

# Much Alarm, Less Action

Foundations & Climate Change

CEP

THE CENTER FOR  
EFFECTIVE PHILANTHROPY

# MUCH ALARM, LESS ACTION

## Foundations & Climate Change

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CEP provides data, feedback, programs, and insights to help individual and institutional donors improve their effectiveness. We do this work because we believe effective donors, working collaboratively and thoughtfully, can profoundly contribute to creating a better and more just world.

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This research is based on CEP’s independent data analyses, and CEP is solely responsible for its content. The report does not necessarily reflect the individual views of the funder, advisers, or others listed throughout this report.

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# INTRODUCTION

Last year, [scientists from the United Nations](#) deemed climate change a “code red for humanity,” with U.N. Secretary-General António Guterres more recently warning that “we are sleepwalking to climate catastrophe.”<sup>1</sup> The science points clearly to extensive, significant, and interconnected effects of climate change that will impact every facet of society, particularly the world’s poorest people and countries and, here in the United States, historically marginalized communities.<sup>2</sup> There is alarming evidence that important tipping points, leading to irreversible changes, may have already been reached. Indeed, many are already experiencing the effects of climate change in the form of extreme weather, such as more intense and longer-lasting heatwaves, wildfires, hurricanes, and droughts.

Yet, despite the urgency of this issue and the narrowing window for action, philanthropic funding to address climate change remains very limited.

Notwithstanding some urgent pleas among philanthropic leaders to consider the ways that climate change will impact the many communities and issues on which philanthropists and nonprofits work — and despite calls for funders to increase their focus on and giving to climate — total philanthropic giving by foundations and individuals focused on climate change mitigation represents less than two percent of total global philanthropic giving, according to [the ClimateWorks Foundation](#).<sup>3</sup> While there is some evidence of increased momentum in recent years, in the form of major commitments from individual donors such as Jeff Bezos, for example, more action will be needed to match the scale of the climate crisis.

Given limited sector-wide knowledge about foundation and nonprofit leaders’ perspectives on climate change, the William and Flora Hewlett Foundation commissioned CEP to study foundation and nonprofit leader perspectives on this topic. This research effort sought to build on other efforts and answer the following questions:

- ▶ How pressing of a problem is climate change from the perspective of foundation and nonprofit leaders, and how do they think climate change will affect their work?
- ▶ What are nonprofits and foundation leaders doing to address climate change, in their mission-related work and in their investment practices?
- ▶ How are leaders of organizations that do not focus on climate change thinking about this issue, and to what extent are these leaders currently addressing — or open to addressing — climate change relative to their context, goals, and strategies?
- ▶ How are climate-focused organizations approaching their work? How effective do they think their work is, and what suggestions do they have for how philanthropy can help ensure that climate change remains within tolerable limits?

To answer these questions, we surveyed CEOs of U.S.-based foundations and leaders of U.S.-based nonprofits from January to March 2022. We ultimately received survey responses from 188 foundation leaders and 120 nonprofit leaders, representing a 24 percent response rate for each survey. (See Appendix D for full methodology.)

## TERMINOLOGY

**CLIMATE CHANGE:** In the survey, we defined climate change as the long-term shifts in temperature and weather patterns that have been driven by human activities since the 1800s.

**CLIMATE CHANGE MITIGATION:** Climate change mitigation consists of efforts to reduce or limit the levels of heat-trapping greenhouse gasses in the atmosphere.

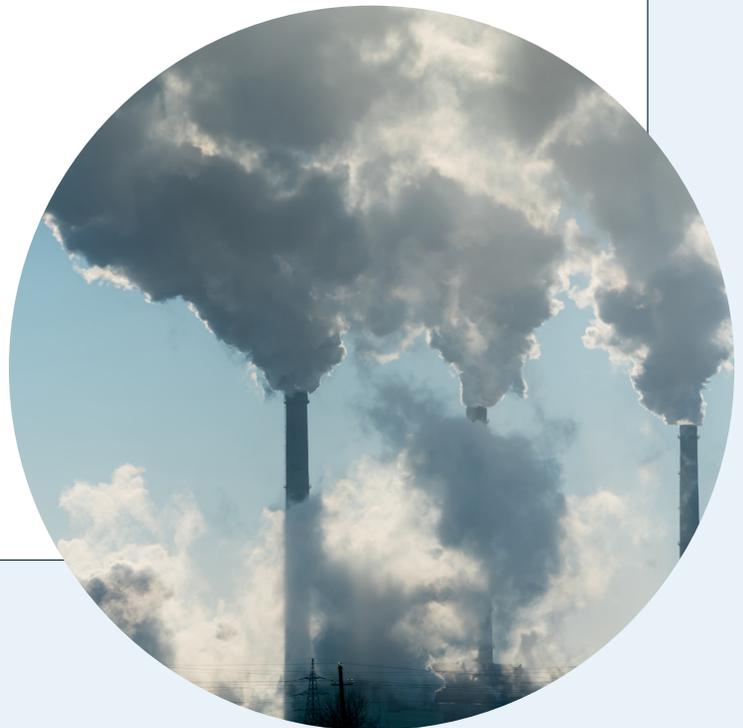
**CLIMATE CHANGE ADAPTATION:** Climate change adaptation consists of efforts to adapt to actual or expected climate change and its effects to moderate harm.

**CLIMATE JUSTICE:** Climate justice consists of efforts focusing on the social, racial, economic, and environmental justice implications of climate change.

## A NOTE ABOUT CATEGORIZING CLIMATE CHANGE EFFORTS

There are a variety of ways to define and categorize climate change funding efforts. Some use a narrow definition, only considering funding to climate mitigation, adaptation, or climate justice. Others use a broader definition and consider funding to other environmental issues — such as land conservation, ecosystems, agriculture and food systems, or sustainable development — as ultimately addressing climate change.

After reviewing these approaches and seeking input from funders and philanthropy-serving organizations with subject matter expertise, we have chosen to use a broad and inclusive approach. Foundation leaders were categorized as climate funders if they indicated in our survey that they fund efforts that explicitly address climate change or fund environmental efforts that address climate change. Similarly, nonprofit leaders were categorized as climate nonprofits if they indicated that they explicitly focus on addressing climate change or focus on environmental efforts that address climate change.



## ABOUT SURVEY RESPONDENTS AND THEIR EFFORTS TO ADDRESS CLIMATE CHANGE

**Foundation leaders:** Among the 188 foundation leaders responding to our survey:

- ▶ 61 percent said that their foundation funds efforts to address climate change. Among these, 22 percent *explicitly* fund efforts to address climate change, 45 percent fund *environmental efforts* that address climate change, and 33 percent fund *both* climate and environmental efforts.
- ▶ 36 percent said that their foundation does not fund efforts to address climate change.

**Nonprofit leaders:** Among the 120 nonprofit leaders responding to our survey:

- ▶ 25 percent said that climate change is a core focus of their work. Among these, 20 percent explicitly focus on addressing climate change, 57 percent focus on environmental efforts that address climate change, and 23 percent focus on both climate and environmental efforts.
- ▶ 73 percent said that climate change is not a core focus of their work.

In the administration of the surveys for this study, we emphasized our interest in hearing perspectives from organizations that are engaged in climate change efforts as well as those that are not. While it is difficult to assess the degree to which this proportion of organizations working on climate change differs from the population surveyed, it may be the case that leaders interested in climate change were more likely to respond to the survey.

(See Appendices B and C for more information about the approaches of the foundations and nonprofits engaged in climate change work who responded to these surveys. See Appendix D for the full methodology.)

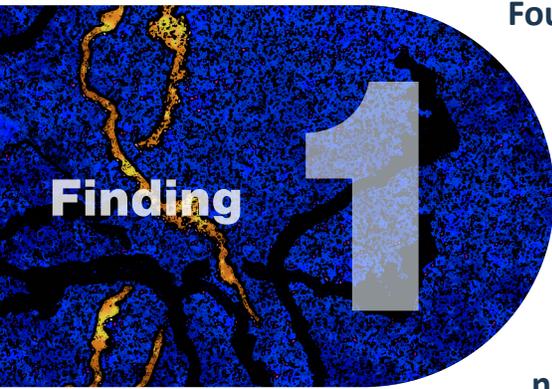
## ADDITIONAL ACKNOWLEDGMENTS: CEP'S CLIMATE PHILANTHROPY ADVISORY BOARD AND EXISTING RESEARCH ABOUT CLIMATE CHANGE PHILANTHROPY

In addition to drawing on research and field-wide resources about climate change philanthropy, CEP created an advisory board to inform this study. We are grateful to the following members of this study's advisory board:

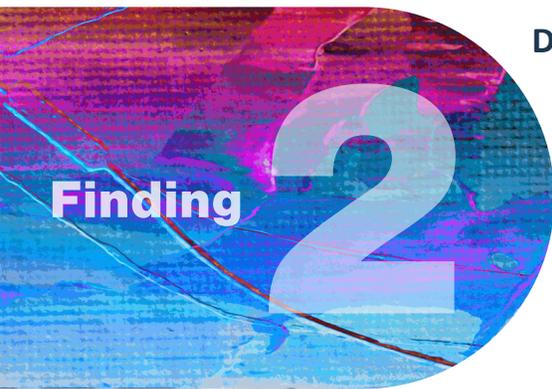
- ▶ Judy Hatcher of the Biodiversity Funders Group
- ▶ Paige Brown of the Climate and Energy Funders Group
- ▶ Jennifer Kitt of the Climate Leadership Initiative
- ▶ Shawn Reifsteck of the ClimateWorks Foundation
- ▶ Tamara Toles O'Laughlin and Ashley Li of the Environmental Grantmakers Association
- ▶ Angie Chen of the Libra Foundation
- ▶ Sarah Christiansen and Kara Inae Carlisle of the McKnight Foundation
- ▶ Arturo Garcia-Costas of the New York Community Trust
- ▶ Paul Beaudet of the Wilburforce Foundation

(See Appendix A for additional resources about climate change philanthropy.)

# Summary of Findings



Foundation and nonprofit leaders overwhelmingly see climate change as an urgent problem that will negatively impact the lives of the people served by their organizations, especially historically marginalized communities. While they believe the public and private sectors, in particular, are not doing enough to address climate change, they believe foundations and nonprofits could also be doing more.



Despite foundation leaders' concerns about climate change, foundation efforts to address climate change are relatively limited — in terms of grant dollars and investment practices — and are also seen as limited in effectiveness. Foundation and nonprofit leaders alike describe ample opportunity for philanthropy to engage more deeply and effectively to combat climate change.



Despite their concerns about climate change, most non-climate funders tend to see this issue as outside the scope of their mission, though some have not ruled out future funding efforts to address climate change. Leaders of climate nonprofits and foundations urge these funders to consider how climate change affects their missions.

# 1

## Finding One

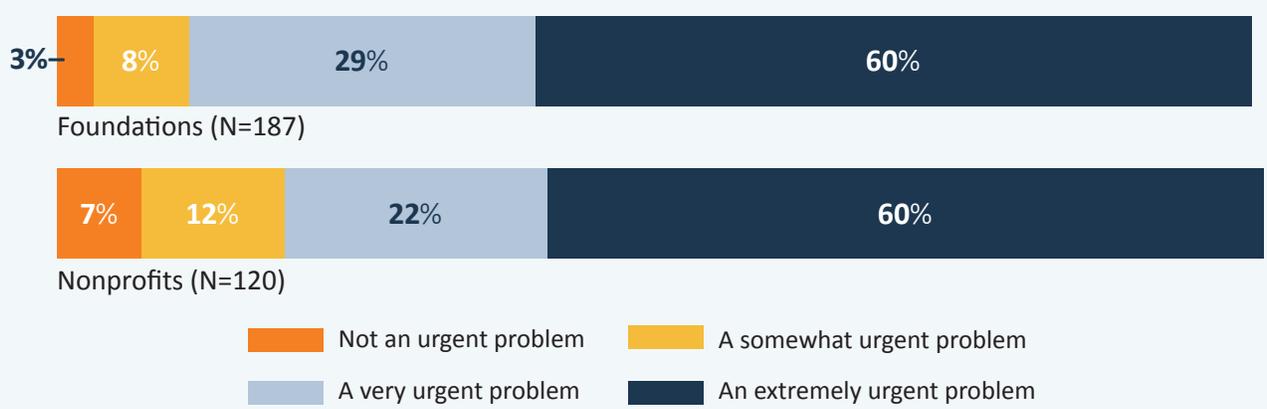
Foundation and nonprofit leaders overwhelmingly see climate change as an urgent problem that will negatively impact the lives of the people served by their organizations, especially historically marginalized communities. While they believe the public and private sectors, in particular, are not doing enough to address climate change, they believe foundations and nonprofits could also be doing more.

