%) more often than others to learn about new ideas and approaches.

Compared to their counterparts, the newest foundations are significantly more likely to learn from interacting with the community and those they serve (80%). They are also more likely than older foundations to use outside expert presentations (63%) and social media (31%).

In all but two areas, the percentage of family foundations using a particular learning strategy has decreased since 2015. The two areas in which the percentage has increased slightly include presentations by outside experts and participation in external learning opportunities. These changes may be because boards are overwhelmed by the increasing availability of information on topics and are looking for curated and/or peer-led sources of knowledge and training.



**FIGURE 40: HOW FAMILY FOUNDATION BOARDS LEARN ABOUT NEW IDEAS**

	2015	2020
Communications and interaction on social media	N/A	10%
Participation in funder networks	32%	26%
Participation on nonprofit boards	73%	42%
Presentations to the board by outside experts	40%	43%
Site visits/community tours/meeting with those we serve/direct engagement with the communities we serve	71%	48%
Reading materials on these topics	85%	52%
Participation in external learning opportunities (webinars, trainings, conferences, etc.)	49%	53%
Presentations to the board by staff and/or board members	72%	55%

### BOARD ACTIVITY

Aside from grant deliberation/decision making, the areas where family foundation boards spend the most time are investment management, planning/strategy, evaluation of work, and governance. (One exception to this is that family foundations created prior to 1970 appear to spend significantly less time on evaluation and reflection than those from more recent decades.) These choices are similar to results found in the *2015 Trends Study*.

Newer family foundations are much more likely to spend time learning about governance, while older family foundations spend more time on activities designed to engage the next generation. At this point in time, very few family foundations report spending significant amounts of time on DEI training/development, although one in ten foundations created between 1970 and 1989 report doing so and, as noted above, a significant percentage of newer foundation report that they are assessing DEI outcomes.

**FIGURE 41: WHERE DO BOARDS SPEND THEIR TIME?<sup>4</sup>**

By year established

	SAMPLE	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
<b>Operations</b>					
Investment management	48%	63%	43%	44%	56%
Planning and strategy development	42%	36%	42%	45%	36%
Evaluation and reflection on the foundation's work	38%	19%	50%	34%	59%
Site visits/community tours	31%	35%	18%	36%	23%
Learning about grantmaking and focus areas or issues	24%	21%	15%	27%	21%
Staff management/operations	14%	13%	21%	12%	14%
External/community relations	14%	9%	7%	20%	2%
Diversity, Equity, & Inclusion (DEI) training/development	4%	1%	10%	5%	0%
<b>Governance</b>					
Governance of the foundation (board development, policies, etc.)	30%	37%	31%	28%	32%
Next generation engagement	17%	24%	18%	18%	5%
Learning about governance and operations	13%	10%	9%	11%	32%

<sup>4</sup> Percent listing each of these activities as one of the top three areas where the board spends its time aside from grants deliberation and approval.

Family foundations that rate themselves as “very effective” in each of the three areas of internal operations, family engagement, and impact (see page 51, above) report making different choices with regards to where they spend their time.

Specifically, self-reported “very effective” boards spend more time on governance, planning, and strategy development, and less in the areas of learning about issue areas, next generation engagement, external/community relations, and DEI training.

**FIGURE 42: HOW “VERY EFFECTIVE” FAMILY FOUNDATION BOARDS SPEND THEIR TIME**

	VERY EFFECTIVE	ALL OTHERS
Planning and strategy development	50%	40%
Investment management	50%	47%
Governance of the foundation (board development, policies, etc.)	41%	27%
Evaluation and reflection on the foundation’s work	34%	39%
Site visits/community tours	31%	31%
Learning about governance and operations	30%	8%
Learning about grantmaking and focus areas or issues	14%	27%
Next generation engagement	7%	20%
External/community relations	4%	18%
Diversity, Equity, & Inclusion (DEI) training/development	0%	6%



Courtesy of the Jacobs Family Foundation

# COMMUNITY INTERACTION & COMMUNICATION

“Philanthropy is an enormous responsibility and you work hard to make sure you do it well. Be proud of that work and be proud of your family legacy of giving. Tell the story of that work—including your mistakes. You have the ability to compound the good you are doing by helping others understand what you have learned.”

– Virginia Esposito, Founder, National Center for Family Philanthropy

# COMMUNITY INTERACTION & COMMUNICATION

Increasingly, family foundations are finding new ways to communicate and engage with the communities they support. Many families are also considering the benefits of being more transparent with their philanthropy, but others feel that there are appropriate limits to how open they should be in this work.

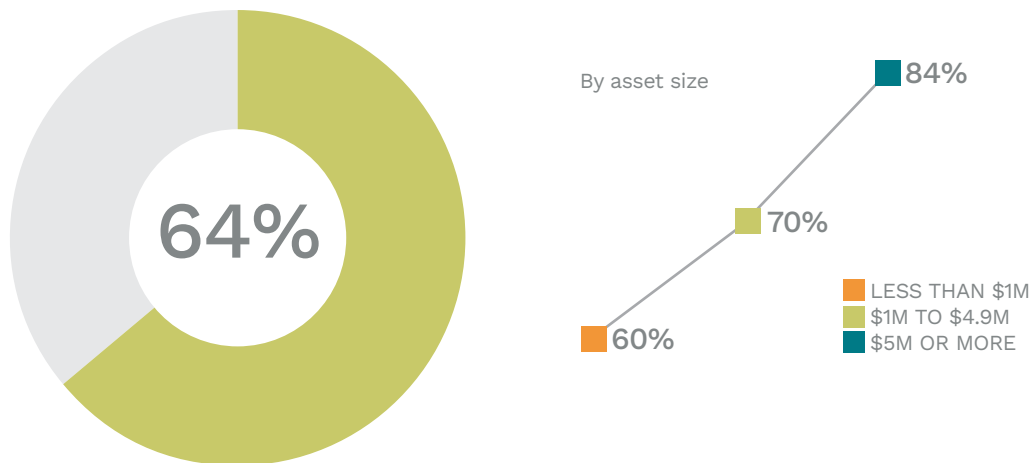
This section explores how foundations are integrating outside perspectives into their grantmaking processes and governance structures, and the channels they use for sharing updates on their work.

## COMMUNITY PERSPECTIVES

About two-thirds of family foundations formally integrate outside perspectives into their grantmaking process or governance; common approaches for this include seeking input from issue-area experts, community leaders, other grantmaking family foundations, and prior grantees.

The practice of including outside perspectives increases as the size of the foundation increases, with 84% of family foundations giving \$5M or more per year adopting this practice.

**FIGURE 43: LEADERSHIP FORMALLY INTEGRATES OUTSIDE PERSPECTIVES INTO GRANTMAKING PROCESS OR GOVERNANCE STRUCTURES**



Notably more family foundations established in the past 10 years include community leaders (55%), issue-area experts (54%), other grantmaking family foundations (51%), and DEI specialists (31%). At the same time, these foundations report being less likely to integrate the perspectives of grantees or members of the community who benefit from the grant.

**FIGURE 44: OUTSIDE PERSPECTIVES INTEGRATED INTO THE GRANTMAKING PROCESS AND/OR GOVERNANCE STRUCTURES OF FAMILY FOUNDATIONS**

By year established

	BEFORE 2010	2010 OR LATER
Community leaders	33%	55%
Issue-area experts	36%	54%
Other grantmaking family foundations	24%	51%
Diversity, Equity, & Inclusion (DEI) experts/specialists	14%	31%
The general public	12%	12%
Prior grantees	30%	11%
Beneficiaries (community members who benefit from grant)	17%	7%
No, we do not integrate outside perspectives	37%	31%

Family foundations that self-report as “very effective” in each of the three areas of internal operations, family engagement, and impact are also significantly more likely to integrate the perspectives of community leaders (50%), issue-area experts (52%), other grantmaking family foundations (37%), and DEI specialists (28%). Less commonly reported methods among “very effective” foundations include asking for input from prior grantees (19%), the general public (9%), and beneficiaries (10%).

## EXTERNAL COMMUNICATIONS

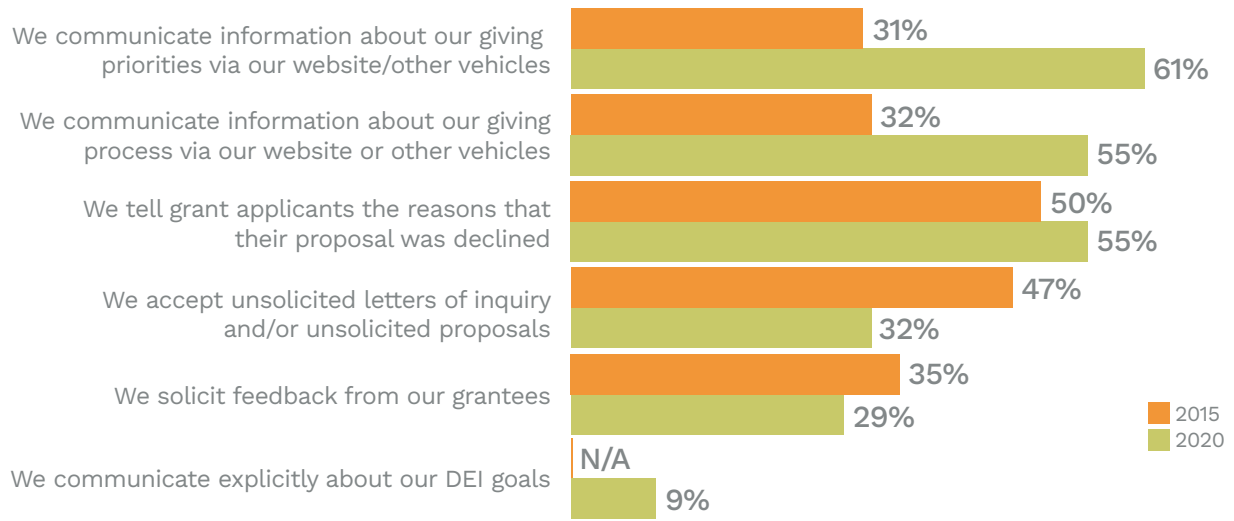
More foundations are externally communicating their giving priorities and process than they were in 2015; conversely, fewer family foundations are accepting unsolicited inquiries or proposals.

The largest family foundations are notably more likely to communicate about giving priorities (71%) and process (67%). These family foundations are also more likely to solicit feedback from grantees (41%) and communicate about DEI goals (22%).

The newest family foundations are much more likely to communicate reasons why proposals are declined (76%) and solicit feedback from grantees (57%).

Family foundations that self-define as “very effective” appear to be much less likely to accept unsolicited letters of inquiry and/or proposals (only 13% vs. 39% of all others do this), but conversely are significantly more likely to solicit feedback from grantees (46% vs. 23%), and somewhat more likely to tell grant applicants why their proposal was declined (67% vs. 51%).

