

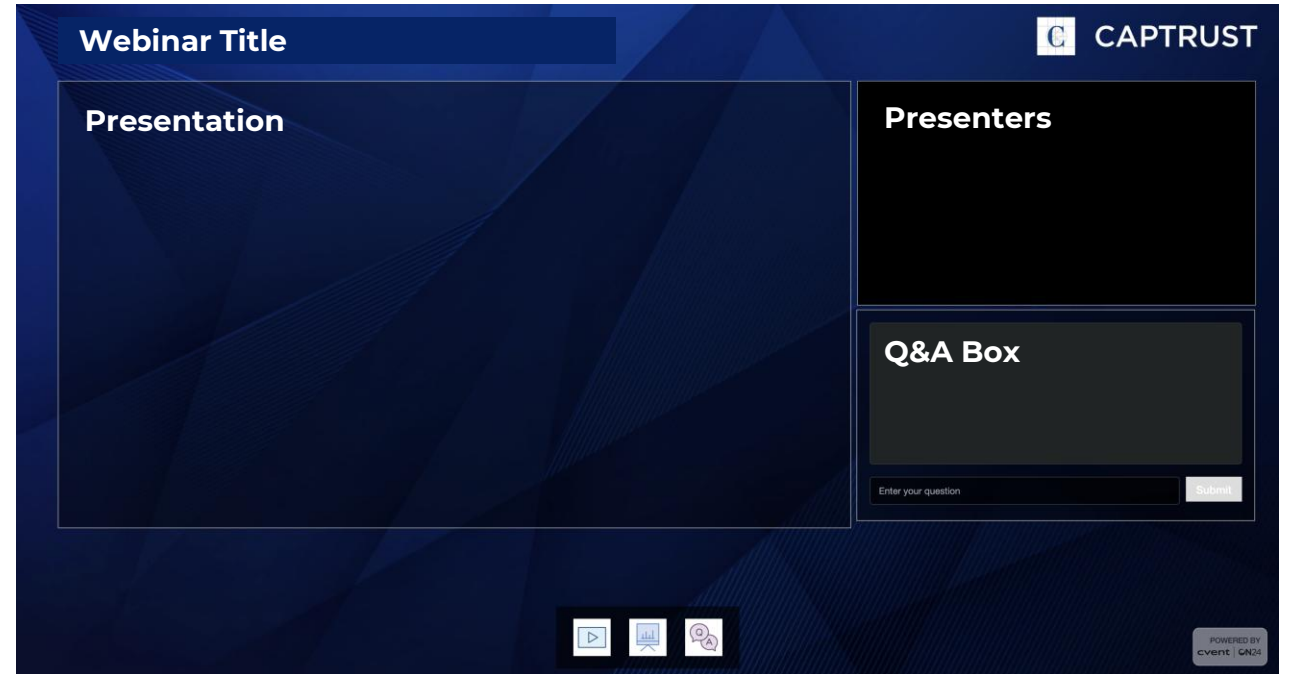
2026 ENDOWMENT AND FOUNDATION SURVEY: KEY FINDINGS

September 22, 2026



Information about Today's Session

- All attendee lines are automatically muted and in listen-only mode.
- Questions may be submitted during the event by selecting the Q&A icon and typing them into the Q&A box.
- To turn on closed captioning, click on the small circle with two c's in the bottom right of the Presenters' tile or Media Player.
- Today's session is being recorded. The recording will be available for rewatching within one week following the event.



Agenda



Navigating a more challenging environment

- Operational pressures and funding uncertainty



Managing increasing portfolio complexity

- Alternative investments, private markets, liquidity, and operating reserves



Strengthening operational response

- OCIO relationships, delegated responsibilities, and evolving governance practices