### The Urgency of Climate Change

The overwhelming majority of all foundation and nonprofit leaders — especially those who address climate change — said that climate change is a very or an extremely urgent problem. Relative to other problems facing society, most leaders believe that climate change is one of the top three most important problems to address right now. (See Figures 1 and 2.) Foundation and nonprofit leaders described climate change as an “existential threat” with “fundamental and grave implications.” One nonprofit leader said, “The implications for the future are clear: We are all at risk and the risks and dangers will get worse.” A foundation leader added:

*Climate will have a disproportionate impact on low-income communities and communities of color in the United States and globally. Poor countries are particularly vulnerable. Increased global instability and mass migrations will continue to threaten human security and national security everywhere, and it threatens to fuel nationalistic, populist agendas with the potential for authoritarian and even fascist regimes taking hold. The impacts of climate change threaten democracy and democratic institutions; in short, it impacts our political, economic, and social constructs in addition to people’s lives and the ecosystems on which we depend.*

**FIGURE 1.**  
Foundation and Nonprofit Leader Perspectives on the Urgency of Climate Change

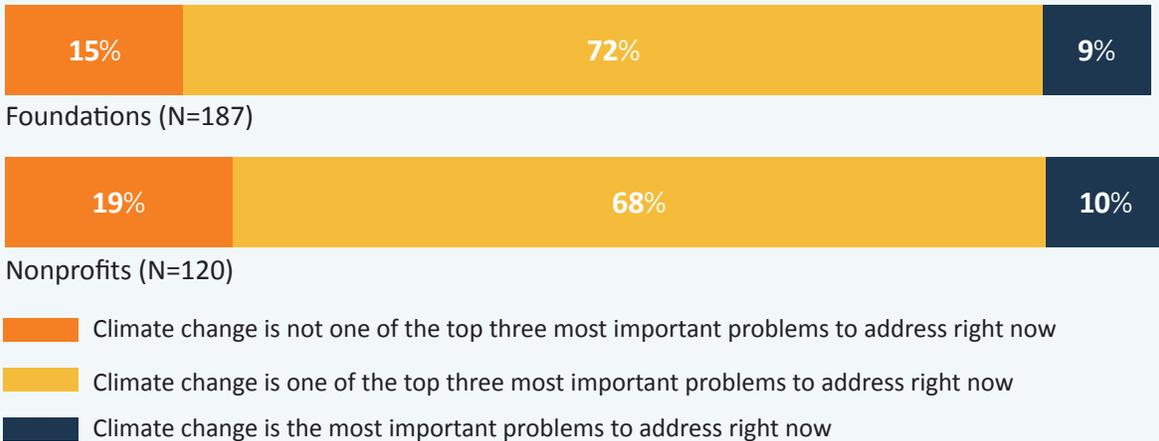


\*Percentages in this figure may not add to 100 due to rounding.

Few nonprofit and foundation leaders — about 10 percent — said that climate change is the *most* important problem to address right now.

**FIGURE 2.**

**Foundation and Nonprofit Leader Perspectives on the Importance of Addressing Climate Change Relative to Other Problems**



\*Percentages do not add to 100 because not all possible answer choices are displayed.

## The Negative Impacts of Climate Change on the Work of Nonprofits and Foundations and the Communities They Serve

Both foundation and nonprofit leaders believe that climate change will negatively affect their work — no matter the issues on which they focus.

More than 90 percent of foundation leaders think that, in the coming decade, climate change will negatively affect the lives of the people they seek to serve, as well as the geographic areas in which they operate. Said one leader,

*Within our health, human services, arts, and education portfolios, our focus has always been on vulnerable people in our state. We see climate change influencing all our portfolios because climate change will impact marginalized people first, more deeply, and over a longer time frame than the rest of society.*

More than 70 percent of foundation leaders said that climate change will negatively affect the issues their foundation focuses on and their foundation’s ability to achieve its goals. (See Figure 3.) “Climate change will be a significant stressor on all the issues which we seek to address, through degradation of quality of life, competition for resources, physical and mental insecurity, and community fracturing,” said one leader. Another added, “Our priorities, the advancement of social justice and racial equity, will be dramatically affected by climate change because low-wealth communities and people of color will bear the brunt of the negative impacts.”

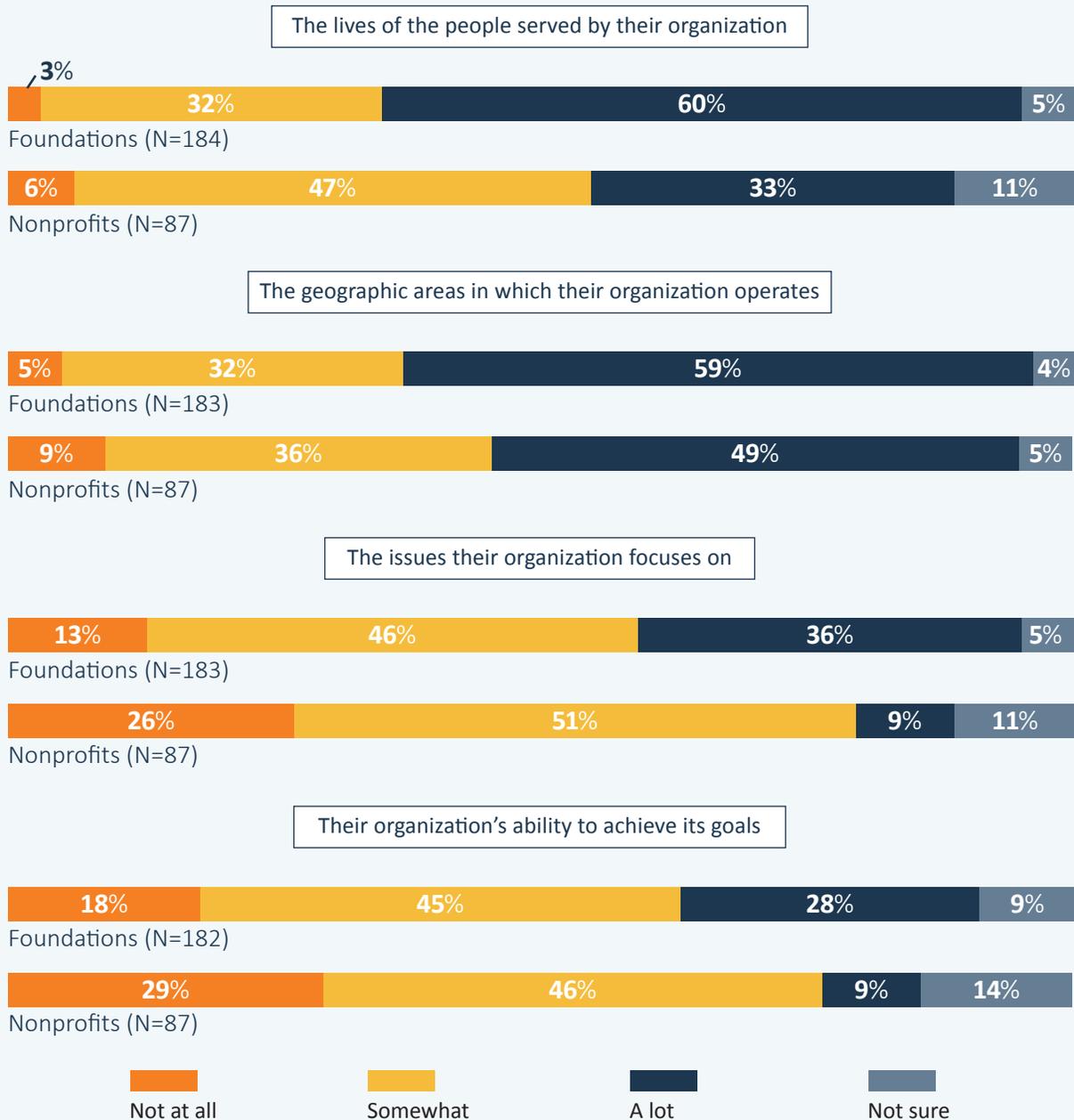
Foundation leaders spoke to the harm and costs — financial, material, and social — of continued inaction and noted that climate change will result in funders and nonprofits “losing ground on so many priorities.” One said, “If we do not bring climate change under control, our efforts will be undone by the cascading economic and social effects of climate change.”

Nonprofit leaders similarly think that climate change will negatively affect aspects of their work in the coming decade, though slightly less so than foundation leaders. (See Figure 3.) More than three quarters of nonprofit leaders said that, if not addressed, the negative impacts of climate change will exacerbate the issues on which these

**FIGURE 3.**

**Foundation and Nonprofit Leader Perspectives on the Negative Impacts of Climate Change on Aspects of Their Work over the Coming Decade**

How much foundation and nonprofit leaders think climate change will negatively affect the following:



\*Percentages do not add to 100 because not all possible answer choices are displayed.

nonprofits focus and will threaten progress already made on these issues. As one leader commented, “Climate change issues will exacerbate the socio-economic problems faced by underprivileged and underserved people in our community.” They also projected negative impacts on their finances, operations, and mission-related work.

## NONPROFIT LEADERS DESCRIBE HOW CLIMATE CHANGE IS NEGATIVELY IMPACTING THEIR ORGANIZATIONS

Almost one third of nonprofit leaders — including those who do and do not focus on climate change — said that climate change is currently having a moderate or significant negative impact on their work. They underscored that “the impacts from climate-related extreme weather are serious and happening now” and said that “extreme weather is getting worse and worse.”

Below are representative quotes from these leaders about the impacts of shifting temperatures and weather patterns on their work:

- ▶ “Extreme heat and weather threaten our outdoor venue and affect attendance at our theater company. Last year, a storm destroyed our set. We lost eight performances and close to \$100,000 in re-build costs and lost revenue.”
- ▶ “The several-month-long fire season in California impacts the health and well-being of our employees and the broader community.”
- ▶ “Severe weather and extreme heat impact our educational programs. Summer programs are extremely uncomfortable because we do not have air conditioning.”
- ▶ “We recently had to replace \$25,000 in instrument and production equipment due to September 2021 flooding caused by a hurricane. Unfortunately, we did not have sufficient flood insurance. Flooding and climate change weather impacts cause a multitude of economic and logistical challenges for us, such as having to refund revenue for cancelled shows, but we still have to pay labor costs.”

## Not Enough Is Being Done to Address Climate Change

Foundation leaders see all sectors — public and private as well as nonprofits and foundations — as being able to play a role in addressing climate change. They also say that no sector is currently doing enough to address this urgent problem, particularly the public and private sectors. (See Figures 4 and 5.)

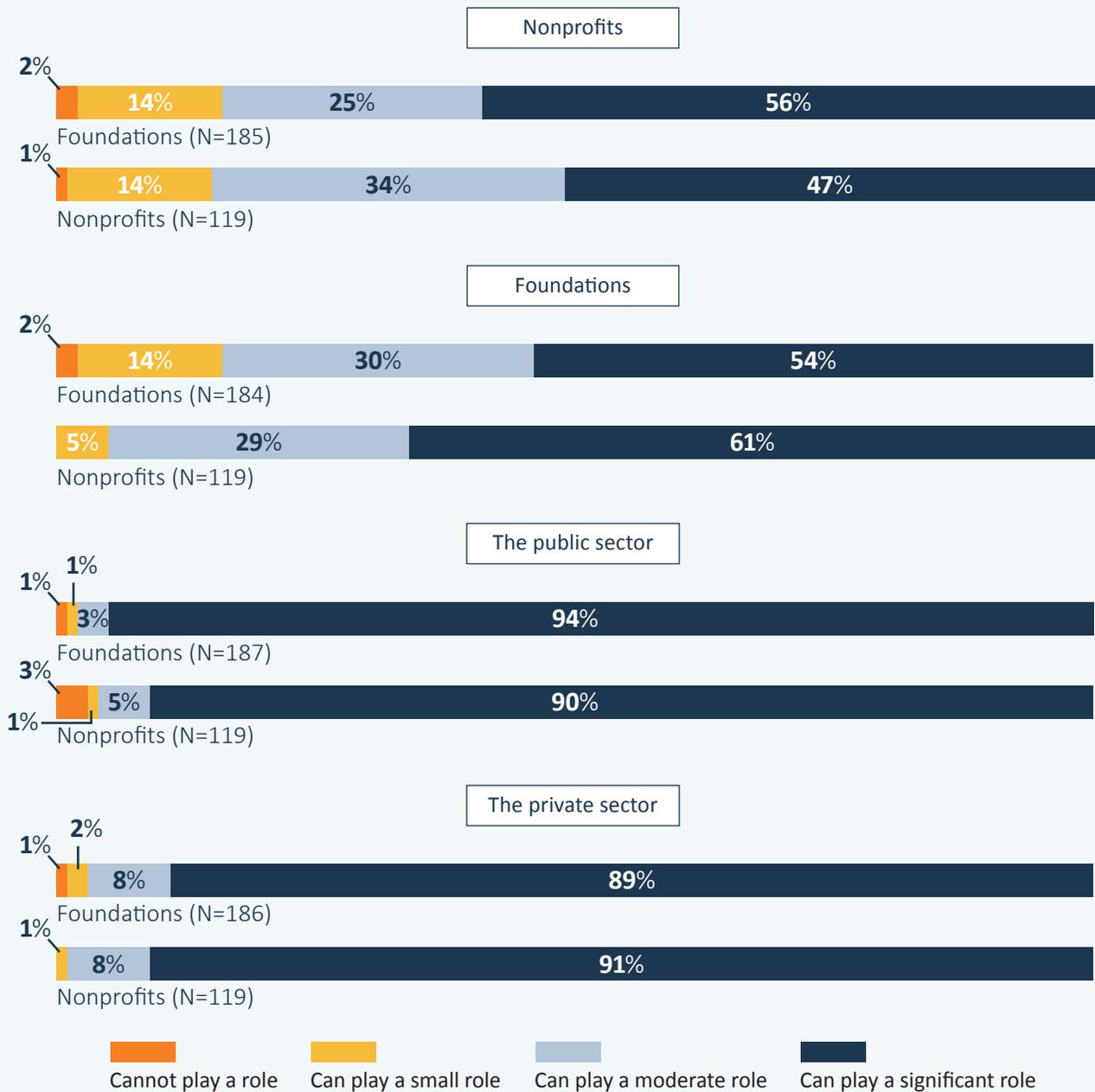
Even as they see the public and private sectors as playing a more significant role than nonprofits and foundations, virtually all foundation leaders say philanthropy can play a unique, meaningful, and important role in addressing climate change. “Philanthropy can and should be a ‘first mover’ that sets a good example for others to follow and can influence public policy and for-profit businesses to do the right thing,” said one leader.

Foundation leaders emphasized that philanthropy, relative to other sectors, has “many tools” available to address climate change, including grants, investments, and the voice and power of philanthropic leaders. Foundations can “prioritize climate considerations,” “try riskier, unproven strategies,” “champion scalable ideas,” and “be vocal,” they said. Specifically, they underscored opportunities

for philanthropy to engage in policy and advocacy efforts and bring “long-term thinking and collaboration.” (See Finding Two for more specific suggestions from leaders on how philanthropy can more effectively combat climate change.)

