

Endowments & Foundations Trends Update for 2026

Endowments are essential strategic assets in an era of rapid change



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This report provides timely insights and trend updates for nonprofits that are seeking to build out their endowment programs. We categorize them as investment trends and fundraising trends, since these are the two key ways to grow endowment funds.

In these changing times, many nonprofits are reassessing their strategic plans, endowment strategies, and fundraising goals. Many have decided to start or grow their endowment programs to build their financial strength, enhance revenues, and provide a cushion in times of stress. Diversification of revenue is a key theme and endowment programs have become more of a priority and main area of focus for many nonprofits, especially during the current period of federal agency cutbacks. At the same time, we believe that nonprofits that take a holistic approach in their endowment building will have more successful endowment programs, which include fundraising, in the long term. It is very important that nonprofits monitor the key trends that can impact their organizations.

INVESTMENT-RELATED TRENDS

1: With more moderate equity returns projected over the next decade, nonprofits are exploring ways to grow endowments through a more holistic approach to support their spending rates

While the stock market has risen sharply in each of the past three years, there continues to be areas that our Investment Committee is closely following in an effort to understand their potential impact on growth, such as the inflation/interest rate trend, a slowing labor market, the geopolitical environment, and a continually changing tariff landscape. The rapid and complex changes in U.S. tariff policy throughout 2025 and into this year emphasizes the need for nonprofits to stay informed about evolving trade regulations and their potential impacts on the U.S. economy.

As of this writing, conflict in the Middle East and a changing tariff landscape may affect how nonprofits invest and plan to grow their endowments. We will continue to monitor this environment and share additional insights.

After three strong years of equity returns, including some volatile periods, many nonprofit investment committees are trying to understand the future path of the markets and how this impacts their endowments, especially with changing tariff policies.

The S&P 500 index—which measures the stock performance of 500 large companies listed on stock exchanges in the U.S. and is one of the most commonly followed equity indices—rose almost 18% in 2025, which follows two years of over 25% returns, an incredibly strong three-year stint. But there were periods of volatility and concerns during that period that persist. However, there are also many positives, such as lower inflation reports and solid economic growth, but risks remain at home and overseas that may restrict market direction throughout 2026 and beyond. CFRA Research is projecting 3.6% earnings growth for the S&P 500 in 2026, based on easing monetary policy, improving GDP growth, moderating inflationary pressures, and other factors.*

It is important to note that large-cap stocks over the long term have shown much lower returns than current results at a return of 10.4% (Ibbotson SBBI Data) from 1926-2024. Lower projected equity returns will generally require nonprofits to assess their endowment spending rates and endowment growth plans to support their spending.

Pensions & Investments magazine shared the view that current conditions will affect institutions' spending considerations at the risk of their budgets in their article "Endowments, foundations to double down on missions while 'riding the fog' of 2026," (Caryl Anne Francia, January 8, 2026).

In January 2026, Wilmington Trust released our annual [Capital Markets Forecast, Economic Experimentation: Trade, Labor, and Debt Under the Microscope](#), which explores how policy shifts, demographic changes, and technological disruption are creating conditions that resemble large-scale economic experiments.

Our investment team believes that by understanding these experiments, we can identify areas of potential growth and position portfolios to capture value—while managing risk—to help clients navigate the year ahead.

Observations

After three strong years of equity performance, many nonprofit investment committees are trying to understand the future path of the markets and how this impacts their endowments. They are also trying to discern the trends in their specific nonprofit sectors and how this affects their strategic plans, particularly after the administration announced new tariff policies in April 2025 and the continuing changes with the tariff landscape.

During these times, many are focused on their operating budgets and seeking ways to offset the loss of the Covid money from prior years, as well as the federal budget cuts. Many nonprofits are seeking ways to diversify their revenues and have become more focused on building reserve funds and endowment funds. We met with a nonprofit recently that, due to the potential for federal funding cuts, have developed their first formal operating reserve fund to help them thrive in the future.