**FIGURE 45: METHODS OF EXTERNAL COMMUNICATION**

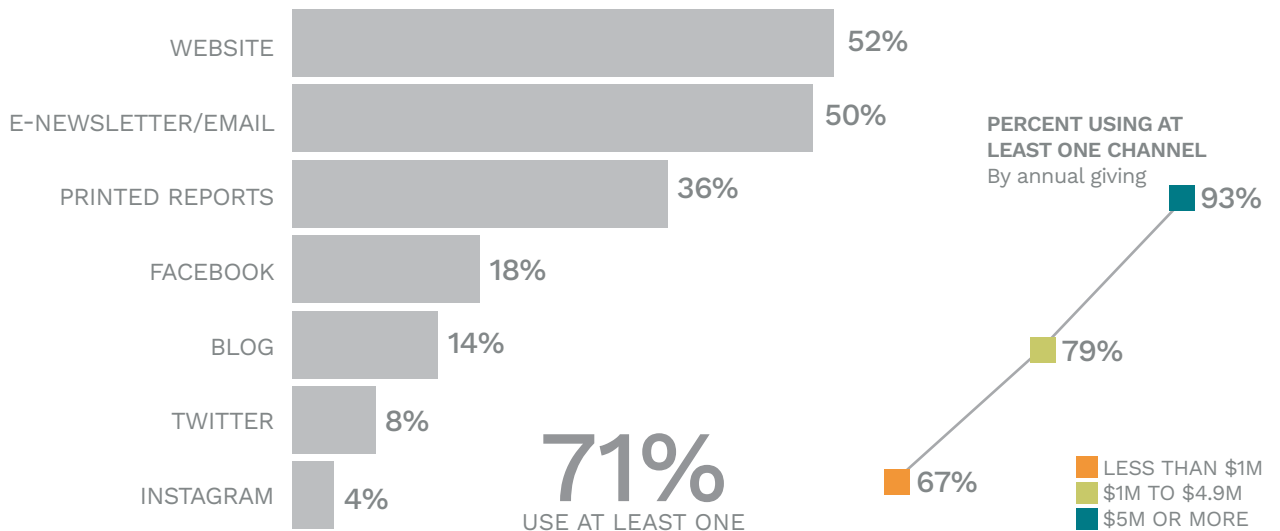


**COMMUNICATIONS TOOLS**

Most family foundations, especially those larger in asset size, communicate externally using websites and e-newsletters and/or email. The majority of family foundations with \$50M or more in assets use both of these tools. 83% of family foundations with \$50M or more in assets and 92% of those with \$200M or more in assets report that they use a website.

Use of social media (in particular Facebook and Twitter) and blogs are less prevalent, and again, more commonly used at larger family foundations. Among family foundations with \$200M or more in assets, 41% have a Facebook page, 39% have a Twitter account, and 17% have an Instagram account.

**FIGURE 46: TOOLS AND CHANNELS USED TO COMMUNICATE EXTERNALLY**



 For more on the choices and challenges of transparency and communications, see NCFP’s guide, *Transparency in Family Philanthropy: Opening to the Possibilities*





Courtesy of the Castellano Family Foundation

# FAMILY DYNAMICS & NEXT GENERATION DEVELOPMENT

“Younger people can have charitable interests that differ dramatically from the family’s shared interests. Encourage those! Value their educational achievements and professional successes. Support their volunteering and personal giving, at whatever level they are able to contribute. Give psychic points for valiant efforts that might not have worked out as planned. Families who build strong individuals with varied passions and accomplishments raise trustees and donor advisors who come to the table with the ability to offer as much (even more) than they derive from it.”

– Virginia Esposito, Founder, National Center for Family Philanthropy

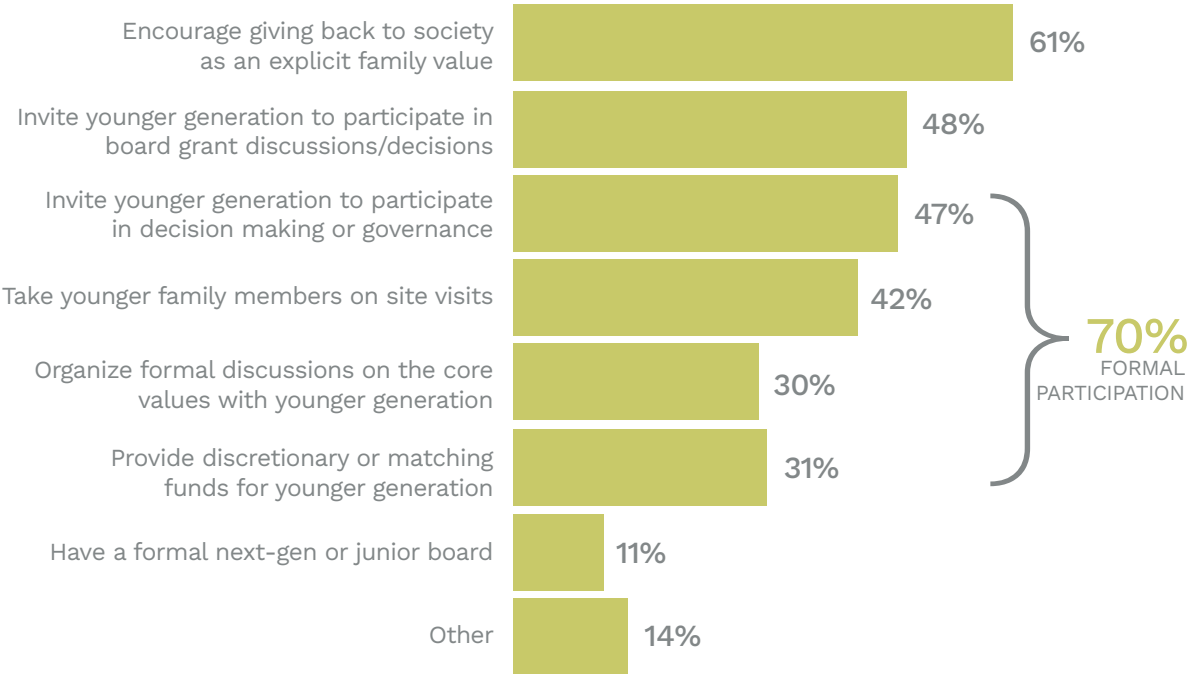
# FAMILY DYNAMICS & NEXT GENERATION DEVELOPMENT

## ENGAGING THE NEXT GENERATION

The vast majority of family foundations have either specifically decided that they will exist in perpetuity, or seek to do so. With that decision comes the need—and responsibility—to engage the next generation of family members. As expected, the numbers show that most foundations are indeed actively engaging their younger family members in some way: Most (70%) provide next generation family members opportunities to formally participate in the foundation via a next-gen board, invitation to participate in board discussions, decisions, or other governance structure.

This is a slight but notable increase compared to 2015, when 56% of family foundations reported that they were currently engaging the next generation in the governance of the foundation. This also reflects findings from 2015 regarding future plans of foundations at that time: 43% of respondents in 2015 anticipated adding younger generation family members to the board.

**FIGURE 47: METHODS FOR ENGAGING THE NEXT GENERATION**



**7%  
DON'T HAVE  
NEXT-GEN**

**9%  
DON'T ENGAGE  
NEXT-GEN**

## ENGAGING THE NEXT GENERATION: ADDITIONAL INDICATORS

Respondents to *Trends 2020* provided feedback regarding various strategies and priorities related to engaging the next generation. Among these are the creation of board job descriptions and criteria, the presence of a next generation/junior board, eligibility to serve on the board, and future plans for bringing younger family members on the board.

While new family foundations are significantly more likely to have at least one Millennial or Gen Z board member, none of them have yet created a next generation/junior board.

**FIGURE 48: ADDITIONAL INDICATORS AND STRATEGIES FOR ENGAGING THE NEXT-GEN**

By year established

	SAMPLE	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
Children/grandchildren of family members (including adopted and step-children) eligible to serve on board	65%	60%	48%	74%	48%
Has statement of board member responsibilities/job description	48%	57%	37%	44%	73%
Future plans to add/increase number of younger family members on the board	37%	48%	31%	40%	24%
Has at least one Millennial or Gen Z board member	37%	47%	38%	29%	63%
Has criteria for board member service	31%	29%	27%	31%	41%
Future plans to give younger generations more say in operations and giving	28%	22%	29%	30%	23%
Board places top priority on next generation engagement	17%	24%	18%	18%	5%
Has next generation/junior board	6%	9%	10%	6%	0%

## GENERATIONAL DYNAMICS

The majority of all family foundations (aside from those created since 2010) report that at least one generational dynamic affects the foundation. However, few family foundations report considerable challenges and conflicts between the generations.

The most common challenges include time constraints and differing interests across generations. One in three family foundations say the younger generation does not have time to actively engage in the foundation, and 28% of all family foundations say the older and younger generations are interested in different issues. Newer foundations (those created since 2010) are somewhat less likely to report these differences, with only 24% reporting time is a factor, and 21% reporting different interests.

Interestingly, foundations created between 1970 and 1989—many of which are predominantly controlled by those from the Baby Boomer generation—report a larger percentage of instances where generational dynamics are affecting the foundation. One possible explanation for this could be that the children of Baby Boomers are likely to be in the midst of the stage of life where they may be busiest, raising families, and establishing or managing careers. However, a higher proportion from this time period also indicate that the generations have “different values” and “are interested in different issues” which may suggest a more fundamental shift in attitudes across generations.

**FIGURE 49: EFFECT OF GENERATIONAL DYNAMICS ON FOUNDATIONS**

By year established

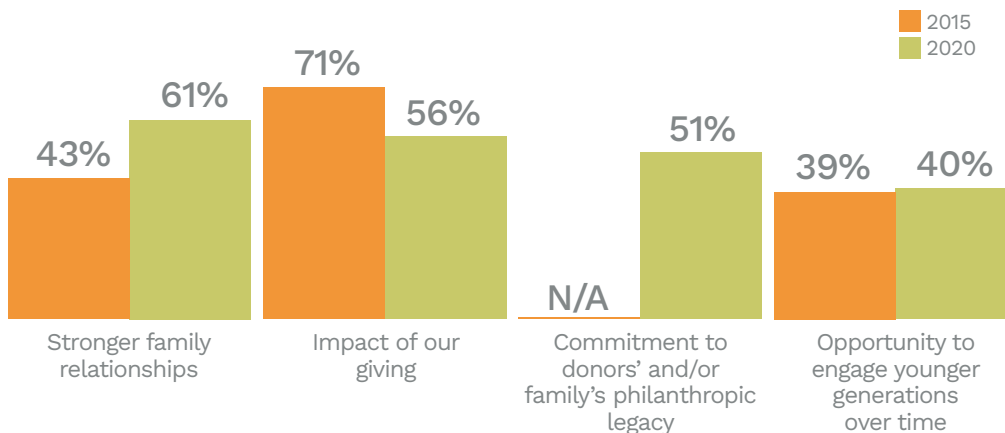
	SAMPLE	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
Younger generation does not have time to be actively involved	33%	32%	45%	33%	24%
Older and younger generations are interested in different issues	28%	19%	34%	30%	21%
Generations have different opinions about how to achieve results and impact with funds	17%	20%	26%	16%	7%
Younger generation has moved away from the primary geographic location of the foundation's focus	15%	28%	15%	13%	13%
Older and younger generations have different values	13%	22%	25%	11%	4%
Older generation is reluctant to share decision-making power with younger generation	12%	6%	15%	13%	7%
Conflicting political/social/religious views between generations	8%	17%	14%	7%	2%
Generations have different opinions on how transparent the foundation should be regarding its giving/grants	8%	9%	7%	8%	7%
Conflicting views about wealth between generations	6%	9%	4%	6%	8%
Generations differ in their desire for technology (e.g. having a website, online grant application)	6%	7%	12%	4%	5%
None of the above	34%	28%	18%	33%	61%

## FACTORS SUSTAINING FAMILY PARTICIPATION

Maintaining strong family relationships helps sustain family involvement in the foundation. More foundations today (61%) see the value of stronger family relationships than they did in 2015 (43%).