Nonprofit leaders’ perspectives align closely with those of foundation leaders. (See Figures 4 and 5.) Like foundation leaders, nonprofit leaders see meaningful and important roles for funders to combat climate change.

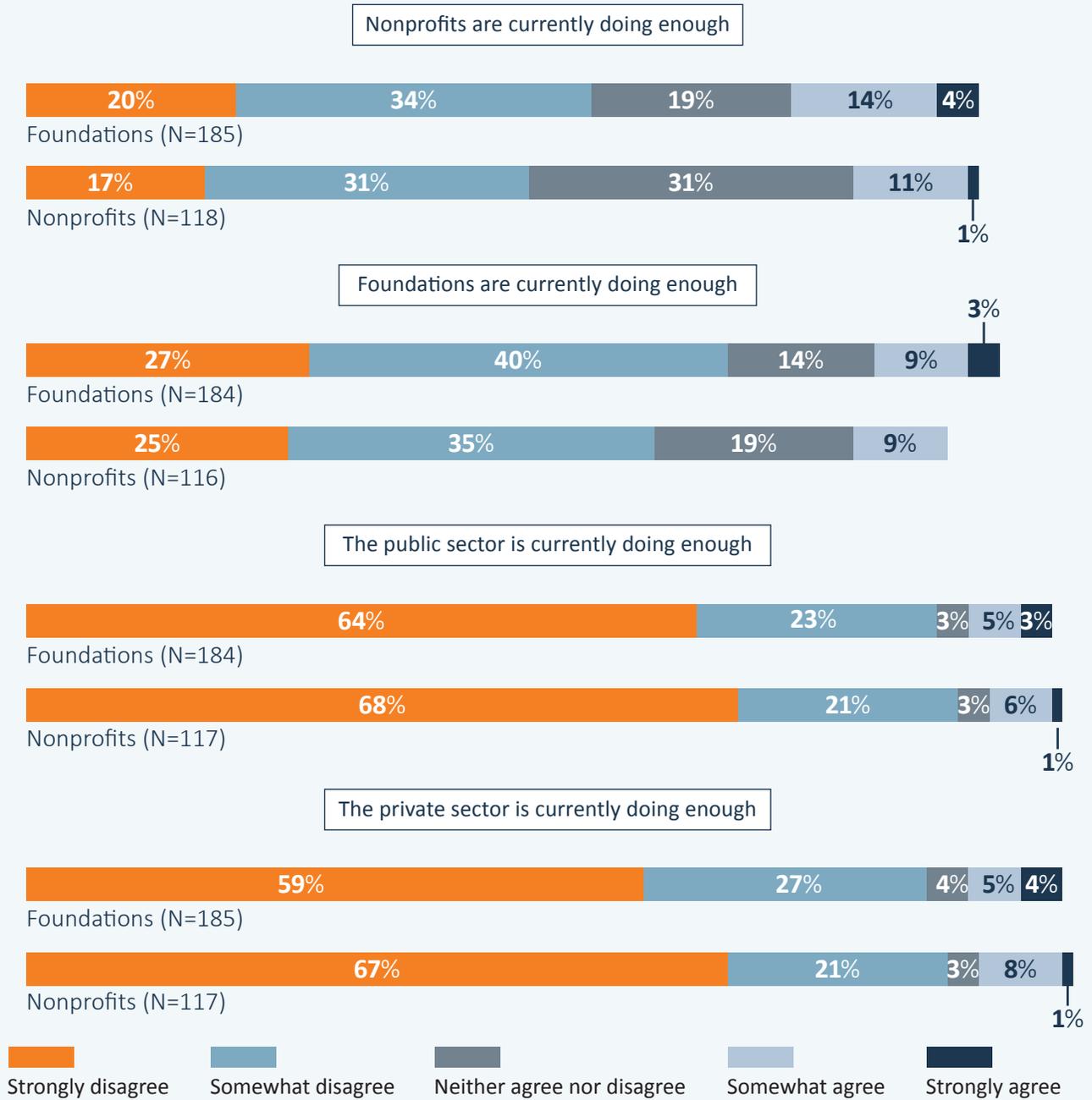
**FIGURE 4.**  
**Foundation and Nonprofit Leader Perspectives on How Much of a Role Different Sectors Can Play in Addressing Climate Change**



\*Percentages do not add to 100 because not all possible answer choices are displayed.

**FIGURE 5.**

**Foundation and Nonprofit Leader Perspectives on Whether Various Sectors are Currently Doing Enough to Address Climate Change**



\*Percentages do not add to 100 because not all possible answer choices are displayed.

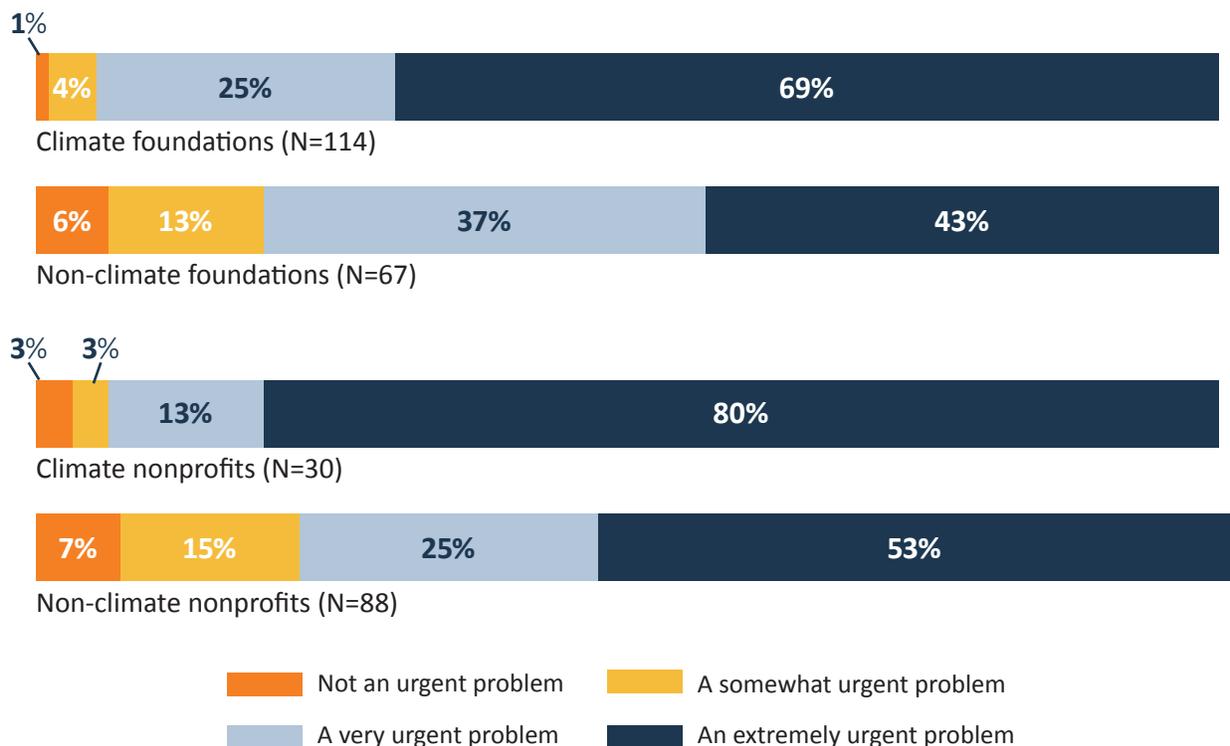
## DIFFERENCES IN PERSPECTIVES BETWEEN LEADERS OF CLIMATE AND NON-CLIMATE FOUNDATIONS AND NONPROFITS

Leaders of climate and non-climate funders and nonprofits alike said that climate change is an urgent problem that will negatively affect their work, and they also see important roles for foundations and nonprofits to address climate change.

Perhaps unsurprisingly, leaders of climate foundations and nonprofits have even stronger perspectives about the extent to which climate change is an urgent problem than those who lead organizations not focused on climate change. (See Figure 6.) Leaders of climate foundations were more likely to say that foundations and nonprofits can play a significant role in addressing climate change. Additionally, climate foundation leaders were more likely to say that foundations are not doing enough to address climate change.

**FIGURE 6.**

### Climate and Non-climate Foundation and Nonprofit Leader Perspectives on the Urgency of Climate Change



There are some dimensions where we do not see differences between climate and non-climate organizations. Climate and non-climate leaders alike said that the public and private sectors can play a significant role in addressing climate change, and they also said that these sectors are not doing enough to address climate change. Additionally, both climate and non-climate nonprofit leaders said that foundations can play a significant role in addressing climate change.

## Finding Two

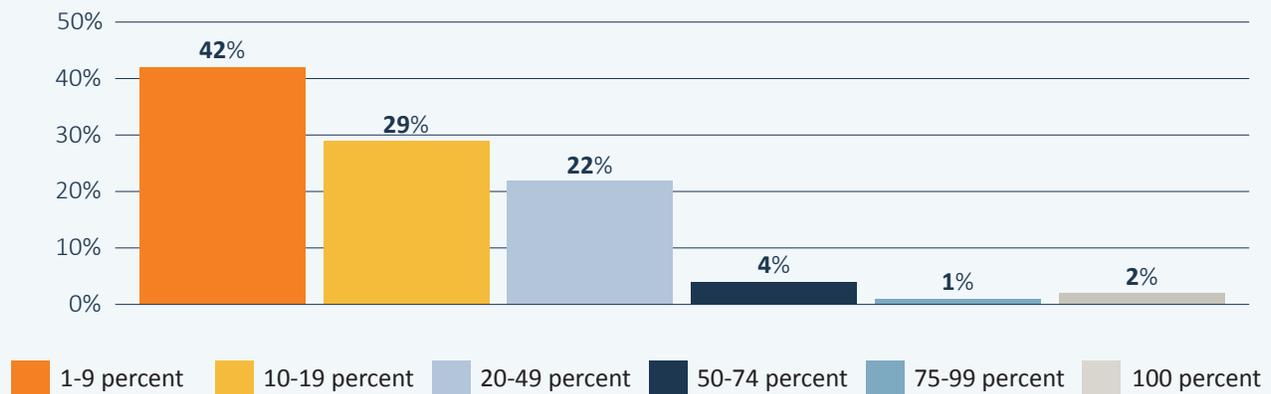
Despite foundation leaders' concerns about climate change, foundation efforts to address climate change are relatively limited — in terms of grant dollars and investment practices — and are also seen as limited in effectiveness. Foundation and nonprofit leaders alike describe ample opportunity for philanthropy to engage more deeply and effectively to combat climate change.

### Limited U.S. Foundation Funding for Climate Change

Efforts to address climate change tend to be a relatively small proportion of total giving from U.S. foundations that fund efforts addressing climate change. More than 70 percent of climate foundation leaders said their climate funding is less than 20 percent of their total grant dollars for the current fiscal year. Only seven foundation leaders said that funding for climate change is at least 50 percent of their total grant dollars. (See Figure 7.)

**FIGURE 7.**

**Percentage of Climate Funders' Grant Dollars Currently Allocated to Climate Change Efforts for This Fiscal Year**  
(N=107)



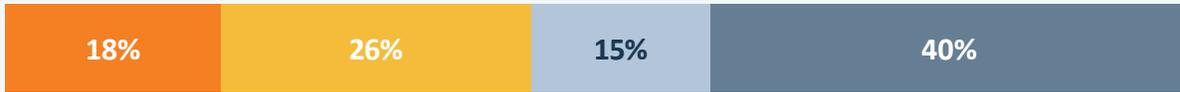
Additionally, few foundations reported being new to funding climate work. More than two thirds of respondents said they have been funding efforts to address climate change for at least five years; almost half have been in this space for at least 10 years.

Responses from climate funders are mixed when it comes to future funding plans, though no leaders said they plan to decrease their climate funding. About 40 percent said that they will increase the amount of funding for addressing climate change over the next five years. Another 40 percent said they are unsure about future climate funding. (See Figure 8.) (See Appendix B for more information about climate funder practices.)

**FIGURE 8.**

**No Climate Funders Report Plans to Decrease Funding for Climate Change**

Climate funders' reported funding plans for addressing climate change over the next five years (N=110)



- Plans to significantly increase the amount of funding for addressing climate change
- Plans to slightly increase the amount of funding for addressing climate change
- Does not plan to change the amount of funding for addressing climate change
- Not sure

\*Percentages in this figure may not add to 100 due to rounding.



**MOST COMMUNITY FOUNDATIONS DO NOT PRIORITIZE ENCOURAGING DONORS TO ADDRESS CLIMATE**

More than 80 percent of community foundation leaders reported that when donors seek guidance in their giving, the foundation does not explicitly prioritize encouraging donors to fund climate efforts. “We need to better leverage our donors’ giving,” reflected one leader, given that community foundation “discretionary grants are limited.”

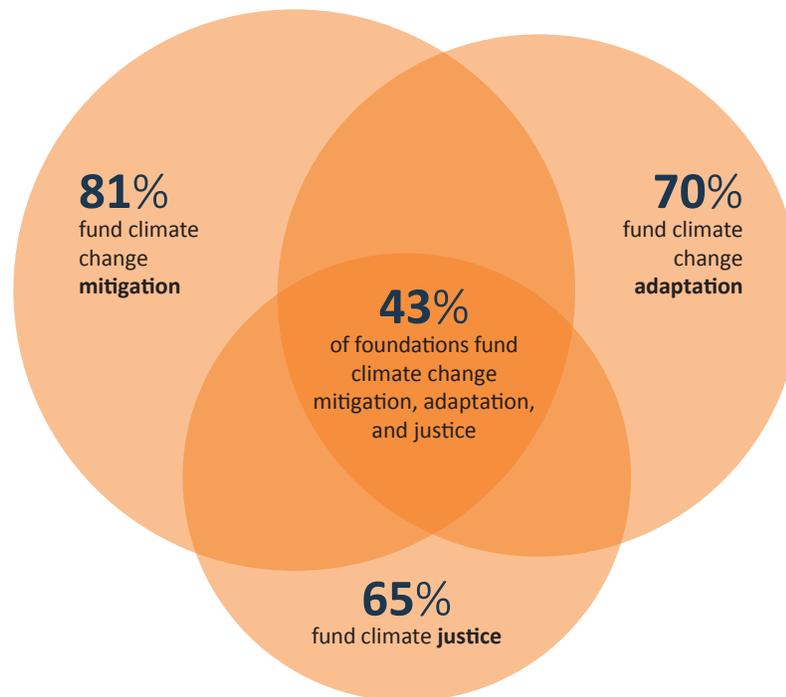
## FOUNDATION APPROACHES TO ADDRESSING CLIMATE CHANGE

Among the more than 60 foundation leaders who reported that their foundations fund efforts that explicitly address climate change, about 80 percent said they fund mitigation, 70 percent said they fund adaptation, and 65 percent said they fund climate justice. More than 40 percent said that they fund all three of these approaches. (See Figure 9.)