* <https://www.cfraresearch.com/insights/2026-equity-market-outlook/>

Nonprofits have also had to review their borrowing costs, such as lines of credit, in a world where short-term rates have been declining in recent years. The potential for lower short-term rates should lower borrowing costs.

Many investment committees are reviewing their asset allocations more closely, while most of our endowment and foundation clients have maintained their target allocations and focus on being diversified. Some investment committees have moved to rebalance back to their targets, while some more conservative committees have remained underweight to their equity targets. Portfolio stress testing has become an important part of our client dialogue. This allows the committee to understand the potential impact on their current risk/return profile.

There continues to be interest in private markets* investing as a potential way to enhance returns and provide some diversification. In the previously mentioned January 8, 2026 article by Caryl Anne Francia, "Endowments, foundations to double down on missions while 'riding the fog' of 2026," *Pensions & Investments* magazine commented that despite weaker markets, there is optimism about private markets and their allocations will persist.

A number of clients have reviewed their spending policies, and some have reviewed the study recently posted by the National Association of College and University Business Officers (NACUBO), which provides useful benchmarks for asset allocation, spending, and returns for colleges and universities (www.nacubo.org). If market returns are estimated to be lower over the longer term, endowments will need to assess their spending rates and growth strategies to make sure their portfolios can still show growth after inflation. We have been assisting some of our clients with the development of a strategic endowment plan, which is an endowment growth plan.

Many nonprofits continue to review their overall fee structures, including their direct advisory fees and the embedded manager/mutual fund/exchange-traded fund (ETF) costs. There have been more discussions on passive versus equity strategies.

Some nonprofits have commented on their desire to have a higher level of value-added resources to help them work toward reaching their overall missions and grow their endowments in many ways. These enhanced philanthropic resources are becoming more important in the Request for Proposal (RFP) process.

Many nonprofits have been focused on their operational liquidity levels and their different funding options as interest rate costs are higher on their lines of credit, and in some cases, operating revenues have been coming in lower.

2: The Federal Reserve (Fed) continues with its slower-to-lower policy as it remains vigilant

In 2025, the Fed lowered rates three times for 75 basis points as it watched the inflation and employment data carefully. Their goal is to get to a neutral rate of 2.75%–3.0%. The Fed is following a slower-to-lower policy as it watches the data but more rate cuts are expected in the second part of 2026. Longer-term rates have remained higher as the market reviews the administration's economic policies and foreign relations strategies.

* These funds are available only to certain investors who meet the specific income, experience, and investable assets thresholds set forth by the U.S. Securities and Exchange Commission's definition of accredited investors and/or qualified purchasers as necessary. Investments such as private funds and mutual funds that focus on alternative strategies are subject to increased risk and loss of principal and are not suitable for all investors. These types of investments may use aggressive investment strategies, which are riskier than those used by typical mutual funds, and you may lose more money than if you had invested in another fund that did not invest as aggressively.

At a glance:

- With more moderate equity returns projected over the next decade, endowments and foundations are exploring ways to grow their endowments through a more holistic approach to support their spending rates
- Many nonprofits are seeking ways to grow their endowment funds through more diversified fundraising strategies that focus on endowments, expanded donor planned giving options, and improved website/technology
- Board education is becoming more crucial, especially in the areas of private markets, sustainable spending rates, and windfall policies
- Fiduciary responsibility remains an important topic, especially in these current times

Observations

Higher short-term rates in recent years have generally been beneficial to nonprofits as they are able to earn higher yields on their operating funds. However, the shift to the Fed cutting rates reminds investors that they need to assess their current short-term fixed income positions and strategies. Some clients have been planning for the move to lower short-term rates by extending their maturities, as they monitor their cash flow needs.

For longer-term endowment/quasi-endowment portfolios, some nonprofits have allocated more to core fixed income and intermediate fixed income in recent periods to take advantage of the higher rates. Some are watching their credit exposures through their corporate bond holdings. Some clients have considered the addition of new strategies such as high-yield and hedge funds. Nonprofits have also had to review their borrowing costs, such as lines of credit, in a world of higher interest rates. The Fed's move to lower short-term rates could impact lower borrowing costs.

