



CAPTRUST

ENDOWMENT AND FOUNDATION SURVEY

CAPTRUST | APRIL 2025

FROM OUR TEAM

Thank you to each of the organizations that participated in this year's survey.

CAPTRUST, like its nonprofit clients, is mission driven. We conduct this survey to help nonprofits achieve their missions in our shared communities. Our goal is to arm decision-makers with clear and actionable information that can help them make a more positive impact.

Note that results for some questions may seem to omit 2023 data. This is because, in 2023, our team released a much shorter pulse survey instead of the usual full-length survey. Where 2023 data is missing, you will notice a jump from 2022 to 2024.

We'd love to hear your observations regarding these findings, so we can make the survey process and our data analysis more useful for nonprofit leaders.



Heather Shanahan

Senior Director | Endowments and Foundations
Heather.Shanahan@captrust.com



James Stenstrom

Director | Institutional Portfolios
James.Stenstrom@captrust.com

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EXECUTIVE SUMMARY

CAPTRUST's 2024 Endowment and Foundation Survey explored some of the ways nonprofits are preparing for the future by shifting their fundraising tactics, governance structures, asset allocations, and more. Now in its sixth edition, the 2024 survey expanded on questions and techniques from previous years' editions. As always, its intention was to help nonprofit leaders understand what their peers are doing, and why.

1. There is less concern about inflation and market volatility compared to previous years, reflecting a more positive economic outlook. In 2024, 65 percent expressed extremely high or high concern about inflation, down from 81 percent in 2022.
2. While survey participants indicated an increased interest in mission-aligned or socially responsible investing, expectations for performance enhancement from these strategies has declined.
3. Most organizations expect to maintain their current asset allocation targets. However, among organizations that are anticipating changes, international equity investments and alternative investments are most likely to change.
4. For nonprofits invested in alternatives, private equity is the leading choice in illiquid alternatives. Public real estate funds are the top vote-getter for liquid alternatives.
5. We were surprised to see a downturn in organizations engaging an outsourced chief investment officer (OCIO). In 2023, 48 percent reported using an OCIO strategy, compared to 32 percent in 2024. 2023's high number may be an anomaly, however, since 2024 results fall almost in line with the 33 percent reported in 2022. We will be keeping an eye on this trendline.
6. Many organizations reported receiving significant fundraising support via planned and legacy giving. Arts, culture, and humanities organizations seem to be missing out on this opportunity and, instead, show a heavy reliance on individual donations through annual giving.
7. Generally, less than a third of organizations said they were satisfied with their ability to fundraise.
8. The majority (66 percent) of respondents have enacted policies for formal term limits for finance and investment committees and boards.
9. Larger nonprofits with more assets (\$100 million dollars or more) indicate a high percentage of investment committee members that stick around. Almost half (40 percent) of these organizations report term limits of four years or longer.

RESPONDENT DEMOGRAPHICS

CAPTRUST’s 2024 Endowment and Foundation Survey includes responses from 178 organizations.

Fifty-three percent of responses came from private nonprofits, and 47 percent were from public nonprofits. Foundations comprise the largest share of participants at 26 percent (see page 5).

Across private and public nonprofits, 58 percent list program activities as their primary expenditure, with 28 percent primarily engaging in grants or scholarships, and 14 percent reporting a hybrid model. It also appears that primary expenditure did not vary much by the nonprofit type.

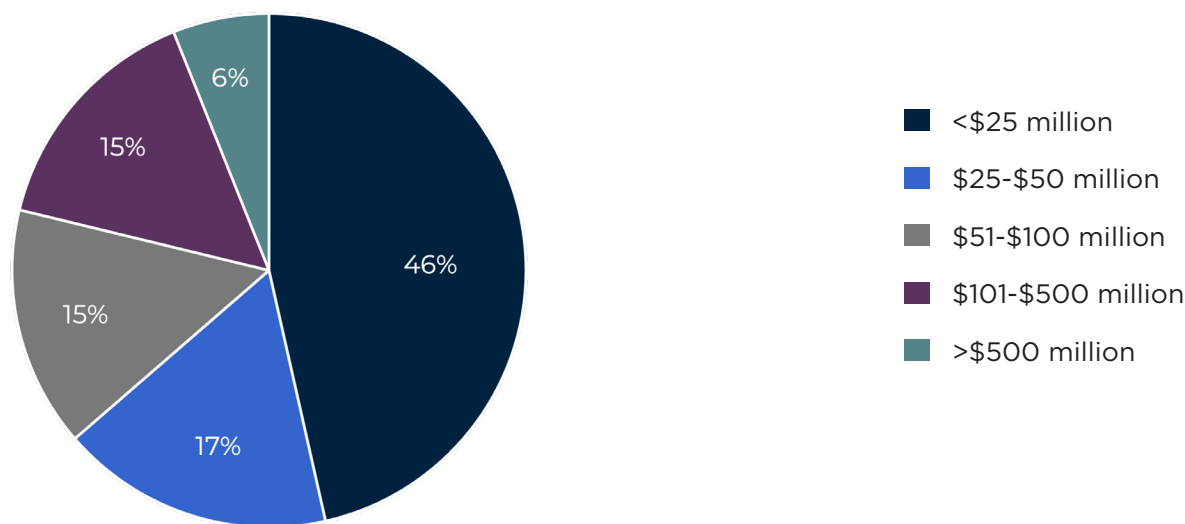
		Nonprofit Type	
		Public	Private
		47%	53%
Primary Expenditures	Program Activities (58%)	43%	57%
	Hybrid (14%)	48%	52%
	Grants or Scholarships (28%)	55%	45%

Respondents: **178**

RESPONDENT DEMOGRAPHICS (CONTINUED)

