

FOUNDATION GOVERNANCE TODAY: HOW BOARDS AND CEOS ARE NAVIGATING RISK, ACCOUNTABILITY, AND A SHIFTING LANDSCAPE



CEP Research Snapshots are brief, data-informed research publications designed to answer timely, specific questions that are relevant to funders.

KEY FINDINGS

- 1** As a result of the current context, almost all foundation CEOs report that leading a foundation is much more challenging than in the past. For some, their leadership challenges are compounded by a lack of internal alignment with their board or staff members.
- 2** To increase foundations' impact in the current context, foundation CEOs are most commonly looking to their boards to increase payout, develop a better understanding of the consequences of the current context, and take more risks.
- 3** Foundation CEOs who feel most supported by their boards in the current context characterize their boards as being highly mission aligned or having a high degree of trust in foundation leadership and staff.

TOPIC OF INTEREST

In January 2026, CEP released [“A Sector in Crisis: How U.S. Nonprofits and Foundations Are Responding to Threats,”](#) chronicling the effects of the current context on nonprofits and how foundations have been responding. We found that most nonprofit leaders see this as a time of existential threat to their organizations and the communities they serve, while they face a simultaneous increase in demand for their services and significant cuts to their funding. Although many foundation CEOs recognize the high stakes of the current context for nonprofits and have made changes to their grantmaking and processes in response, many suggest that foundations could and should be doing more to support nonprofits during this time.

In the course of conducting this research, CEP heard from foundation CEOs that, while most were satisfied with how their boards have responded during this time, there are still clear ways in which they believe their board members could further support them and the work of their foundation. This report summarizes the greatest challenges foundation leaders report facing in the current context and how they believe their boards are supporting or hindering their foundation's ability to have the most impact.

TERMINOLOGY:

Throughout this report, we use the term “current context.” By current context, we mean the series of events led by the U.S. federal government — including legislative actions, executive orders, and budget decisions — that went into effect in 2025 with the potential for wide-ranging effects on nonprofits’ funding and work. During data collection, this definition was provided to all survey respondents and those interviewed for the study.

SAMPLE OF FOUNDATIONS REPRESENTED IN THIS RESEARCH

The data that inform this report were obtained through a survey and a set of interviews conducted with foundation CEOs in the fall of 2025.¹ Foundation CEOs were eligible for inclusion in this research study if the foundation they worked at was based in the United States, was an independent or community foundation, and provided \$5 million or more in annual giving.

The survey was sent to a total of 763 foundations with responses received from 227, for a response rate of 30%. CEP interviewed 31 foundation CEOs. The sample of CEOs invited for interviews was randomly selected from the survey sample and stratified by giving size (half above and half below the median giving size) and region (approximately 25% representation of the sample in each U.S. census region).

A copy of the survey instrument can be found on our website [here](#). A copy of the interview protocol can be found [here](#). A detailed methodology for this study can be found [here](#).



For a two-page summary of CEP’s 2026 “A Sector in Crisis” research report to share with your board, please see our [Board Book Insert](#).

¹ Among survey respondents, 92% reported they are the CEO/executive director or equivalent of their foundation; the few remaining respondents held other senior leadership positions. Two of the 31 foundation CEOs we contacted asked that a member of their senior staff be interviewed in their place.

RESULTS

KEY FINDING 1

As a result of the current context, almost all foundation CEOs report that leading a foundation is much more challenging than in the past. For some, their leadership challenges are compounded by a lack of internal alignment with their board or staff members.

Foundation leaders are clear about the challenges they currently face in leading their institutions and meeting their missions. In interviews, the vast majority of CEOs raised with us how much more challenging leading a foundation has become in the current context.

87%

of interviewed foundation leaders say leadership has become more challenging due to the current context

Most commonly, leaders responding to our survey report that their greatest challenge is navigating the balance of addressing crises created by the current context with pursuing the long-term work of the foundation: almost two thirds (62%) discuss such challenges. Many foundation CEOs we interviewed raised this issue as well. In addition, almost 70% of those interviewed (68%) proactively describe the ongoing difficulty of leading a foundation in an environment rife with fear, anxiety, and uncertainty (see Figure 1).