3: Governance and fiduciary responsibility remain important topics, especially in changing times

It is important for nonprofit boards to understand and review their governance and fiduciary responsibilities and do an annual review of their investment policies, gift acceptance policies, spending policies, and windfall policies, particularly during times of change.

Observations

Many of our nonprofit clients review and update their investment policies on an annual basis, which we view as a best practice. During this process, they often assess their spending levels. Some have asked us to review their gift acceptance policies and help them develop windfall policies for the future.

One private foundation was updating its bylaws to provide for an expanded number of trustees as they work with the next generation of family. Another foundation has set up successor trustees, while one nonprofit has also instituted a trustee website, which provides better communication and information to the trustees on the board governance responsibility.

Many nonprofits see the importance of having expanded planned giving options and enhanced technology plans, and have taken steps to complete a peer review of their current landing page and planned giving options, and have included more information on DAFs.

FUNDRAISING-RELATED TRENDS

1: Nonprofits seek to diversify their fundraising strategies in a challenging environment, with endowments being a key focus area

Many nonprofits are planning their operating budgets without the CARES Act funds and other government funds that supported their operating in recent years. They also continue to deal with the higher level of prices that were pushed up by the higher rates of inflation, even though inflation is lower than in recent years. Other challenges include a difficult hiring environment, a shrinking donor base, the impact of the tariffs, and the new tax code, the One Big Beautiful Bill Act (OBBBA). Many of the conversations we are having with our nonprofit clients focus on the word 'uncertainty.' Each nonprofit sector has its own unique opportunities and challenges.

These headwinds are discussed in a January 7, 2026, *The Chronicle of Philanthropy* article, "5 Trends that will Shape Fundraising in 2026." Rasheeda Childress shares: "After a turbulent 2025, the new year is finally here. It's a chance to start fresh, but last year isn't entirely in the rearview mirror. The radical changes to nonprofit finances, funding, and programs that stemmed from huge swings in federal policy, unprecedented technological developments, and an uncertain economy will continue to influence organizations in 2026."

The current environment is reminding nonprofits of the importance of having diversified revenue sources, especially of maintaining a full array of donor options that may include expanded planned giving options, enhanced technology, and the building of an endowment program.

Many nonprofits are starting and growing their endowments, which are an important resource during times of stress. In an article from *The Chronicle of Philanthropy*, "Weatherproof Your Future by Building an Endowment: Here's How," MJ Priest commented that "an endowment provides reassurance for the future—but also generates income that can help you survive today's turbulence" (October 6, 2025). One way to start a diversification strategy is with a peer review, which is a way to study the best practices of similar organizations, including their endowment programs.

Another key opportunity for nonprofits is donor advised funds (DAFs). The National Philanthropic Trust (NPT) commented that DAFs continue to grow in importance as a funding source for nonprofits. DAFs were one of the fastest-growing areas in the past decade and remain a key fundraising trend (<http://www.nptrust.org/>). We covered DAFs with the NPT in our webinar session #110 on February 27, 2025: "Donor Advised Funds Revisited: Leveraging Donor Advised Funds for Fundraising Success."

According to the *2025 Giving USA Report*, total giving was almost \$592.50 billion (in current dollars) in 2024, which shows how philanthropic Americans are even in these uncertain times.

(www.givingusa.org)

Insights from the *2025 Giving USA Report*

It's also important to review the annual *Giving USA Report* to help discern the giving trends. On September 24, 2025, we offered a webinar session #112 "Philanthropic Insights in a Changing World: Giving USA Report 2025," with Campbell & Company. Giving USA reported that fundraising for 2024 was stronger than expected with a 6.3% increase in current dollars to \$592.5 billion (3.3% when adjusted for inflation). This shows how Americans are philanthropic even in uncertain times. While 2024 giving was positive, nonprofits today are still being challenged by federal cuts, nonprofit layoffs, and an increased demand for services.

