



**exponent
philanthropy**

2025

**FOUNDATION OPERATIONS
AND MANAGEMENT REPORT**

**THE PREMIER BENCHMARKING RESOURCE
FOR FOUNDATIONS WITH FEW OR NO STAFF**

EXECUTIVE SUMMARY

WHO RESPONDED

Out of 1,311 eligible foundations, 330 Exponent Philanthropy members completed the 2024 FOMS for a 25% response rate. More than half (52%) of respondents identified as family foundations, and 39% identified as independent foundations. Respondents were geographically diverse across the United States with most (53%) located in urban areas. Notably, more than two-thirds (70%) of participating foundations have a physical office.

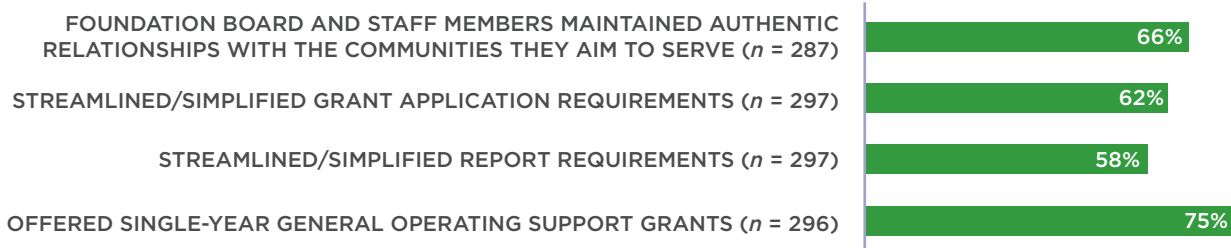
CATALYTIC LEADERSHIP IN PHILANTHROPY: KEY FINDING

1. Lean Funders Embody Catalytic Leadership in Philanthropy

Our data revealed that lean funders exemplify CLIP. Notably, 68% of participating foundations reported that the board and staff maintained authentic relationships with the communities they aim to serve. In addition, more than half (62%) of lean funders streamlined their application requirements, and slightly more than half (58%) streamlined their reporting requirements, whereas 75% had offered single-year general operating support grants in the past year.

Catalytic Leadership in Philanthropy is a values-driven style of leadership that leverages a foundation's relationships, nongrant assets, and proven practices to help lean funders make long-term, systematic changes that support the communities they serve.

i. Use of CLIP in philanthropy practices

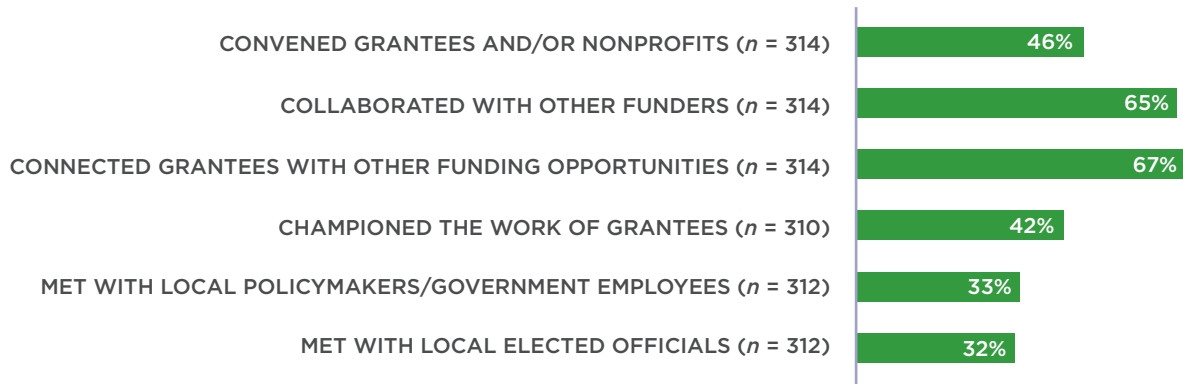


Additional Notable Finding

2. Lean Funders Create Outsized Impact Through Catalytic Strategies

A significant portion of lean funders leveraged catalytic practices—connecting, collaborating, championing, and advocating—to extend their impact beyond grants. Nearly half (46%) of participating foundations convened grantees and/or nonprofits, whereas approximately two-thirds (65%) collaborated with other funders, and others (67%) reported connecting grantees to additional funding opportunities. Furthermore, 42% championed grantees' work publicly; about a third (33%) engaged in local advocacy, including meeting with policymakers; and nearly a third (32%) met with local elected officials.