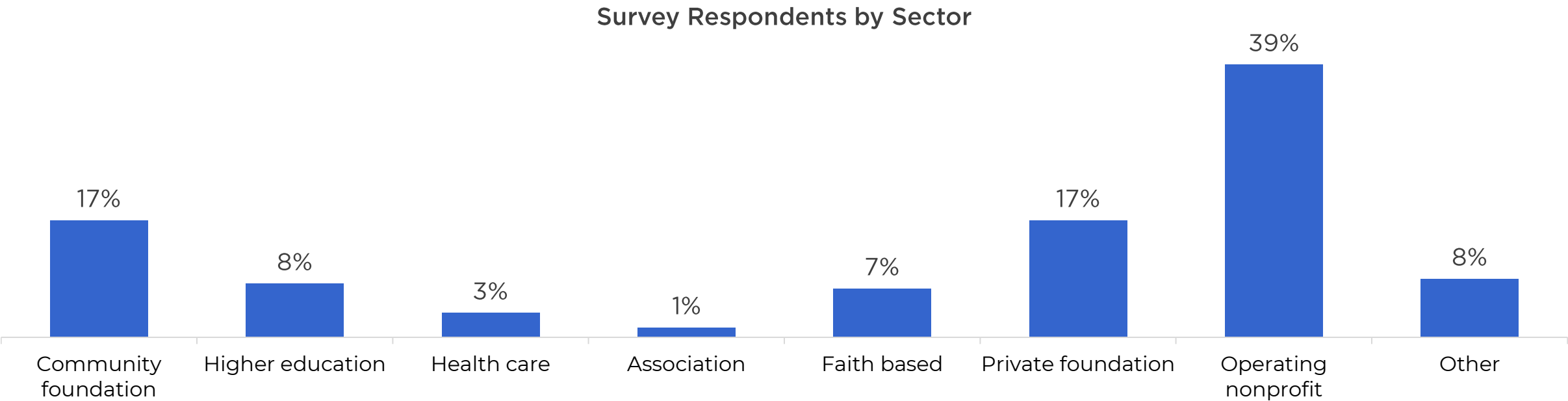


Q&A



Survey Overview

The 2026 Endowment and Foundation Survey was fielded in 2026 and reflects nonprofits' year-end 2025 investment allocations, governance practices, organizational characteristics, and outlook. The survey included **144 total respondents**, with the largest cohorts represented by operating nonprofits, community foundations, private foundations, higher education, and faith-based organizations.



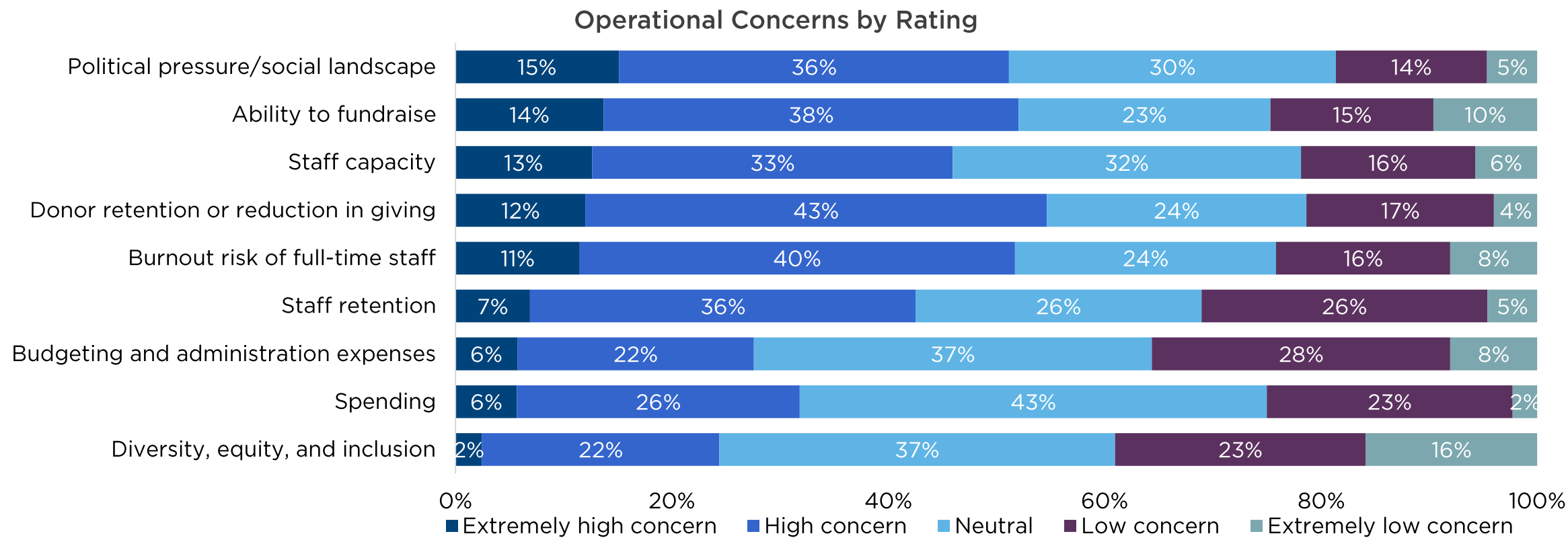
Respondents: 144



OPERATIONAL AND FUNDING PRESSURE

Operational Capacity Is Under Pressure

More than half of respondents identified donor retention or reduction in giving (55%), ability to fundraise (52%), and burnout risk among full-time staff (51%) as high or extremely high concerns, while 46% cited staff capacity constraints.