**FIGURE 9.**

### Overlap in Strategies Among Foundations That Explicitly Address Climate Change

Percentage of foundations explicitly addressing climate change that fund the following strategies (N=63)



\*Percentages add up to more than 100 because respondents were able to select all approaches that they fund.

## CLIMATE JUSTICE AND SUPPORTING COMMUNITIES MOST AFFECTED BY CLIMATE CHANGE

The environmental movement has often been criticized for its lack of diversity.<sup>4</sup> In 2021, the Donors of Color Network launched the [Climate Funders Justice Pledge](#) to challenge the largest climate funders in the United States to commit to greater transparency and give at least 30 percent of their climate funding to organizations run by, serving, and building power for communities of color.

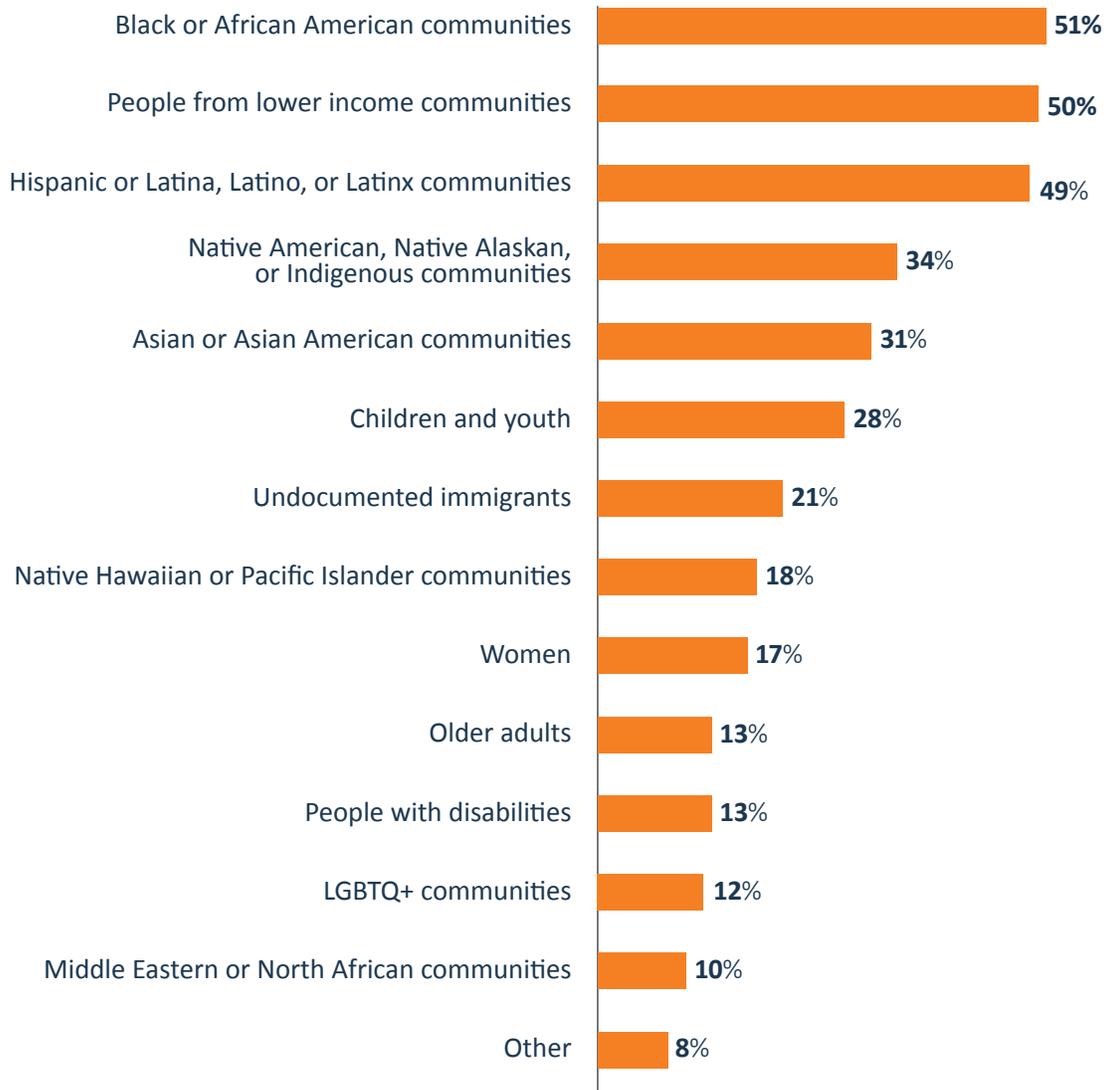
Almost two thirds of foundation leaders in our study said that their foundation's climate grantmaking prioritizes funding the communities most impacted by climate change, including but not limited to the world's poorest people and countries, and historically disadvantaged communities, such as communities of color, people with disabilities, and immigrant communities. Slightly more than half said that they prioritize funding organizations *led by* the people and communities who are most impacted by climate change. "Climate change is fast becoming the world's largest social and economic justice issue," said one foundation leader.

In their U.S. climate-related efforts, foundation leaders in our survey most frequently said they prioritize funding organizations that serve Black, Latino, and lower-income communities. They less frequently reported prioritizing funding organizations that serve other communities affected by climate change, including Native American or Asian American and Pacific Islander communities, children and youth, people with disabilities, undocumented immigrants, and women. (See Figure 10.)

**FIGURE 10.**

**Percentage of foundations that reported prioritizing funding the following communities in their climate related efforts in the United States**

(N=101)



Our survey questions asked about the priorities of foundation leaders and not the magnitude of their funding to these communities. Research from other organizations, such as [Building Equity and Alignment for Environmental Justice \(BEA\)](#) and [The New School](#), on the grantmaking practices of 12 national environmental grantmakers has suggested that as little as one percent of their climate funding went to justice-focused organizations.

## DIFFERENCES AT FOUNDATIONS LED BY PEOPLE OF COLOR

We found some differences in foundation approaches and strategies to combat climate change when we analyzed responses by whether the foundation CEO identifies as a person of color.

As part of their strategy to address climate change, foundations whose leaders identify as people of color more frequently indicated that they fund climate justice efforts. They were also more likely to say they prioritize funding for the communities most impacted by climate change.

Specifically, in their foundation's climate-related efforts in the United States, leaders of color more frequently reported prioritizing funding organizations that serve the following communities:

- ▶ Asian or Asian American communities
- ▶ Black or African American communities
- ▶ Hispanic or Latina, Latino, or Latinx communities
- ▶ LGBTQ+ communities
- ▶ Middle Eastern or North African communities
- ▶ Native Hawaiian or Pacific Islander communities
- ▶ Undocumented immigrants
- ▶ Women

In addition, foundations led by CEOs who identify as a person of color were more likely to say that they prioritize funding organizations led by the people and communities who are most impacted by climate change.

Among foundations that engaged in efforts to influence climate-related public policy, they more frequently said that they support movement building and using the foundation's voice (for example, through position papers and public statements).

## Climate-Related Financial and Investment Practices

Some funders believe that one way to address climate change is through their endowments. Despite increasing calls to divest from fossil fuels and invest in climate solutions, and despite some prominent examples of funders publicly embracing fossil fuel divestment, most foundation leaders in this study do not address climate change through their investment practices.<sup>5</sup>

Slightly less than a quarter of foundation leaders said that their foundation prohibits investments in fossil fuels or other carbon emitters from their investment portfolios.<sup>6</sup> While climate funders were significantly more likely than non-climate funders to prohibit investments in fossil fuels, still less than 30 percent of climate funders reported prohibiting these types of investments. Less than one third of foundation leaders said that they engage in climate-related impact investing.<sup>7</sup> (See Figure 11.) Additionally, when deciding which financial institutions with which to do business, more than three quarters of foundation leaders said that they do not factor these institutions' financing of fossil fuel and/or carbon emitters in their decision-making.

Some foundations not currently engaged in divestment or impact investing practices doubt their efficacy in affecting climate change. Others have expressed concerns over lower returns on their investments leading to decreases in their grantmaking capabilities.<sup>8</sup> Yet, among the minority of foundations that do engage in these practices, most leaders said that the performance and returns of their investments are the same or better than

traditional investments. Not one of these 39 leaders said that their returns have underperformed benchmarks that include fossil fuels since they prohibited investments in fossil fuels.

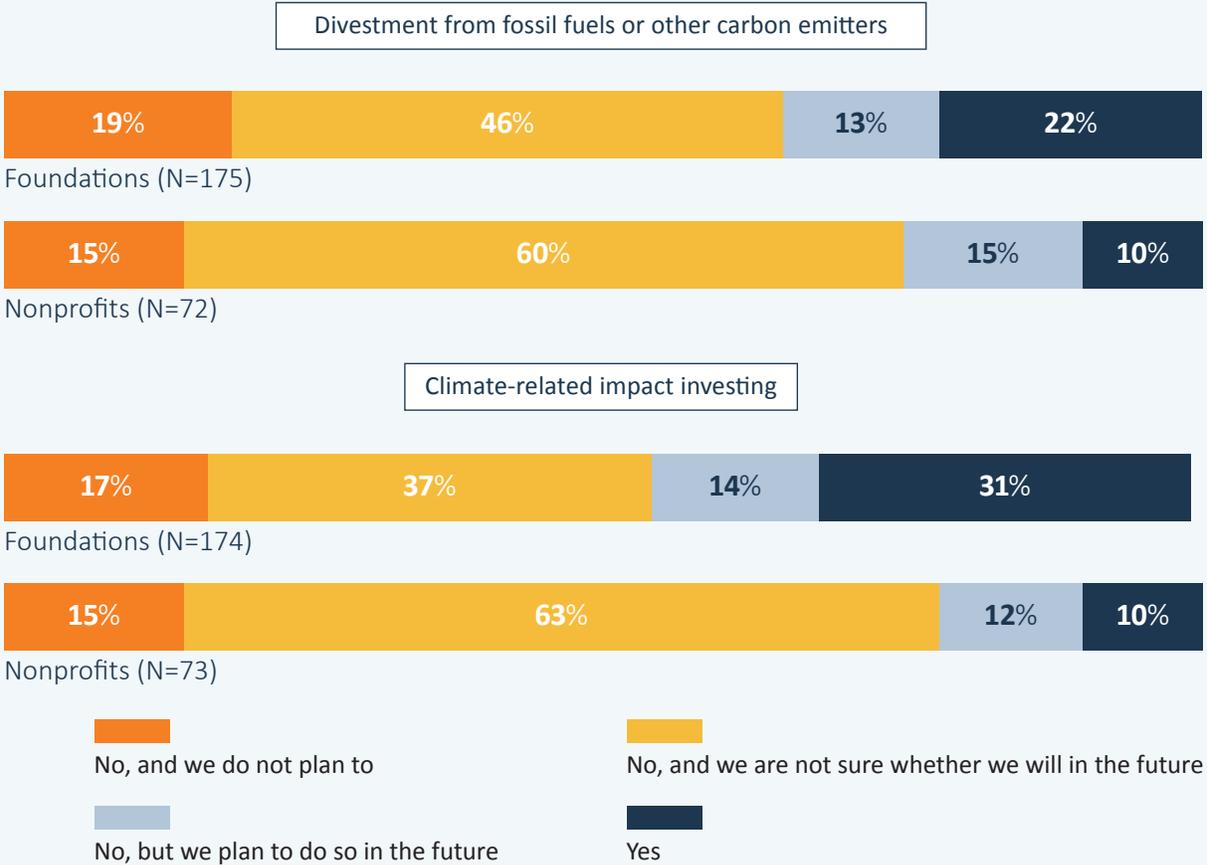
On the contrary, about half said that returns on fossil-free investments have overperformed benchmarks that include fossil fuels. (See Figure 12.) Similarly, 72 percent of those who engage in climate-related impact investing said that their returns are at least the same or higher compared to their traditional investments. (See Figure 13.)

Some of these foundation leaders are impatient with limited philanthropic climate action in investment practices. “Good grief, what’s everyone waiting for on divestment? The lack of bravery and leadership from many foundations is embarrassing,” said one leader.

Most leaders who do not engage in climate-related investment practices have not ruled out the possibility of doing so. About half said that they are not sure whether they will do so in the future, and slightly more than 10 percent said they plan to do so in the future. (See Figure 11.)

