



Foundation Management Survey Preview of Findings July 2010

Overview

In March 2010, the Council on Foundations conducted its Foundation Management Survey in cooperation with the Foundation Center. A total of 1,520 independent and family, community, and public foundations received the survey. Recipients included Council on Foundations members, nonmembers, and additional grantmakers identified by the Foundation Center. Survey participants were asked to provide information on their boards' demographics, compensation and reimbursement practices, liability insurance, ethics policies, and discretionary grantmaking, along with information on their foundations' administrative expenses and fiscal oversight.

A detailed analysis of these findings will be released in Fall 2010, and survey respondents will have access to an online database that will enable them to benchmark their board practices and administrative expenses against foundations with similar characteristics.

Survey Respondents

- One-third of surveyed foundations (518 or 34%) provided responses that were sufficiently complete to be included in the following statistics.

Type of Foundation	%	N	Asset Size (millions)	%	N
Community	42%	220	\$250 or more	15%	78
Family	21%	108	\$50 to \$250	33%	173
Independent	28%	145	\$10 to \$50	35%	179
Public	9%	45	Less than \$10	17%	88

- Close to half of survey respondents (246 or 48%) reported giving between \$1 million and \$10 million in 2008. Another 24% of respondents (126) gave between \$100,000 and \$1 million. Twelve percent of respondents (62) reported giving \$25 million or more in 2008, while just 4% (18) gave less than \$100,000.

Board Demographics

- A total of 517 respondents provided board demographics information for 6,672 board members.

By Gender		By Race/Ethnicity			
Male	61.6%	White (Non-Hispanic)	85%	Asian/Pacific Islander	2%
Female	38.4%	African American/Black	7%	American Indian	0.5%
		Hispanic	4%	Other	0.6%

- The survey participants were asked to share, to the best of their knowledge, how many of their board members are lesbian, gay, bisexual, or transgender. Eighty-four respondents (16% overall), reported having at least one LGBT board member.
- According to respondents, about three-quarters of board members (74%) were over age 50, followed by 18% who were age 40 to 49. The remaining approximately 7% were under age 40. Family foundations reported the largest share of board members under age 40 (16%).
- Finally, among survey respondents, 28% (147) reported that their foundation had a written policy on board diversity.

Board Compensation

- Most foundations do not compensate their board members. Among the 518 survey respondents, over three-quarters (394 or 76%) reported providing no compensation to their board members.
- Among the 124 respondents who *do* compensate their board members, most (65%) compensate all board members, while the remaining 35% compensate some board members.
- Among foundations that compensate all or some of their board members, more than four-fifths (106 or 85%) compensated their board chairs.¹ Of the subset of 75 foundations that provided fixed fees and indicated the types of fees,² 19% reported providing annual, per board meeting, *and* committee fees to their chair; 17% provided annual and per board meeting fees; 9% provided per board meeting and per committee meeting fees; and 1% provided annual and per committee meeting fees. Among the remaining foundations, 28% provided just an annual fee and 25% just a per board meeting fee.

Median Fees – Board Chair

Annual Fee	Board Meeting Fee	Committee Meeting Fee
\$18,000	\$1,000	\$650

¹ Of the 124 foundations that reported providing board compensation, 14 indicated they did not compensate their board chairs and four did not provide information on their board chair compensation.

² Of the 106 foundations that compensated their board chairs, 88 provided fixed fees and 18 used a formula or other basis to calculate fees. Of the 88 that indicated they provided fixed fees, 13 did not specify the types of fees provided.

- Nine out of ten respondents that compensate all or some of their board members (111 or 90%) reported providing compensation to board members other than the board chair.³ Of the subset of 91 foundations that provided fixed fees and indicated the types of fees,⁴ 19% reported providing annual, per board meeting, *and* committee fees to other board members; 18% provided annual and per board meeting fees; 10% provided per board meeting and per committee meeting fees; and 2% provided annual and per committee meeting fees. Among the remaining foundations, 28% provided just an annual fee and 24% just a per board meeting fee.

Median Fees – Other Board Members

Annual Fee	Board Meeting Fee	Committee Meeting Fee
\$10,000	\$1,000	\$500

- The median amount of *total* board compensation provided by respondents was \$52,500.

Administrative Expenses

- Of the 248 independent and family foundation respondents who provided information on their charitable distributions, the median amount of 2008 qualifying distributions as a share of 2008 assets was 6.66%.⁵
- For these independent and family foundations, the median amount of total charitable operating and administrative expenses as a share of qualifying distributions was 15.53%; as a share of assets, it was 0.98%.⁶
- Of the 209 community foundation respondents who provided information on their charitable distributions, the median amount of 2008 qualifying distributions as a share of assets was 7.35%.
- For these community foundations, the median amount of total program expenses minus grants as a share of qualifying distributions was 12.83%.

The complete survey findings will be available this fall through reports and online resources released as part of the *Foundation Management Series*.

³ Of the 124 foundations that reported providing board compensation, nine did not compensate their other board members and four did not provide information on their other board member compensation.

⁴ Of the 111 foundations that compensated their other board members, 94 provided fixed fees, and 17 used a formula or other basis to calculate fees. Of the 94 that indicated they provided fixed fees, three did not specify the types of fees provided.

⁵ Qualifying distributions are expenses that qualify toward meeting the payout requirement.

⁶ Charitable operating and administrative expenses include all expenses attributed to achieving the foundation's charitable mission, including grant administrative expenses.