ii. Embracing of catalytic elements in philanthropic practice

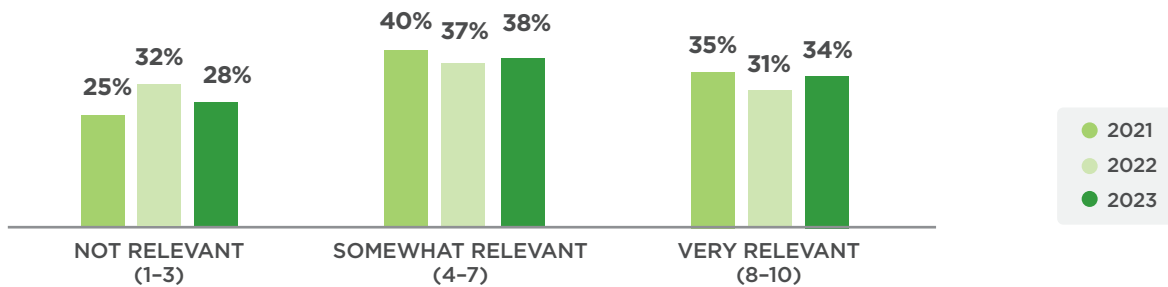


EQUITY AND INCLUSION: KEY FINDING

3. Racial Equity Remains Steady in Mission Relevance for Lean Funders

The percentage of foundations rating racial equity as very relevant to their mission saw a slight increase in 2023 compared with the previous year. However, a 5-year review across all participating foundations showed that the relevance of racial equity to their missions has remained relatively consistent over time.¹

iii. Relevance of racial equity to the foundation's mission



Additional Notable Finding

4. Funders Have Limited Engagement in Disability Inclusion Practices

Disability Inclusion remains an underutilized area for lean funders. Of participating foundations, only 7% reported strategies to actively promote disability inclusion.

iv. Foundations implementing disability inclusion practices

FOUNDATIONS THAT REPORTED IMPLEMENTING ANY TYPE OF STRATEGY TO PROMOTE DISABILITY INCLUSION (n = 296) | 7%

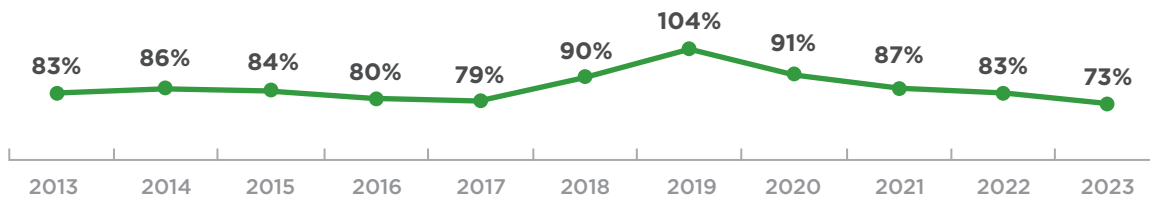
¹An analysis of variance (ANOVA) test was used to determine significant differences on foundations' racial equity relevance ratings over the past 5 years (i.e., FOMS 2020–2024). Repeated measures ANOVA tests have been used in previous analyses to examine changes among foundations that have participated every year over the past 5 years. Current analyses examine trends across time for all participating foundations independently of how many times they have participated in the FOMS over the 5-year period (2020–2024).

STAFF, COMPENSATION, AND BENEFITS: KEY FINDING

5. Gender Wage Gap Widens

Even though women compose nearly three-quarters (71%) of foundation CEOs, this year's findings show that the gender wage gap has increased. In 2023, female CEOs and top administrators earned just 73 cents for every dollar earned by their male counterparts.

v. Median female-to-male salary ratio for full-time CEOs/top administrators, by year



Additional Notable Findings

6. Staff Salaries Increase in 2023

Matched salary data indicated an upward trend across roles, with salaries rising for CEO/top administrators, professional/grantmaking staff, and administrative/support staff.

vi. 2022–2023 matched salary changes, by role

ROLE	BASE SALARY						
	AVERAGE			MEDIAN			
	2022	2023	PERCENTAGE CHANGE	2022	2023	PERCENTAGE CHANGE	
CEO/TOP ADMINISTRATOR* (n = 96)	\$168,216	\$178,575	6.2%	\$157,952	\$160,000	1.3%	
PROFESSIONAL/GRANTMAKING STAFF (n = 59)	\$106,303	\$110,550	4.0%	\$97,167	\$107,000	10.0%	
ADMINISTRATIVE/SUPPORT STAFF* (n = 29)	\$70,888	\$73,779	4.1%	\$70,000	\$77,000	10.0%	

* Statistically significant increase, $p < .05$.

