

FEG Investment Advisors Releases 2022 Community Foundation Survey Results

FEG announced the results from the 8th annual survey of nearly 100 U.S. community foundations representing approximately \$38 billion in AUA.

CINCINNATI, OH, UNITED STATES, July 27, 2022 /EINPresswire.com/ -- FEG Investment Advisors (FEG) announced the release of results from the eighth

annual [FEG 2022 Community Foundation Survey](#), a survey of nearly 100 U.S. community foundations representing approximately \$38 billion in assets under advisement.¹ Notably, the 2022 survey saw that community foundations continue to place a growing emphasis on hiring diverse asset managers, with the figure doubling since 2021, and that, stemming from an

industry trend toward OCIO, more than 30% of those transitioning from a consulting model or service provider are now considering the OCIO model.

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The number of community foundations who hired diverse asset managers this year nearly doubled from last year. More community foundations are taking initiative and focusing on diverse asset managers.”

Quincy Brown, Senior Vice President at FEG Investment Advisors

The 2022 survey again covered relevant perspectives on timely topics such as asset allocation, spending policy, cryptocurrency, diverse asset managers, responsive investing and investment committee composition.

“This year’s survey provides foundations with more key insights into enterprise-level trends in asset allocation and performance, especially as organizations are seeking to respond to both rising inflation and interest rates, as well as rumors of recession,” said consultant Jeff Weisker,

Senior Vice President at FEG. “Many community foundations are adjusting their asset allocation and looking to increase exposure to private investments, while decreasing exposure to global fixed income.”

“The number of community foundations who have hired diverse asset managers this year nearly doubled from last year’s survey,” said consultant Quincy Brown, Senior Vice President and Director of Client Service at FEG. “Even more community foundations are taking initiative and



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putting a focus on diverse asset managers and based on survey responses, we expect the number to continue to increase.”

Key findings on various investment topics analyzed are provided below:

Investment Model: Despite an industry trending toward OCIO, the majority of respondents currently use a traditional consulting model. However, of those who plan to change their consulting model or service provider, more than 30% are considering the OCIO model.

Asset Allocation and Performance: Community foundations have a strong home country bias, especially among smaller organizations. Further, larger foundations are more diversified across alternative investments, while smaller organizations tend to have less exposure. The median private investments allocation for community foundations larger than \$500 million is just over 12%, while foundations with less than \$50 million allocate 4.7% to private investments.

Spending Policy and Rebalancing: The spending rate has been leveling off in the past two years, staying consistent at an average of 4.4%. Few respondents are planning to change their spending rate (only 6%), and of those that are, the majority plan to decrease their spending rate.

Cryptocurrency: A majority of respondents (over 60%) do not see cryptocurrency as an investable asset class.

Diverse Managers: The number of community foundations who have hired diverse asset managers nearly doubled from last year’s survey (28% in 2022 compared to 16% in 2021). Similarly, the number of community foundations who have a target for assets dedicated to diverse asset managers doubled from last year’s survey (10% in 2022 compared to 5% in 2021).

Responsive Investing (RI): With interest in RI increasing annually since 2017, over half of respondents have RI strategies within their portfolio. Approximately 70% of respondents that invest in ESG have a separate ESG pool.

Investment Committees (IC): More than half of respondents have between seven and nine investment committee members, though approximately ¼ of respondents have 10 or more. The top industry trends being discussed continue to be increased community needs and donor giving attitudes. IC members are permitted to make motions and vote on topics by 86% of respondents.

Survey Methodology

The proprietary FEG Community Foundation survey collects data on a variety of financial and enterprise topics to provide insights on issues affecting the community foundation field. The survey is open to all U.S. community foundations and was completed primarily by senior-level investment decision makers. FEG received 98 responses across 33 states, representing approximately \$38 billion in assets. Asset sizes ranged from less than \$25 million to greater than

\$1 billion.

Survey History

FEG first issued their community foundation survey in 2015 to clients with the explicit goal of providing a peer comparison for spending policy and asset allocation. Based on client feedback that current surveys available to community foundations often are too narrow in scope, FEG expanded their survey to include perspectives on enterprise topics such as externally managed and donor advised funds, investment board governance, and responsive / mission-based investing.

For more information about FEG's Community Foundation survey visit

<https://www.feg.com/studies/community-foundation-survey>.

1 Assets under advisement are as of September 30, 2021 and self-reported by respondents.

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About FEG Investment Advisors

FEG Investment Advisors is an independent, full-service investment advisory firm with more than three decades of experience helping institutional investors build long-term focused portfolios. Established in 1988, the independently owned firm has approximately \$81 billion in total client assets under advisement as of December 31, 2021. FEG services include FEG Consulting, which provides traditional, nondiscretionary investment consulting services to institutions; FEG OCIO, which provides discretionary management services with portfolios constructed and managed according to each client's unique objectives and guidelines; and FEG Research Services, which provides traditional and alternative strategies' investment manager research, due diligence, and monitoring. For more information and full disclosures, visit www.feg.com.

About the FEG Community Foundation Survey

The data is obtained from the proprietary FEG 2022 Community Foundation Survey. The survey was open for responses from February 21, 2022 to April 8, 2022 and received 98 responses. Participants had the option to complete online or as a word document and email the results back to FEG. The data was grouped into between five and seven categories based on assets of the community foundation, with assets ranging from less than \$25 million to greater than \$1 billion. The information in this study is based on the responses provided by the participants and is meant for illustration and educational purposes only.

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