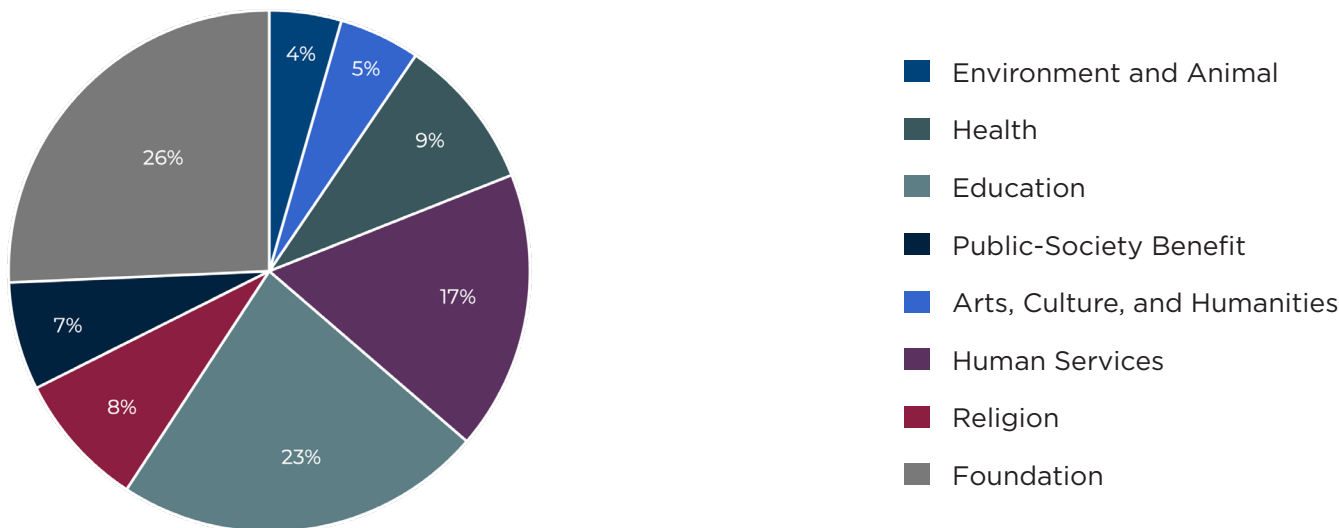
More than half (54 percent) list their organization's investable assets as greater than \$25 million. The nonprofit sectors represented in this survey vary, with the highest representation among education organizations and foundations.

ORGANIZATION INVESTABLE ASSETS*



Respondents: 177

NONPROFIT SECTOR*



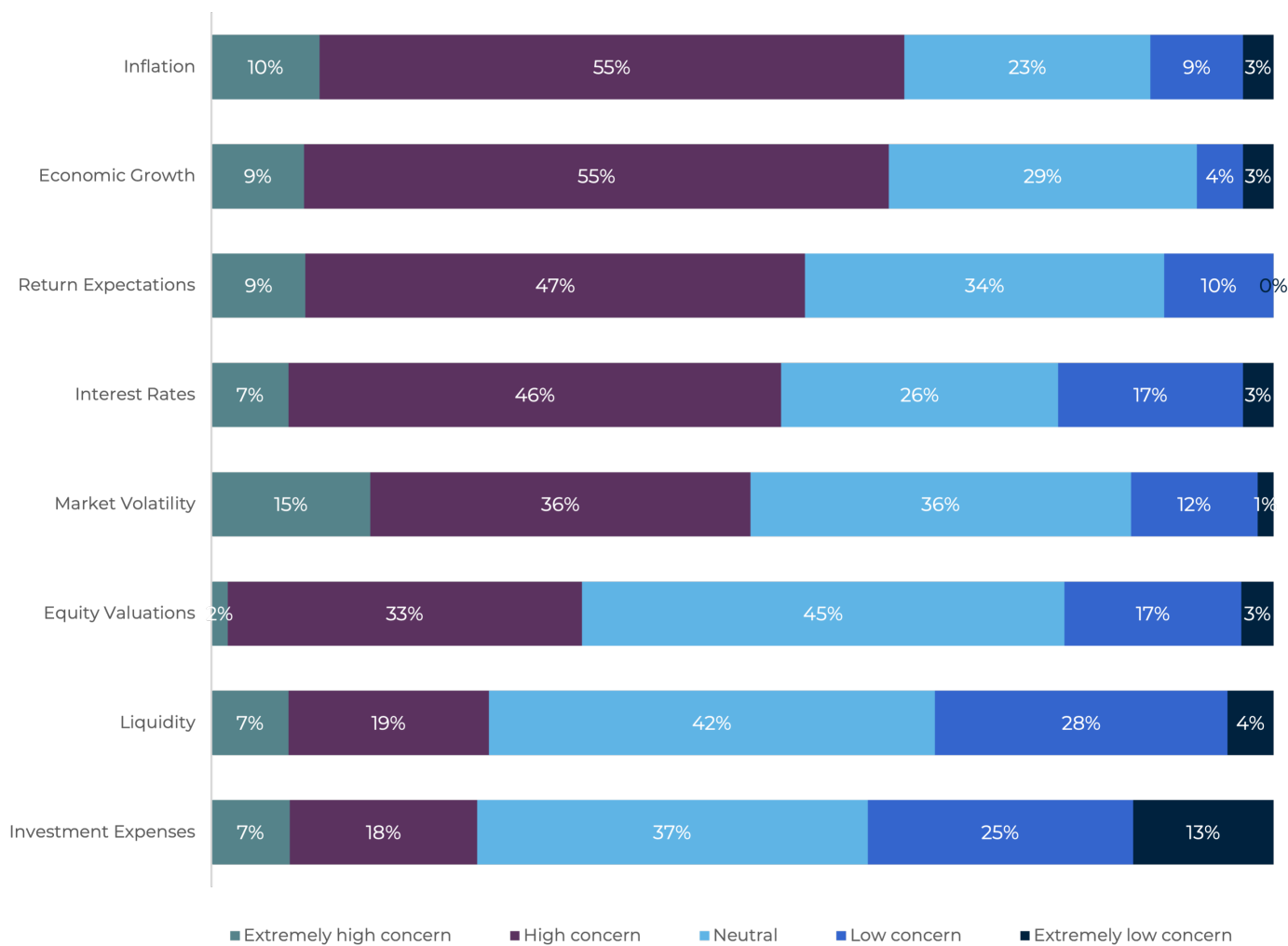
*Percents may not equal to 100% due to rounding.