BALANCING CURRENT CRISES WITH PLANNING FOR THE FUTURE

Foundation CEOs report needing to figure out the balance of the “short-term response and long-term strategic planning,” particularly with so much “uncertainty about what will happen next.” As one leader describes, the challenge for them is about “balancing the desire to be responsive (and quickly) with the rapid pace of change” while “keeping focused on existing priorities and efforts, all of which are supportive of the same communities most threatened right now, while endless new needs are emerging.” Another describes grappling with the resources needed for planning in an unpredictable operating environment, saying their greatest challenge as a leader has been the “tremendous uncertainty and fear mongering from the administration” and that they have “spent way too much energy and resources with legal counsel and scenario planning this year.”

In surveys, about 20% of responding foundation CEOs also raise the point that a lack of internal alignment from their foundation’s board and/or staff further complicates their attempt to address this balance. Some report that their greatest challenge has been “helping board members understand the

threats and risks that exist” and that their board “doesn’t see the crisis that’s here or that it will likely get worse.” Others are tested by the differing values, beliefs, and political affiliations among board and staff. “A foundation (board and staff) is a collection of people with a range of lived experience and beliefs,” states one leader. “I’m juggling the reactions of people who fear personal risk and people who are loath to commit preemptive compliance.”

NAVIGATING FEAR AND ANXIETY

While attempting to balance addressing current crises with pursuing long-term strategies, foundation leaders we interviewed describe navigating an atmosphere of intense fear and anxiety (see Figure 1). More than two thirds discuss the level of fear and anxiety that their staff, grantees, and communities are experiencing. “It’s a lot,” says one foundation leader. “Just constant stress to live. Our staff feel it. Our staff are proximate to our grantees and partners. We talk about our role in this context.” Another foundation leader notes that the current context is “pretty much a continual topic with [our] staff, particularly around ensuring safety and security of partnerships and [our] individual staff members, as well as our community.”

Foundation CEOs also describe the current context as a time in which “everyone is working under a sense of stress, duress, and uncertainty,” and that “it’s traumatic, and it’s a new distraction, new chaos every day. And the level of disregard for civil rights and the constitution, the hatefulness — people are traumatized, and we’re seeing that happen at all levels.” Another foundation leader underscores the fact that, “in this kind of situation, it’s the most vulnerable families that are affected the most” but that “those are the people that we’re trying to help.”

One foundation leader details the source of their staff’s worries and how they, as a leader, try to manage morale during this time:

We’re getting into a position of hearing some real horror stories from out there in the field. Some of our grant programs are seeing close to double the number of applications. We’ve been trying really hard to prepare folks for understanding that we’re going to have to say some “no”s that ought to be “yes”es. But also, I feel like we’re talking a lot about the level of relief from despair you can get out of having your job be to respond to this. And I try to frame our staff’s work as part of a long chain of people who have been leading movements for justice over the course of history. It’s easy to get paralyzed by how insane things seem, but we actually get to go spend our whole day thinking about and moving resources to counteract it.

Figure 1. Greatest Challenges for Foundation Leaders in the Current Context



Balancing **short-term needs** with **long-term strategy**



Atmosphere of **fear, anxiety,** and **uncertainty**

KEY FINDING 2

To increase foundations' impact in the current context, foundation CEOs are most commonly looking to their boards to increase payout, better understand the consequences of the current context, and take more risks.

Most foundation CEOs we interviewed (84%) report generally positive interactions with, and support from, their board of directors regarding their work and decision-making in the current context. However, two thirds of surveyed foundation CEOs also named ways that their boards could further contribute to the foundation's impact — most commonly, by increasing the foundation's payout; developing a better understanding of how the current context is affecting foundation staff, the nonprofits they fund, and the communities those nonprofits serve; and taking more risks (see Figure 2).

Figure 2. Actions Foundation Leaders Want Their Boards To Take To Increase Foundations' Impact in the Current Context



Increase **payout**



Develop **deeper understanding** of the **consequences** of the current context



Take **more risks**

INCREASING PAYOUT

In CEP's January 2026 report on the current context, we reported that 30% of foundation CEOs had increased their payout.² At the median, this increase was 2% of endowment value. An additional 15% of foundation CEOs indicate considering a payout increase.