According to the Report, the sources of giving were: individuals 66%; foundations 19%; bequests 8%; and corporate contributions 6%. As a comparison to data 20 years back, 1984 showed: individuals 82%; foundations 6%; bequests 6%; and corporations 6%. If you take a more expansive view of individuals and include bequests and half of the foundation giving, individual giving is approximately 84% of all giving, a key component. They also reported that giving by individuals has been declining as a total share of giving over time, while foundation giving grew from 6% of the total to 19% of the total over the past 40 years. Giving by foundations went over the \$100 billion mark for the third consecutive quarter (www.givingusa.com).

The *Giving USA Report* also shared that bequests continue to be a key component of planned giving programs, and were \$46 billion for 2024, or 8% of overall giving. Bequests are also an important source for endowment growth plans; some planned giving professionals estimate that bequest donations represent 80% of all planned giving each year.

Observations

There has been greater interest in starting and building endowment funds as part of a diversification strategy. For example, we are working with one health care foundation that is planning to start a formal endowment program to recognize its centennial. Another social service organization is formalizing an operating reserve fund, while another is considering building its first quasi-endowment as a result of a windfall from a significant gift. We also spoke with a religious nonprofit that is planning its first endowment program. Another nonprofit we spoke to is interested in starting its first board designated fund. As part of our client service offering, we have developed an educational module, "How to Start an Endowment Fund."

Over the years, the Catholic community has been building separate fundraising foundations as a way to grow their endowment funds. We are currently working on the fourth installment of our research study on Catholic Community Foundations. Read our most recent study [here](#).

Planned giving continues to be an important way to grow an endowment, and many nonprofits are starting to develop windfall policies to prepare for large, unexpected gifts.

There has also been increased demand for board education on endowments. Our board education modules can help onboard new investment committee members and also be used as an endowment refresher in a fast-changing world. We have worked with a number of nonprofits that seek to have a formal education program. One nonprofit commented that only their board chair had significant investment experience, so they were interested in offering education for other members. A key area of interest is the basics of endowment funds and the different types of funds, from quasi-endowments to donor restricted endowments.

Others are interested in how to memorialize a new endowment program. One religious nonprofit was planning to sell a property to fund its first quasi-endowment and wanted to find a way to formalize their endowment so that the funds would be protected from overspending in the future.

Other clients have benefited from a strategic endowment plan (SEP), which helps a nonprofit memorialize its endowment growth plan for the future by taking a holistic view. We discuss the SEP in our updated report, "[Is Your Charity Ready for a Windfall?](#)" A truncated version of this report was featured by *The Chronicle of Philanthropy* on their website on March 3, 2026.

Some of our clients have also been concerned about the way to communicate their new endowment program with current donors and stakeholders so that future donations are not impacted.

As mentioned above, DAFs continue to grow in importance and have been a key focus area for many of our clients. In January 2026, *The Chronicle of Philanthropy* reported that DAF account assets rose 30% to \$326 billion at the end of 2024. One client promoted DAFs on DAF Day (October 9) and sent out a comprehensive email to prospects providing education on the benefits of using DAFs for giving. The Jimmy Fund/Dana Farber Cancer Institute in Boston sent out both an email and postcard to donors. Another nonprofit sent out an Instagram blast on DAFs to its donors. Some nonprofits have added DAFs to their websites and are adding DAF beneficiary options.