More than half of all family foundations say the “impact of our giving” (56%) and “our commitment to donor or family legacy” (51%) are important factors in sustaining family involvement. About two in five say that “engaging younger generations over time” helps sustain family involvement.

**FIGURE 50: FACTORS THAT SUSTAIN FAMILY INVOLVEMENT “A LOT”**



4 point scale where 3 = A Lot, 2 = Moderate, 1 = A Little, 0 = Not At All



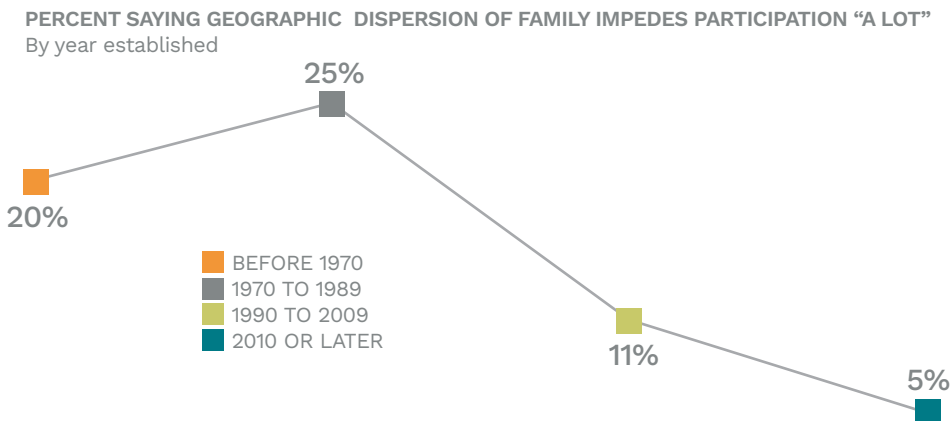
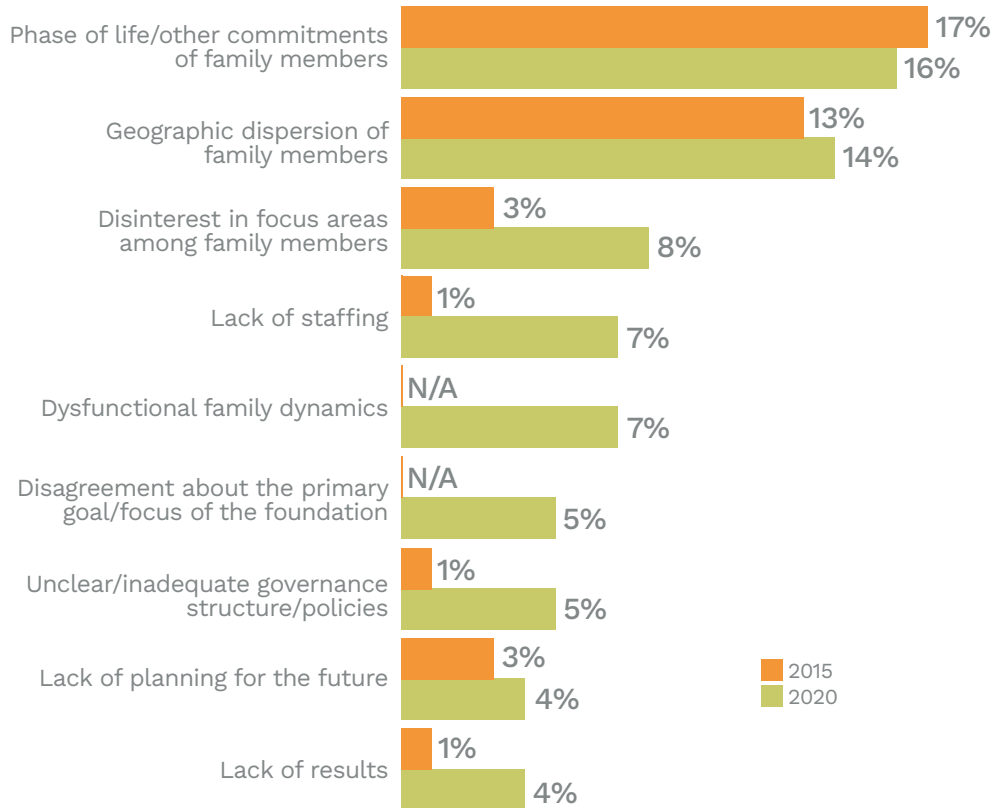
Ian Wagreich Photography

## FACTORS IMPEDING FAMILY PARTICIPATION

Life-stage/other commitments of family members and geographic dispersion are the most common factors that impede family participation. Yet only a small minority of family foundations report that these factors impede family participation by “a lot.”

Geographic dispersion among family members can be a greater barrier for older family foundations, affecting 20% of those foundations formed before 1970 and 25% of those formed 1979 to 1989.

**FIGURE 51: FACTORS THAT IMPEDE FAMILY INVOLVEMENT “A LOT”**





Courtesy of the Quixote Foundation

# GOVERNANCE & STAFF

“If you’re doing a good job of determining who’s at the table, why they’re at their table, and what they’re expected to do, they’re going to make good grantmaking choices, and they’re going to make sensible choices about their investments. Their investments are going to speak to what they’re trying to accomplish programmatically, and their grantmaking choices are going to speak to their values, their differences, and their history as a family.”

– Virginia Esposito, Founder, National Center for Family Philanthropy

# GOVERNANCE & STAFF

How do family foundations choose who should serve on the board, and how they can prepare them for success when they assume this important role?

Board composition and the establishment of appropriate governance policies and practices are important decisions for all founders and boards. This section looks at evolving trends in each of these areas.

## BOARD COMPOSITION: FOUNDER PRESENCE

Slightly more than half of all family foundations say that the founder is still actively involved in the foundation. As expected, this figure drops dramatically as the foundation ages (with only 10% of those foundations formed before 1970 reporting yes, the founder is still actively involved). For more on the impact and perspectives of founders, please see pages 26-33.

**FIGURE 52: FOUNDER INVOLVEMENT**  
By year established

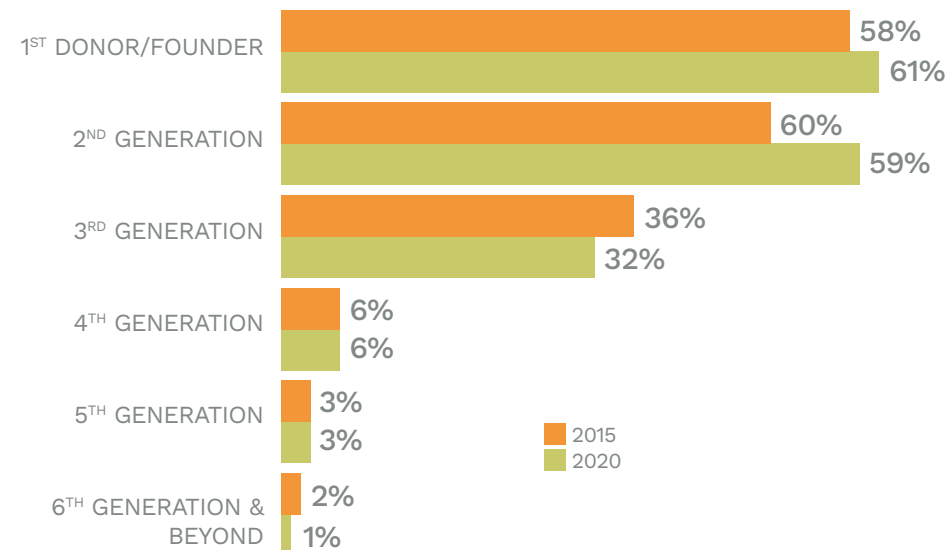
	SAMPLE	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
Yes	56%	10%	28%	65%	95%
No	44%	90%	72%	35%	5%

## BOARD COMPOSITION: GENERATIONS PARTICIPATING

More than half of all family foundations have multiple generations serving on their board. One in ten have three or more generations serving on the board. One-third have at least one member of the third generation on the board, but less than one in ten have family members from the fourth generation or beyond.

As expected, the third generation and beyond participates more among the oldest and largest family foundations.

**FIGURE 53: FAMILY GENERATIONS SERVING ON BOARD**





Family foundations with three or more generations on the board exhibit a variety of interesting characteristics, particularly with regard to overall board composition, payout rate, and future plans/challenges, as shown in Figure 54.

**FIGURE 54: IMPACT ON GRANTMAKING/GOVERNANCE PRACTICES WHEN 3 OR MORE GENERATIONS PARTICIPATE ON BOARD**

	3+ GENS ON BOARD	1 OR 2 GENS ON BOARD
<b>Grantmaking</b>		
Report a geographic focus for giving	91%	63%
Have specific issue focus on “environment, sustainability, climate”	43%	17%
Have payout rate of 8% or more	37%	12%
Participate in funder collaboratives	72%	32%
Rate “needs of grantseekers” as top priority for giving	52%	24%
Strongly agree with statement: “foundation is having a significant impact on issues it supports”	17%	47%
<b>Governance</b>		
Have 6 or more family members on their board	85%	15%
Have 2 or more board members who identify as LGBTQ	14%	1%
Board members who are female	56%	44%
Have one or more persons of color on board	8%	36%
Have 2 or more Millennials on board	73%	21%
Have 1 or more Gen Z on board	39%	3%
<b>Future Plans</b>		
Plan to have a discussion about role of racial equity in our work	30%	13%
Report “departure of founder” among top challenges for next 3 years	49%	7%

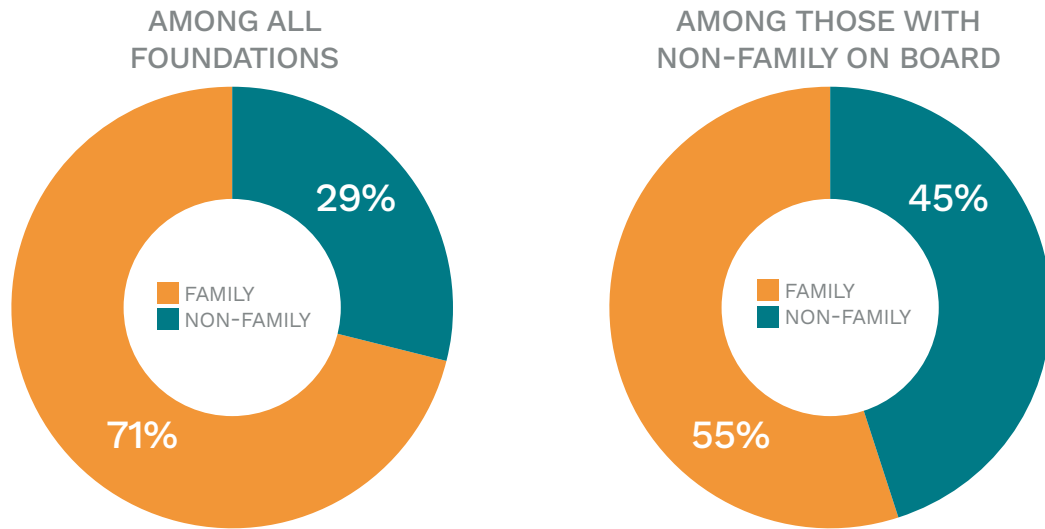
## BOARD COMPOSITION: FAMILY VS. NON-FAMILY

Two-thirds of all family foundation boards include at least one non-family board member, consistent with 2015 results which found that 65% of family foundations had a least one non-family board member. However, the total number and percentage of non-family board members appears to have grown significantly over the past five years. In 2015, 23% of respondents reported two or more non-family board members; in 2020, 26% of all family foundation have three to five non-family board members, and an additional 10% have six or more non-family members.

