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Foundations’ Endowed Portfolios Produced Double Digit Investment Returns in 2025; Alts Returns Rebound

Council on Foundations-Commonfund Study finds

Community Foundations Report Rising Gifts and OCIO Use Continues to Grow

Norwalk, Conn. (August 19, 2026) — In a market environment that again proved supportive despite periodic volatility, average annual returns on foundation endowments landed in double-digit positive territory for the third consecutive year among the 285 foundations surveyed in the annual Council on Foundations–Commonfund Study of Investment of Endowments for Private and Community Foundations® (CCSF; the "Study").

The average 2025 calendar year return on these endowed funds for the 171 participating private foundations was 14.1 percent, up from 10.3 percent reported in the 2024 Study. Similarly, for the 114 participating community foundations, the average 2025 return was 14.7 percent, up from 11.0 percent in 2024. This marks the third year in a row that both foundation segments have reported double-digit returns—the longest such streak in Study history—following the lowest average returns on record in 2022. (All return data reported net of fees.)

Strong one-year numbers 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 9.0 percent (up from 7.3 percent in 2024), and community foundations reported 8.6 percent, up from 7.0 percent in 2024.

For the second year that the Study has collected this data, private and community foundations reported 15- and 20-year net annualized returns. Private foundations reported 8.1 percent and 7.2 percent on average for the two time periods, respectively as of December 31, 2025, and community foundations reported 7.9 percent and 7.1 percent—continued improvement from last year's inaugural figures of 7.5 and 6.4 percent and 7.2 and 6.3 percent, respectively.

“Foundations are in a strong position to weather whatever volatility comes next, but the long-term picture stands out most," **said Kathleen Enright, President and CEO of the Council on Foundations, and George Suttles, Executive Director of Commonfund Institute, in a joint statement**. "With two years of 15- and 20-year data now in hand, we're seeing evidence that foundations are able to sustain their endowments over time which enables them to fund in ways that serve communities now and for decades to come.”

With data reported by 285 private and community foundations, representing $126.9 billion in combined assets, the CCSF remains the most comprehensive annual survey of its kind. The 2025 Study marks the 14th year that the Council on Foundations and Commonfund Institute, two leading organizations in the field of 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 2025 Study follow.

RETURNS STRONG OVER TIME ACROSS FOUNDATION TYPES AND SIZES

Trailing three- and five-year annualized returns rebounded sharply in 2025, largely because the poor performance of 2022 rolled off the calculation window. Private foundations reported an average three-year return of 12.4 percent, up from 3.1 percent in 2024, while community foundations reported 13.2 percent for the same period, up from 2.8 percent. Five-year net annualized returns also strengthened: Private foundations reported a 5-year gain of 8.0 percent (from 7.8 percent in 2024), and community foundations reported 8.5 percent (from 7.4 percent), on average.

Dispersion of returns by foundation size remained modest in 2025, and for the third year in a row, community foundations broadly outperformed their private foundation peers of comparable size. Among community foundations, the $101-500 million cohort led with a 14.9 percent return, followed by 14.8 percent for those over $500 million and 14.5 percent for those under $101 million. Among private foundations, those with assets over $500 million led at 14.5 percent, followed by 14.2 percent for the $101-500 million cohort and 13.5 percent for those under $101 million. When looking at longer-term returns, private foundations outperformed community foundation peers of comparable size: from largest to smallest cohort, 10-year net annualized returns for both private and community foundations were 9.4 and 8.5 percent, 8.9 and 8.7 percent, and 8.9 and 8.5 percent, respectively, on average.

ALTERNATIVE STRATEGIES DROVE NOTABLE GAINS

Alternative investment strategies were a standout contributor to 2025 performance, with every surveyed category posting gains for both foundation types. Secondaries led private foundation returns at 20.6 percent, followed by commodities and managed futures at 20.1 percent and venture capital at 12.7 percent. For community foundations, commodities and managed futures led at 20.0 percent, followed by venture capital, 17.2 percent, and private equity, 13.2 percent. Notably, several categories more than doubled their 2024 returns for both foundation types.