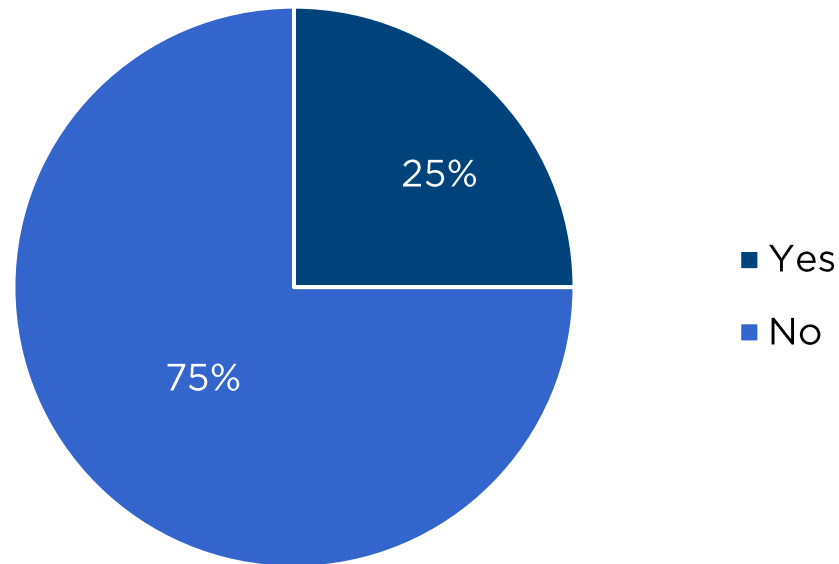


Respondents: Range from 73 to 87 per question

Funding Has Already Shifted

One-quarter of respondents reported a change in federal funding during the past year.

Has your organization experienced any changes in federal funding levels over the past 12 months?

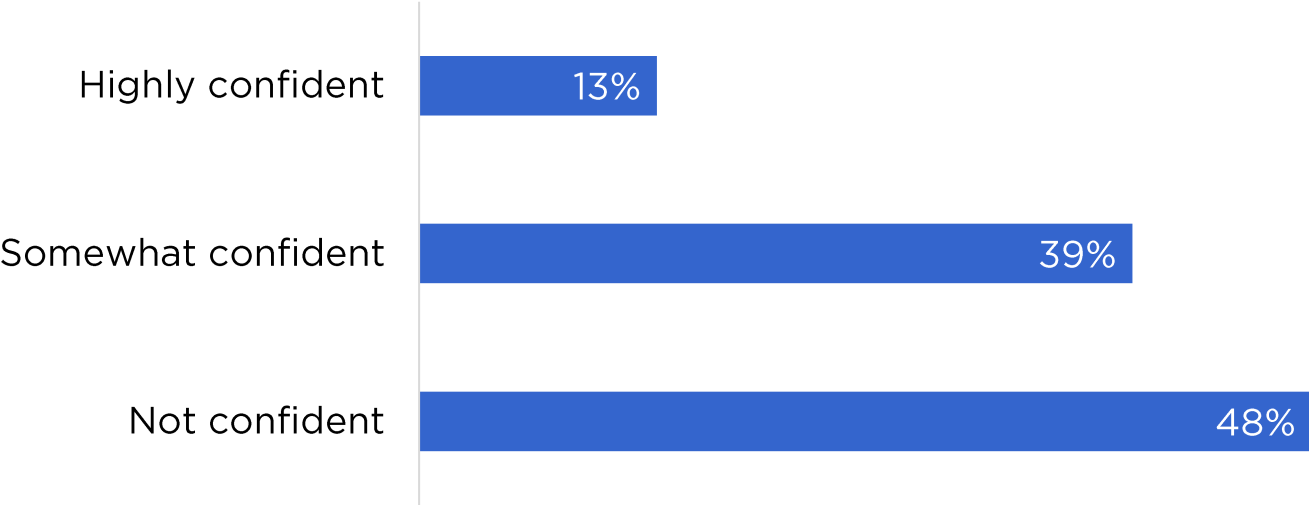


Respondents: 44

Confidence in Future Funding Is Low

Only 13% expressed high confidence that current federal funding streams will remain stable over the next 12 to 24 months.

How confident are you that your organization's current federal funding streams will remain stable over the next 12-24 months?

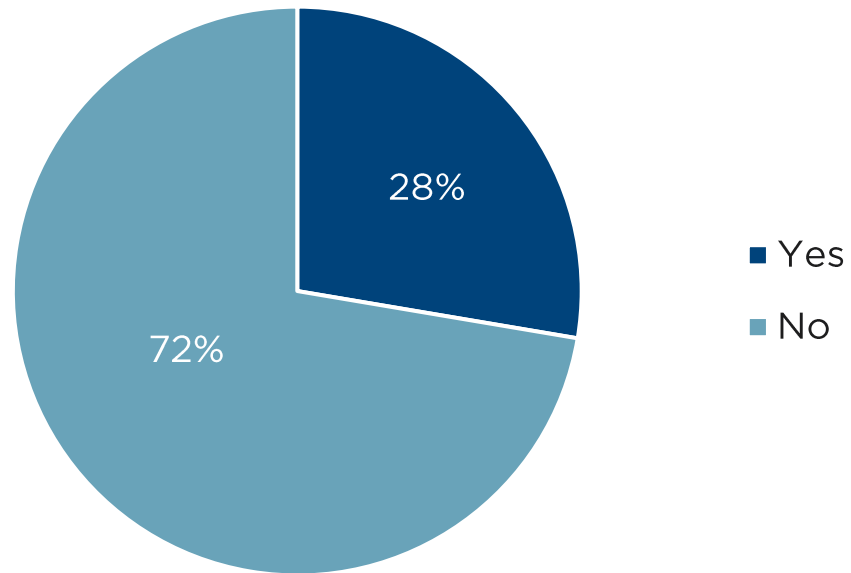


Respondents: 31

Potential Cuts Add to the Pressure

More than one in four reported potential funding cuts. How should nonprofits prepare when funding, markets, and operating demands may come under pressure at the same time?

