How our endowment works

This video transcript explains where the Ford Foundation’s endowment came from and how it works. Note: The size of the foundation’s endowment fluctuates over time—and has increased since this video was created—so, while the $10 billion figure cited in the video is no longer accurate, the explanation of how our endowment works still is.

Transcript begins.

[Simple animated graphics support the narrative throughout.]

The Ford Foundation is the second-largest private foundation in the United States, with an endowment of over $10 billion.

So ... what does that mean exactly?

A private foundation is a non-profit organization that makes grants that serve the public good. In Ford’s case, we support visionary leaders and organizations on the frontlines of social change worldwide. We work on a variety of issues, from human rights to sustainable development to freedom of expression.

So it's like charity?

The Ford Foundation is different from public charities in that we do not take contributions from donors. No fundraising, no pledge drives, no benefit dinners. The Ford Foundation has no income other than the returns on its invested endowment.

Where did that $10 billion come from?

The foundation was established in 1936 with a gift of $25,000 from Edsel Ford. When Edsel and his father, Henry, died in the ’40s, they left the foundation the equivalent of almost $4 billion. Through smart financial management, we’ve grown that into our current $10 billion endowment.

Plus, we’ve invested the equivalent of $54 billion into our work.

How much of the endowment does the foundation spend each year? US tax code specifies that foundations must pay out at least 5% of their assets each year. Ford consistently exceeds that amount, which means that Ford currently spends over half a billion dollars annually to support our mission.

Who’s in charge of that?

It’s up to our investment staff and board to maintain a healthy endowment without exposing it to too much risk. By investing responsibly, we can continue to fund individuals and organizations who are changing our world for the better. Whether they
are advocating for the right to a living wage or making award-winning documentaries that advance social justice, we’re supporting open and accountable governance worldwide.

Through careful stewardship of our endowment, we can keep our mission alive for years to come.

[on-screen graphic: Ford Foundation logo]

End of transcript.