Respondents: 179

FEWER CONCERNS ABOUT INFLATION AND VOLATILITY

Generally, there was less concern across categories than in 2022, reflecting a more positive economic outlook. In 2024, 65 percent expressed extremely high or high concern about inflation, down from 81 percent in 2022. Extremely high or high concerns about market volatility declined to 51 percent (the fifth highest), from 67 percent (second highest) in 2022.

PORTFOLIO INVESTMENT CONCERNS*



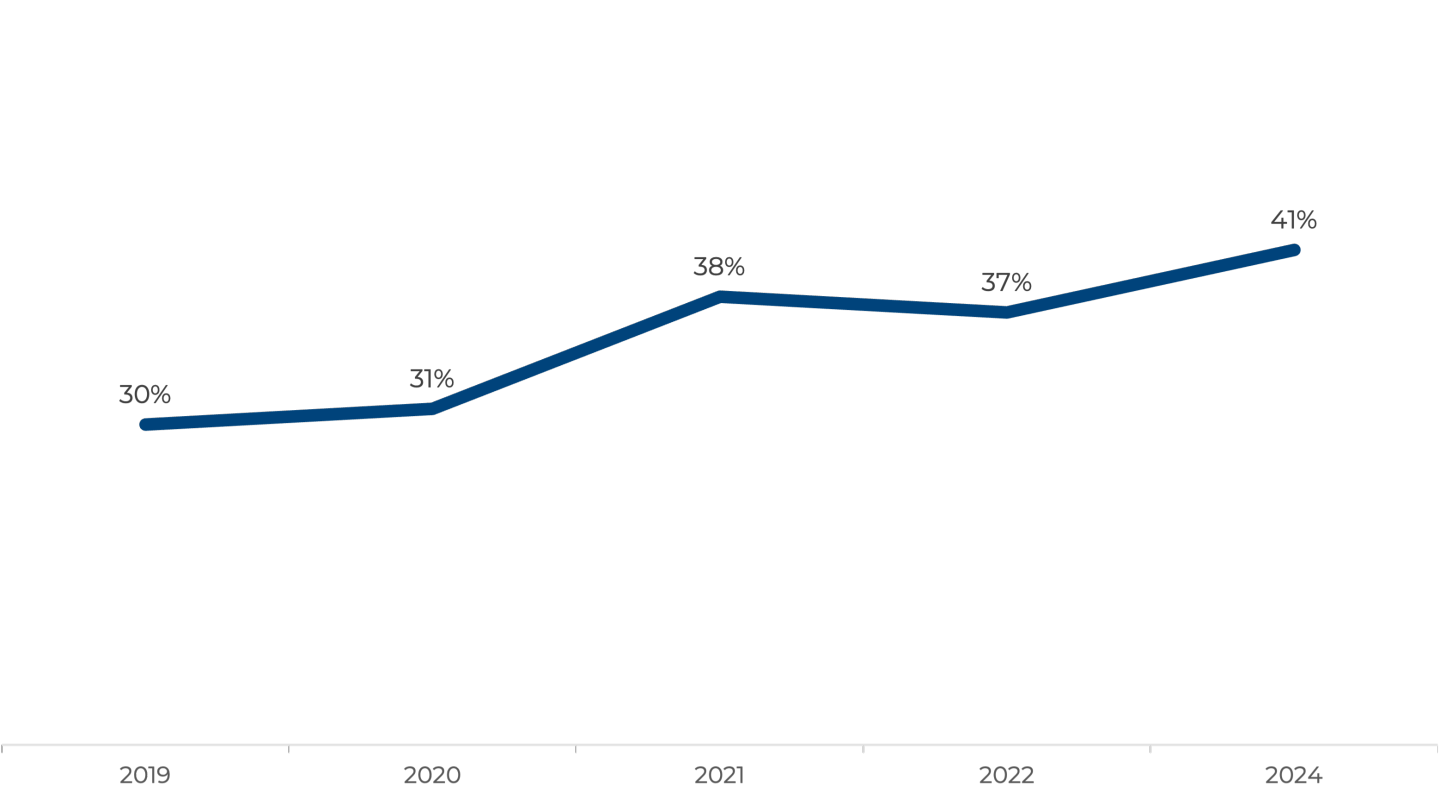
Respondents: 69

*Percents may not equal to 100% due to rounding.

INTEREST IN MISSION-ALIGNED INVESTING GROWS

Survey respondents indicated an all-time high interest in environmental, social, and governance (ESG); mission-aligned; or socially responsible investing (SRI) (41 percent).

PERCENTAGE OF NONPROFITS UTILIZING ESG, IMPACT, AND MISSION-ALIGNED STRATEGIES



“What is considered ESG, mission-aligned, or SRI varies from organization to organization. That, coupled with a lack of standardization among data, make it difficult to understand the true impact this type of investing can have.”