When it comes to involving non-family board members, additional highlights include:

- 79% of the largest family foundations (those with \$200M or more) have at least one non-family board member.
- 56% of the largest family foundations report three or more non-family board members (compared to only 33% of those with less than \$10M in assets).
- Approximately 40% of all family foundations created since 1990 have at least three non-family board members, compared to approximately 27% of those created prior to 1990.
- Among all family foundations that include non-family board members, non-family comprises about 45% of total board positions.

**FIGURE 55: FAMILY/NON-FAMILY BOARD COMPOSITION**

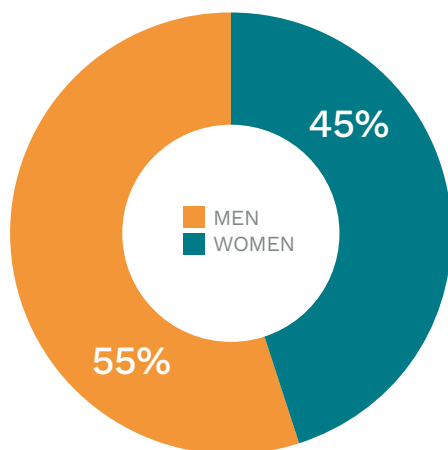


ACROSS ALL FAMILY FOUNDATIONS, **71%** OF BOARD POSITIONS ARE HELD BY FAMILY MEMBERS

## BOARD COMPOSITION: GENDER

The gender distribution of family foundation boards skews slightly toward males, with about 45% of boards comprised of women and 55% men. Approximately one in ten include LGBTQ and/or gender non-conforming board members.

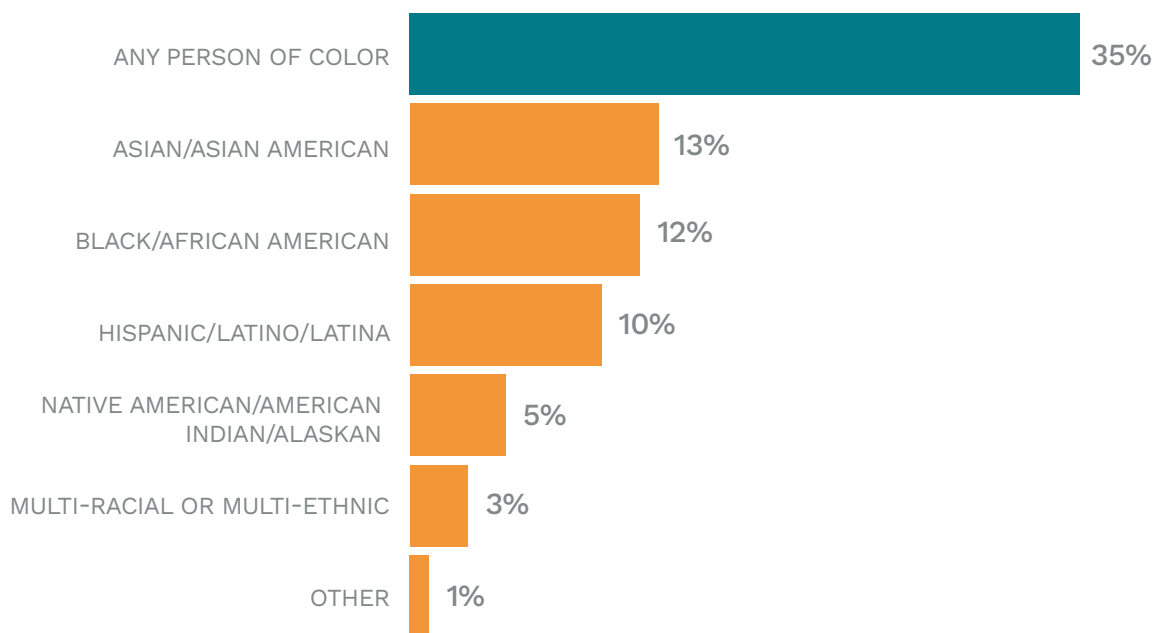
FIGURE 56: GENDER COMPOSITION OF BOARD



## BOARD COMPOSITION: RACIAL AND LGBTQ IDENTITY

About one-third of foundation boards contain at least person of color. Approximately one in ten include LGBTQ and/or gender non-conforming board members. Racial diversity is somewhat more common in larger and older family foundations.

FIGURE 57: RACIAL COMPOSITION OF BOARD



**11%**  
HAVE LGBTQ  
MEMBERS

**2%**  
HAVE TRANSGENDER  
MEMBERS

## BOARD COMPOSITION: AGES AND GENERATIONS

The vast majority of family foundations have at least one Baby Boomer (born 1946–64) board member, and most have Gen X members (born 1965–79). About one-third have Millennial (born 1980–2000) or Silent Generation (born between 1925–45) board members.

A much higher percentage of the youngest foundations have Millennial representation on their boards (62% have at least one and 52% have two or more).

**FIGURE 58: AGE COMPOSITION OF BOARD**

By year established

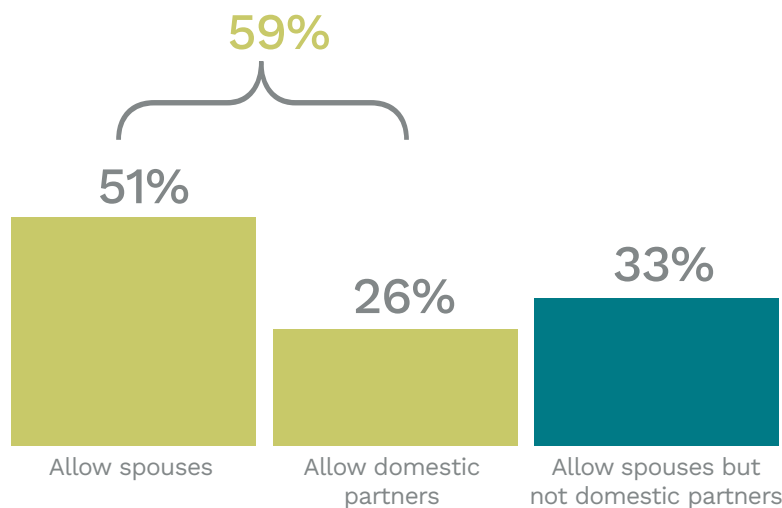
	SAMPLE	BEFORE 1970	1970 TO 1989	1990 TO 2009	2010 OR LATER
Gen Z (Less than 22 Years Old)	5%	2%	11%	2%	12%
Millennials (22 to 38 Years Old)	36%	47%	34%	29%	62%
Gen X (39 to 54 Years Old)	69%	74%	75%	65%	76%
Baby Boomers (55 to 74 Years Old)	90%	89%	85%	92%	93%
Silent Generation (75+ Years Old)	32%	43%	56%	29%	1%

## WHO CAN SERVE ON BOARD?

Nearly 60% allow spouses and/or domestic partners of donor family members to serve on the board, while one-third allow spouses but not domestic partners. These numbers are increases from 2015, when 40% allowed spouses and partners and 28% allowed only spouses.

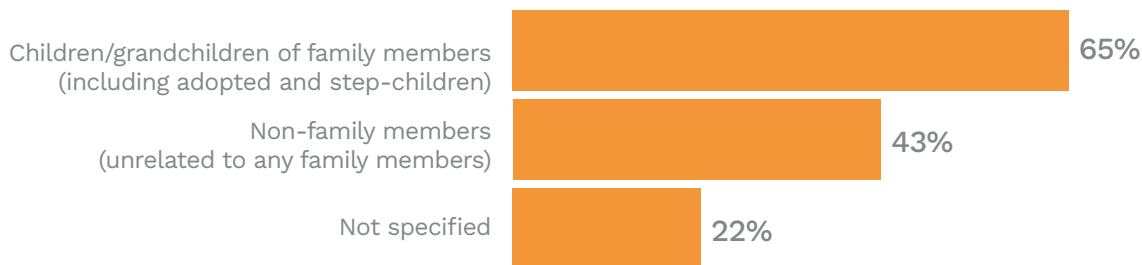
Large foundations are notably more likely to permit domestic partners (40%) and non-family (62%) to serve on the board.