Funders who already engage in these practices provided suggestions for those interested in trying them out, most frequently encouraging other funders to just do it. They offered pragmatic bottom-line and moral arguments. Describing this as “both a financial and mission win,” some leaders noted that there is no longer a financial “tradeoff for strategic and thoughtful investors,” and said that divestment is “profitable” and a “path

**FIGURE 11.**  
**Percentage of Foundation and Nonprofit Leaders Engaging in Climate-Related Investment Practices**



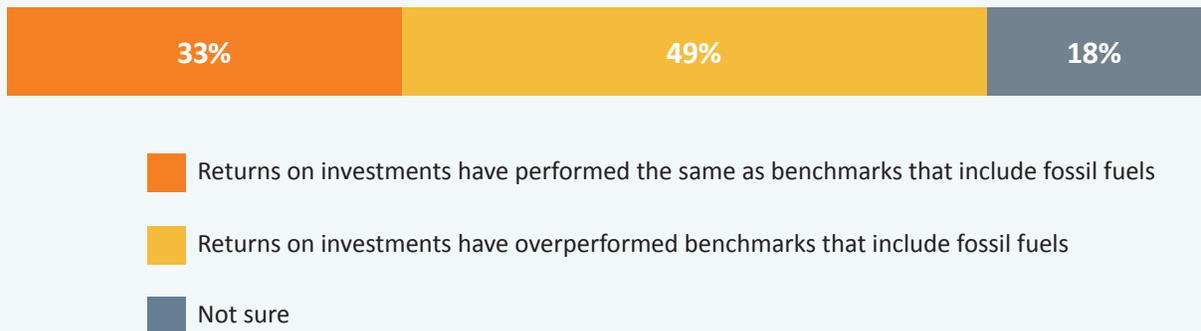
\*Percentages in this figure may not add to 100 due to rounding.

to outperformance.” Some also described this decision as a “moral” one to “help mitigate the climate crisis” and “do the most good with foundation resources.” Leaders noted that while it takes time and effort, engaging in climate-related investment practices is relatively straightforward, with ample available products, supports, and qualified advisors that offer “strong analysis and a long-term view.” “If your investment advisor dismisses the conversation, find a new one,” said one leader, noting that their foundation’s “portfolio has not suffered in the least and has experienced double-digit returns.”

**FIGURE 12.**

**No Foundations Reported That Returns on Investments Have Underperformed Benchmarks That Include Fossil Fuels**

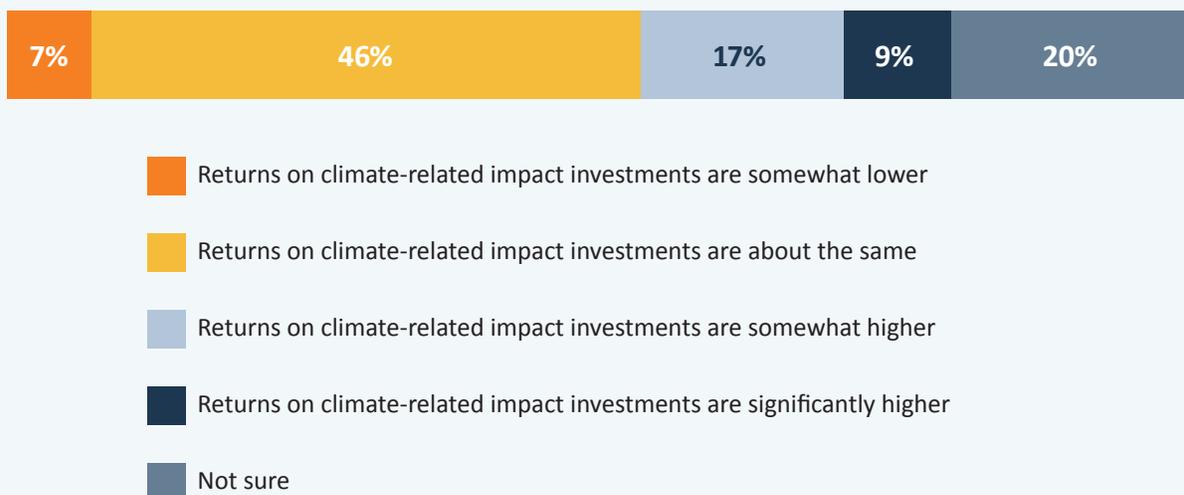
Returns on investments since the foundation prohibited investments in fossil fuels and other carbon emitters (N=39)



**FIGURE 13.**

**Returns on Foundations’ Climate-Related Impact Investments**

(N=54)



\*No foundations reported that returns on impact investments are significantly lower.

\*\*Percentages in this figure may not add to 100 due to rounding.

## FEW NONPROFITS ENGAGE IN CLIMATE-RELATED INVESTMENT PRACTICES

Among the 60 percent of nonprofit leader respondents who reported having investments, very few — 10 percent — say they engage in climate-related investment practices.<sup>9</sup> Only seven nonprofit leaders said that their organization’s investment portfolio prohibits investments in fossil fuels or other carbon emitters. Similarly, only seven leaders said that they engage in climate-related impact investing. And when deciding which financial institutions they will do business with, most nonprofit leaders said they do not factor these institutions’ financing of fossil fuel and/or carbon emitters in their decision-making.

## Suggestions for Funders to Combat Climate Change More Effectively

While assessing the effectiveness of an entire field is not simple or straightforward — especially given the scale and scope of the climate change problem and the continued growth in global emissions — climate foundation and nonprofit leaders alike think that foundation efforts to address climate change have not been particularly effective.

Only 11 percent of foundation leaders rated their own foundation’s strategy for addressing climate change as very effective, and even fewer said that efforts by philanthropic foundations, broadly, to address climate change are very effective. Slightly more than 50 percent of foundation leaders said that their own foundation’s strategy for addressing climate change is somewhat effective. (See Figure 14.) Climate nonprofit leaders agreed, with half of leaders saying that their climate change funders’ strategies to address climate change are somewhat effective.

Foundations that collaborate with other foundation funders or whose climate strategy includes efforts to influence public policy rated their own climate strategies as more effective than those that do not collaborate with other foundations or engage in policy.

**FIGURE 14.**

### Climate Funder Perspectives on the Effectiveness of Foundation Efforts to Address Climate Change



Even as foundation efforts to address climate change are relatively limited in scope and perceived as relatively limited in effectiveness, foundation and nonprofit leaders alike suggested a wide variety of ways for funders to address climate change more effectively.<sup>10</sup> They urged funders to “recognize the urgency” and “scale up their efforts, across all aspects of their work.”

Beyond more focus on and funding for climate change, almost 60 percent of foundation leaders said funders should use their power and influence to advance more climate-related policy and advocacy efforts — through their grantmaking and through the use of their voice. “The scope of the challenge exceeds the power of the programmatic grant,” said one leader, adding that the work “needs to be public policy focused.”

Regarding the various approaches to policy and advocacy, foundation leaders described a need to “engage and influence public and private sector practices” and “hold governments and businesses accountable,” in addition to “supporting grassroots movements, especially BIPOC and youth,” “funding community organizing,” and supporting “the people fighting the good fight.” Some leaders noted that all of these approaches are important. “Give equal attention to both influencing policy and supporting grassroots work,” said one leader.

Noting that “the existential threat seems disconnected from day-to-day life,” and that the “barriers are political, not technical or economic,” leaders also suggested that funders elevate the issue and shift the current politicized discourse by focusing on narrative change to “help build political and community will.” They urged funders to collaborate more and better. “All of us on the funding side need to coalesce around this issue for it to have traction,” said one. Others suggested that funders “use our combined voices and resources to influence policies” and “collaborate to build community power.” Leaders also emphasized climate justice and noted the importance of “viewing climate change through an equity lens,” so as not to “continue to exacerbate inequities.” As one leader said, “To save all of us, we need to ensure that those among us who are most vulnerable — and those who have been most historically excluded from prosperity — be included and uplifted in a new vision for a post-carbon world.”

## **NONPROFIT LEADERS SEE OPPORTUNITY FOR PHILANTHROPY TO ADDRESS CLIMATE CHANGE MORE EFFECTIVELY**

Similar to climate funders, climate nonprofit leaders see ample opportunity for funders to combat climate change more effectively by being more intentional about their climate funding. They broadly encourage funders to embrace a greater sense of urgency, noting that “the work is vastly under-resourced given the scale of the issue.” Most frequently, nonprofit leaders urge funders to support more policy and advocacy work — especially efforts to elevate this topic and shift the current discourse — and call for more collaboration and more focus on climate change as an equity issue. They urge funders to “use their clout to push government and business to take much larger steps,” and encourage funders to “build political power,” “support organizing,” and “focus on leveraging public awareness to force businesses to change.” “We need to change political will. We have the tools and knowledge to address climate change, but not the will,” said one leader.

## Finding Three

Despite their concerns about climate change, most non-climate funders tend to see this issue as outside the scope of their mission, though some have not ruled out future funding efforts to address climate change. Leaders of climate nonprofits and foundations urge these funders to consider how climate change affects their missions.

Even as leaders of non-climate foundations see climate change as an urgent problem and believe that it will ultimately “create more extreme conditions” that affect their fields and communities, they most frequently said that the reason they do not fund efforts to address climate change is that it is not part of their mission.<sup>11</sup> “As an arts foundation, climate change is not a primary focus, though the societal implications are of universal impact,” said one leader.

Among other top reasons funders say they do not fund climate change, slightly less than half said that the board has limited interest in or willingness to address climate change, and about one third said that the problem is too big relative to their foundation’s resources or geographic area of focus. (See Figure 15.) “Climate change is not connected enough to our mission,” said another leader, adding that the challenge is “too large relative to our small resources.”

**FIGURE 15.**

**Top Three Reasons Foundation Leaders Say They Do Not Fund Efforts Addressing Climate Change (N=66)**



**79%**

It is not part of the foundation’s mission.



**39%**

The board has limited interest or willingness to address climate change.



**35%**

The problem is too big relative to the foundation’s resources or geographic focus.

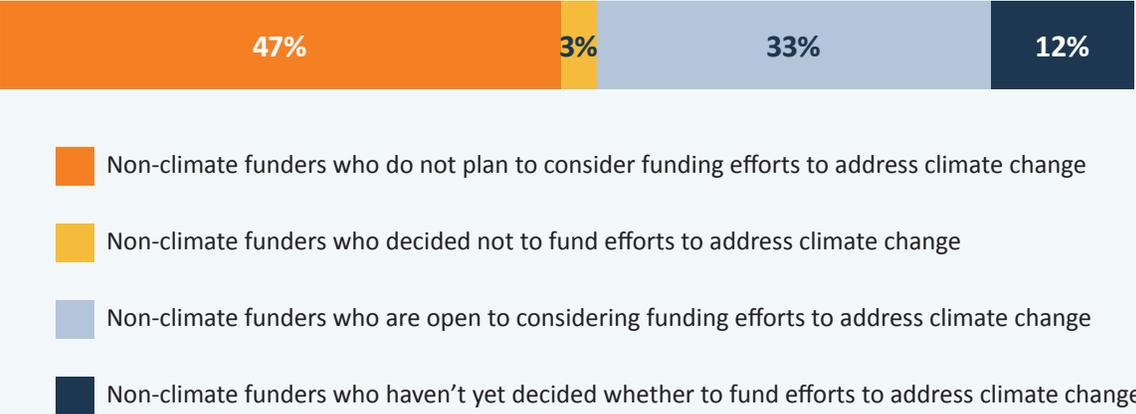
Comments from some non-climate leaders suggest that the climate threat may be experienced as abstract and far-off, and that other issues are perceived as more important than climate change. “Unfortunately, there are more pressing issues, such as the issues COVID has caused and the fight against systemic racism,” said one leader. Another added, “The problems we seek to address are on the ground level of an extremely poor city. I believe climate change affects all of our lives, but more tangible problems like poverty and violence are more top of mind.” Another leader said that the implications of climate change on their work and the communities they support will be “serious in the long term, in 20 or 30 years, but not serious in the near term.”

Indeed, half of non-climate foundation leaders said they do not plan to fund efforts to address climate change. “While our mission is not as important as climate change and its potential threat, our work is still important and what we are best suited to address,” said one leader. Another leader described being focused on a specific vulnerable population:

*Our concern is for the health and well-being of this community. While they are exposed to increased heat, extreme weather, fire, drought like everyone else, our focus is on their needs. So, while this is objectively a very serious issue, potentially threatening billions of people around the world, it is not our issue.*

Yet, 45 percent of foundation leaders have not closed the door on the possibility of funding climate change. One third said they are open to considering it and about 10 percent said it is under consideration. (See Figure 16.) These leaders said they would like to better understand the connection between climate change and their areas of focus. They expressed interest in more information, including opportunities to learn from other funders and supports for building board support. “I’d like help mapping our existing mission to climate change,” said one leader. Another said, “Give us the language and the strategy to correlate climate change with enhancing lives for all who live in our community, and my board would probably support climate change initiatives.”

**FIGURE 16.**  
**Whether Non-Climate Funders Have or Will Consider Funding Efforts to Address Climate Change**  
(N=66)



\*Percentages do not add to 100 because not all possible answer choices are displayed.

Indeed, considering the impacts of climate change on foundations' work is exactly what leaders of climate foundations most frequently encourage more non-climate funders to do. Noting that "climate change is an everything issue," climate funders suggested that others consider "the intersections of climate with their impact goals." Said one leader:

*No matter the issue area or geographic focus of your foundation, climate change has or will intersect with some aspect of your organization's work and the people you serve. The impacts of climate change are increasingly evident, and as those impacts become more severe, virtually every issue or area of funding will be directly or indirectly affected. Thus, whether a foundation's focus is on the arts, education, health, economic development, immigration, justice reform, racial equity, or democracy, it makes sense to include funding for efforts to address climate change.*

They encourage non-climate funders to learn from and partner with other funders and "start somewhere, even if it is small" and suggest considering climate in all aspects of their work. Noting that "funders control billions of assets through investment portfolios," some suggest that "foundations that don't want to change programmatic efforts can change their investment strategy; that is a powerful place to start."

Climate funders underscore that "the world is making the case for us to take up this issue," with one leader summing it up: "The problem can seem overwhelming, but there are steps that we can all take, no matter our perspective."

## WHAT CLIMATE NONPROFITS WANT FUNDERS TO KNOW

Similar to foundation leaders, most climate nonprofit leaders emphasize the urgency of addressing climate change and urge funders to take action. "This is up to all of us to solve," said one, as another added, "If we do not get this done, other issues will be of little significance."