In interviews, 35% of foundation CEOs suggest that their board could be more helpful by increasing the amount of money available for grantmaking to address growing needs.³ One leader recommends their board “shift the center of gravity of opinion away from perpetuity/preservation of capital and toward utilizing our resources to respond to crisis,” while another encourages their board to “change their thinking on the spend rate. It's too rigid and too little given the current needs.” One leader emphasizes focusing on the needs of the community they serve, saying: “Our framework and criteria for when we consider giving more should not just be when we're able to. It should be based on the needs of the community. We should be a counterbalancing force to the needs of the community. That is our primary mission.”

One foundation leader describes how their board tends to avoid conversations about the topic of increasing payout, saying: “People will express their opinions, but we're always aware of the one or two people that are super conservative on the board. I wish they would step up to have this discussion about the spend rate. For me right now, that's the No. 1 issue, because we could be doing so much more.” Another notes that the current context is compelling their board to have a conversation it otherwise would not have about payout, saying, “This is forcing us to have a spend discussion. I'll take it as I can get it. If the current issue forces us to have that discussion on the board, let's go with that, because then that would provide more resources for us to help our grantees.”

UNDERSTANDING THE CONSEQUENCES OF THE CURRENT CONTEXT

About 20% of foundation CEOs surveyed discuss how their board's lack of understanding about the realities of the current context for the people and communities most affected gets in the way of the foundation being able to have greater impact. They note a desire for their board to “understand the urgency,” to “learn how best to use their privilege and power,” and to “stay current with news and attend site visits to partner agencies to understand their challenges firsthand.” Leaders caution board members to “not assume they actually know what is happening on the ground” and instead encourage them to “be more aware of the current context and think about the role of the foundation.”

² Ellie Buteau, Elisha Smith Arrillaga, Seara Grundhoefer, and Christina Im, “A Sector in Crisis: How U.S. Nonprofits and Foundations Are Responding to Threats.” (Cambridge, MA: Center for Effective Philanthropy, 2026), <https://cep.org/report-backpacks/a-sector-in-crisis-how-u-s-nonprofits-and-foundations-are-responding-to-threats/?section=intro>.

CEP's data indicate that a smaller proportion of foundations stepped up grantmaking in 2025 than in 2020. In “Foundations Respond to Crisis: A Moment of Transformation?” (Naomi Orensten and Ellie Buteau, <https://cep.org/report/foundations-respond-to-crisis1/>), a report released in 2020 during the COVID-19 pandemic, CEP found that the majority of foundations said they would increase their grantmaking beyond what was originally budgeted for the year, compared with the less than a third of foundations that increased payout in response to the current context in 2025. This is despite that, in 2020, the federal government infused funds into nonprofits through the Paycheck Protection Program, and, in 2025, many nonprofits experienced significant federal, state, and local funding cuts.

³ For specific examples, see this CEP blog post: Phil Buchanan, Molly Heidemann, and Kevin Bolduc, “A Wave Forming? Funders Taking Action in Response to a Challenging Context,” Center for Effective Philanthropy, March 25, 2025, <https://cep.org/blog/a-wave-forming-funders-taking-action-in-response-to-a-challenging-context/>.

Some foundation CEOs describe challenges of “helping board members understand the threats and risks that exist” and explain that their board “doesn’t see the crisis that’s here or that it will likely get worse.” Another says they have struggled with “having my board understand how profoundly impacted our constituents are.” Some leaders connect this lack of understanding to their board’s decision not to increase payout: “Part of the reason they haven’t done it is that there is a sense that a lot of the sector is being very reactive right now and not necessarily being strategic. I think if we were humanitarian aid funders, it would be very easy to make the case that we just need to get more money out to save people’s lives.”