**FIGURE 59: ELIGIBILITY OF SPOUSES AND DOMESTIC PARTNERS FOR BOARD SERVICE**



**FIGURE 60: ELIGIBILITY FOR BOARD SERVICE**

Other than spouses and domestic partners

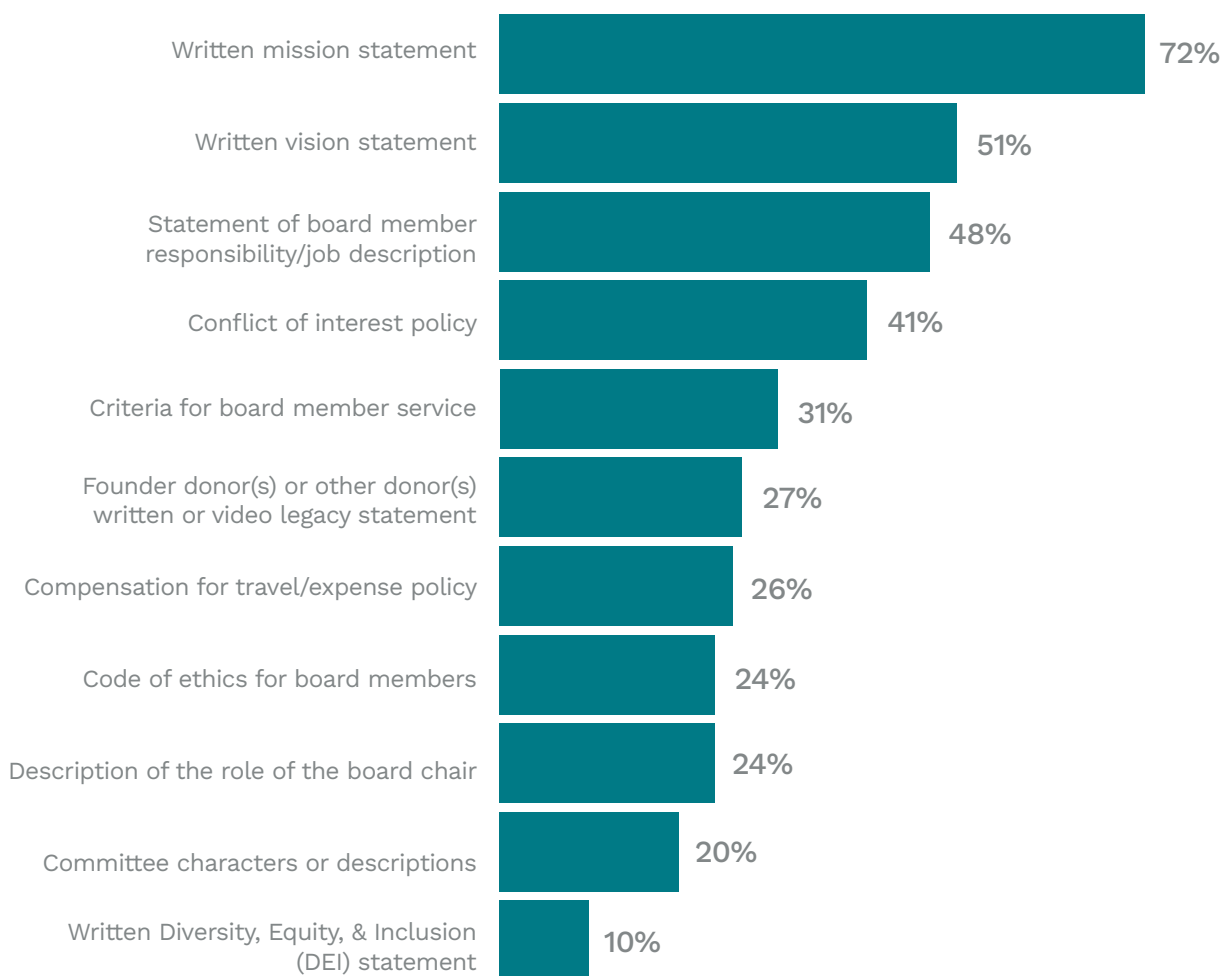


**GOVERNANCE POLICIES AND PRACTICES**

The vast majority of family foundations have a written mission statement, but very few have written DEI statements. About half have a written vision statement and a statement of board member responsibilities. Not surprisingly, larger family foundations who are likely to have been in existence longer and have dedicated staff are mostly likely to use written governance documents.

Conversely, the newest family foundations are notably more likely to have a written mission statement (91%), vision statement (70%), and statement of board member responsibilities (73%). While it is unclear why this is the case, one possible explanation is the increasing awareness of these documents as guiding tools for philanthropy, and readily available examples and templates to choose from.

**FIGURE 61: WRITTEN GOVERNANCE DOCUMENTS USED**



## BOARD COMMITTEES

About two-thirds of family foundations have at least one committee or advisory group, the most common of which is an investment committee/advisory group (50% of all respondents). Foundations created before 1970 (81%) and after 2010 (74%) are most likely to use committees. Just as in 2015, the top three types of committees used are investments, program/grantmaking, and finance. Fewer report use of next-gen board committees today versus 2015.

**FIGURE 62: USE OF BOARD COMMITTEES<sup>5</sup>**

	AMONG THOSE WHO USE COMMITTEES	SAMPLE
Investments	79%	50%
Program/grantmaking	39%	25%
Finance	34%	22%
Governance	33%	21%
Management/personnel	30%	19%
Next gen	10%	6%
Community/program advisory	10%	6%
Diversity, Equity, & Inclusion (DEI)	9%	5%

## BOARD COMPENSATION AND EXPENSE REIMBURSEMENT

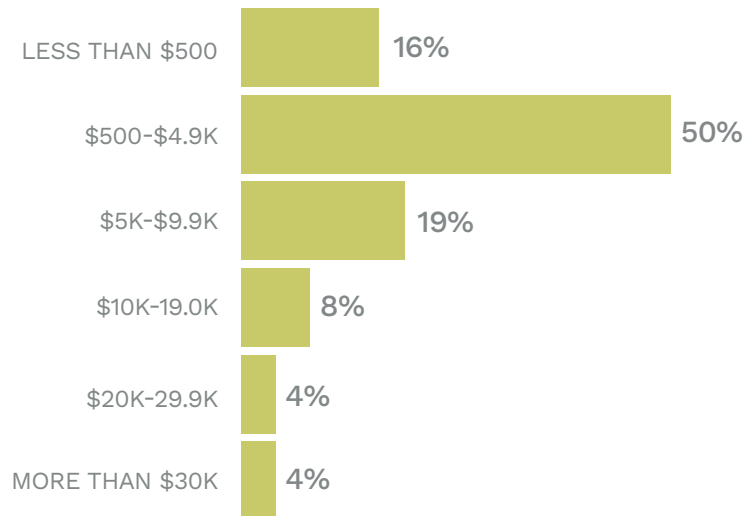
Most family foundations do not compensate board members for service beyond reimbursable expenses: 35% pay modest stipends, while another 30% reimburse out-of-pocket expenses only. 35% do not pay fees or reimburse expenses.

The largest family foundations are more likely to provide compensation beyond expenses, with 39% of family foundations with \$200M or more in assets paying \$5,000 per year or more in compensation (compared to only 13% for all other asset levels).

Overall, only 12% of family foundations paid more than \$5,000 per year in compensation. Among foundations created since 2010, none paid more than \$5,000 per year in compensation; among those created from 1990 to 2009, only 8% did so.

<sup>5</sup> Question wording varies slightly between 2015 and 2020. In 2015, the survey asked “Does the board use committees or advisory groups to perform the following activities?” In 2020, the survey asked “Does the board have any of the following committees or advisory groups?”

**FIGURE 63: AMOUNT OF ANNUAL BOARD MEMBER COMPENSATION**  
Among those who compensate board members



**STAFF COMPOSITION: FAMILY VS. NON-FAMILY**

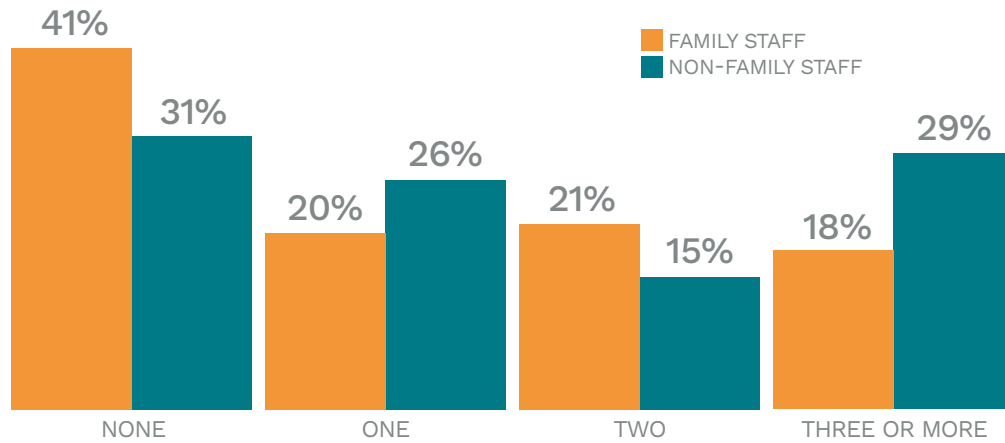
Nearly 70% of family foundations have non-family staff working for the foundation. About 60% have family staff members.

As the size of the foundation increases, the prevalence of non-family staff increases as well, with nearly nine in ten foundations with \$200M or more in assets having three or more non-family staff.

**FIGURE 64: NUMBER OF NON-FAMILY STAFF**

	SAMPLE	TOTAL ASSETS			
		LESS THAN \$10M	\$10M TO \$49.9M	\$50M TO \$199.9M	\$200M OR MORE
0	31%	35%	22%	8%	4%
1	26%	29%	18%	12%	2%
2	15%	15%	16%	20%	5%
3 or more	29%	21%	43%	60%	89%

**FIGURE 65: NUMBER OF FAMILY AND NON-FAMILY STAFF MEMBERS**



About two-fifths of all family foundations have both family and non-family staff working for the foundation, and one-fourth have non-family staff only.

In general, foundations with paid non-family staff are more likely to strongly agree that they are effective in the areas of internal operations and impact on issues.

**FIGURE 66: FOUNDATION EFFECTIVENESS REGARDING OPERATIONS, FAMILY DYNAMICS, AND IMPACT**

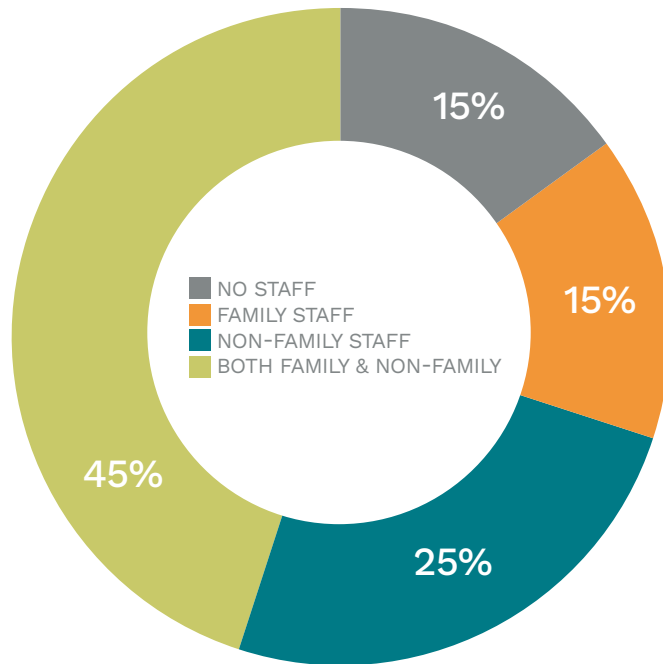
among foundations with with Paid Non-Family Staff Running Daily Operations

Percent that strongly agree with following statements	HAVE PAID NON-FAMILY STAFF	DO NOT HAVE PAID NON-FAMILY STAFF
Internal operations of the foundation are effective	66%	46%
Family members work well together	66%	67%
Foundation has significant impact on issues it supports	56%	35%

The likelihood of having non-family staff exclusively is highest among older/larger foundations, while both types of staff is most common among newer/larger foundations.



