KB2N STRATEGIES

Winning in a K-Shaped Economy: Five Strategies for Fundraisers and CEOs

by Kenya Beckmann July 2026

In a K-shaped economy, some people accumulate wealth quickly (top leg of the K), others have slower or no wealth growth (bottom leg of the K), and the distance between the groups gets larger. Though the US has been in this kind of economy since 2020, talk of a K-shaped economy has ramped up since late 2025.

An economy like this puts public sector leaders in a tough spot. The group living in the bottom part of the K is growing, feeling financial hardships and needing support more than ever, including, healthcare, basic needs, and education. At the same time, without a war chest of investments, nonprofits facing recent disruption of formerly reliable revenue from state and federal funds are left scrambling.

Within the nonprofit sector, we have our own K-shaped phenomenon. Since 2022, U.S. household wealth has grown by 30% to $183 trillion, and the long-awaited generational transfer of wealth has started. And though we are seeing 8 and 9-figured gifts, mostly to select universities, hospitals and private foundations, the gap is growing between the group of organizations raising more than ever and those that are struggling.

Data supports anecdote about the financial strain in organizations and wealth in the US:

49%	55%	30%
People living in America can't cover basic expenses[1]	Leaders worry about organization's financial health[2]	Growth in household wealth since 2022 to $183 trillion[3]

Today, the difference between nonprofits that can fuel their visions and those just hanging on depends on fundraising success from those in the top leg of the "K." So how can you find fundraising success in this economy? Below are specific steps you and your teams can take.

1. https://www.urban.org/data-tools/american-affordability-tracker
2. https://www.urban.org/research/publication/nonprofit-leaders-concerns-about-finances-programming-and-workforce-challenges
3. https://wiss.com/state-of-nonprofits-2026-financial-distress-cep-report/

1 | **Intense, Focused Stewardship**

K-shaped economies mean wealth is deepens but is concentrated in a smaller group. Pull a list of the top 5-10% of your donors. You may think, "I already know what's happening with them," or "they've made their biggest gift." Maybe, maybe not. With your team, look at each name as if its new. Get creative and plan deeply meaningful stewardship experiences that are in person or at least super personalized. Use multiple voices and strong data showing direct and positive impact. Invest in stewardship like you would a large proposal.

When done right, thoughtful, quantifiable stewardship almost always ends with a version of, "This is incredible. What are you working on now and how can we help?" If this doesn't happen right away, don't panic and don't ask about another gift right away. Let the goodness of your stewardship settle in and follow up in a couple of weeks with something like, "It was wonderful seeing you. When you're ready, I'd love to share what we're working on now."

2 | Excellence, not Need

This one is true no matter what's happening in the economy. Asking for large gifts from a position of need, "If you don't help us, we won't be able to …" just doesn't work. When you go that route, donors may give you a gift, but they won't give you their biggest, most meaningful gift. Why would they? People want to give to strong organizations that has the expertise and plan to solve an important problem. No one wants to save an organization.

No matter what fiscal emergency you're facing, focus your message on what you do better than anyone. Any gaps should be positioned as, "We do this so well and there's an opportunity for us to do even more good. We're the best equipped to do that and are looking for partners to come alongside us." Create a sense of urgency, but base the urgency on timely opportunity, not desperate need.

3 | Make Bigger Asks

Your best donors are nearly always also someone else's best donors. And though people give to multiple organizations, they rarely give to them equally. You'll see an independent school regent give $10,000 every year to the school and then $1M to their university. Is it because the donor cares more about the university than the high school? Probably not. Has the independent school developed and shared a vision that's big enough to inspire the largest gifts? Often, no. Donors can sense whether an organization is able to metabolize large gifts or if large gifts might overwhelm.

A K-shaped economy lets some organizations break through to its largest gifts, and others already closing large gifts will close even more. The missed opportunities are for nonprofits established enough to seem like they're raising as much as possible, but really, they haven't made the right case and aren't asking at the levels they should. Work hard to get the best ask, the most meaningful project, and then ask for more than you think. (Add gift levels if you're nervous about a negative reaction.)

4 | Use Existing Philanthropy

If you have philanthropic funds, use them. When you use them, tell everyone who will listen that "this was funded by philanthropy." Because donors give more to excellence than need, seeing donor funds put to work signals your organization's excellence. Named spaces and stories of impact generate momentum that's vital in an economy with a smaller, wealthier donor pool.

5 | Get Comfortable in Two Worlds

This might be the hardest and most important item on this list. Whether a hospital CEO, service organization executive director, dean, or head of school, you're probably in dozens of meetings every week focused on doing more with less. You're facing painful decisions about reducing or closing programs, laying off employees, and fundamentally rethinking how you serve your mission. To be successful in a K-shaped economy though, you must leave those meetings and communicate with potential donors focused on opportunity not obstacles.

The strongest leaders authentically live in two spaces – one of scarcity and one of potential abundance. Language, tone, off-hand remarks … all can sabotage success. You don't need to be Pollyannish, donors can handle sophisticated nuance of the day. But if you tap into your vision, share why it matters, and make clear how philanthropy will bring that vision to life, you'll inspire extraordinary gifts.

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When wealth is growing for some while others fall behind, the public sector feels the disconnect acutely. For as long as the K-shaped economy hangs around, what you and your teams do each day will make all the difference.