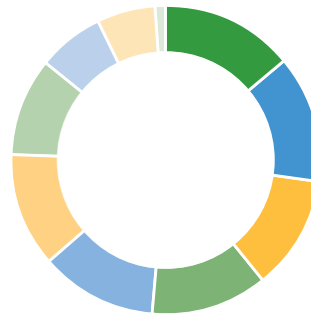
7. Racial Equity Focus Is Linked With Increased CEO Engagement in Generative Work and Professional Development

Among participating foundations, full-time CEOs/top administrators dedicated significant time across a range of tasks. Full-time CEOs/top administrators worked between 30 hours to 75 hours a week, and 75% of them reported dedicating more than 40 hours weekly to their foundation.

Time allocation among CEOs/top administrators varied by foundation characteristics. Notably, CEOs/top administrators from foundations at which racial equity was highly relevant to the mission devoted more time to generative work and professional development compared to those from foundations considering racial equity as less relevant. In addition, CEOs/top administrators at foundations that viewed racial equity as highly relevant to their mission dedicated less time to investment management and pre-grant tasks compared with those at foundations that considered racial equity as less relevant.

vii. Average time allocation (%) of full-time CEOs/top administrators across tasks (n = 192)

● BUILDING RELATIONSHIPS WITH GRANTEES	14%
● PRE-GRANT WORK	13%
● ADMINISTRATIVE TASKS	12%
● COMMUNITY ENGAGEMENT	12%
● GENERATIVE WORK	12%
● MANAGING RELATIONSHIPS WITH STAFF	12%
● POST-GRANT WORK	10%
● MANAGING THE FOUNDATION'S INVESTMENT PORTFOLIO OR ENGAGING WITH INVESTMENT CONSULTANT	7%
● PROFESSIONAL DEVELOPMENT	6%
● OTHER	1%



BOARDS AND GOVERNANCE: KEY FINDING

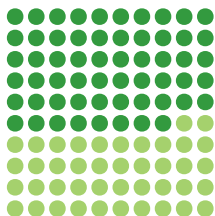
8. Board Diversity Grows

The percentage of foundations with all board members identifying as White has steadily declined, whereas the representation of board members who identify as Black, Indigenous, People of Color (BIPOC) has significantly increased over time. In 2023, 58% of foundations had exclusively board members who identified as White, a decrease from 74% in 2018 and 68% in 2022, reflecting a positive trend toward greater diversity.

viii. Racial/ethnic diversity on foundation boards (n = 264)

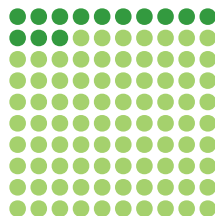
ALL WHITE/
NO PEOPLE OF COLOR

58%



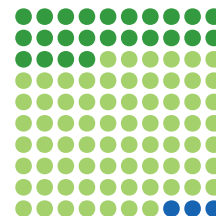
ONE PERSON
OF COLOR

13%



MORE THAN ONE PERSON
OF COLOR

27%



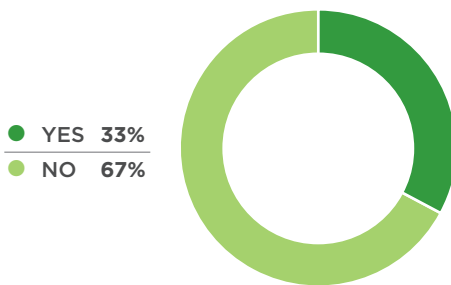
ALL PEOPLE
OF COLOR: 3%

Additional Notable Findings

9. Only One-Third of Foundation Boards Have Term Limits

Among participating foundations, 33% reported having term limits for board members. For those with term limits, board members can serve an average of 10 consecutive terms (median of 3 terms). Both the average and median length of a single term is 3 years.