James Stenstrom
CAPTRUST Director | Institutional Portfolios
Raleigh, North Carolina

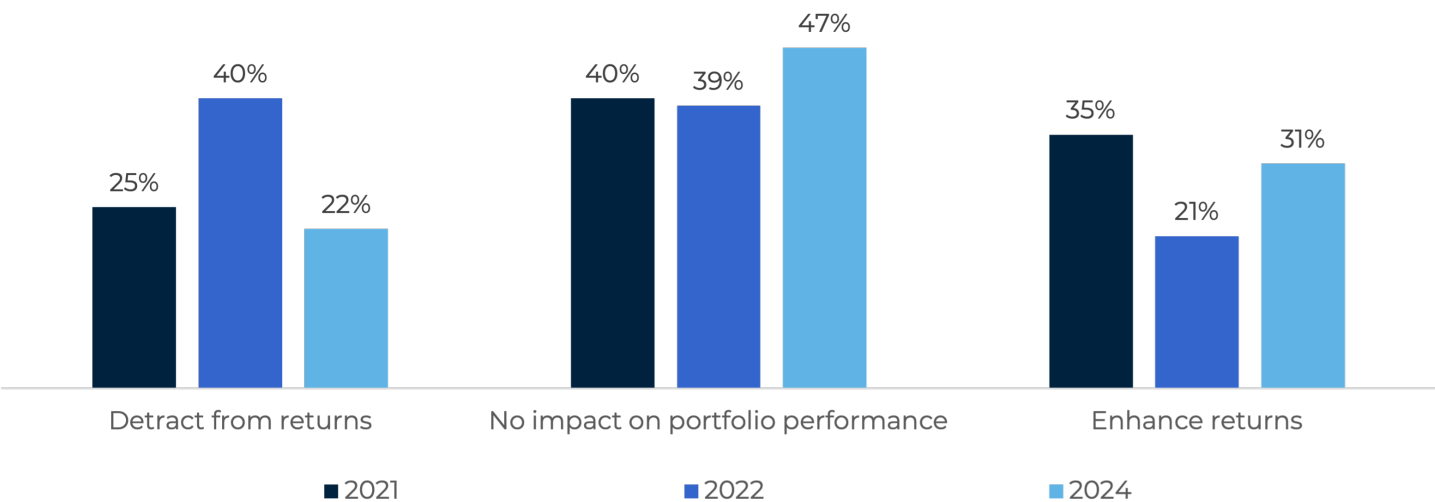
Respondents: **88**

MISSION-ALIGNED INVESTING FACES PERCEPTION CHALLENGE

Thirty-one percent of organizations investing in these types of strategies said they expect enhanced returns, up from 21 percent in 2022.

It’s interesting to note that for organizations that currently use ESG, impact, or mission-aligned investment strategies, nearly half (47 percent) expect no impact on portfolio performance. This implies that leveraging these strategies isn’t always return-seeking, but also about aligning their investment dollars with their missions.

EXPECTED ESG INVESTMENT PERFORMANCE
(ORGANIZATIONS IMPLEMENTING ESG)



“Nonprofits are interested in ESG and other mission-related investment strategies, but not convinced they’ll enhance investment outcomes. We’re seeing a few clients remove mission-related security screens on their portfolios, citing cost, added complexity, and uncertainty about performance impact.”



Randy Byard
CAPTRUST Vice President | Financial Advisor
Roseville, California

Respondents: **32**

*Percents may not equal to 100% due to rounding.

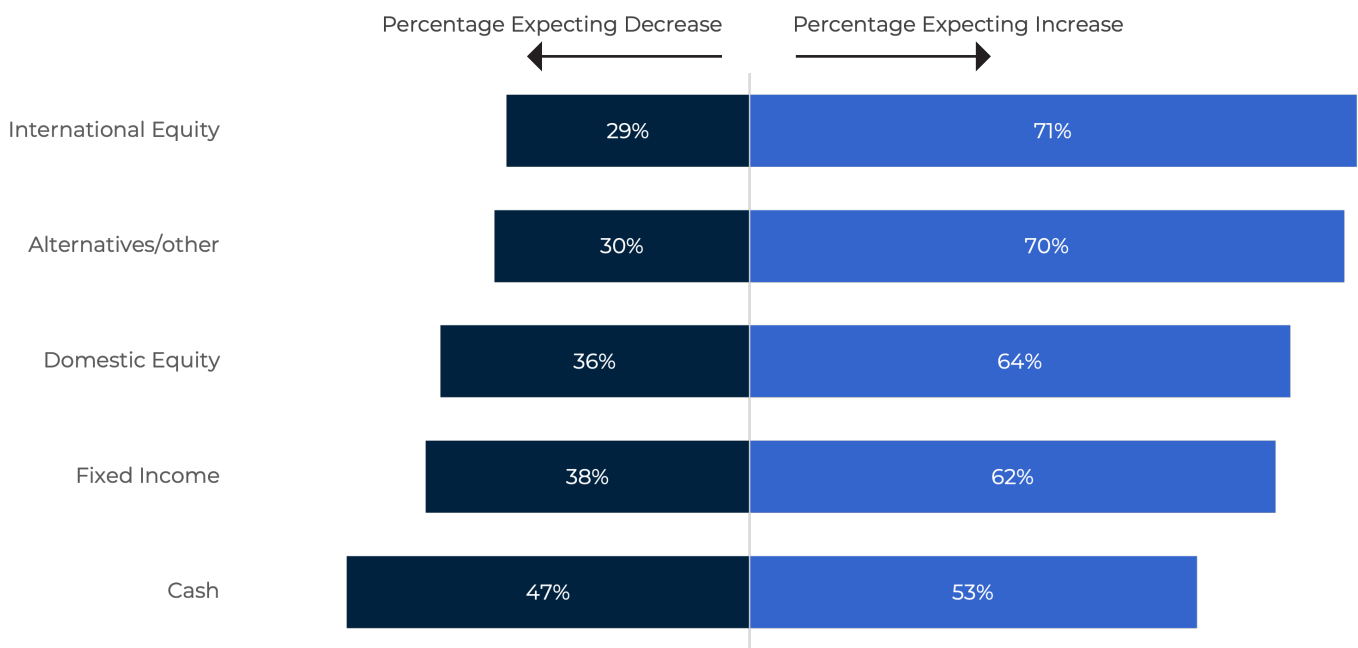
ASSET ALLOCATION HOLDS STEADY

Most organizations expect to maintain their current asset allocation targets. However, among organizations that are anticipating changes, international equity investments and alternative investments are most likely to change.