RISK TOLERANCE

To have greater impact, 20% of foundation CEOs surveyed believe their board’s tolerance for risk needs to change. Some describe being challenged by how to respond the current context while calibrating risk, noting the difficulty of “aligning board and staff around risks and how best to mitigate” and “ensuring that staff and board are aligned on actions to limit our foundation’s exposure to lawsuits and government intervention.” One leader speaks of the difficulty of “navigating the different political positions” within their foundation, coupled with the “fear of saying something perceived as the ‘wrong thing’ by my staff or board.”

The issue of risk is sometimes intertwined with the issues of increasing payout and gaining a better understanding of the realities of the current context for communities served. One leader describes the struggle of “balancing risk with the dire needs of the community [and] having my board understand how profoundly impacted our constituents are.”

“Tough time to lead!” says one leader. “While our governance is strong, ensuring alignment around risk is an ongoing challenge.” Another leader says: “We are increasing payout significantly, but the board is not doing this because of the current context and may not want to publicly connect their actions to something (i.e., the current context) they see as temporary. It’s hard to get them to feel the urgency that others are experiencing, even though they hear our grantees’ stories.”

KEY FINDING 3

Foundation CEOs who feel most supported by their boards in the current context characterize their boards as being highly mission aligned or having a high degree of trust in foundation leadership and staff.

CHARACTERISTICS OF SUPPORTIVE BOARDS

In the current context, the foundation CEOs who report feeling most supported by their boards describe having boards that are aligned with the foundation's mission and values or having boards that demonstrate a high degree of trust in the judgment and decisions of foundation leadership and staff (see Figure 3).

Figure 3. Characteristics of a Supportive Board in the Current Context According to Foundation Leaders



Alignment with foundation's mission/values



High degree of **trust** in foundation leadership and staff

About one third of CEOs that CEP interviewed (32%) mention they have been able to work well with their board in these challenging circumstances because there is alignment between their board members and the foundation's mission and values. As one foundation leader says: "I know the deep commitment to social justice that is the lens on the world that [some of] our board members have. It enables us to act much quicker than if I had to go through a formal board process." Another praises the responsiveness of their board, emphasizing that "they understand that when we send an email that needs approval from them — they're aware to be ready for that and to respond as soon as possible. It's really great to have a board that is just right in this with us."

One quarter of CEOs (26%) also describe how a high degree of trust between the board and leadership or staff of the foundation has been helpful to their operations during this time. "They trust us to do the right thing," underscores one leader, "which was really very encouraging for us, because we didn't feel like we had to have everything all buttoned up and tight before we could actually request their funding and their support. We were able to move forward pretty rapidly, which I think was really valuable in this point in time."

Other leaders point to the level of trust the board has and the foundation's ability to act nimbly, which they note is key in the current context. As one says: "It means a lot to have the board trust me and my team at this time, so we can move nimbly and extend trust to our partners." Another leader notes that they "feel very fortunate, and I think our grantee partners are fortunate, that our board is so attuned. We have board meetings and such, but we're able to do a lot in between meetings and act nimbly and flexibly."

CONCLUSION

Foundation CEOs in the U.S. find themselves leading in an environment of intense uncertainty. They are managing fear and anxiety among their staff and, in some cases, working with board members who they do not believe fully comprehend the consequences of the current political environment on the communities their foundation seeks to help.

Many of these CEOs say that foundation board members have the opportunity to further step up to help those in greatest need. They argue that boards could do even more to help foundations create impact by increasing payout, increasing their tolerance for risk, and gaining a greater understanding of what is happening to the foundation's staff, grantees, and the communities they ultimately seek to help.

Foundation CEOs who describe feeling well supported by their boards highlight a shared focus on mission and the level of trust the board has in them and their staff. As one leader summarizes: "Mission, mission. Why do we exist? We exist for this moment. And what should we do about it? We should do more, right? Our very reason for being is under attack right now, and that's what we should be scared about. We should be scared about communities and not ourselves."

ACKNOWLEDGMENTS

Support for this research was provided by the Conrad N. Hilton Foundation, the Houston Endowment, the Kenneth Rainin Foundation, and the Prebys Foundation.



This report is based on CEP's independent data analyses. CEP is solely responsible for its content, which does not necessarily reflect the individual views of the funders, advisers, or others named in this report.

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