Has your organization received notification or indication of potential funding cuts in the coming year?



Respondents: 47

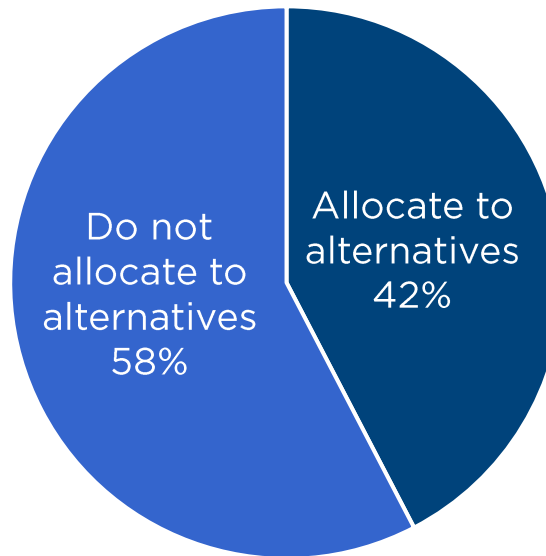


INVESTMENT COMPLEXITY

Investment Sophistication Continues to Rise

Nonprofits continue to adopt investment approaches once associated primarily with larger institutional investors. Forty-two percent of respondents currently allocate to private or other alternative investments.

2026 Respondents with Alternative Allocations

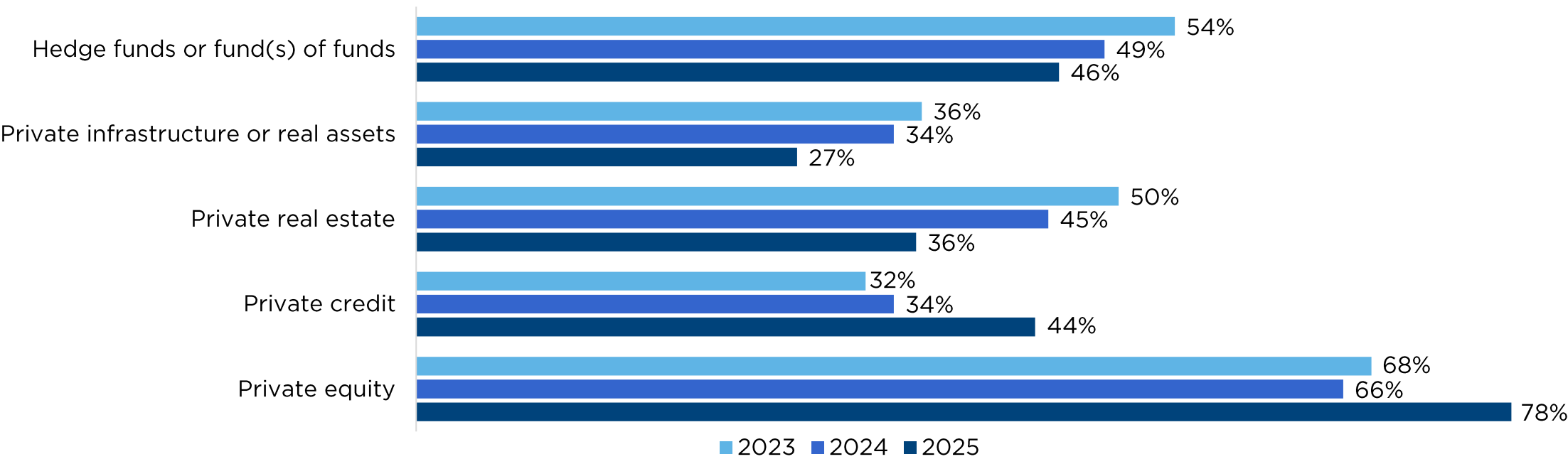


Respondents: 144

Private Equity and Private Credit Are Gaining Ground

Of those with an alternative allocation, 78% invest in private equity, and 44% invest in private credit. By comparison, participation in hedge funds (46%), private infrastructure or real assets (27%), and private real estate (36%) is lower, suggesting these investors remain most focused on private market strategies tied to asset growth and income generation.