ASSET ALLOCATION SHOWS MODEST SHIFTS

Asset allocations in 2025 changed only modestly year over year on average, continuing a pattern the Study has long observed: allocation strategy tends to move gradually rather than in response to any single year's conditions. The most notable shift was a decline in community foundations' allocation to alternative strategies, to 20.5 percent from 25.0 percent in 2024. Community foundations also reported increases to non-U.S. equities (20.0 percent, from 18.0 percent), fixed income (17.4 percent, from 16.0

percent), and U.S. equities (38.9 percent, from 38.0 percent). Among private foundations, non-U.S. equities rose to 16.3 percent (from 14.0 percent), while fixed income (10.3 percent, from 13.0 percent) and U.S. equities (24.9 percent, from 26.0 percent) declined. Private foundations' overall allocation to alternative strategies stood at 45.8 percent in 2025 from 45.0 percent in 2024. Changes in allocations to short-term securities/cash/other were de minimis.

As in the past, private foundations continued to have a considerably larger allocation to alternative strategies, while community foundations had a higher allocation to U.S. equities. Within alternative strategies, the largest allocation for private foundations was to venture capital, marketable alternatives, and private equity. For community foundations, the largest allocation was to private equity, marketable alternatives, and private real estate.

ASSET ALLOCATION, 2025 VS. 2024

	2025		2024	
numbers in percent (%)	**Private**	**Community**	**Private**	**Community**
	171	**114**	**154**	**101**
U.S. equities	24.9	38.9	26.0	38.0
Fixed income	10.3	17.4	13.0	16.0
Non-U.S. equities	16.3	20.0	14.0	18.0
Alternative strategies	45.8	20.5	45.0	25.0
Short-term securities/cash/other	2.7	3.2	2.0	3.0

Note: Dollar-weighted averages. Total may not equal 100 due to rounding.

GIFTS AND DONATIONS TO COMMUNITY FOUNDATIONS SHOW CONTINUED STRENGTH

For the second year in a row, more community foundations reported an increase in gifts than a decrease—51 percent versus 34 percent, respectively, up from 46 percent versus 41 percent in 2024. Among those reporting an increase, the median growth was 79 percent over the prior year, compared with a 34 percent median decrease among those reporting fewer gifts.

RESPONSIBLE INVESTING ADOPTION CONTINUES TO GROW, EVEN AS IC DISCUSSION COOLS

Adoption of responsible investing practices ticked up again in 2025: ESG criteria were sought by 28 percent of private foundations (up from 26 percent) and 26 percent of community foundations (up from 25 percent); impact investing rose to 29 percent among private foundations (from 26 percent) and to 26 percent for community foundations (from 25 percent); and diverse manager consideration rose to 20 percent among private foundations (from 18 percent) but eased to 21 percent among community foundations (from 22 percent). Notably, this year marks the first instance in which impact investing has approached parity with ESG, which has historically been the most widely used approach.

OUTSOURCED STRUCTURES REMAIN THE PREDOMINANT INVESTMENT MANAGEMENT MODEL

Outsourced investment offices remained the most commonly used structure for portfolio management in 2025, used by 39 percent of private foundations and 47 percent of community foundations—both up one percentage point from the prior year. Among foundations that outsourced investment management, private foundations outsourced 93.4 percent of their portfolios on average (unchanged), while community foundations outsourced 89.7 percent, down slightly from 91.0 percent in 2024. Consultant use continued to rise, reported by 53 percent of private foundations (up from 51 percent) and 61 percent of community foundations (up from 56 percent).

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 Institute

Commonfund Institute aims to be 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 Benchmark Studies®; publications including the Commonfund Higher Education Price Index® (HEPI); and events such as the annual Commonfund Forum and Investment Stewardship Academy.

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.

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