Noting that "climate change is everyone's issue," they suggest funders consider how climate affects their work, and they highlight the many available solutions, approaches, and strategies funders can support. As one leader explained, "The technical solutions are available now. Ultimately, it is convincing a critical mass of the public that will move institutions to action. Grantees who can simplify constructive actions and problem solve should be supported."

**"The problem can seem overwhelming,  
but there are steps that we can all take,  
no matter our perspective."**

*- foundation leader*

## FEW NON-CLIMATE ORGANIZATIONS ADDRESS CLIMATE CHANGE WITHIN THEIR ORGANIZATION'S CONTEXT AND GOALS

Some organizations not focused on climate change — whether nonprofits or foundations — seek to mitigate the effects of climate change within the broad context of their organization's mission, goals, and strategy. This includes, for example, housing nonprofits that prioritize climate-resilient housing, economic development organizations that try to create green jobs, or health organizations that focus on healthy environments or clean air.

Yet, few non-climate nonprofit and foundation leaders engage in such practices. While two thirds of climate funders incorporate efforts to address climate change in the foundation's non-climate program areas, many fewer — about one third — of non-climate foundations incorporate efforts to address climate change in their program areas. Said one of these leaders, “We focus on the root causes of homelessness and housing instability and only recently made the connection that in our desire to advance racial justice and housing justice, we can't leave out climate justice — these are interdependent.”

Similarly, slightly more than 20 percent of nonprofits that do not focus on climate change said that they have taken actions to address climate change in the context of their mission, goals, and strategy. However, 62 percent said that they are open to addressing climate change in the context of their mission, goals, or strategy. These leaders expressed interest in more information, especially about the intersection of climate change with their areas of work, and ideas to “make a case” for addressing climate change within their organization's context. They request, for example, “data that would show the impacts on our work and our mission that is not just my opinion” and “more information about how it will impact our clientele.” Noting that “it's all about the money,” some said that they would need more funding to be able to address climate change.

(See Appendix A for more information and resources about the intersection of climate change with the issues on which foundations and nonprofits focus.)

## LIMITED DISCUSSIONS ABOUT CLIMATE CHANGE AT NON-CLIMATE FOUNDATIONS AND NONPROFITS

Few leaders of non-climate funders said they are discussing the impacts of climate change with their boards and grantees. Less than 15 percent have had board discussions about how climate change affects the foundation's ability to achieve its goals, and less than 10 percent have had discussions with grantees about the effects of climate change on their work.

Similarly, few leaders of nonprofits not focused on climate change have had discussions with organizational leadership about how climate change affects their work, and most say that they do not frequently think about the impacts of climate change relative to their organization's work.

# CONCLUSION

Foundation and nonprofit leaders are concerned about climate change and believe that foundations and nonprofits can play a meaningful and important role in addressing this urgent issue. Yet, foundation efforts to address climate change remain limited — in terms of grantmaking dollars, investment practices, and perceptions of overall effectiveness.

We hope this analysis of hundreds of foundation and nonprofit leaders' views can spur foundation staff, leaders, and boards to candidly discuss climate change and its implications on the people, communities, and issues that funders and nonprofits focus on — serving as a resource for foundations seeking to engage differently or more deeply in this work. This research raises a number of questions that may inform the practices of foundations, including the following:

- ▶ Given that foundation and nonprofit leaders alike overwhelmingly see climate change as an urgent problem that will negatively affect their work, and given that they see an important role for philanthropy to play, what might it take for more funders to engage in climate work?
- ▶ Given that not one foundation leader whose foundation has prohibited investments in fossil fuels or other carbon emitters from its investment portfolio said that these practices have negatively impacted financial performance, why aren't more funders taking such action?
- ▶ Given that foundation and nonprofit leaders alike see particular funder practices as key to greater effectiveness in combating climate change — especially policy and advocacy, shifting the broad public discourse, collaboration, and prioritizing the communities most affected — why aren't more climate funders pursuing these practices?
- ▶ Given that some non-climate funders and nonprofits are open to beginning to address climate change in the context of their mission, goals, and strategy, how can funders and sector leaders help them to better connect climate change to their areas of work, and support them to find meaningful, impactful ways to begin engaging in this work?

The stakes are, of course, high.<sup>12</sup> As one leader said:

*Climate change exacerbates inequities, undermines economic well-being, and creates a bigger gap between those who are thriving and those who are not. From small to big things, climate change is an existential threat to all of our missions.*

## Appendix A: Resources for Funders

For foundation staff and board members wishing to learn more, below is a non-exhaustive list of organizations, initiatives, and other resources about climate change philanthropy. Resources span a broad range of topics, including research, calls to action, and resources about the intersection of climate change with funders' areas of work.

### Research About Funder Efforts to Address Climate Change

Examples of organizations that research and capture trends in climate change philanthropy — in the United States and beyond — include the following:

- ▶ The Australian Environmental Grantmakers Network (AEGN) report [Environmental and Climate Change Giving Trends 2022](#)
- ▶ The [Environment Funders Canada](#) report [Advancing a Sustainable Future: A Profile of Environmental Philanthropy](#)
- ▶ [ClimateWorks Foundation](#), including [Funding trends 2021: Climate change mitigation philanthropy](#)
- ▶ [Environmental Grantmakers Association](#), and its [Tracking the Field](#) reports
- ▶ European Foundation Centre's (EFC) European Environmental Funders Group report [Environmental Funding by European Foundations: Volume 5](#)
- ▶ The [Environmental Funders Network](#) (UK) report [Where the Green Grants Went](#)

### Philanthropy-Oriented Organizations in the Environment and Climate Space

- ▶ [Biodiversity Funders Group](#) and its [Climate and Energy Funders Group \(CEFG\)](#)
- ▶ [Climate Leadership Initiative](#)
- ▶ [ClimateWorks Foundation](#)
- ▶ [Energy Foundation](#)
- ▶ [Environmental Grantmakers Association](#)
- ▶ [The Health & Environmental Funders Network \(HEFN\)](#)
- ▶ [Northern California Grantmakers Climate and Disaster Resilience Resources](#)

### Climate Change Funder Pledges

- ▶ The Association of Charitable Foundations' (ACF) [Funder Commitment on Climate Change](#) (UK)
- ▶ DivestInvest's [Pledge](#)
- ▶ Donors of Color Network's [Climate Funders Justice Pledge](#)
- ▶ #PhilanthropyForClimate's [The International Philanthropy Commitment on Climate Change](#)

### Resources About the Intersection of Climate Change with Funders' Areas of Work

- ▶ Active Philanthropy, [Funding the Future: How the Climate Crisis Intersects with Your Giving](#), including its interactive [Climate Mitigation Tool](#)
- ▶ *Alliance Magazine*, [Funding through a Climate Lens: How Can Funders Strategically Respond to Climate Change?](#) and [What Can Philanthropy Do for the Climate? Strategic Pathways for Climate Giving](#)
- ▶ Australian Environmental Grantmakers Network (AEGN): [How Your Foundation Can Enhance Its Impact Using a Climate Lens](#)

- ▶ Building Equity and Alignment for Environmental Justice, [Environmental Justice and Philanthropy: Challenges and Opportunities for Alignment](#)
- ▶ Candid, [Centering equity and justice in climate philanthropy](#)
- ▶ The Climate and Clean Energy Equity Fund, [Honoring and Resourcing Native Communities to Lead the Climate Fight](#)
- ▶ Climate Leadership Initiative
  - ▶ Climate Philanthropy: A [Guide for Action](#)
  - ▶ [Reducing Greenhouse Gases in Buildings for Climate, Health, and Well-Being](#)
  - ▶ [Transforming Food and Agriculture to Benefit People and the Planet](#)
- ▶ Environmental Funders Network, [Acting on the Climate Crisis—Why, How and the Role of Philanthropy: a resource pack for funders](#)
- ▶ FSG, [All Funders Must Become Climate Funders](#)
- ▶ FSG, [Becoming a Climate Funder: How Philanthropists Can Take Action on Climate and Justice](#)
- ▶ Giving Compass, [Climate Justice resources](#)
- ▶ The Health & Environmental Funders Network (HEFN), [Climate Change, Health, and Equity Survey Findings: Gaps, Needs, and Opportunities](#)
- ▶ Climate Health Equity, [Investing at the Frontlines of Climate Change: A Funder Toolkit on Climate, Health and Equity](#)
- ▶ Rockefeller Philanthropy Advisors and the Climate Justice Resilience Fund, [Building Coalitions for Climate Justice: A Funders Roundtable](#)
- ▶ Ten Years' Time, [Climate Change & Social Change: How Funders Can Act on Both](#)
- ▶ Unbound Philanthropy, [On the Frontlines of the Climate Emergency: Where Immigrants Meet Climate Change](#)

### Philanthropic Calls to Action

- ▶ Felicitas von Peter of Active Philanthropy and Winnie Asti of the Next Generation Climate Board, Global Greengrants Fund, and Climate Analytics, [“Climate Action Now!”](#), *Alliance Magazine*
- ▶ Board and staff of *Alliance Magazine*, [“ClimatePhilanthropy2030—a commitment from the board and staff of Alliance”](#)
- ▶ Janna Oberdorf of Echoing Green, [“There Is No Climate Justice without Racial Justice,”](#) Candid
- ▶ Laurence Tubiana of the European Climate Foundation and Christie Ulman of the Sequoia Climate Fund, [“To Meet the Climate Challenge, Philanthropy Must Challenge Itself,”](#) *Stanford Social Innovation Review*
- ▶ Larry Kramer of the Hewlett Foundation, [“Philanthropy Must Stop Fiddling While the World Burns,”](#) *The Chronicle of Philanthropy*
- ▶ Larry Kramer of the Hewlett Foundation, [“Why Philanthropy Must Do More on Climate Change,”](#) Hewlett blog
- ▶ Crystal Hayling and Angie Chen of the Libra Foundation, [“Centering Climate Giving in Frontline Communities,”](#) CEP blog
- ▶ Heather Grady of Rockefeller Philanthropy Advisors, [“How Philanthropy Must Address the Climate Emergency,”](#) *Stanford Social Innovation Review*
- ▶ Ellen Dorsey of the Wallace Global Fund, [“Philanthropy Must Declare a Climate Emergency,”](#) *The Chronicle of Philanthropy*

## Resources About Climate-Related Investment Practices

- ▶ DivestInvest, [How to DivestInvest: A Guide for Institutional Investors](#)
- ▶ Mission Investors Exchange, [Leveraging Foundation Endowments to Fight Climate Change](#)
- ▶ Rockefeller Brothers Fund, [Investing in Our Mission](#)

## Climate Change–Focused Funder Collaboratives, Intermediaries, and Learning Groups

For an overview of collaborative giving platforms and the power of collaborative philanthropy, please see the Climate Leadership Initiative’s [Giving Together to Address the Climate Crisis](#). Other funder collaboratives and groups include the following:

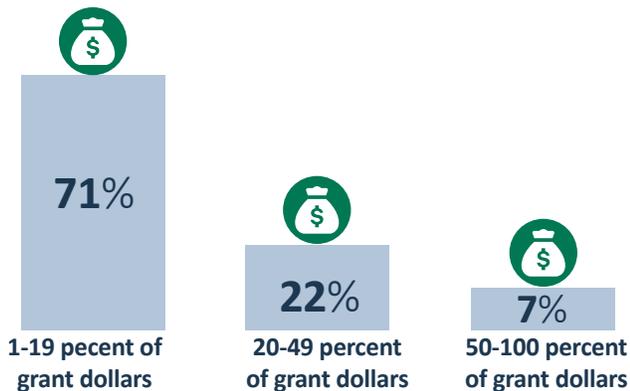
- ▶ [CLIMA Fund](#)
- ▶ [The Climate and Clean Energy Equity Fund](#)
- ▶ [Climate Justice Resilience Fund](#), including the [Climate Justice-Just Transition Donor Collaborative](#) and [The Climate Rights Funder Collaborative](#)
- ▶ [ClimateWorks funder forums and learning networks](#)
- ▶ [Global Greengrants Fund](#)
- ▶ [Hive Fund for Climate and Gender Justice](#)
- ▶ [Just Transition Fund](#)
- ▶ The Funders Network [Green, Renewable, Efficient, Equitable, Now \(GREEN\)](#) working group

# Appendix B: A Snapshot of Climate Foundation Leaders' Reported Approaches to Addressing Climate Change

This study is focused on the broad field of foundations and not intended to benchmark the practices of climate and/or environment funders, but we did ask climate funders about aspects of their work, summarized below. Some of these practices and approaches align with the Environmental Grantmakers Association's [Tracking the Field](#) reports.

## GRANT DOLLARS TO ADDRESS CLIMATE CHANGE

Most funders — 71 percent — said that climate funding is less than 20 percent of their total grant dollars for this fiscal year. Only seven percent said it's more than half of their funding.



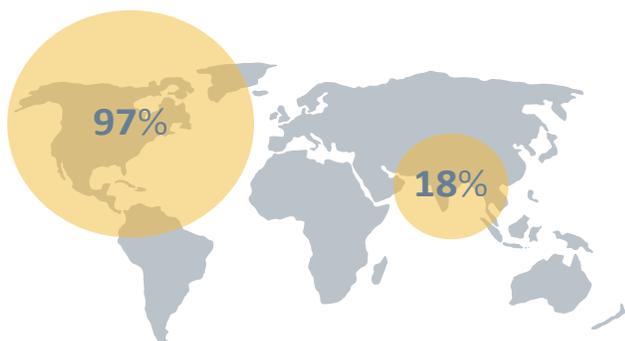
## YEARS IN THIS SPACE

**5+** More than two thirds of leaders said they have been funding efforts to address climate change for at least five years.