**FIGURE 67: TYPE OF STAFF**



**FIGURE 68: TYPE OF STAFF IN CHARGE**

**69%**  
HAS A FAMILY MEMBER  
IN CHARGE  
(PAID OR UNPAID)

**53%**  
HAS A NON-FAMILY STAFF  
MEMBER IN CHARGE  
(PAID OR UNPAID)

**FIGURE 69: PRESENCE OF FAMILY AND NON-FAMILY STAFF**

By year established and annual giving

	Created 1989 or Older and Giving of			Created 1990 or Newer Giving of		
	LESS THAN \$1M	\$1M TO 4.9M	\$5M OR MORE	LESS THAN \$1M	\$1M TO 4.9M	\$5M OR MORE
Both	42%	46%	47%	41%	53%	69%
Non-family Only	14%	46%	47%	26%	27%	23%

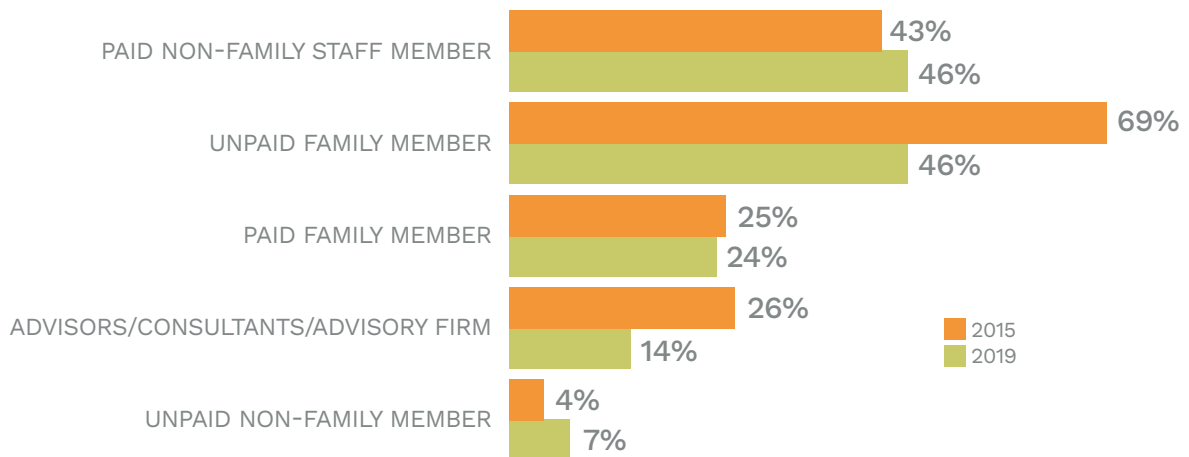
## DAY-TO-DAY OPERATIONS

Typically, in family foundations, a paid non-family or an unpaid family member manages the day-to-day operations. Consistent with 2015, for 16% of family foundations, a paid non-family member and unpaid family member share this responsibility.

Responsibility for the day-to-day operations has shifted some since 2015, and today, fewer unpaid family members and consultants have this responsibility.

Not surprisingly, the largest foundations are most likely to have paid non-family members in charge.

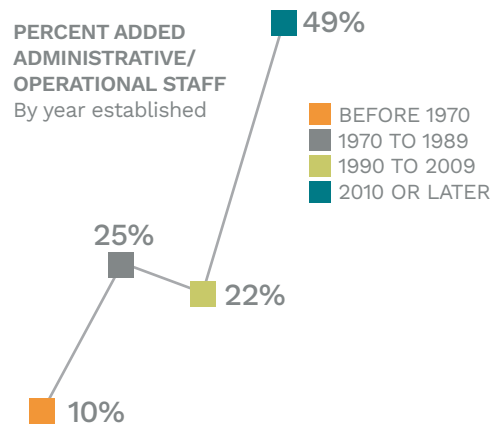
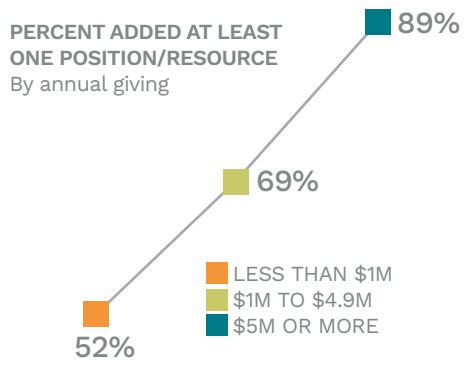
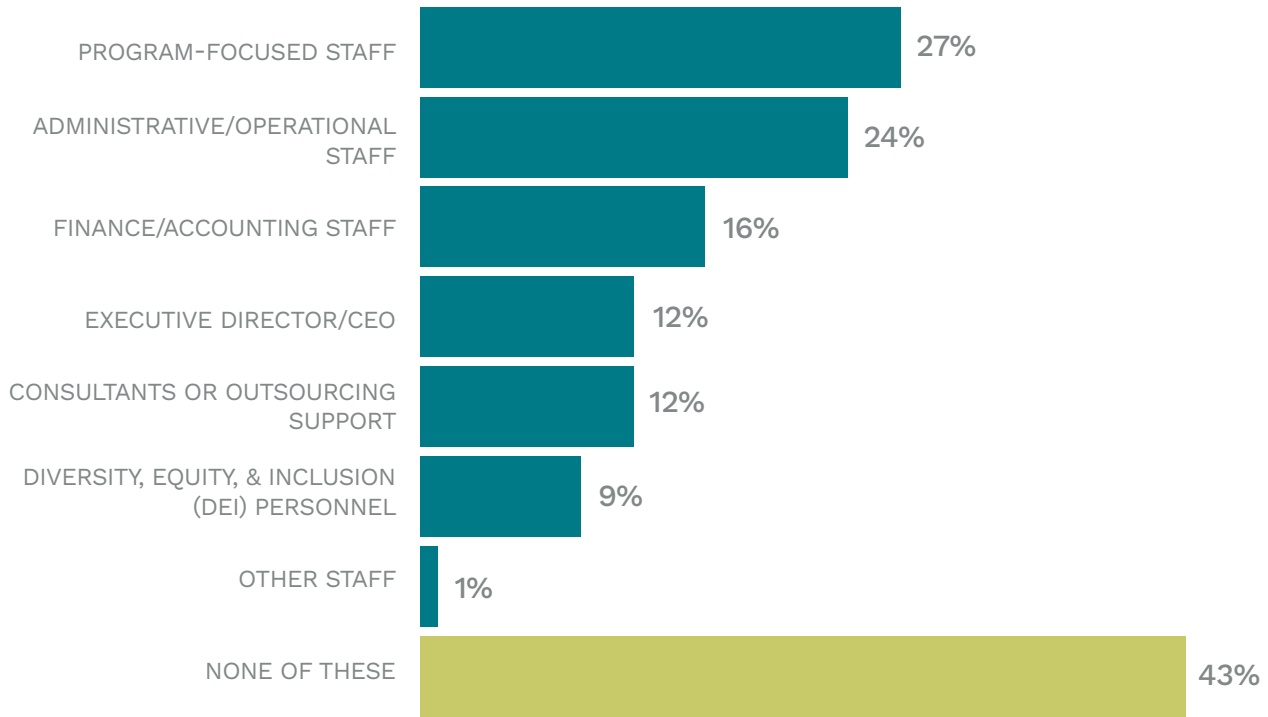
**FIGURE 70: PERSONNEL RESPONSIBLE FOR DAY-TO-DAY OPERATIONS**



## STAFF ADDITIONS

Over the past five years, foundations have most commonly added program-focused and administrative staff. The largest foundations are most likely to have added staff/resources. The newest foundations are notably more likely than others to have added administrative/operational staff in recent years.

**FIGURE 71: STAFF POSITIONS ADDED IN LAST FIVE YEARS**



## LOOK TO THE FUTURE

Foundations with non-family staff running daily operations appear to be much more likely to be currently considering techniques to enhance transparency and communications in the future. They also express more interest in exploring or expanding new grantmaking and investment strategies.

**FIGURE 72: FUTURE EVALUATION AND TRANSPARENCY PLANS**

Among those with paid non-family staff running day-to-day operations

In next 4 years, foundation has plans to...	HAVE PAID NON-FAMILY STAFF	DO NOT HAVE PAID NON-FAMILY STAFF
Expand reporting about the foundation	45%	16%
Report demographics of your board, staff, and/or grantees	53%	20%
Initiate/expand data collection on outcomes or impacts	41%	12%
Initiate/expand evaluation of grantees or clusters of grantees	26%	11%
Initiate/expand opportunities for grantees to provide feedback	38%	20%
None of the above	20%	56%



**FIGURE 73: FUTURE GRANTMAKING AND PROGRAM INVESTMENT PLANS**

Among those with paid non-family staff running day-to-day operations

In next 4 years, foundation has plans to...	HAVE PAID NON-FAMILY STAFF	DO NOT HAVE PAID NON-FAMILY STAFF
Institute mission or impact investing	30%	10%
Expand mission or impact investing	52%	8%
Increase payout rate	41%	18%
Adopt a new giving strategy	25%	15%
Expand giving priorities	49%	14%
Focus or narrow giving program	23%	12%
Initiate/increase multi-year grants	44%	18%
Initiative/increase general operating/unrestricted grants	24%	11%
Initiate/increase capacity building support	46%	9%
Initiate/expand support for emerging nonprofits	29%	10%
Apply a racial equity perspective to your giving	16%	10%
None of the above	14%	48%



# FUTURE DIRECTIONS

“Does the family serve the philanthropy or does the philanthropy serve the family?  
... It is important for family members to be clear about the primary purpose of their  
foundation in order to achieve sustainability across generations.”

– Virginia Esposito, Founder, National Center for Family Philanthropy

# FUTURE DIRECTIONS

By their nature, family foundations are evolving organizations, with new leaders, programs, and challenges from year-to-year. They are also institutions with family legacies, relationships, and accomplishments. As family philanthropy moves into the next decade, here are some of the future opportunities and challenges that families and donors are facing.

## FUTURE OPPORTUNITIES & CHALLENGES

When asked about their greatest opportunities and challenges, most family foundations (57%) report that increasing overall foundation effectiveness is most important. Family dynamics, especially related to engaging the next generation of leaders, and leadership transitions are also top-of-mind, with 38% reporting this as a factor.

The newest (49%) and smallest (21%) foundations most frequently mentioned growth-related topics (investments, managing incoming assets, etc.). Older foundations more often report engaging younger generations as a top area of focus (26%). Board leadership/transitions are also mentioned by a notable portion of the largest foundations (21%).

### FIGURE 74: TOP AREAS OF CHALLENGE AND OPPORTUNITY FACING FAMILY FOUNDATIONS

Categories From open-ended responses



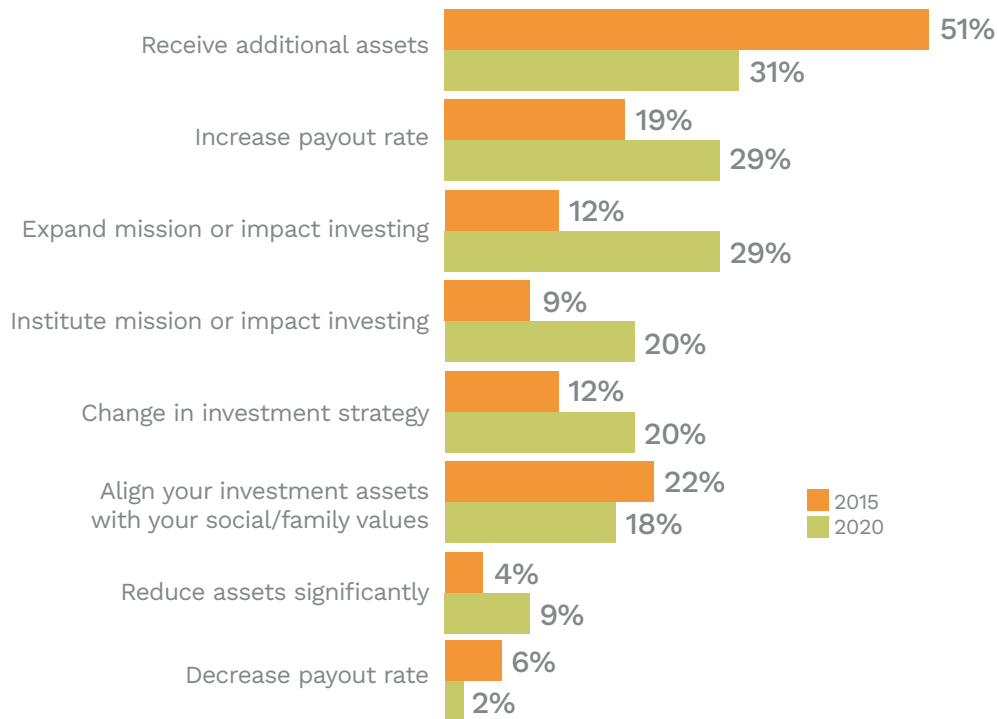
## ANTICIPATED CHANGES: ASSETS

Currently, 31% of foundations expect an increase in foundation assets in the next four years, notably lower than foundation expectations in 2015. Possible explanations for this may be overall views of the future of global markets, increasing use of other philanthropic vehicles by newer donors, or plans to increase payout rates among some foundations in the future.

