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Foundations' Endowed Portfolios Produced Double-Digit Investment Returns in 2024; Long-Term Return Data Also Positive

Council on Foundations-Commonfund Study finds

Outsourcing on the rise; gifts to community foundations increased

Wilton, Conn. (August 27, 2025) — In the volatile but ultimately supportive market environment of 2024, average annual returns on foundation endowments landed in double-digit positive territory from the previous year for the 255 foundations surveyed in the annual **Council on Foundations–Commonfund Study of Investment of Endowments for Private and Community Foundations®** (CCSF; the “Study”).

The average 2024 calendar year return on these endowed funds for the 154 private foundations participating in the Study was 10.3 percent, down from 12.6 percent reported for the 2023 Study. Similarly, for the 101 participating community foundations, the average 2024 return was 11.0 percent, from 14.1 percent in 2023. This marks the second year in a row that both foundation segments reported double-digit returns, stabilizing from the dramatic year-over-year swings reported in the prior two studies, including double digit declines in 2022 (all return data reported net of fees).

Strong one-year returns bolstered longer-term returns, which reflect foundations' ability to finance their missions and program commitments going forward. Ten-year average annual returns increased for both segments: Private foundations reported 10-year returns of 7.3 percent (up from 7.1 percent in 2023 and matching the rate in 2022) and community foundations reported 10-year returns of 7.0 percent (from 6.2 percent last year and 6.4 percent in 2022).

For the first time in Study history, foundations reported for the 15- and 20-year net annualized returns on their endowments. Private foundations reported 7.5 percent and 6.4 percent on average for the two time periods, respectively, and community foundations reported 7.2 percent and 6.3 percent.

“We’re heartened to see double-digit positive returns for the second year in a row as many foundations increase their giving to further support nonprofit partners,” **Kathleen Enright, President and CEO of the Council on Foundations**, and **George Suttles, Executive Director of Commonfund Institute**, said in a joint statement. “As new challenges arise and endowments are inevitably affected by the rising and falling of the markets, we’re confident that foundations will continue to serve as bedrocks for the communities and causes they support, today and tomorrow.”

With data reported by 255 private and community foundations representing \$104.9 billion in combined assets, the CCSF is the most comprehensive annual survey of its kind. The 2024 Study marks the 13th year that the Council on Foundations and Commonfund Institute, two leading organizations in foundation investment and governance policies and practices, have partnered to produce this research. The Study reports data from private and community foundations separately to reflect the differing structures of the two foundation types and, for deeper analysis, also breaks both types into three cohorts segmented by endowment size.

Additional highlights from the data collected and analyzed in the 2024 Study follow:

INTERMEDIATE-TERM RETURNS

Annualized returns for the trailing three- and five-year periods were mixed in 2024. Private foundations reported an average three-year return of 3.1 percent, down from 4.9 percent in 2023, while community foundations reported an average return for the same period of 2.8 percent compared to 4.5 percent last year. Roughly opposite one-year returns for the prior two Study years – with 2023 being positive and 2022 negative to a similar magnitude – leave 2024’s gain to be averaged out for the three-year period.

Five-year net annualized returns dipped from 2023 but surpassed 2022 rates for both segments. Private foundations reported a 5-year gain of 7.8 percent (from 9.5 percent in 2023 and 6.0 percent in 2022) and community foundations reported 7.4 percent (from 8.8 percent in 2023 and 4.9 in 2022), on average.

RETURNS SEGMENTED BY SIZE

The dispersion of returns by asset size was limited in this year’s Study. Among community foundations, the size cohort with the highest returns were those with assets between \$101 and \$500 million – 11.2 percent, while those with over \$500 million and those with under \$101 million reported returns of 11.0 percent and 10.9 percent, respectively, on average. For the second year in a row, community foundations outperformed private foundations when compared with their peer size group. For example, the highest returns among private foundations were 10.4 percent for those with under \$101 million (compared with 11.0 percent for the respective community foundation size cohort). Again, the dispersion among private foundation returns was small – those with assets between \$101 and \$500 million reported 10.3 percent, and those with over \$500 million, 10.1 percent, on average.

For the second year in a row, private foundations with assets over \$500 million reported the lowest one-year returns but the highest 5-year and 10-year returns – 8.5 percent and 7.8 percent respectively, on average. All other size/type categories reported 5-year returns between 7.2 percent (community foundations with assets below \$101 million) and 7.7 percent (private foundations with assets between \$101-\$500 million). Meanwhile all other cohorts reported average 10-year returns between 6.9 percent (for the mid- and large- community foundation cohorts) and 7.3 percent (for the smallest private foundation cohort).

