



For Immediate Release
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Newest Generation of Family Foundations Makes its Mark
Through Shifts in Priorities, Perspectives and Grantmaking Practices
*Family Foundation Giving Levels Increase While Number of Grants Decline,
Finds New Study by the National Center for Family Philanthropy*

CHICAGO – America’s family foundations are giving more money but through fewer grants, shifting their emphasis from community-focused giving to addressing public policy issues, doubling their use of impact investing, and expanding the diversity and inclusiveness of their boards and staff as a newer generation of foundations makes its mark, according to the *Trends 2020* study, published today by the [National Center for Family Philanthropy](#) (NCFP), in collaboration with and support from Bank of America.

Released today at the [National Forum on Family Philanthropy](#), the *Trends 2020* study builds upon the first national benchmark survey of family foundations NCFP conducted in 2015, and reflects views from a randomly selected, statistically significant sample of more than 500 family foundations on foundation governance, management, and grantmaking. This sample is representative of the more than 60% of the nation’s 90,000-plus grantmaking foundations with family participation, whose practices have a significant influence on the philanthropic sector.

“The *Trends 2020* findings provide insights into how family foundations are adapting to changing times, values, and priorities as they strive for increased impact,” said Virginia Esposito, Founder and President of the NCFP. “The study shows the growing influence of family foundations on philanthropy and offers families important guidance to improve their governance and operating practices and increase their effectiveness.”

Among the key findings of the *Trends 2020* study:

- Giving amounts have grown over the last five years, when the previous NCFP study was conducted. However, while the amounts given have increased, the number of grants awarded each year has declined, indicating that foundations are becoming more intentional with their giving.

- Nearly two-thirds (64%) of family foundations concentrate their giving on a particular geographical area, such as their home town, state or region. However, those established in the past 30 years—about 70% of the total—are more focused on specific issues than on geography. In fact, eight out of ten (81%) of those established before 1970 compared to only 46% of those created since 2010 concentrate their giving based on geography. In contrast, 40% of the oldest foundations (those created before 1970) say they are focused on issues, whereas 82% of the youngest foundations (those created since 2010) cite this.
- Consistent with findings from the 2015 study, the top areas of emphasis for family foundations overall include education (38%) and poverty, hunger and homelessness (27%). However, whereas 41% of foundations established before 1970 cite education as a top focus area, only 23% of those founded since 2010 cite this. In contrast, 28% of the oldest foundations cite poverty as a focus area, while 64% of the newest foundations do. Economic opportunity is also a key priority for the youngest foundations, with 41% citing it, versus just 5% of those created before 1970.
- Foundations are also increasingly adding impact investing approaches to their giving. In fact, use of impact investing has doubled since 2015. Plans to institute or expand mission/impact investing are up overall from 2015, with nearly one-fourth of all family foundations saying they will do so in the near future.

Shifting Practices among Older and Younger Foundations

Family foundations are awarding fewer but larger grants today than in 2015. Fewer family foundations today are awarding 50-plus grants per year, while more are awarding in the range of 25 to 49 grants. 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).

Roughly two-thirds of family foundations make general operating support grants and provide multiyear grants, and about half provide capacity-building grants. Newer forms of grants—such as program related investments (63%), other mission-related approaches (59%), impact investing (47%) and loans/grants to guarantee loan funds (39%) are much more prevalent among family foundations established after 2010.

Building for the Future: A Growing Emphasis on Diversity in Governance

“With seven out of ten family foundations established over the last 30 years, younger foundations are finding their own path to the future,” said Claire Costello, Managing Director, Philanthropic Solutions Group, Bank of America Private Bank. “*Trends 2020* gives board members and staff benchmarks to responsibly leverage capital and prepare themselves to be ever more effective with their giving during the coming decade and beyond.”

As they look to the future, family foundation boards and staff plan to become more diverse, add younger family members and nonfamily members, and adopt Diversity, Equity, and Inclusion (DEI) initiatives.

- More than half of family foundations have multiple generations serving on their board today. One out of ten has three or more generations serving on the board. One-third have at least one member of the third generation on the board, while less than one in ten have family members from the fourth generation or beyond.
- Currently, 55% of family foundation board members are male and 45% are female. Roughly one-third (35%) of foundation boards include at least one person of color, and one out of ten (11%) have at least one LGBTQ member.
- Nearly two in five (37%) family foundations plan to increase the number of younger family members serving on the board, and 28% say they will give younger family members a greater say in foundation operations and giving.
- 71% of board positions are held by family members and 29% by non-family members. A higher portion of foundations formed since 2010 plan to increase non-family board membership (52%), increase racial diversity on the board (46%), expand staff (44%) and discuss the role of racial equity in their work (27%).
- One out of four family foundations use DEI goals and strategies to guide giving, whereas one out of three have DEI initiatives built into their plans for the future. Meanwhile, 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, with 53% of them reporting using DEI guidelines compared to 20% of those established before 2010. More than one-third (38%) of newer foundations say DEI considerations have “a lot” of influence on their giving approaches, compared to 11% for all other foundations.

An executive summary of the complete report as well as the full report are available at ncfp.org/trends-2020.

Methodology

The [National Center for Family Philanthropy](https://www.ncfp.org) (NCFP) collaborated with Bank of America and the independent research firm, [Phoenix Marketing International](https://www.phoenixmarketing.com) (“Phoenix”) to produce this study, which compares results from prior years and examines emerging trends in the field.

NCFP commissioned Phoenix to design and conduct a nationally representative survey of family foundations. A 52-question, mixed-mode survey (i.e., mail, web, and telephone) was conducted February-May 2019 and yielded 517 responses from foundations with assets of at least \$2 million or 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.

National Center for Family Philanthropy

The National Center for Family Philanthropy is the only national nonprofit dedicated exclusively to families who give and those who work with them. NCFP provides the resources, community, and encouragement families need to transform their values into effective giving that makes a lasting impact on the communities they serve. More information is available at <https://www.ncfp.org/>.

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