**10+** Almost half of leaders said they have been in this space for at least 10 years.

## GEOGRAPHIC SCOPE

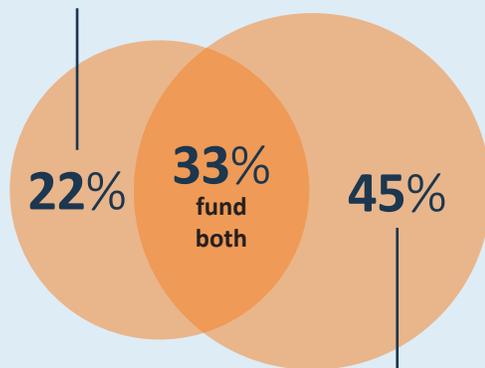
Virtually all leaders — 97 percent — said they fund efforts to address climate change in the U.S. Among those funding in the United States, they most frequently focus on local- (55%) and state- (45%) level efforts. Less than 20 percent said they fund efforts outside the United States.



## CLIMATE-FOCUSED FUNDING

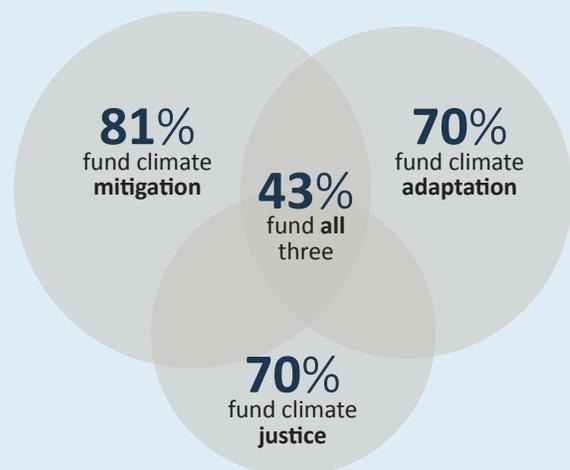
Leaders indicated whether they fund efforts that explicitly address climate change, fund environmental efforts that address climate change, or both.

Focus **explicitly** on climate change (mitigation, adaptation, justice)



Focus on **environmental** efforts that address climate change

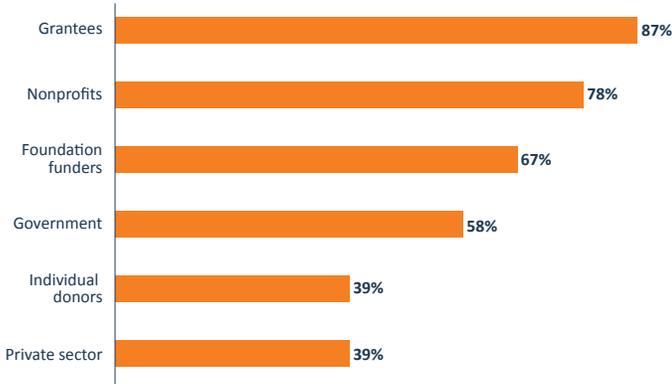
Among those that explicitly address climate change, funders indicated whether they fund climate adaptation, mitigation, and/or justice.



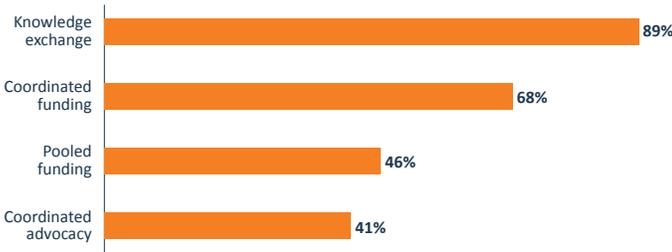
Nearly two thirds said that — separate from the foundation's climate and/or environmental grantmaking — their foundation's other program areas incorporate efforts to address climate change.

## COLLABORATION

Almost all leaders said that collaboration with others is part of their foundation’s strategy to address climate change. They most frequently report collaborating with grantees (87%).



Among those that collaborate with foundation funders or individual donors, leaders most frequently reported engaging in knowledge exchange and coordinated funding efforts.



## POLICY AND ADVOCACY

**54%** Slightly more than half of leaders said that influencing public policy is part of their foundation’s strategy to address climate change.

The policy-related activities that these funders most frequently reported they engage in, either through grantmaking or direct engagement, include the following:



## FUNDING COMMUNITIES MOST IMPACTED BY CLIMATE CHANGE



of leaders said their climate-related efforts prioritize funding the communities most impacted by climate change.



of leaders said they prioritize funding organizations led by the people and communities who are most impacted by climate change.

## INVESTMENT PRACTICES OF CLIMATE-FOCUSED FUNDERS



of leaders said that they prohibit investments in fossil fuels or other carbon emitters from their investment portfolio.

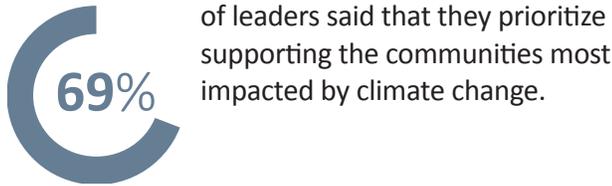


of leaders said that they engage in impact investing.

# Appendix C: A Snapshot of Climate-Focused Nonprofit Leaders' Reported Approaches to Addressing Climate Change

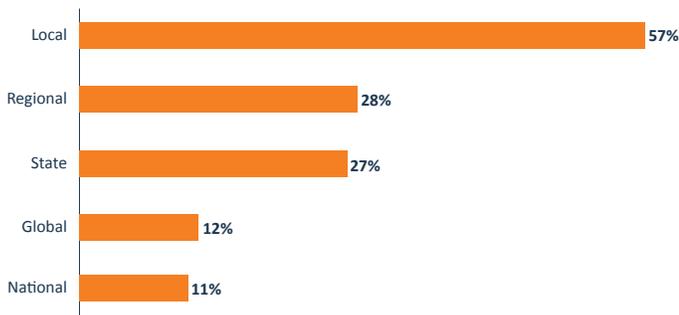
The 30 nonprofit leader survey respondents who said that their organizations focus on addressing climate change shared some aspects about their approach to this work, summarized below.

## COMMUNITIES MOST IMPACTED BY CLIMATE CHANGE



## GEOGRAPHIC SCOPE

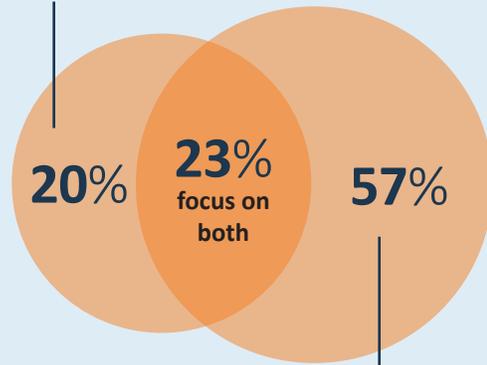
Nonprofit leaders most frequently described the geographic scope of their climate change efforts as local.



## CLIMATE APPROACHES

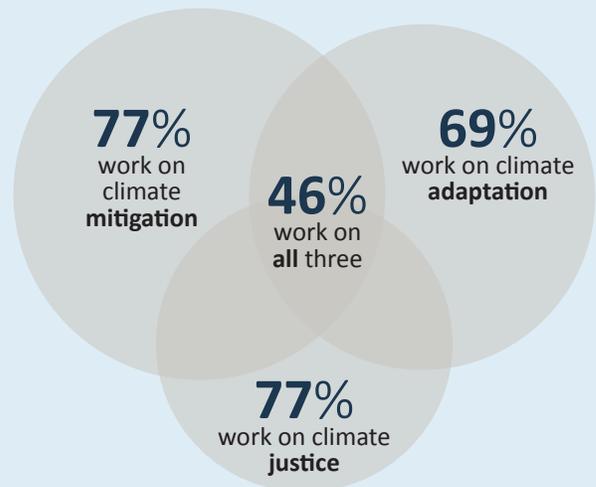
Nonprofit leaders indicated whether they focus on efforts that explicitly address climate change, environmental efforts that address climate change, or both.

Focus **explicitly** on climate change (mitigation, adaptation, justice)



Focus on **environmental** efforts that address climate change

Among those that explicitly address climate change, nonprofit leaders indicated whether they work on climate adaptation, mitigation, and/or justice.



## Appendix D: Methodology

The findings presented in this report are based on data collected, analyzed, and interpreted by the Center for Effective Philanthropy (CEP). In total, 188 foundation leaders and 120 nonprofit leaders completed surveys. Information detailing the process for collecting and analyzing the data is below.

### SURVEY METHODOLOGY

#### SURVEY POPULATION

##### Foundations

Foundation leaders were invited to participate in a survey examining their perspectives on and efforts to address climate change.<sup>13</sup> These CEOs were eligible for inclusion in this research study if the foundation they worked at

- ▶ was based in the United States;
- ▶ was categorized by Candid's Foundation Directory Online or CEP's internal contact management software as an independent, health conversion, or community foundation; and
- ▶ provided \$3 million or more in annual giving, according to Candid's Foundation Directory Online or CEP's internal contact management software.

Furthermore, to be eligible for inclusion, CEOs leading eligible foundations must have had

- ▶ a title of president, CEO, executive director, or equivalent, as identified through the foundation's website, 990 form, or internal CEP staff knowledge; and
- ▶ an email address that could be accessed through the foundation's website or internal CEP records.

##### Nonprofits

Nonprofit perspectives on climate change were collected from CEP's panel of nonprofit leaders in *The Grantee Voice: Feedback for Funders*. Please click [here](#) for more information about the current panel.

#### SURVEY SAMPLE CHARACTERISTICS

##### Foundations

After meeting the criteria above, in January 2022, 820 foundation CEOs were invited via email to complete the survey. While the survey was fielded, 49 foundation CEOs were removed from the sample due to invalid emails or responses showing them to be ineligible.

Completed surveys, defined as having at least 80 percent of the core questions answered, were received from 183 foundation leaders. Partially completed surveys, defined as having at least 50 percent of the core questions answered, were received from five foundation leaders (See Table 1).<sup>14</sup> We did not provide any incentives (financial or other) in exchange for the completion of this survey.

##### Nonprofits

In February 2022, the 546 nonprofit leaders who comprise the CEP Grantee Voice Panel were invited to participate in a survey examining their perspectives on climate change. While the survey was fielded, 38 nonprofit leaders were removed from the panel as they had left their respective organizations or provided information indicating that they were ineligible to be part of the panel. Completed surveys were received from 118 leaders, and partially completed surveys were received from two leaders (See Table 1). We did not provide any incentives (financial or other) in exchange for the completion of this survey.

**Table 1. Response Rates**

SURVEY SAMPLE	SURVEY PERIOD	NUMBER OF ELIGIBLE RESPONDENTS	NUMBER OF COMPLETED/PARTIAL RESPONSES	SURVEY RESPONSE RATE
Foundations	January 20, 2022, to March 4, 2022	771	188	24%
Nonprofits	February 10, 2022, to March 10, 2022	508	120	24%

**SURVEY ADMINISTRATION****Foundations**

The foundation survey was fielded online for a six-week period from January 20, 2022, to March 4, 2022. Foundation leaders were sent a brief email including a description of the purpose of the survey, a statement of confidentiality, and an individual link to the survey to prevent respondents from completing the survey more than once. Participants were also notified that a screenreader option was available if needed. The survey was in English and was administered through Qualtrics. Leaders were sent up to 12 reminder emails.

**Nonprofits**

The nonprofit leader survey was fielded online for a four-week period from February 10, 2022, to March 10, 2022. Panel participants were sent a brief email that included a description of the study purpose, a statement of confidentiality, and an individual link to the survey to prevent respondents from completing the survey more than once. Participants were also notified that a screenreader option was available if needed. The survey was in English and was administered through Qualtrics. Nonprofit leaders were sent up to nine reminder emails.

**SURVEY RESPONDENT DEMOGRAPHICS****Foundations**

Foundation respondents represented foundations that varied in type, assets, and giving. (See Table 2.) In the survey, respondents were asked questions about their demographic characteristics and the demographic characteristics of their boards. (See Tables 3 and 4.)

**Table 2. Foundation Characteristics**

FOUNDATION CHARACTERISTICS	SURVEY SAMPLE
<i>Type of foundation (N=188)</i>	
Independent	64%
Health conversion	5%
Community	30%
<i>Assets (N=188)</i>	
Range	~\$3M to ~\$13.5B
Median value	~\$170M
<i>Giving (N=188)</i>	
Range	~\$3M to ~\$1.8B
Median value	~\$10M

FOUNDATION CHARACTERISTICS	SURVEY SAMPLE
<i>Whether the foundation funds climate efforts (N=182)</i>	
Foundations funding climate change efforts	63%
Foundations not funding climate change efforts	37%

**Table 3. Foundation Respondent Demographic Characteristics**

FOUNDATION RESPONDENT CHARACTERISTICS	PERCENTAGE
<i>Race or ethnicity* (N=173)</i>	
Asian or Asian American	6%
Black or African American	9%
Hispanic or Latina, Latino, or Latinx	4%
Middle Eastern or North African	1%
Multiracial or Multi-ethnic	2%
Native American, Native Alaskan, or Indigenous	1%
Native Hawaiian or Pacific Islander	2%
White	73%
Different race or ethnicity	0%
Prefer not to say	10%
<i>Identifies as a person of color (N=173)</i>	
Yes	17%
No	76%
Prefer not to say	8%
<i>Gender* (N=172)</i>	
Woman (Cisgender or Transgender)	55%
Man (Cisgender or Transgender)	37%
Gender nonconforming	1%
Nonbinary	1%
Different identity	0%
Prefer not to say	8%

\*Respondents were allowed to select multiple racial or ethnic and gender identities, so those categories are not mutually exclusive.