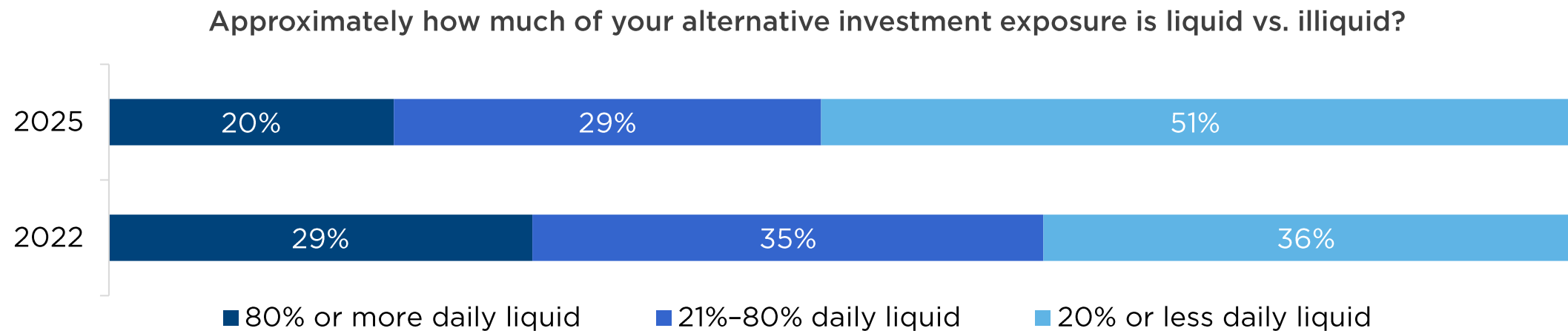
What type of alternatives are you invested in?



Respondents: 2023: 38, 2024: 53, 2025: 136

Alternative Allocations Are Becoming Less Liquid

Nonprofits continue to embrace less liquid investment strategies. More than half (51%) report that 20% or less of their alternative allocations are held in daily liquid vehicles: an increase from 36% in 2022. The shift aligns with growing interest in private markets, where investors often accept reduced liquidity in pursuit of higher return potential, broader opportunity sets, and diversification benefits.

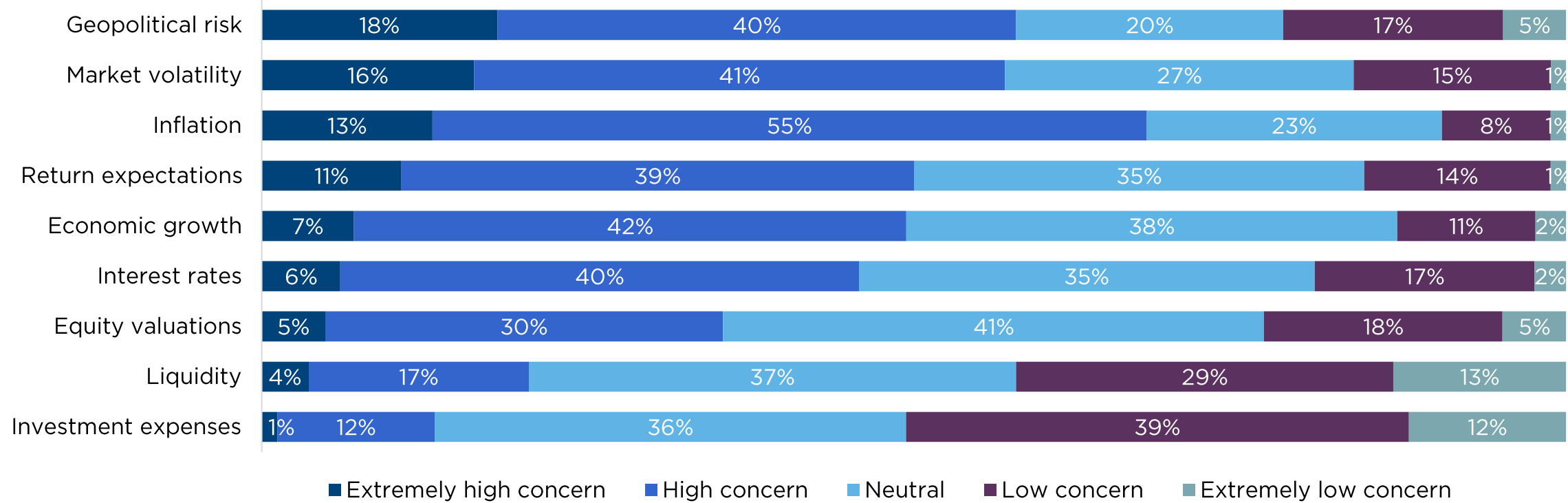


Respondents: 2022: 52, 2025: 41

Risk Management Is Extending Beyond the Portfolio

Inflation remains the top investment concern, but respondents are increasingly focused on a wider range of interconnected risks, including geopolitical events, market volatility, funding uncertainty, and organizational capacity.