2: Planned giving remains a key focus area for many nonprofits

Planned giving continues to be a particularly important fundraising channel for many nonprofits, especially in this new world as they seek to grow their endowment programs. A key trend in philanthropy is the Great Transfer of Wealth, already in motion. Cerulli Associates projects that wealth transferred through 2048 will total \$124 trillion—\$105 trillion is expected to flow to heirs, while \$18 trillion will go to charity. Nearly \$100 trillion will be transferred from Baby Boomers and older generations, representing 81% of all transfers.*

* <https://www.cerulli.com/reports/us-high-net-worth-and-ultra-high-net-worth-markets-2024>

Additional observations

Online fundraising statistics:

Blackbaud Institute Spotlight 2025 (2024 data)

- Online giving rose 2.2% in 2024, after a flat 2023. Overall individual giving grew 1.9% in 2024. The mean online gift fell slightly to \$197 in 2024.
- Online giving accounted for 13.4% of giving for small nonprofits, compared with 8.3% and 4.1% for midsize and large organizations, respectively.
- Websites are key connectors for many donors: In 2025, the best nonprofit websites focus on clarity, purpose, and genuine connection rather than flash.

Source:

<https://institute.blackbaud.com/resources/2024-trends>

Lori Kranczer, JD, CAP, CEO of Link Elevating Philanthropy, spoke at our session #111 on June 24, 2025: “Planned Giving Update: How Planned Giving is Helping to Build Endowments.” During the session, Lori commented on how planned giving is an important way to start or grow an endowment or quasi-endowment fund:

“Many nonprofits are asking about ways to both start and grow an endowment program to support their missions in these challenging times. Over the years, I have observed how planned giving has been a key way to build an endowment program, including quasi-endowments. Many organizations are building both their restricted endowments and quasi-endowments, which represent a strategic bridge between immediate operational needs and long-term institutional resilience. By providing stable, predictable income streams, endowments not only attract donors seeking lasting impact but also create the donor confidence necessary to fuel planned giving participation. The result is a virtuous cycle: financial stability enables mission fulfillment, which in turn inspires greater philanthropic support, including legacy giving. For organizations serious about sustainability, quasi-endowments aren’t just a financial tool; they’re necessary for transformational growth.”

Observations

We continue to meet with many nonprofit organizations that are focused on starting or building out their planned giving programs. As mentioned earlier, bequests, which typically represent 80% of all planned gifts during the year, are a crucial area for planned giving expansion. Other focus strategies have been appreciated securities, IRA distributions, beneficiary designations, and donor advised funds.

Many nonprofits are starting to view planned giving as a way to grow their endowment and quasi-endowment funds; unrestricted planned gifts are an important way to add to these investment funds. We have observed a number of smaller nonprofits starting quasi-endowments as a result of large, unexpected, unrestricted gifts and through the guidance of their windfall policies. The windfall policy provides some guidance to the nonprofit in advance on how to handle unexpected, larger unrestricted donations.

Some nonprofits have taken advantage of peer reviews to enhance their planned giving menu and their websites. Peer reviews are a way for a nonprofit to compare its donor options to other similar nonprofits.

Some nonprofits have added legacy societies and others have expanded the benefits of being a member of the program, while some include a listing of their legacy members on their sites and in their annual reports.

Using an Individual Retirement Account (IRA) to make charitable contributions is also an area of potential for nonprofits as IRA assets have grown quickly in recent years. A qualified charitable distribution (QCD) is a tax-efficient, direct transfer of up to \$111,000 (for 2026) from an IRA to a qualified charity, available to individuals aged 70 1/2 or older (www.irs.gov). It allows donors to satisfy Required Minimum Distributions (RMDs) without increasing their taxable income, which can help avoid higher tax brackets and Medicare surcharges. Some nonprofits are providing education about QCDs on their websites.

Additional observations (cont'd.)

M+R Benchmarks 2025 Study (2024 data)

- Revenue from monthly (recurring) giving increased by 5%, and accounted for 31% of all online revenue.
- DAF revenue increased by 6%.
- Among social media platforms, TikTok had the fastest-growing audiences, with average follower counts increasing by 37% in 2024.
- For every 1,000 fundraising emails sent, nonprofits raised \$58. This marks a 10% decrease from 2023.
- PayPal was the most widely used alternative payment method—76% of nonprofits made this option available on donation pages. Apple Pay (47%) and Google Pay (40%) were also common.
- Nonprofits raise 17%-34% of their annual online revenue in December.
- About half of M+R Benchmarks' participants reported working with social media influencers in 2024. Among nonprofits with paid influencer campaigns, 60% used those partnerships for fundraising, 65% for advocacy or volunteer asks, and 77% for narrative or persuasion work.
- In 2024, 78% of organizations used generative AI in their marketing, fundraising, and or advocacy programs.