**Table 4. Foundation Board Demographic Characteristics**

FOUNDATION BOARD CHARACTERISTICS AS REPORTED BY THE FOUNDATION CEO RESPONDENT	PERCENTAGE
<i>Women (N=168)</i>	
No board members (0%)	4%
1–24% of board members	8%
25–49% of board members	33%
50–99% of board members	52%
All board members (100%)	1%
Not sure	2%

FOUNDATION BOARD CHARACTERISTICS AS REPORTED BY THE FOUNDATION CEO RESPONDENT	PERCENTAGE
<i>People of color (N=163)</i>	
No board members (0%)	21%
1–24% of board members	33%
25–49% of board members	30%
50–99% of board members	12%
All board members (100%)	0%
Not sure	4%
<i>People from the LGBTQ+ community (N=161)</i>	
No board members (0%)	37%
1–24% of board members	40%
25–49% of board members	1%
50–99% of board members	0%
All board members (100%)	1%
Not sure	21%
<i>People with disabilities (N=157)</i>	
No board members (0%)	53%
1–24% of board members	20%
25–49% of board members	1%
50–99% of board members	0%
All board members (100%)	0%
Not sure	27%

## Nonprofits

Nonprofit leader respondents represented organizations that varied in expenses and staff size. A detailed description of the nonprofits’ characteristics is provided in Table 5 below.

**Table 5. Nonprofit Characteristics**

NONPROFIT CHARACTERISTICS	SURVEY SAMPLE
<i>Type of organization (N=120)</i>	
Addressing climate change is a focus of the organization	73%
Addressing climate change is not a focus of the organization	25%
Unknown	2%
<i>Expenses (N=120)</i>	
Range	~\$100K to ~\$26M
Median value	~\$1.6M
<i>Staff size (N=120)</i>	
Range	1 FTE to 500 FTE
Median value	12 FTE

**Table 6. Nonprofit Respondent Demographic Characteristics**

NONPROFIT RESPONDENT CHARACTERISTICS	PERCENTAGE
<i>Race or ethnicity* (N=113)</i>	
Asian or Asian American	3%
Black or African American	6%
Hispanic or Latina, Latino, or Latinx	3%
Middle Eastern or North African	0%
Multiracial or Multi-ethnic	3%
Native American, Native Alaskan, or Indigenous	0%
Native Hawaiian or Pacific Islander	0%
White	80%
Different race or ethnicity	1%
Prefer not to say	7%
<i>Identifies as a person of color (N=112)</i>	
Yes	12%
No	80%
Prefer not to say	8%
<i>Gender* (N=111)</i>	
Woman (Cisgender or Transgender)	55%
Man (Cisgender or Transgender)	36%
Gender nonconforming	2%
Nonbinary	0%
Different identity	2%
Prefer not to say	7%

\*Respondents were allowed to select multiple racial or ethnic and gender identities, so those categories are not mutually exclusive.

## RESPONSE BIAS

### Foundations

Responses were examined for response bias. Foundations with leaders who responded to this survey did not differ from nonrespondent foundations by foundation type, asset size, or annual giving. Leaders from foundations that have used CEP’s assessments were slightly more likely to respond to the survey than those from foundations that have not used a CEP assessment.<sup>15</sup> Leaders from foundations located in the West were slightly more likely to respond to the survey than those located in the South and Midwest.<sup>16</sup>

### Nonprofits

We analyzed survey responses to determine whether participants were more likely to answer the survey based on number of staff, annual expenses, or the geographic region where the organization is located. Our analyses did not reveal any statistically significant differences between those that did or did not respond to our survey.

## SURVEY INSTRUMENT

### Foundations

The foundation survey examined foundation CEOs’ perspectives on climate change and its impacts on their work. The survey, which contained 49 items, also asked about efforts to address climate change, programmatically and through foundation investment practices. For foundations that indicated that they fund in climate change, the

survey asked about their strategies and advice for other foundations that may be considering funding efforts to address climate change. For foundations that indicated that they do not fund efforts to address climate change through their work, the survey asked about the likelihood of engaging in climate-related work in the future.

## **Nonprofits**

The nonprofit survey examined nonprofit leaders' perspectives on climate change and its impacts on their work. The survey, which contained 41 items, asked about internal and programmatic efforts to address climate change. For organizations that indicated that they address climate change through their work, the survey also asked about the effectiveness of their climate funder's efforts to address climate change, as well as advice for foundations who may be considering funding efforts to address climate change. For organizations that indicated that they do not address climate change through their work, the survey asked about future implications of climate change on their work and the likelihood of engaging in climate-related work in the future.

Copies of the survey instruments can be found on our website, [cep.org](http://cep.org).

## **QUANTITATIVE ANALYSIS OF SURVEY DATA**

The unweighted quantitative survey data from foundation and nonprofit leaders were examined using descriptive statistics and a combination of independent sample t-tests, chi-squares, and analyses of variance. An alpha level of 0.05 was used to determine statistical significance for all testing conducted for this research. Effect sizes were examined for all analyses. Unless otherwise noted, only analyses with medium or large effect sizes are reported.

## **QUALITATIVE ANALYSIS OF SURVEY DATA**

Thematic and content analyses were conducted on the responses to the open-ended items in the survey.

A codebook was developed for each open-ended item by reading through all responses to identify common themes. Each coder used the codebook when categorizing responses to ensure consistency and reliability. One coder coded all responses to a survey question and a second coder coded 15 percent of those responses. An average interrater reliability level of at least 80 percent was achieved for each codebook. Our inter-rater reliability averages (IRR) ranged from 83 percent to 93 percent.

Selected quotations from the open-ended survey responses were included in this report. These quotations were selected to be representative of themes in the data.

## ENDNOTES

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- <sup>1</sup> Lisa Friedman, “U.N. Chief Warns of ‘Catastrophe’ With Continued Use of Fossil Fuels,” *New York Times*, sec. Climate, March 21, 2022, <https://www.nytimes.com/2022/03/21/climate/united-nations-fossil-fuels-climate-crisis.html>.
- <sup>2</sup> Working Group II contribution to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, *Climate Change 2022: Impacts, Adaptation and Vulnerability*, (Cambridge University Press, 2022), [https://report.ipcc.ch/ar6wg2/pdf/IPCC\\_AR6\\_WGII\\_FinalDraft\\_FullReport.pdf](https://report.ipcc.ch/ar6wg2/pdf/IPCC_AR6_WGII_FinalDraft_FullReport.pdf)
- <sup>3</sup> Larry Kramer, “Philanthropy Must Stop Fiddling While the World Burns,” *The Chronicle of Philanthropy*, January 7, 2020, <https://www.philanthropy.com/article/philanthropy-must-stop-fiddling-while-the-world-burns/>; Ellen Dorsey, “Philanthropy Must Declare a Climate Emergency,” *The Chronicle of Philanthropy*, February 20, 2020, sec. Opinion, <https://www.philanthropy.com/article/philanthropy-must-declare-a-climate-emergency/>; Laura Tilghman, “Becoming a Climate Funder: How Philanthropists Can Take Action on Climate and Justice,” *FSG* (blog), July 13, 2021, <https://www.fsg.org/blog/becoming-climate-funder-how-philanthropists-can-take-action-climate-and-justice>; *Funding the Future: How the Climate Crisis Intersects with your Giving*, (Berlin: Active Philanthropy, 2020), [https://www.activephilanthropy.org/fileadmin/user\\_upload/Intersections\\_guide/Funding\\_the\\_Future\\_-\\_How\\_the\\_climate\\_crisis\\_intersects\\_with\\_your\\_giving\\_final.pdf](https://www.activephilanthropy.org/fileadmin/user_upload/Intersections_guide/Funding_the_Future_-_How_the_climate_crisis_intersects_with_your_giving_final.pdf); Laurence Tubiana and Christie Ulman, “To Meet the Climate Challenge, Philanthropy Must Challenge Itself,” *Stanford Social Innovation Review*, April 6, 2022, [https://ssir.org/articles/entry/to\\_meet\\_the\\_climate\\_challenge\\_philanthropy\\_must\\_challenge\\_itself](https://ssir.org/articles/entry/to_meet_the_climate_challenge_philanthropy_must_challenge_itself); Helene Desanlis et al., *Funding trends 2021: Climate change mitigation philanthropy*, (San Francisco: ClimateWorks, 2021), [https://www.climateworks.org/wp-content/uploads/2021/10/CWF\\_Funding\\_Trends\\_2021.pdf](https://www.climateworks.org/wp-content/uploads/2021/10/CWF_Funding_Trends_2021.pdf).
- <sup>4</sup> Green 2.0, “2020 NGO & Foundation Transparency Report Card,” (Washington, D.C., 2021), <https://diversegreen.org/wp-content/uploads/2021/02/green-2.0-2020-transparency-report-card.pdf>
- <sup>5</sup> Arabella Advisors, “The Global Fossil Fuel Divestment and Clean Energy Investment Movement” (Washington, D.C., 2018), <https://www.arabellaadvisors.com/wp-content/uploads/2018/09/Global-Divestment-Report-2018.pdf>; John Schwartz, “Rockefellers, Heirs to an Oil Fortune, Will Divest Charity of Fossil Fuels,” *New York Times*, September 21, 2014, <http://www.nytimes.com/2014/09/22/us/heirs-to-an-oil-fortune-join-the-divestment-drive.html>; Children’s Investment Fund Foundation, “Cliff Endowment Update,” February 11, 2020, <https://cliff.org/about-us/endowment/>; Wallace Global Fund, “Divest-Invest Fuel Change,” accessed February 12, 2021, <http://wgf.org/divest-invest/>; DivestInvest, “Commitments to DivestInvest,” accessed February 12, 2021, <https://www.divestinvest.org/commitments/>; Rockefeller Brothers Fund, *Investing in Our Mission*, (New York, May 2020), <https://www.rbf.org/mission-aligned-investing/finance/investing-our-mission>; John Palfrey, “Aligning Our Investments With Our Mission, Values, and Programs,” MacArthur Foundation, September 22, 2021, <https://www.macfound.org/press/perspectives/aligning-our-investments-with-our-mission-values-and-programs>; Wallace Global Fund, *InvestDivest 2021*, (Washington D.C., October 26, 2021), [https://www.divestinvest.org/wp-content/uploads/2021/10/Divest-Invest-Program-FINAL10-26\\_B.pdf](https://www.divestinvest.org/wp-content/uploads/2021/10/Divest-Invest-Program-FINAL10-26_B.pdf); Danyelle Guyatt and Julian Poulter, *Institutional Investors and the Behavioral Barriers to Taking Action on Climate Change*, (San Francisco, ClimateWorks Foundation, October 2019), [https://www.climateworks.org/wp-content/uploads/2019/10/Institutional\\_Investors\\_BehavioralBarriers\\_to\\_TakingAction\\_on\\_ClimateChange\\_Exec\\_Summary101519.pdf](https://www.climateworks.org/wp-content/uploads/2019/10/Institutional_Investors_BehavioralBarriers_to_TakingAction_on_ClimateChange_Exec_Summary101519.pdf); Mission Investors Exchange, “Leveraging Foundation Endowments to Fight Climate Change,” October 20, 2021, <https://missioninvestors.org/resources/leveraging-foundation-endowments-fight-climate-change>; Alex Daniels, “How the McKnight Foundation Is Investing Its \$3 Billion Endowment to Fight Climate Change,” *The Chronicle of Philanthropy*, November 10, 2021, <https://www.philanthropy.com/article/how-the-mcknight-foundation-is-investing-its-3-billion-endowment-to-fight-climate-change>; Ford Foundation, “Ford Foundation Announces Plan to End Investments in Fossil Fuels,” October 18, 2021, <https://www.fordfoundation.org/news-and-stories/news-and-press/news/ford-foundation-announces-plan-to-end-investments-in-fossil-fuels/>; Phil Buchanan, Jennifer Glickman, and Ellie Buteau, *Investing and Social Impact: Practices of Private Foundations* (Cambridge, MA: Center for Effective Philanthropy, 2015), <https://cep.org/portfolio/investing-and-social-impact-practices-of-private-foundations/>.
- <sup>6</sup> Among climate funders, those explicitly funding efforts addressing climate change are more likely to prohibit investments in fossil fuels than those that fund environmental efforts that ultimately address climate change. Additionally, community foundations are less likely to prohibit investments in fossil fuels or other carbon emitters from their investment portfolios than independent foundations.
- <sup>7</sup> As noted above, climate funders are significantly more likely than non-climate funders to engage in climate-related impact investing. Still, less than 40 percent of climate funders engage in this practice.

<sup>8</sup> Tate Williams, “As Top Foundations Resist Divesting from Fossil Fuels, What Might Change Their Minds?” *Inside Philanthropy*, January 13, 2020, <https://www.insidephilanthropy.com/home/2020/1/13/as-top-foundations-resist-divesting-from-fossil-fuels-what-might-change-their-minds>

<sup>9</sup> There were no differences in such practices between climate nonprofits and non-climate nonprofits.

<sup>10</sup> Many of the suggestions shared by foundation and nonprofit leaders in this study align with philanthropic calls to action. See Appendix A for examples.

<sup>11</sup> Foundations with less racially diverse boards were more likely to say that they do not fund efforts to address climate change because the board has limited interest or willingness to address climate change. Community foundation leaders were more likely than independent foundation leaders to say that the problem is too big relative to their geographic area of focus.

<sup>12</sup> A United Nations Global Issues briefing stated that, “Climate change is the defining issue of our time and we are at a defining moment... the impacts of climate change are global in scope and unprecedented in scale. Without drastic action today, adapting to these impacts in the future will be more difficult and costly.” United Nations, “Climate Change,” <https://www.un.org/en/global-issues/climate-change>.

<sup>13</sup> CEP did not use a probability methodology to construct either of these samples.

<sup>14</sup> Core questions are the key independent and dependent variables in a study. We use these questions to determine response rates.

<sup>15</sup> A chi-square analysis was conducted between whether leaders of foundations responded to our survey and whether those foundations have used a CEP tool. A statistical difference of a small effect size was found (0.169).

<sup>16</sup> A chi-square analysis was conducted between whether leaders of foundations responded to our survey and those foundations’ geographic region. A statistical difference of a small effect size was found (0.14).



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