Portfolio Investment Concerns



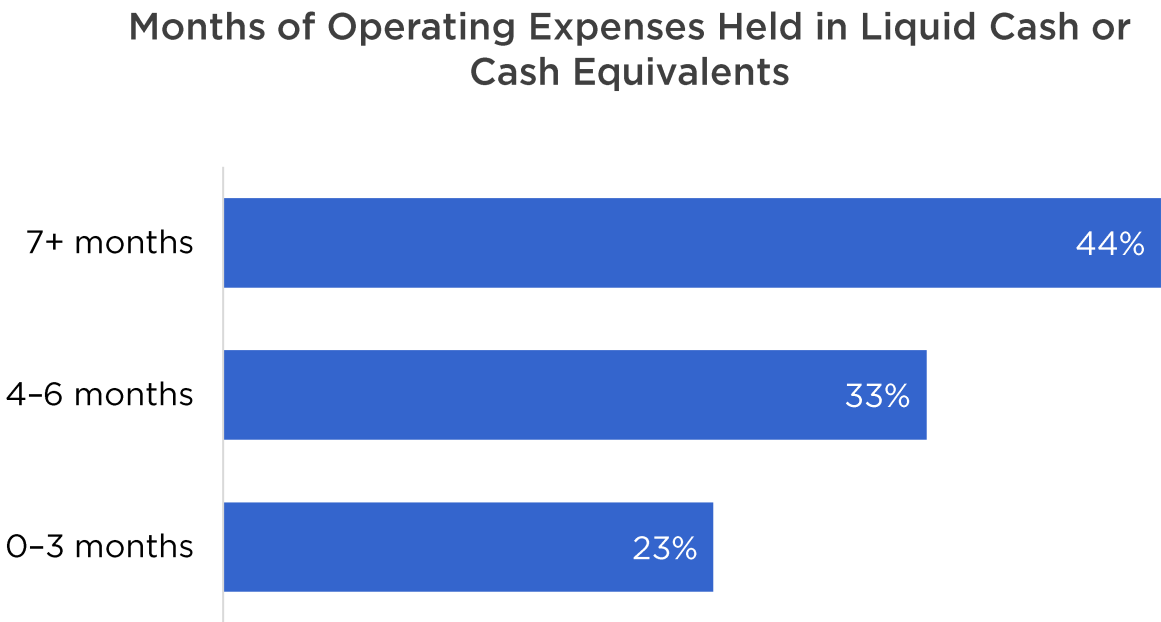
Respondents: Range from 82 to 86 per question



OPERATIONAL RESILIENCE

Operating Reserves Vary Widely

How much operating runway is enough? Twenty-three percent of respondents hold no or only one to three months of operating expenses in cash or cash equivalents, while 33% hold four to six months and 44% hold more than seven months of operating expenses in cash or cash equivalents.



