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FIVE MAJOR FOUNDATIONS TO INCREASE SUPPORT WITH OVER \$1.7 BILLION TO ASSIST NONPROFIT ORGANIZATIONS IN WAKE OF GLOBAL PANDEMIC

Doris Duke Charitable Foundation, Ford Foundation, W.K. Kellogg Foundation, John D. & Catherine T. MacArthur Foundation, and the Andrew W. Mellon Foundation take extraordinary action to increase support to nonprofits faced with an unprecedented crisis due to Covid-19.

New York, NY – Today, the Doris Duke Charitable Foundation, Ford Foundation, W.K. Kellogg Foundation, the John D. & Catherine T. MacArthur Foundation, and the Andrew W. Mellon Foundation announced a joint commitment to increase their payouts to nonprofit organizations with over \$1.7 billion over approximately two years to help stabilize and sustain a nonprofit sector facing devastating economic effects due to the global pandemic and epidemic of social injustice. This financial commitment represents new funding above the previously approved budgets by each foundation's board. Each foundation will determine priorities for the distribution of the new funds based on its grantmaking guidelines and priorities.

Generally, in the aggregate, funds will cover grantmaking aligned with each foundation's mission, including racial equity and social justice, arts and culture, higher education, human services, climate solutions, and other areas to provide financial support to communities that are most vulnerable and hardest hit by the impact of Covid-19.

The economic crisis caused by the pandemic is already impacting the financial health and well-being of nonprofits. In the U.S., nonprofits employ more than 10 percent of the private workforce or approximately 12.3 million people*. According to a Nonprofit Finance Fund survey in 2018, almost 75% of nonprofits do not have six months of cash reserves. The financial fallout of Covid-19 is being felt as nonprofits are experiencing postponed programming and revenue-generating events, threatened academic enrollments, canceled artistic seasons, fewer grants from foundations given lower endowments, reduced corporate sponsorships, and prospects that government contracts are at risk due to shortfalls in state and city budgets.

In a recent [CAF America survey](#), 73% of nonprofits said they have already seen a decline in contributions, and half said they expect to see revenue decline by more than 20% over the next year, while the need for services is expected to increase due to the coronavirus pandemic.** Finally, economists and fundraising experts [predict](#) that the drop in charitable giving will likely be more significant than that of the Great Recession in 2008, and recovery will likely take longer.

The donors are hoping that this infusion of capital will help the nonprofit recipients be more resilient and durable organizations, able to proactively work to build more sustainable and viable operating models in a post-coronavirus environment.

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Ed Henry, President and CEO of the Doris Duke Charitable Foundation said, "Amidst this global crisis, we have the opportunity and obligation to intensify our commitment to addressing inequities to ensure a future that improves on the past. The nonprofit sector is essential to building a just and thriving society, and in this moment, their work is more critical than ever. Working with foundations across the country, we will drive forward with a reinforced dedication to our missions and step up our support to vitally important human services, public health, research, environmental, and arts and cultural organizations."

Darren Walker, President of Ford Foundation, said, "Covid-19 presents an existential threat to nonprofits, and we must respond in creative and innovative ways. The pandemic has brought into sharp relief the results of decades of growing inequality. The virus is only compounding that inequality, taking a disproportionate toll on the poor, people of color, immigrants, people with disabilities, and others who were already marginalized before the crisis hit." "Our goal for the additional funds is to help shore up, strengthen and deepen the resilience of key organizations that are advancing the fight against inequality and injustice at a time when the need is greatest," Walker continued.

"This is a time that calls for bold leadership and innovation," said La June Montgomery Tabron, W.K. Kellogg Foundation President and CEO. "Philanthropy needs to respond to the scale of the challenges we are facing. Post-pandemic, our grantees, communities, and partner organizations will need to be strong to re-imagine and rebuild systems centered on racial equity. They have the leadership, knowledge and resolve to advance their communities; we want to be a catalytic partner in that process."

"At this moment of massive disruption, we see opportunity," said MacArthur Foundation President John Palfrey. "The pandemic is wreaking tragedy across the world, and in particular in African American communities. In the face of an extraordinary social and economic crisis, our city, country, and global communities require a transformation. Our response to the pandemic will focus on supporting the reinvention of systems that create a more just, equitable, and resilient world."

Elizabeth Alexander, President of the Andrew W. Mellon Foundation said, "Together, we are experiencing the extraordinary pain of a pandemic, an economic depression, and relentless violence and racial threats against African Americans. The transformative and provocative power of artists, cultural institutions, and humanities scholars will prove even more essential to our country's future vitality. Mellon is the nation's largest funder of arts, culture, and the humanities, and we are dramatically increasing our grantmaking to organizations that are systemically under-resourced, guided by diverse and imaginative leadership, and fueled by the courage and vision we need in full force."

Each foundation, in the coming weeks, will share its plans and timing of deployment of the new grantmaking funds. In order to generate additional funds for grantmaking, the foundations are

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exploring different mechanisms, including using funds from their endowment or issuing long-term debt via the capital markets.

This joint effort is an extension of growing collaboration in Philanthropy and reflects recent efforts among many foundations to adopt more flexible grantmaking and administrative approaches to supporting grantees during this crisis.

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