Please select the action your organization intends to take for the next year regarding allocation to the following asset classes.					
	Cash	Fixed Income	Domestic Equity	International Equity*	Alternatives or Other
Reduce	8%	7%	7%	4%	8%
Maintain	63%	60%	57%	56%	42%
Increase	9%	12%	13%	9%	19%
Undecided	20%	21%	23%	31%	31%

*International equity includes developed and global equity strategies.

AMONG ORGANIZATIONS CHANGING ASSET ALLOCATION



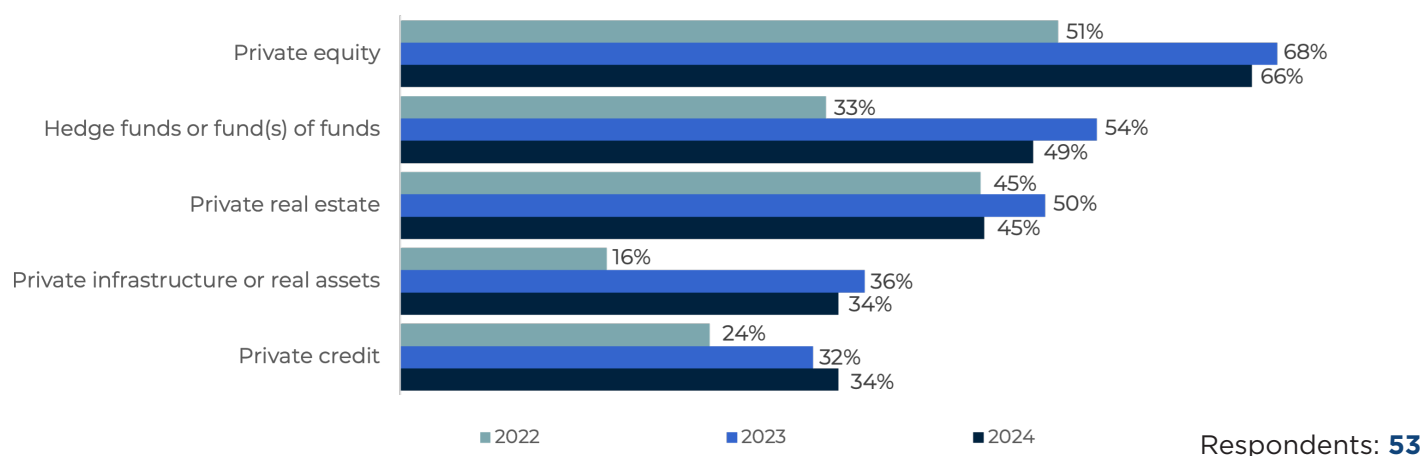
Respondents: 112

ALTERNATIVES: INTEREST IN PRIVATE CREDIT AND REAL ESTATE

For nonprofits invested in alternatives, private equity is the leading choice in illiquid alternatives. Public real estate funds are the most common liquid alternatives. When we consider the past 20 years, private markets have outperformed public markets generally. The number of U.S. initial public offerings (IPOs) has declined, meaning that companies have been remaining private for longer. Advantages to remaining private may include the ability to have more control over their direction, easier corporate governance and better overall operating models, and a lower liquidity discount. Finally, although private equity has historically had a reputation for volatility, many models do not bear this out. With no shortage of interested investors, the appeal of private market opportunities seems likely to grow.

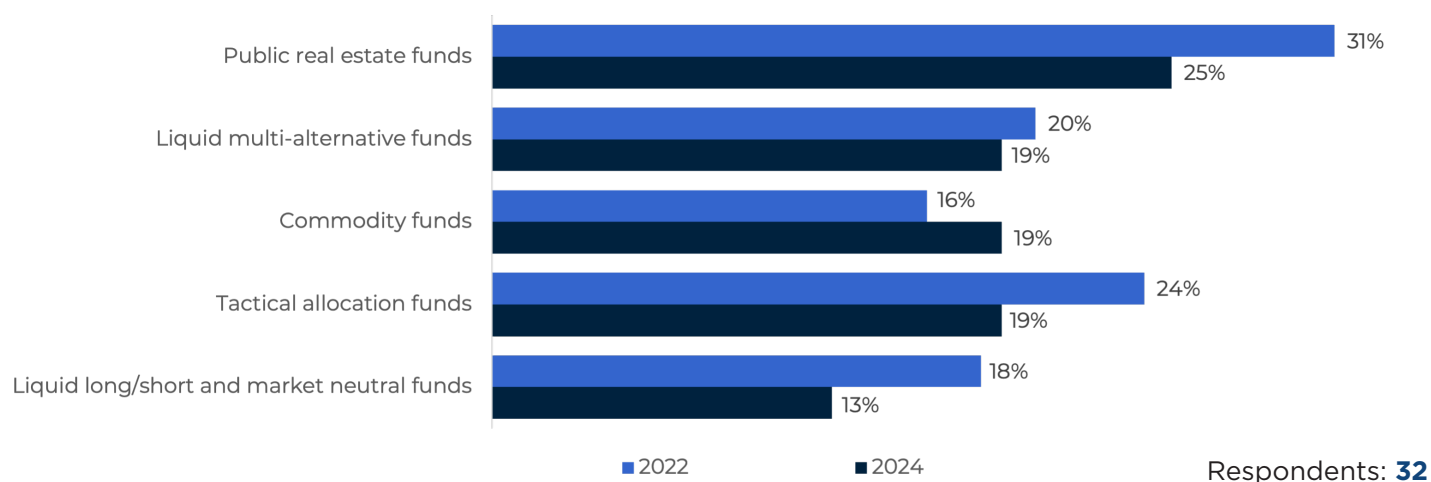
WHAT TYPES OF ILLIQUID ALTERNATIVES ARE YOU INVESTED IN?