ASSET ALLOCATION SHOWS SUBTLE SHIFTS

Asset allocations in 2024 continued trends from 2023, including slightly more variability year-over-year, and a slight uptick in domestic equities relative to alternative strategies on average. For total private foundations, all allocation changes fell within one percentage point (an increase in U.S. equities and fixed income and a decrease in alternative strategies), while community foundations reported a three-percentage point increase in U.S. equities, a two-percentage point decrease to non-U.S. equities, and a 1-percentage point decrease in alternative strategies, on average. As of December 31, 2024, participating institutions' asset allocations, and their comparable 2023 allocations, were:

	Private		Community	
numbers in percent (%)	2024	2023	2024	2023
U.S. equities	26	25	38	35
Fixed income	13	12	16	16
Non-U.S. equities	14	14	18	20
Alternative strategies	45	46	25	26
Short-term securities/cash/other	2	3	3	3

As in the past, private foundations continued to have a considerably larger allocation to alternative strategies while community foundations had higher allocations to U.S. equities, non-U.S. equities, and fixed income. A wide dispersion remains in allocations between size/type categories: Private foundations with assets over \$500 million had an alternative strategies allocation of 52 percent, compared with those with assets under \$101 million that reported a 19 percent allocation (down one and two-percentage points, respectively, from 2023). For community foundations, alternative allocations for those with assets over \$500 million were 28 percent on average (unchanged) compared with 7 percent for those with assets under \$101 million (down from 11 percent).

Within alternative strategies, the largest allocations for private foundations were to venture capital, private equity, and marketable alternatives. For community foundations, the largest alternative allocations went to private equity and marketable alternatives (which includes hedge funds, absolute return, market neutral, long/short, 130/30, event-driven, and derivatives).

GIFTS AND DONATIONS TO COMMUNITY FOUNDATIONS SHOW POSITIVE SIGNS

As public charities, community foundations accept gifts and donations and frequently engage in fundraising. For the first time since 2022, more community foundations reported an increase in gifts than a decrease – 46 percent reported an increase in gifts and 41 percent a decrease. Further positive data show that for those that reported more gifts this year, the median percent increase from the prior year was 79 percent compared with a 33 percent median decrease for those that reported fewer gifts. This compares with a median increase of 74 percent and a median decrease of 35 percent reported in last year's Study.

GROWTH OF RESPONSIBLE INVESTING MODERATES

Data regarding responsible investing practices and policies were mixed when compared to the rapid rates of adoption that characterized recent years. For the second year in a row, the share of both private and community foundations that reported using ESG investment practices and considering adding ESG to their IPS in the next 12 months declined. Despite this moderation, roughly one in four private and community foundations required or permitted ESG investing and impact investing, and roughly one in five continued to seek investments with diverse managers.

CONTINUED INCREASE IN OUTSOURCING OF INVESTMENT FUNCTIONS

Following a trend from 2023, the use of an outsourced chief investment officer (OCIO) for investment management continued to rise in 2024. Forty-six percent of community foundations reported using an OCIO in 2024 (from 43 percent in 2023), as did 38 percent of private foundations (from 39 percent). The percentage of the investment management function that was outsourced changed minimally, to 93 percent for private foundations (from 90 percent), and to 91 percent for community foundations (from 92 percent), on average.

About the Council on Foundations

The Council on Foundations is a nonprofit membership association that serves as a guide for philanthropies as they advance the greater good. Building on our 75-year history, the Council supports over 950 member organizations in the United States and around the world to build trust in philanthropy, expand pathways to giving, engage broader perspectives, and co-create solutions that will lead to a better future for all. Learn more about the Council and become a member by visiting www.cof.org.

About Commonfund

Commonfund is a leading asset management firm that empowers educational institutions, foundations, pension funds, family offices, RIAs and other sophisticated investors to achieve their most important goals. Through our Outsourced CIO business, we provide nonprofits access to world-class investment management solutions. Our CF Private Equity business provides access to private equity investments for both nonprofit and for-profit organizations seeking to diversify their portfolios with private investments. Our Commonfund Institute is among the nation's most trusted sources for relevant, useful, and proprietary data, analytics, and best practices in financial management. All our businesses are united by a relentless commitment to investment performance matched by an equally relentless commitment to the values of trust, transparency, and ethical behavior that have inspired us since our founding more than fifty years ago. For more information visit www.commonfund.org.

About Commonfund Institute

Commonfund Institute is among the nation's most trusted sources for relevant, useful, and proprietary data, analytics, and best practices in financial management. The Institute provides a wide variety of resources, including conferences, seminars, roundtables, and online learning through Commonfund Institute Online. Insights cover topics such as endowments and governance; proprietary and third-party research such as the Commonfund Benchmarks Studies®; publications including the Commonfund Higher Education Price Index® (HEPI); and events such as the annual Commonfund Forum and Investment Stewardship Academy.

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