

# Deciding How to Invest a Windfall Gift

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The past decade has seen a rise in windfall gifts—large, flexible, often multiyear influxes of funding—to nonprofits and nongovernmental organizations (NGOs). When organizations receive those gifts, their leaders have moments of joy, celebrating the investment in their mission and the opportunities it could unlock. Soon after, they come to realize they face tough questions and choices about how, where, and when to invest these resources to achieve their goals.

This conversation starter is designed to help you—and your board—navigate these questions and choices, and related decision-making processes, should you receive a windfall gift. It outlines a series of first-order questions and considerations that can help your team figure out how best to invest windfall funding.

As illustrated by the stories and reflections from windfall recipients in our companion article “[Windfall Wisdom: Learning from Nonprofits and NGOs That Have Put Large, Flexible Gifts to Work](#),” there is no one-size-fits-all answer. Your investment decisions will be unique to your history, your needs, your priorities, and the impact you aspire to achieve. Our hope is that this guide, informed by The Bridgespan Group’s experience advising scores of nonprofit and NGO leaders around the world, will help you arrive at the best set of investment decisions for your organization after it receives a windfall gift.

## Big Question #1

### **Are you on the best path to achieving the impact you aspire to as an organization?**

Reflect on your goals for impact, the current state of your strategy to achieve those goals, and how a windfall gift could either accelerate your work or inform how it evolves.

## Questions to help guide your team's conversation:

- Are you clear on the impact you want to achieve in the world and the role that your organization is best suited to play in achieving that impact?
- What is the current state of your organization's strategic plan?
- When was it last updated, and how much progress have you made against it?
- How well does it reflect your aspirations for impact?
- Do you have sufficient data or evidence to support your theory of change and your ability to continuously improve and achieve your impact goals?
- How could this windfall gift help accelerate or scale up your organization's current portfolio of programs and approaches?
- What distinctly new or different opportunities for impact might this windfall gift help unlock, and how might this inform your strategy's evolution?

See "[How Nonprofits and NGOs Can Get Real Value From Strategic Planning](#)" for additional Bridgespan resources to support your strategic planning process.

## Big Question #2

### What organizational barriers are preventing you from accomplishing your impact goals?

Identify opportunities to invest in the organizational capacity and capabilities required to achieve your goals for impact while considering the implications of one-time versus ongoing investments.

## Questions to help guide your team's conversation:

- Where has underinvestment in organizational infrastructure or capacity held back (or where could this hold back) your ability to accomplish your impact goals?
- What investments could help improve your ability to attract, develop, and retain great people with diverse perspectives?
- Are the investments in capacity you're considering one-time investments, or will they require ongoing financial support? If the latter, how will you fund them moving forward?

See "[Operating Models: How Nonprofits Get From Strategy to Results](#)" for additional Bridgespan resources on building strong nonprofit organizations.

## Big Question #3

### How much of the windfall gift should your organization save versus spend?

Determine what portion of the windfall gift to save versus spend, and consider how this will impact your organization's long-term financial sustainability.

#### Questions to help guide your team's conversation:

- How healthy are your organization's finances (e.g., does it have a reserve balance)?
- What is your appetite for risk?
  - Is this a moment to accelerate your impact via growth, innovation, or other means?  
If so, you may want to spend more.
  - Is this a moment to stabilize your organization and preserve your ability to operate?  
If so, you may want to save more.
- What opportunities exist to increase your long-term sustainability (e.g., creating an endowment, investing in capabilities to pursue a new funding source)?
- Is there a time horizon over which you want (or need) to spend the windfall gift (e.g., spend down within the timeline of your strategic plan)?
- How will this windfall gift—and the related investment thereof—inform your financial narrative (i.e., how you talk about the use of the windfall gift in the context of a longer-term funding model that promotes sustainability)?

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