(PLEASE SELECT ALL THAT APPLY)



WHAT TYPES OF LIQUID ALTERNATIVES ARE YOU INVESTED IN?

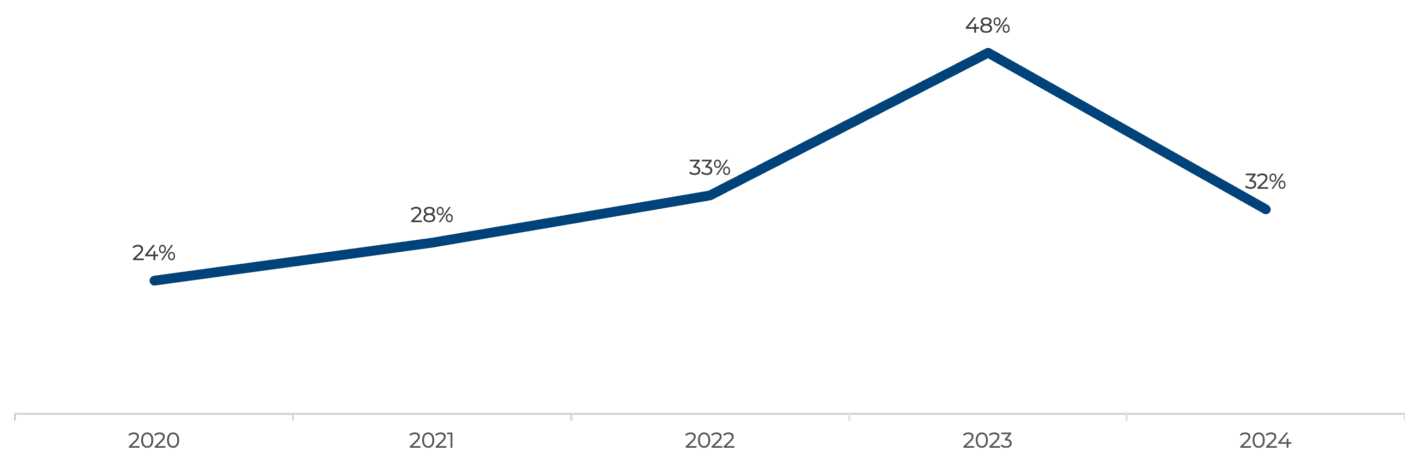
(PLEASE SELECT ALL THAT APPLY)



MIXED MESSAGE ABOUT OCIO ROLE

There was a surprising downturn in organizations engaging an outsourced chief investment officer (OCIO). Utilizing an OCIO for discretionary investment management enables an asset owner to delegate responsibility for all or part of their investment portfolio to an investment advisor. OCIO services often include strategic and tactical asset allocation decision-making, portfolio management and trading, and investment policy statement development.

PERCENTAGE OF ORGANIZATIONS ENGAGING AN OCIO



OCIO SERVICES

In 2023, 48 percent reported using an OCIO strategy, compared to 32 percent in 2024. However, 2023’s high number may be an anomaly, since 2024 results fall almost in line with the 33 percent reported in 2022.

According to a Cerulli Associates press release dated August 7, 2023: “OCIO assets grew to \$2.4 trillion by the end of 2021 and are expected to grow to more than \$3.0 trillion by the end of 2026, an overall growth rate of 5.6%, driven by both new adoption and expected capital markets movements.”

Respondents: **92**

PLANNED AND LEGACY GIVING LEADS FUNDRAISING

Fundraising sources vary by organization type, with planned and legacy giving being a primary source for all organization types, with the exception of art, culture, and humanity organizations.

ORGANIZATION | FUNDRAISING SOURCE

	Arts, culture, and humanities	Health	Human services	Education	Foundation
Planned and legacy giving	15%	40%	37%	44%	45%
Individual donations	26%	8%	10%	12%	23%
Government support and grants	3%	27%	24%	8%	4%
Charitable grants	18%	3%	11%	15%	3%
Corporate philanthropy	9%	7%	8%	13%	8%
Donor-advised funds	9%	2%	5%	7%	8%
Other	20%	13%	5%	2%	9%

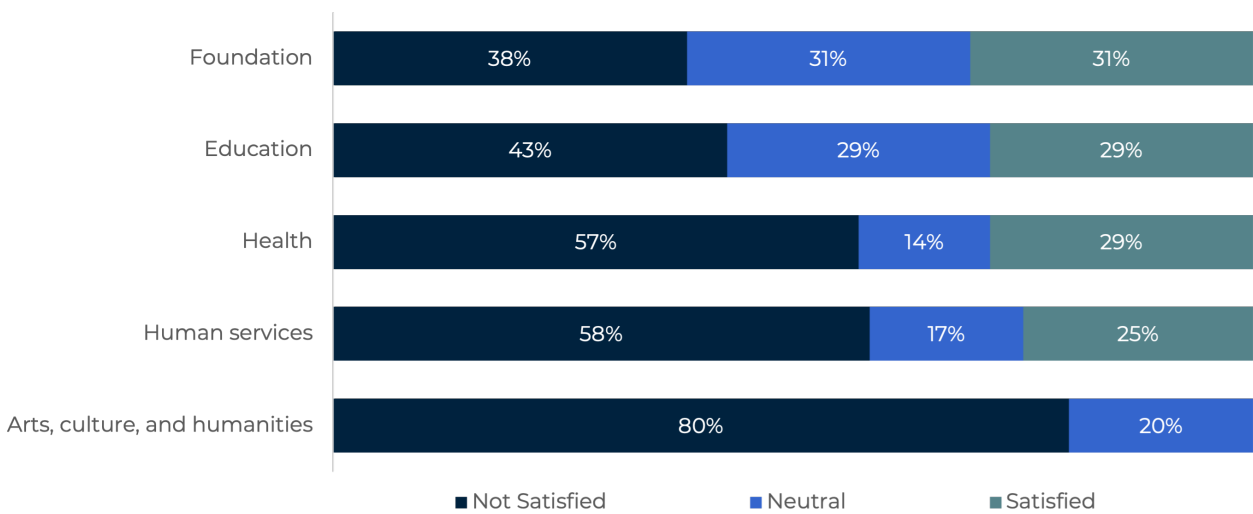
Note: Religious, environment and animal, and public-society benefit organizations have been omitted from this analysis due to insufficient data.