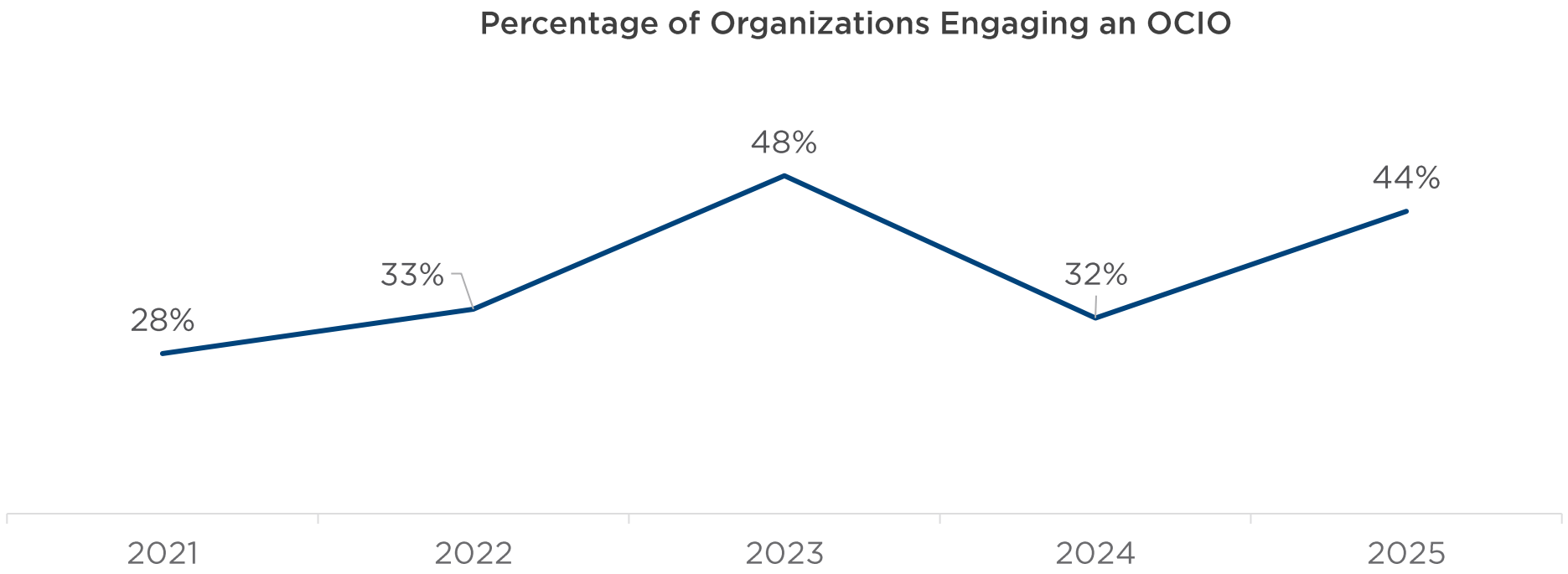
Respondents: 79



OCIO ADOPTION

OCIO Adoption Continues to Rise

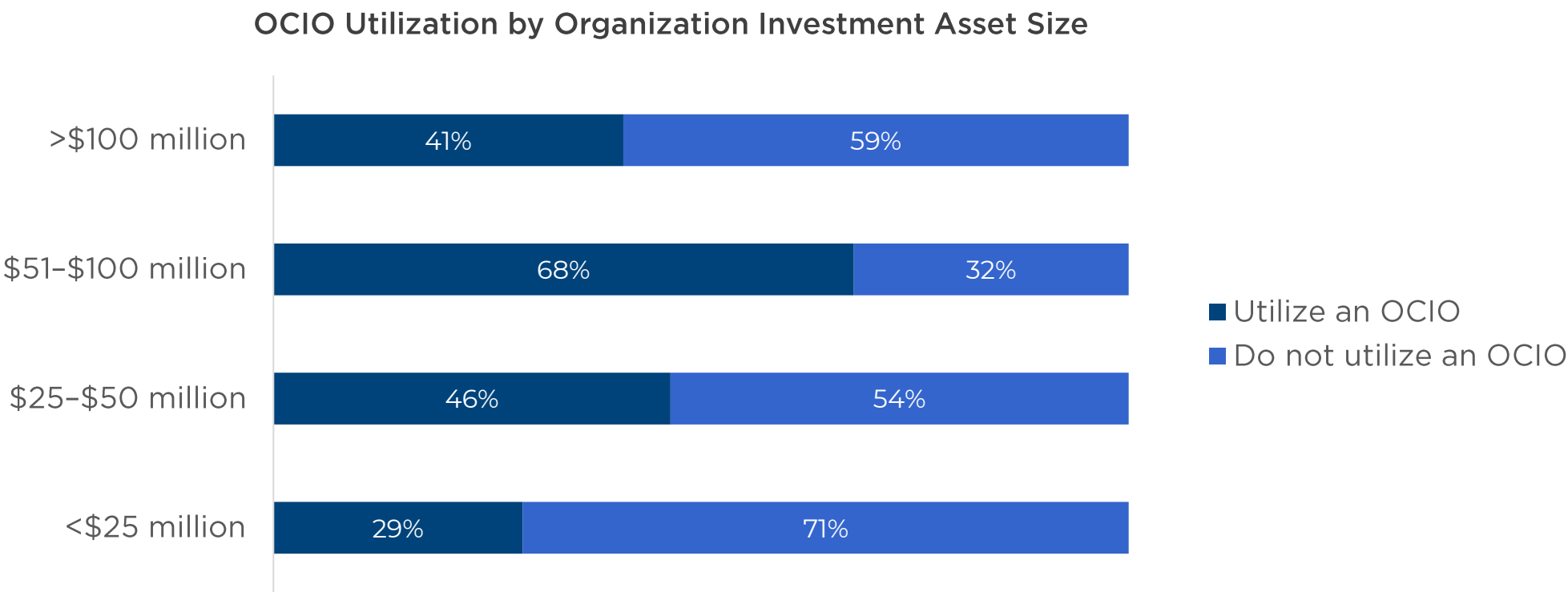
The survey shows 44% of organizations engage an advisor in an outsourced chief investment officer (OCIO) capacity.



Respondents: 2021: 156, 2022: 104, 2023: 61, 2024: 92, 2025: 127

OCIO Adoption Is Highest Among Midsized Portfolios

Adoption was highest among organizations with \$51 million to \$100 million in investable assets, where approximately 68% utilize an OCIO. Utilization is lower among organizations with less than \$25 million, where approximately 29% use an OCIO.