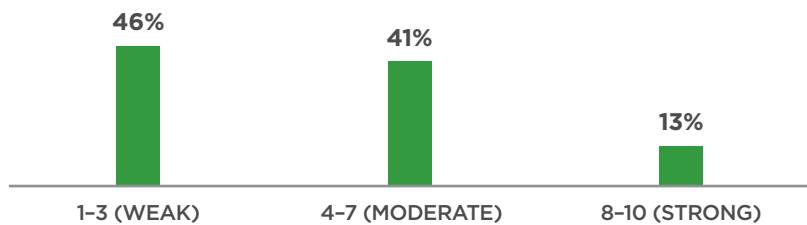
ix. Foundations with board member term limits (n = 319)



10. The Pipeline of Prospective Board Members is Limited

Only 13% of participating foundations rated their board pipeline as strong. On average, foundations rated—on a scale of 1 (weakest) to 10 (strongest)—their pipeline strength at 4 (median of 4), indicating a moderate level overall. Foundations with paid staff and those with board term limits reported significantly stronger pipelines than others.

x. Board pipeline rating (n = 306)

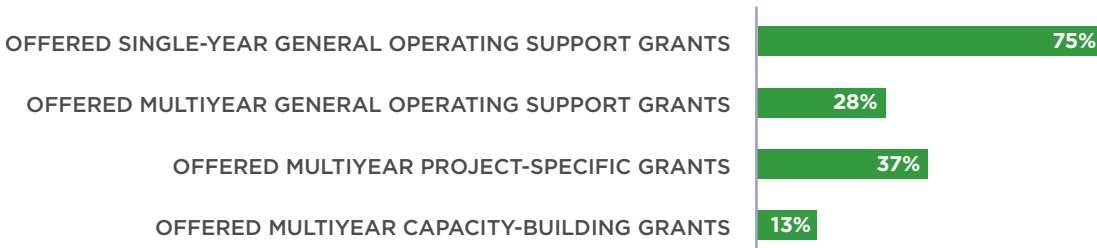


GRANTMAKING: KEY FINDING

11. General Operating Support Grants Are Common, Whereas Multiyear Grants Remain Limited

Although 75% of lean funders reported providing general operating support grants, multiyear grants were still underutilized across foundation types. Just 28% of participating foundations offered multiyear general operating support grants, 37% provided multiyear project-specific grants, and 13% extended multiyear capacity-building grants.

xi. Multiyear, flexible funding (n = 292)

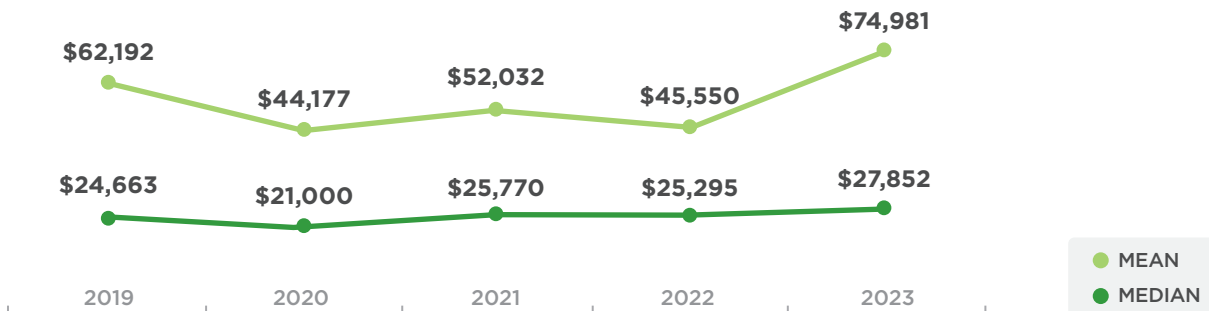


Additional Notable Findings

12. Funders Are Making More Grants

The average number of grants awarded by participating foundations has risen over the past 5 years². In the most recent fiscal year, foundations awarded an average of 76 grants (median of 47) with an average grant size of \$74,981 and a median of \$27,852.