Respondents: **48**

GENERAL DISSATISFACTION WITH FUNDRAISING

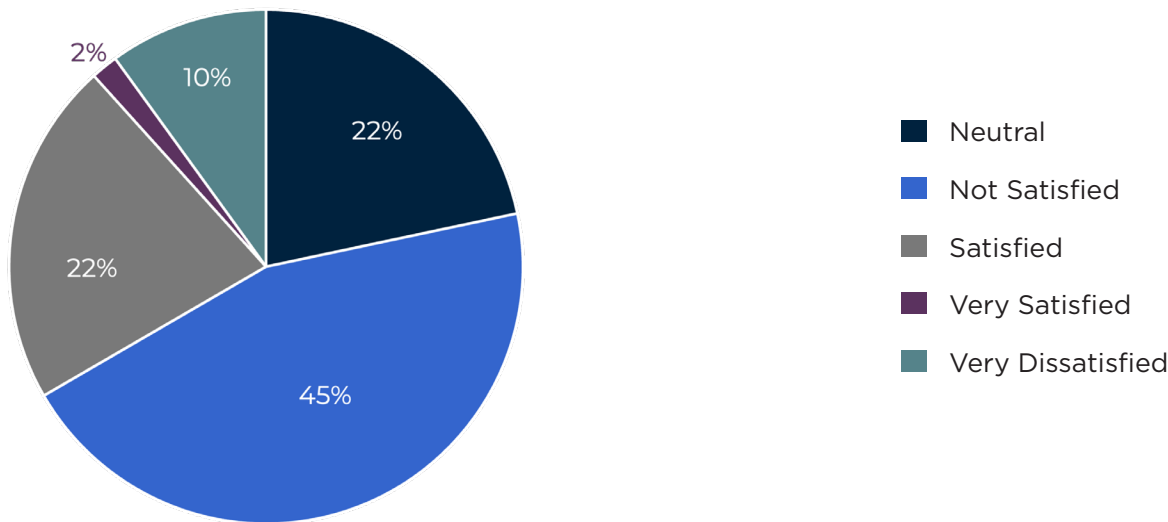
Generally, less than a third of organizations said they were satisfied with their ability to fundraise.

FUNDRAISING SATISFACTION



Respondents: **51**

SATISFACTION WITH CORPORATE FUNDRAISING



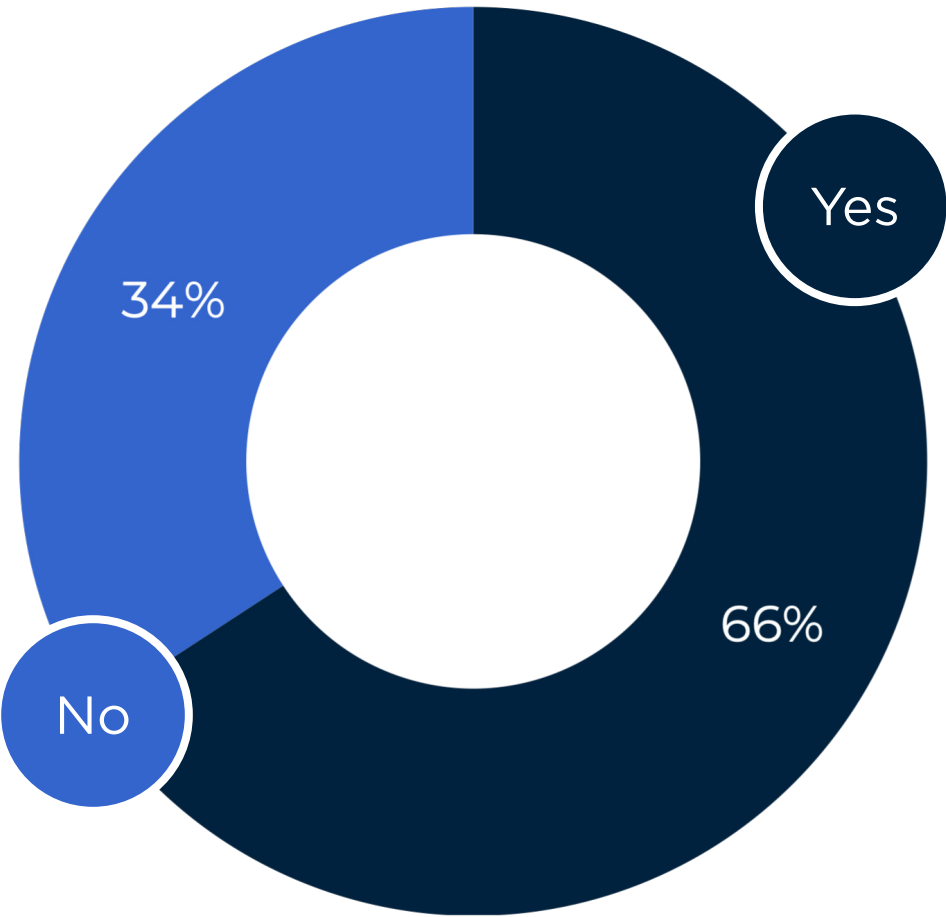
*Percents may not equal to 100% due to rounding.