Other insights:

- 48% of donors prefer to receive communications via email ([Neon one Nonprofit Email Report](#)).
- A third of donors say email communications are the tool that most inspires them to donate ([Neon one Nonprofit Email Report](#)).

Source:

<https://mrbenchmarks.com/key-findings>

We have also seen more nonprofits list noncash gifts, such as Crypto, on their websites as donor options.

We are following some unique ideas related to planned giving. For example, we observed how Hearing Health Foundation launched a planned giving match campaign. They commented on their website: *"We are excited to announce that Hearing Health Foundation's (HHF) transformative Planned Giving Matching Challenge has been met! In the past three years, 218 HHF supporters have made new planned (estate) gift commitments, resulting in HHF's securing \$2 million in matching gifts from an anonymous donor. The 218 planned gift commitments total an estimated \$30 million to \$50 million, 100 percent of which will be used to fund scientific research on hearing loss and related conditions."*

We also observed how some nonprofits are seeking DAF designations, which the Dana Farber Cancer Center focuses on their website: *"You can also create a lasting legacy by naming Dana-Farber and the Jimmy Fund the beneficiary of the entire account or a percentage of the fund. With a percentage, you can create a family legacy of giving by naming your loved ones as your successor to continue recommending grants to charitable organizations. Contact your fund administrator for a beneficiary form."*

Some nonprofits have been expanding their beneficiary designation options, such as by providing an opportunity to add bank and brokerage accounts to their planned giving menus. We have seen how one nonprofit retirement home listed Health Savings Accounts as another donor option.

3: Strategic technology planning is a key focus

Nonprofits will continue to review their strategic technology plans, which can enhance fundraising. It is important to have an overall technology plan that includes many areas such as online giving, recurring giving, donor databases, surveys, analytics, donor emails, website development, virtual events, virtual board meetings, social media, and peer-to-peer fundraising options and mobile connecting, just to name a few.

There is greater interest in Artificial Intelligence (AI) by the nonprofit community, which has also started to become a valuable tool for many development teams. AI has also evolved in recent years, from a way to improve operational efficiency to becoming a fundraising tool for nonprofits. *The Chronicle of Philanthropy* highlighted AI in an earlier article titled: "Fundraisers reach for AI to Boost Productivity" (January 1, 2024). We have seen how AI has been able to help teams analyze donor data and provide strategic insights on donor development. Currently, we are seeing how AI can be used for fundraising through a VEO, or Virtual Engagement Officer.

We continue to observe that the most successful nonprofits take a holistic approach to their endowment growth strategies, focusing on both fundraising and investment performance to grow their endowments.

On November 19, 2025, we had our session #113 on “Raising Money with Autonomous AI Fundraising,” with Givzey. During this session, special guest Emily Groccia, vice president of Customer Success at Givzey | Version2.ai discussed how organizations are incorporating AI into their advancement strategies by using VEOs to transform the way we connect with alumni, donors, and prospects.

Emily Groccia commented to the author in a February 5, 2026 email:

“Artificial Intelligence in fundraising has rapidly evolved from an efficiency tool to a front-line revenue generator. While many organizations are still exploring AI for tasks like data analysis and donor segmentation, the next wave is already here: Autonomous AI that independently builds relationships with donors, cultivates engagement, and generates gifts, functioning as a true member of the development team.

This shift matters because the nonprofit sector continues to face a structural capacity challenge. There are simply more donors who deserve meaningful engagement than advancement teams can reach. AI that only brings efficiencies to the current staff doesn't solve that problem. Autonomous AI Fundraising addresses it directly by expanding an organization's capacity to cultivate and solicit donors who would otherwise receive only mass marketing.