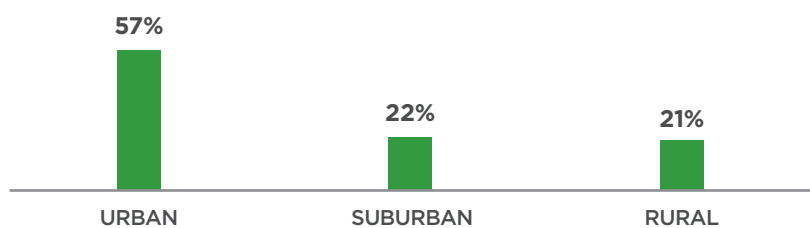
xii. Mean and median grant awards over time



13. Funding Tends to Follow Foundation Location

More than half (57%) of participating foundations reported allocating the majority of their grant funding to urban areas; others focused on suburban (22%) or rural (21%) communities. Foundation location appeared to influence funding allocation: Foundations based in rural areas in the United States were more likely to fund rural communities, whereas those in urban areas tended to prioritize urban grants. According to the “Who Responded” section later in this report, 53% of foundations were located in urban areas, 34% were in suburban areas, and 14% were in rural areas.

xiii. Foundations allocating funding, by community type (n = 306)



INVESTMENTS: KEY FINDING

14. Mission Investing Yields Comparable Returns to Traditional Investing

Foundations practicing mission investing continue to achieve returns similar to those of foundations without mission-focused investments. In 2023, mission-investing foundations saw slightly lower returns than their traditional counterparts, although this difference was not statistically significant.

² An ANOVA test was used to examine differences in the average number of grants awarded in the past 5 years (i.e., from 2019 to 2023).

xiv. Average 2023 net investment returns, by mission investing strategy

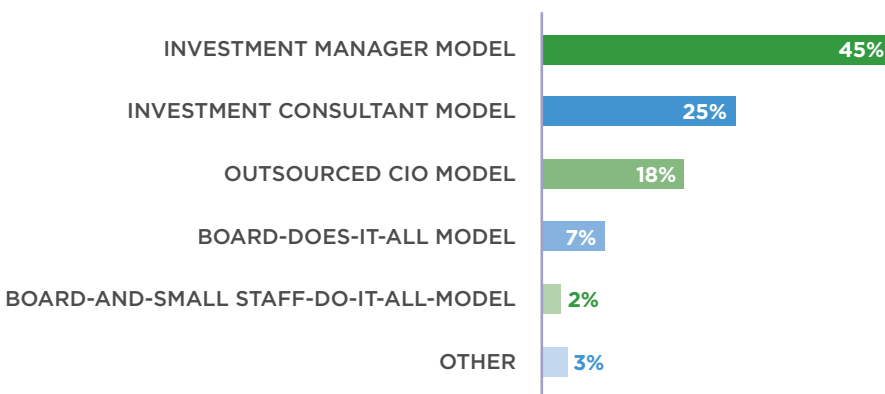
OVERALL INVESTMENT RETURNS (n = 243)	INVESTMENT RETURNS— ENGAGED IN MISSION INVESTING (n = 53)	INVESTMENT RETURNS—DID NOT ENGAGE IN MISSION INVESTING (n = 199)
12.6%	11.4%	13.0%

Additional Notable Finding

15. Most Foundations Rely on External Expertise for Investment Management

Among participating foundations, the investment manager model was the most common (45%), followed by the investment consultant model (25%) and the outsourced CIO model (18%). A smaller share of foundations reported managing investments internally: Seven percent used a board-only approach and 2% involved both board and small staff. Investment management choices did not vary significantly by foundation characteristics, such as asset size or foundation type.

xv. Type of investment management models implemented by foundations (n = 305)



- The board (and key staff) hire investment managers to buy and sell assets in accordance with the foundation’s investment policy and directly oversees those managers
- The board hires an investment consultant to evaluate and hire managers to buy and sell assets in accordance with the foundation’s investment policy as well as to oversee the managers in the foundation’s portfolio; consultants may also help the board develop the investment policy in the first place
- The board (with assistance from key staff) hires a firm that offers a full range of investment services on a nondiscretionary or discretionary basis
- The board develops the foundation’s investment policy, buys and sells assets, and monitors the foundation’s portfolio
- The board and a small internal staff—in some cases, involving a CIO—develop the foundation’s investment policy, buy and sell assets, and monitor the foundation’s portfolio



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