Respondents: **60**

MOST COMMITTEES HAVE TERM LIMITS

The majority (66 percent) of respondents have enacted policies for formal term limits for finance and investment committees and boards.

FORMAL TERM LIMITS

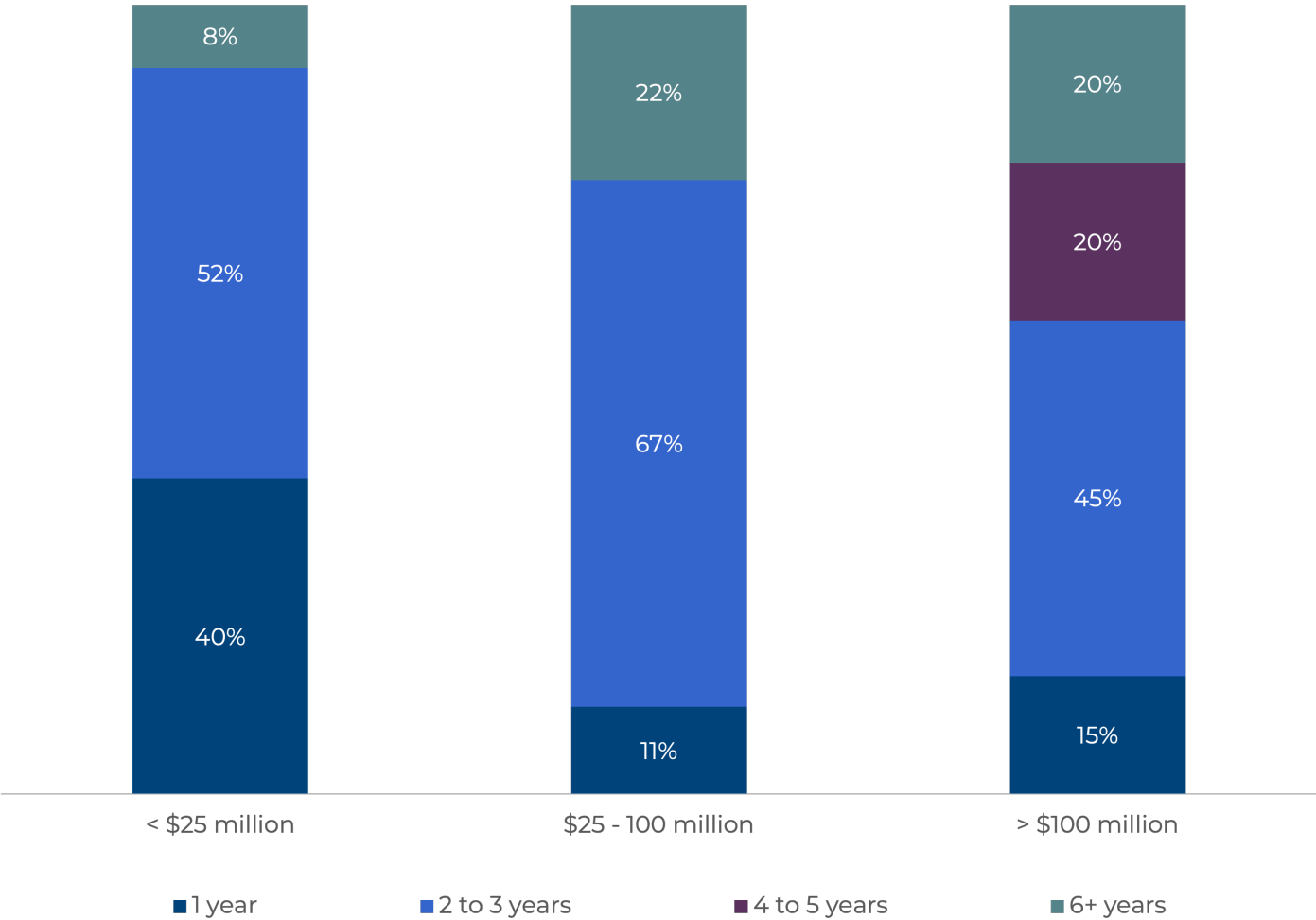


Respondents: **76**

LARGER ORGANIZATIONS FOCUS ON CONTINUITY

Organizations with more investment assets under their care generally have longer committee term lengths.

COMMITTEE TERM LENGTH VS. ASSET SIZE



Respondents: **63**



ENDOWMENTS AND FOUNDATIONS

OUR COMMITMENT

By design, we are completely aligned with you and motivated to produce better results.

CAPTRUST is a majority employee-owned firm with 100 percent of its revenue derived from client advisory services, which means we have the objectivity and independence to always put our clients' interests first.

Our depth of resources, industry leverage, and unique perspective enable us to deliver effective solutions across the endowment, foundation, and nonprofit continuum.

- We currently serve **484 endowment and foundation clients** representing over **\$25 billion in assets** under advisement. Our deep understanding of trustee-directed asset pools means that CAPTRUST is uniquely positioned to help nonprofits accomplish their goals.
- The CAPTRUST Endowment and Foundation Survey represents **more than 150 organizations** and provides insights, best practices, and peer benchmarking on topics such as investment strategies, spending policies, governance, fundraising, and diversity, equity, and inclusion (DEI) to assist nonprofits in fulfilling their missions.
- Our dedicated research team of **135+** professionals, proprietary databases, and experienced investors provide a distinct advantage to our clients.

OUR SERVICES

- Asset allocation modeling
- Committee development and education
- Discretionary investment management
- Donor development
- Environmental, social, and governance (ESG) investing
- Fee benchmarking
- Investment and spending policy development
- Manager search and selection
- Nondiscretionary investment advice
- Performance reporting and monitoring
- Trustee/custodian search