The results speak for themselves. Organizations deploying Autonomous AI fundraisers are seeing one-third of donors who had been rated but never assigned to a gift officer increase their giving by an average of 65%. This is new revenue from relationships that didn't exist before.

As nonprofits evaluate AI as part of their strategic technology plans, the critical question isn't just how AI can make their teams more productive, but whether AI can operate as a productive member of your team.”

Observations

Online giving has become a staple of many nonprofits as we have viewed many websites as part of our peer reviews. Online giving is still about 10% of all fundraising, according to Blackbaud's *2024 Trends in Giving Report*. Mobile donations have also been growing and continue to be an important offering to a website. We have observed organizations using text to communicate and update their donors.

Many nonprofits are also using a peer review to check their full menu of giving options. We are also seeing nonprofits do an annual review of their websites to find ways to improve them. They seek to make it easier through a **Give Now** Button (typically at the top right of the fundraising landing page) and another option that offers **Ways to Give**.

Some nonprofits have started to incorporate information related to the OBBBA on their sites as a way to provide information to donors. *The Chronicle of Philanthropy* commented in its article, “5 trends that will shape fundraising in 2026,” that “everyday donors will need help understanding the new tax law.”

Nonprofits are also focused on their online recurring giving programs as a way to retain new donors. Some recurring giving pages have become more flexible by offering multiple donation options.

As mentioned earlier, DAFs are a key fundraising option today and we have observed some nonprofits developing emails about giving through DAFs and also making DAF giving easier by incorporating a DAF DIRECT option on their sites. One nonprofit used Instagram to market giving to DAFs while two others used emails and postcard mailings on DAF Day on October 9, 2025.

Some nonprofits have even offered Crypto giving options as part of their websites as well as information on the steps to donate this asset.

As part of their plans, a number of nonprofits are taking advantage of the GuideStar Transparency Seals and listing these assessments on their websites and sharing with their donors; these seals can be updated for 2026. Financial transparency is also important to donors. We observed that on its website, the United Way of Southern Maine has an “Accountability and Financials Section.” Some nonprofits have offered three financial options to donors: Annual Reports, Audited Financial Statements, and their IRS Form 990. Some have even included their investment policy statement and gift acceptance policy.

Technology can also be connected to growing endowment funds. We have observed many websites that include information and donor opportunities related to endowment funds. There are still many nonprofits that are marketing for endowment donations but still have very little information on their websites. As part of including the endowment options on the site, nonprofits will need to develop the specifics of their endowment plans.

A final reflection

Nonprofits will continue to look at growing their endowments as part of their revenue diversification plans. Government cuts, turmoil in the Middle East, ongoing tariff changes, and resulting market volatility have reminded nonprofits to keep endowments as strategic assets. The most successful nonprofits will take a holistic approach to their endowment growth strategies that focus on both fundraising and investment performance, hand-in-hand. We feel that one best practice is to memorialize these strategies through an annual strategic endowment plan that includes a peer review of their sector players.

**Our Wilmington Trust, N.A.,
OCIO/Endowments &
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nonprofit organizations nationally
in working to meet their
investment and philanthropic
objectives.**

**Please do not hesitate to contact
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Starting and building an endowment - Ten questions to ask:

1. What is the objective of the new endowment or reserve fund, and does it connect to the mission?
2. Have you set an endowment goal for the endowment?
3. Have you completed a peer review that looks at similar nonprofits and their size and management of their endowments?
4. Have you completed an annual strategic endowment plan that memorializes your growth plan—and included various internal stakeholders in the discussion?
5. Do you maintain a balance of both donor restricted endowment and quasi-endowment funds?
6. Do you take a holistic approach to growing your endowment by including fundraising/investing strategies?
7. Have you developed a windfall policy that details how larger unrestricted gifts will be added to the endowment?
8. Do you highlight the different endowment options to your donors on your website and provide details?
9. Have you developed a communication plan for stakeholders that spells out the importance of the endowment for the future?
10. Are you ready for donor questions on why you need to start or expand your endowment?

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