Indeed, nearly 30% of all foundations report plans to increase their payout rate and institute or expand mission/impact investing; both are notably higher than in 2015. Conversely, only 2% of foundations report plans to decrease payout rate (compared to 6% in 2015).

The oldest (16%) and largest (15%) are most likely to report plans to reduce assets in the future.

**FIGURE 75: ANTICIPATED CHANGES TO ASSETS, PAYOUT, AND INVESTMENT STRATEGY**



The majority (60%) of the newest foundations (formed since 2010) expect an increase in assets in the near future. More than half plan to increase their payout rate and add/expand mission investing. One in three will institute mission or impact investing.



**FIGURE 76: ANTICIPATED CHANGES TO ASSETS, PAYOUT, AND INVESTMENT STRATEGY**  
By year established

	BEFORE 2010	2010 OR LATER
Receive additional assets	26%	60%
Expand mission or impact investing	25%	55%
Increase payout rate	26%	50%
Institute mission or impact investing	17%	37%
Change in investment strategy	18%	30%
None of the above	33%	3%



Courtesy of H.E. Butt Foundation

## ANTICIPATED CHANGES: BOARD AND STAFF

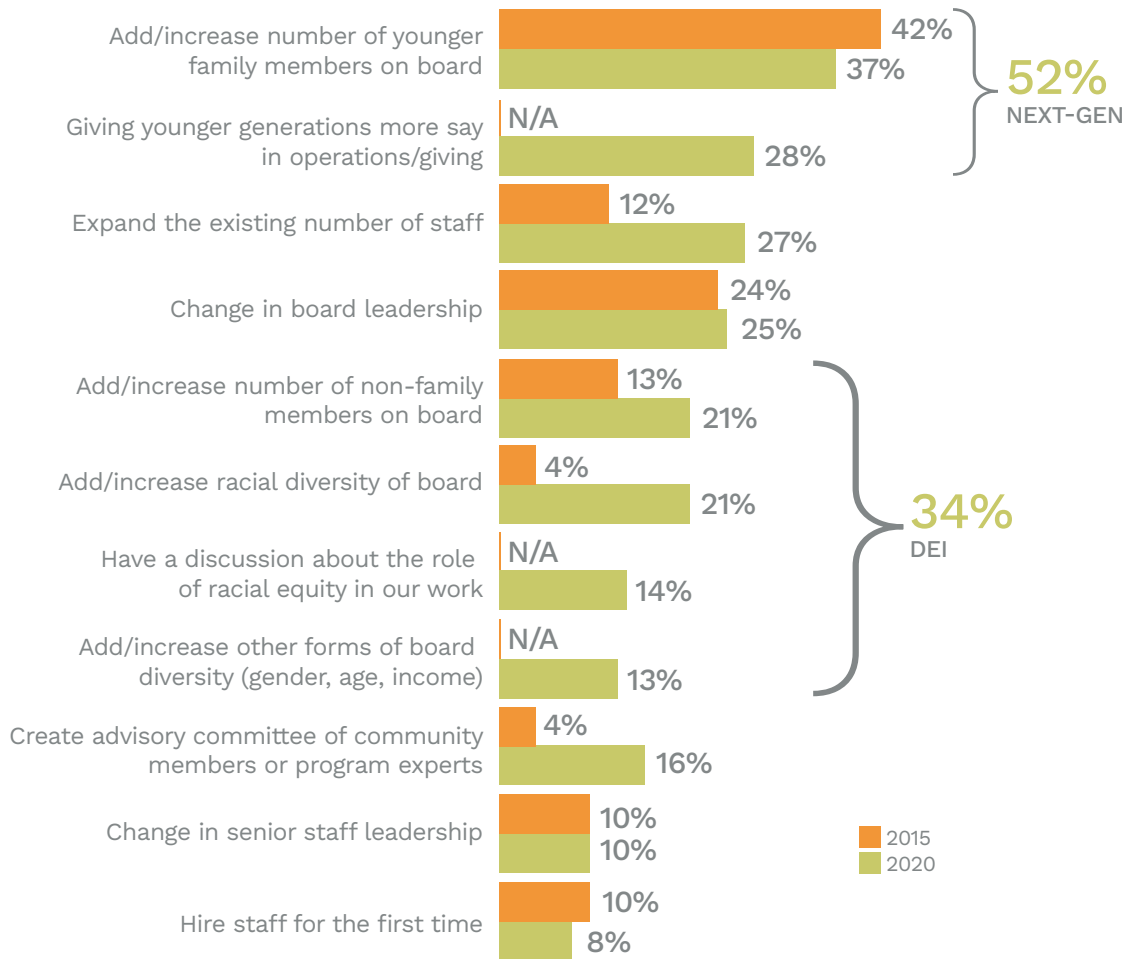
37% percent of family foundations plan to increase the number of younger family members serving on the board, and 28% say they will give younger family “more say” in foundation operations and giving. One in three foundations have DEI initiatives in their future plans, and there is a sizable increase (21%, as opposed to 4% in 2015) in the number who plan to increase racial/ethnic board diversity.

About one-fourth of foundations expect a change in board leadership, and to expand staff over the next four years.

Foundations created before 1990 are more likely to anticipate changes in board leadership (40%). The oldest foundations will more often increase younger family board membership (48%) and change senior staff leadership (28%).

A higher portion of the newest foundations will expand staff (44%), increase non-family board membership (52%), increase racial diversity on the board (46%), and discuss the role of racial equity in their work (27%).

**FIGURE 77: ANTICIPATED CHANGES TO BOARD AND STAFF IN NEXT FOUR YEARS**

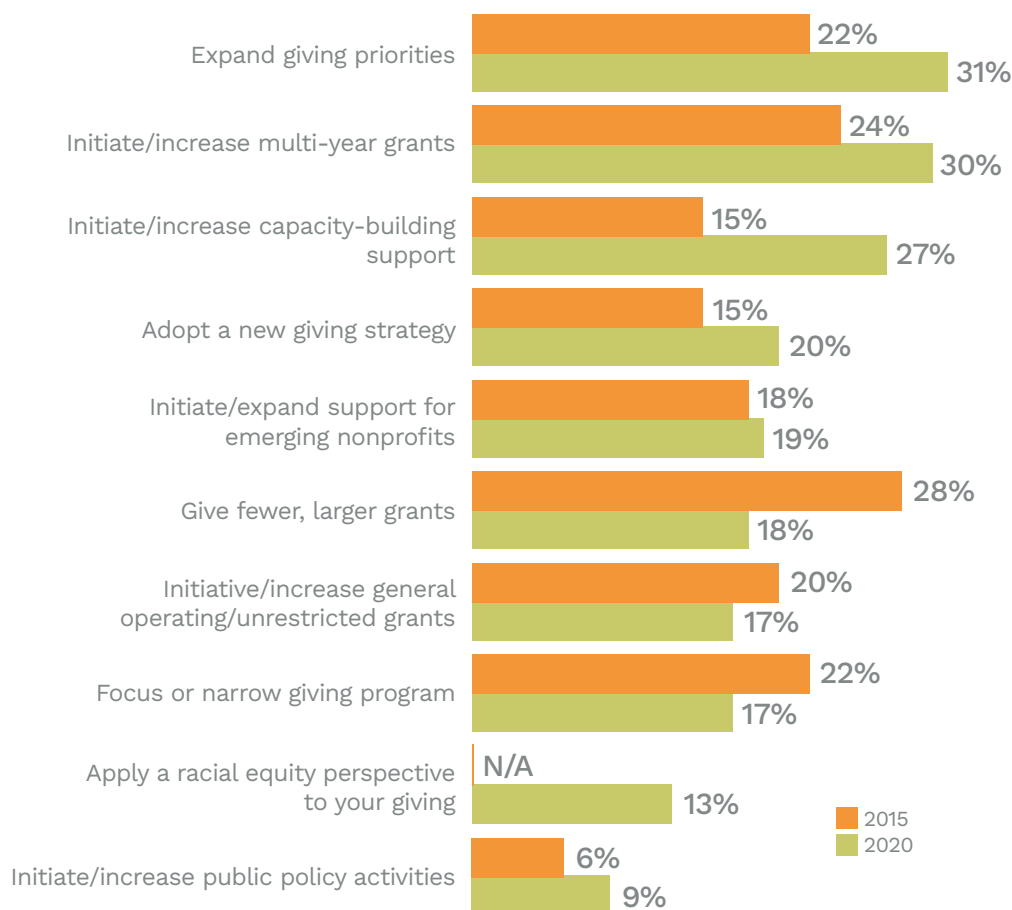


## ANTICIPATED CHANGES: GIVING PRACTICES

Today, more foundations (31%) plan to expand their giving priorities than in 2015 (22%). They also are more likely to have plans to give more multi-year grants and increase capacity-building support.

An even higher portion of the newest foundations plan to increase multi-year grants (51%), increase capacity-building support (48%), apply a racial equity perspective to giving (46%), and increase general operating/unrestricted grants (37%).

**FIGURE 78: ANTICIPATED CHANGES TO GIVING PRACTICES IN NEXT FOUR YEARS**



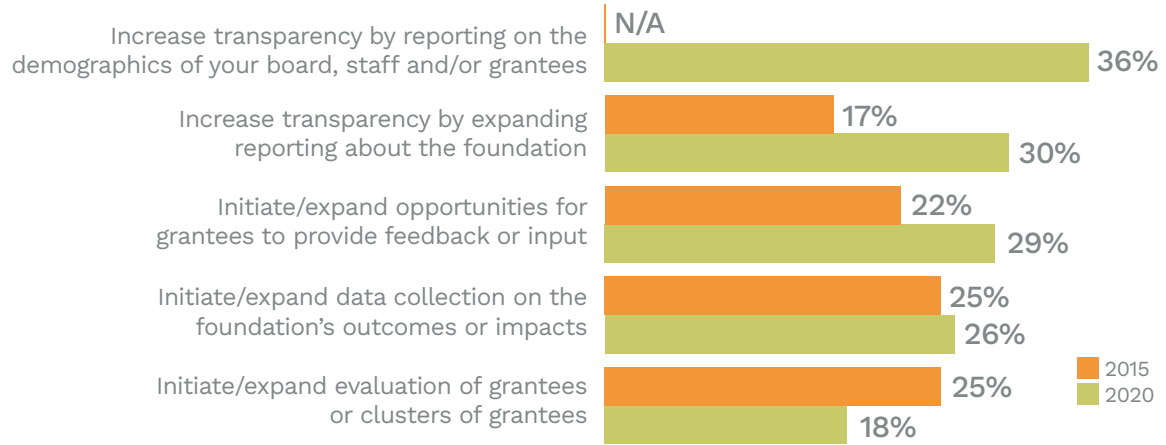
## ANTICIPATED CHANGES: EVALUATION AND TRANSPARENCY

More than one-third of foundations plan to increase transparency in the future by reporting on demographics about the board, staff and grantees. About 30% will expand reporting about the foundation and opportunities for grantees to provide feedback. The number of foundations planning to make these changes has increased since 2015, from 17% in 2015 to 30% in 2020.