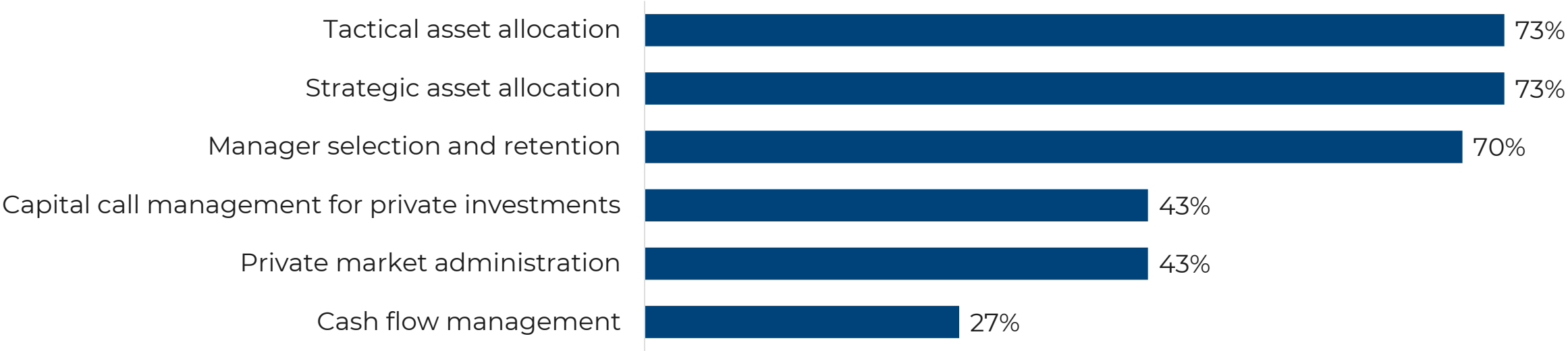


Respondents: 126

Delegating a Range of Investment Responsibilities

For many organizations, an OCIO relationship serves as both an investment and a governance resource. By delegating day-to-day investment implementation, portfolio monitoring, rebalancing, manager oversight, and cash-flow management, boards and committees may be able to devote more time to strategic issues such as mission alignment, risk governance, and long-term organizational objectives.

What services does your organization outsource to your OCIO?



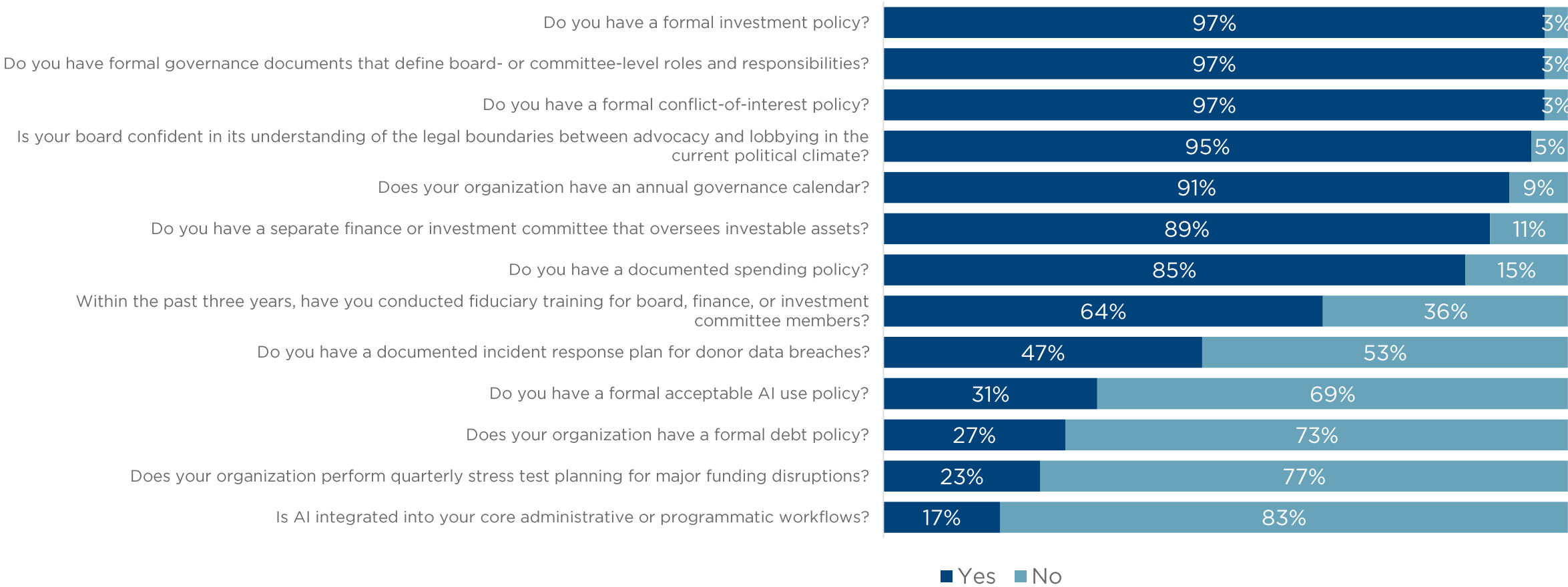
Respondents: 55



AI AND GOVERNANCE

Core Governance Policies Are Near Universal; AI and Risk Policies Lag

Governance and Policy Adoption



Total number of respondents ranges from 73 to 89 per question.



KEY FINDINGS

Bottom Line

The 2026 Endowment and Foundation Survey suggests that successful organizations will not necessarily be those with the most sophisticated portfolios, but those that can effectively align investment strategy, liquidity management, governance practices, and organizational resources in support of their mission.

The findings do not suggest nonprofits are becoming more conservative. If anything, organizations continue to embrace alternative investments, private markets, and OCIO relationships. At the same time, they are doing so while facing staffing constraints, funding uncertainty, liquidity considerations, and an expanding range of governance responsibilities.



Q&A

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Survey data presented herein was collected in 2026 and reflects information reported for the period January 1, 2025, through December 31, 2025.

Source: CAPTRUST research