The number of foundations that will collect data on impact and outcomes has increased only slightly since 2015, by a mere 1%. The intent to evaluate grantees or clusters of grantees has decreased: only 18% plan to initiate or expand evaluations in 2020.

The types of foundations least likely to anticipate these changes include the oldest (52%) and smallest (58%).

**FIGURE 79: ANTICIPATED CHANGES TO EVALUATION AND TRANSPARENCY IN NEXT FOUR YEARS**



Courtesy of H.E. Butt Foundation

# CONCLUSIONS

*Trends 2020* continues NCFP's ongoing commitment to identifying and tracking trends in the governance and grantmaking practices of family foundations. This report documents a wide variety of these trends. Selected highlights include:

## GRANTMAKING

While family foundation giving has grown, the number of grants has fallen indicating fewer, but larger grants. Newer family foundations tend to focus on specific issues, while older foundations are more likely to do place-based grantmaking. Newer foundations are more likely to engage in impact investing.

## GOVERNANCE

Family foundations that have defined themselves as very effective focus more on board and strategy development, than they do on grantmaking. They are also more likely to have formal governance policies and practices. Half of family foundations have multiple generations on their board. Two-thirds include non-family members and one-third include at least one person of color.

## COMMUNICATIONS

Family foundations are becoming increasingly transparent, communicating externally more than ever before. Those with more than \$200M in assets are significantly more likely to share their giving priorities and processes. That said, they are less likely to accept unsolicited proposals.

## THE FUTURE

The amount of family foundations planning to engage in impact investing has doubled since 2015. One-third plan to increase the number of younger board members, and another one-third plan to give younger members more say in operations and giving. A focus on DEI is also on the rise, with one-third of respondents planning to incorporate DEI initiatives in the coming years.

While informative, the data in *Trends 2020* also prompts a variety of questions which require further analysis and exploration. NCFP's forthcoming *Trends 2020 Deep Dive Issue Briefs* will look more closely at many of these questions and will share additional data, stories, questions, and strategies for board discussion on topics such as DEI, strategic lifespan, and founder intent.



Courtesy of the Surdna Foundation

# APPENDIX: FOUNDATION PROFILE



## FOUNDATION PROFILE

Unweighted Sample Sizes	ANNUAL GIVING AMOUNT			
	LESS THAN \$1M	\$1M TO \$4.9M	\$5M OR MORE	TOTAL
Before 1970	35	53	46	134
1970 to 1989	35	36	25	96
1990 to 2009	91	105	47	243
2010 or later	24	13	7	44
<b>TOTAL</b>	<b>185</b>	<b>207</b>	<b>125</b>	<b>517</b>

Life of Foundation Limited?	2015	2020
Yes	9%	9%
No, but we revisit this question periodically	20%	18%
No, we decided to operate in perpetuity	29%	28%
No, we have not made a decision at this time	42%	45%

Year Established	2015	2020
Before 1950	3%	4%
1950 to 1969	12%	9%
1970 to 1989	16%	16%
1990 to 2009	59%	58%
2010 or later	10%	13%

Respondent Relationship to Foundation	2015	2020
Founding donor	55%	45%
Board member	82%	70%
Family member	77%	63%
Paid staff, such as Executive Director/CEO	43%	46%
Advisor	8%	7%
Other	24%	1%

Organization Affiliations	2020
National organizations/associations	39%
Regional or community organizations/associations	54%
Issue/population-related organizations/associations	23%
None of these	40%





Courtesy of The Brinson Foundation

# APPENDIX: DETAILED METHODOLOGY

# DETAILED METHODOLOGY

## QUESTIONNAIRE DESIGN AND DATA COLLECTION

NCFP and Phoenix Marketing International jointly designed the questionnaire, with input from the *Trends 2020* Advisory Committee. The final questionnaire contained 52 questions. The printed survey was a 12-page booklet. An online version of the questionnaire was also produced.

We administered the survey by paper, web, and via the telephone, keeping the majority of questions the same across the modes. The online version included three questions that were not in the printed version, due to space limitation.

Each respondent was contacted multiple times in attempts to maximize the number of completed interviews.

FIELDWORK / DATA COLLECTION	DATES
Mail pre-notification letters to total sample	February 19, 2019
Mail printed surveys to mail sample	February 26
Send email invites to online sample	February 28
First reminder emails to online sample	March 7
Second reminder emails to online sample	March 21
Postcard reminders to mail sample	March 12
Telephone contacts to non-responders (up to 5 for all mail and online)*	March 29–April 22
Final reminder email to online sample	April 4
Mail replacement surveys to mail sample	April 9
Final postcard reminder to mail sample	April 23
Close data collection	May 28

\* During the phone contact, respondents were offered to option of completing the survey online as well. When a respondent requested it, a link to the web survey was sent.

## POPULATION AND SAMPLE

To draw the survey sample, Phoenix Marketing International (“Phoenix”) used the Foundation Center’s family foundation database as the sampling frame. They filtered out very small and inactive foundations by designating asset and giving thresholds. To be eligible for the sample, a foundation had to have assets of at least \$2M or give at least \$100,000 annually. After applying those criteria, 17,336 foundations remained in the sampling frame.

Phoenix then stratified the foundations by total assets and annual giving: grouping each criterion (assets and giving) into quartiles, and assigning each foundation to an asset group and a giving group. For example, a foundation with large asset holdings and relatively small amounts of giving would be in group 1 for large assets and group 4 for small giving. In total, 16 combinations of asset and giving groups were possible.

Phoenix selected foundations for the sample in two parts: first, a random sample of 2,000 family foundations was drawn so that the proportion of each combination of asset group and giving group was the same as in the sampling frame.

Sample Asset Rank Quartiles	SAMPLE GIVING RANK QUARTILES				TOTAL
	1	2	3	4	
1	360	118	10	12	500
2	56	212	180	52	500
3	26	60	152	262	500
4	56	110	160	174	500
TOTAL	498	500	502	500	2,000

Next, they selected an oversample of an additional 500 large foundations to ensure that the largest foundations would be well represented. These large foundations had at least \$25M in assets and \$100,000 in giving.

In addition to this sample of 2,500, family foundations were invited to complete the survey online by NCFP and their partner organizations.

## FINAL SAMPLE SPECIFICATIONS

The survey yielded 517 responses. 384 of these were sourced from the Foundation Center database. The response rate for these participants was 15%. NCFP and partner organizations invited an additional 133 to complete the survey online.

Unweighted Sample Sizes	ANNUAL GIVING AMOUNT			
	LESS THAN \$1M	\$1M TO \$4.9M	\$5M OR MORE	TOTAL
Before 1970	35	53	46	134
1970 to 1989	35	36	25	96
1990 to 2009	91	105	47	243
2010 or later	24	13	7	44
<b>TOTAL</b>	<b>185</b>	<b>207</b>	<b>125</b>	<b>517</b>

Phoenix applied sample weights to the data to account for oversampling of large foundations and for slightly lower response rates among small foundations. The Foundation Center’s nationally representative database contained 17,336 active family foundations meeting the study requirements, and became the basis for weighting the data to the actual population.

The findings from this study can be generalized to family foundations across the country based on the following factors:

- Random selection of the primary sample from all eligible, active foundations in The Foundation Center’s family foundation database;
- Final sample weighting to ensure the sample distribution by size of foundation is comparable to that of the Foundation Center’s database;
- Nationwide representation of family foundations:

**22%**  
NORTHEAST

**27%**  
SOUTH

**24%**  
MIDWEST

**27%**  
WEST



At Bank of America, we know that philanthropy is about more than giving money—it is about pursuing goals of great personal importance. Whether you wish to establish or continue your tradition of giving, unite your family around common purpose, or contribute your own experience in new ways our philanthropic team is dedicated to supporting your efforts.

We are committed to understanding your priorities as a giving family, and placing those needs at the center of the design and delivery of every relationship. Currently, Bank of America Private Bank and Merrill, oversees approximately \$95.31<sup>1</sup> billion in philanthropic client assets. We manage 4,500 private foundation accounts and support \$16.3 billion<sup>2</sup> in private foundation client assets. We also supports \$28.33<sup>3</sup> billion in client assets for institutional nonprofit client relationships. Our staff of more than 200 philanthropic specialists located across the country has an array of experience in serving the nonprofit sector. Our team brings a depth of experience and resources related to strategic philanthropy, family wealth, and nonprofit management to our philanthropic relationships. Over many years of working with charitable individuals, corporations and nonprofit institutions<sup>4</sup>, we have developed specialized advisory services, investment management, and administrative solutions to help you meet your mission.

At Bank of America<sup>5</sup>, we have the clear purpose to help make financial lives better through the power of every connection. And we recognize that philanthropy can provide the most powerful and fulfilling connections of all.

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## SOURCES:

1. Bank of America. Global Wealth and Investment Management (GWIM), the wealth and investment management division of Bank of America Corporation. As of June 30, 2019, GWIM had approximately \$95.3 billion in Philanthropic Client Assets. Philanthropic Client Assets consists of the following assets of philanthropic clients held in their GWIM accounts: assets under management (AUM) of GWIM entities, client brokerage assets, assets in custody of GWIM entities, deposits of GWIM clients held at Bank of America, N.A. and affiliated banks and assets in custody included in AUM.
2. Bank of America. Global Wealth and Investment Management (GWIM), the wealth and investment management division of Bank of America Corporation. As of June 30, 2019, GWIM had approximately \$16.3 billion in client assets in private foundation accounts. Client assets consists of the following assets of private foundation clients held in their GWIM accounts: assets under management (AUM) of GWIM entities, client brokerage assets, assets in custody of GWIM entities, deposits of GWIM clients held at Bank of America, N.A. and affiliated banks and assets in custody included in AUM.
3. Bank of America. Global Wealth and Investment Management (GWIM), the wealth and investment management division of Bank of America Corporation. As of June 30, 2019, GWIM had approximately \$28.3 billion in client assets for institutional nonprofit clients. Client assets consists of the following assets of nonprofit clients held in their GWIM accounts: assets under management (AUM) of GWIM entities, client brokerage assets, assets in custody of GWIM entities, deposits of GWIM clients held at Bank of America, N.A. and affiliated banks and assets in custody included in AUM.
4. Institutional Investments & Philanthropic Solutions (data current as of June 30, 2019).
5. Bank of America, N.A. and U.S. Trust Company of Delaware (collectively the “Bank”) do not serve in a fiduciary capacity with respect to all products or services. Fiduciary standards or fiduciary duties do not apply, for example, when the Bank is offering or providing credit solutions, banking, custody or brokerage products/services or referrals to other affiliates of the Bank.

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