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# **Make Think Tanks Great Again: Navigating Funding Challenges and Existential Threats in a Changing World**

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Think tanks have long been instrumental in shaping public policy across the global landscape, offering research-driven insights and recommendations that bridge the gap between academic knowledge and practical policymaking. These organizations have traditionally served as intellectual hubs where complex societal challenges are analyzed through methodical research, resulting in evidence-based policy recommendations. However, the landscape within which think tanks operate has undergone dramatic transformation over the past decade. The traditional model that has sustained think tanks for decades is now facing unprecedented challenges that threaten not only their funding streams but their very relevance and legitimacy in the public discourse.

In our current geopolitical context, the global funding of think tanks is increasingly uncertain. The United States and Europe have already significantly reduced their foreign aid budgets in 2025, a trend that reflects broader shifts in national priorities and economic constraints. Beyond these immediate financial pressures, think tanks must contend with a rapidly changing information ecosystem characterized by the proliferation of disinformation, increasingly polarized public discourse, and the dominance of social media as primary information sources for many citizens. These developments raise fundamental questions about the future viability of traditional think tank models and their ability to influence policy outcomes in meaningful ways.

This essay examines the dual challenges of funding uncertainty and declining influence that think tanks face in today's environment. It explores how these institutions might need to radically reimagine their operational models, funding sources, and strategic approaches to survive and maintain relevance in an increasingly complex and contested information landscape.

## **The Funding Crisis: Immediate and Medium-Term Challenges**

### **Declining Government Support**

According to the Organization for Economic Co-operation and Development (OECD), the average Official Development Assistance (ODA) from major donor countries decreased by 12.3% between 2023 and 2024 (OECD Development Cooperation Report, 2024). This decline appears inconsequential compared to the reductions in foreign aid budgets announced in early 2025 by the United States of 92% (U.S. Dept of State, 2025) and roughly 40% each from the United Kingdom and France (Forbes, 2025). These budget cuts reflect shifting national priorities, with resources being redirected toward domestic concerns and security measures. Such cuts represent just the beginning of what may become a prolonged period of fiscal constraint for think tanks that have historically relied on government funding. The implications for think tanks are profound, particularly for those that have built their research agendas and organizational structures around consistent government funding streams.

European nations may even draw back further on development aid in the medium-term due to increased defense spending requirements in the face of uncertainties related to the practicalities of the NATO alliance. Goldman Sachs Research predicts that defense expenditures in the EU

will gradually increase by around \$84 billion by 2027 – or from 1.8% of GDP in 2024 to 2.4% by 2027. This significant shift in spending priorities has directly impacted research funding, with the European Union's Horizon Europe program seeing a 15% reduction in allocations for policy research initiatives in its 2025-2027 framework (European Commission Budget Overview, 2024). This reallocation of public resources toward military capabilities and national security initiatives leaves less funding available for research institutions focused on policy development.

## **The Ripple Effects of Budgetary Constraints**

When government funding contracts, the effects extend beyond the immediate financial shortfall. Many think tanks have developed specialized expertise and research capacities based on long-standing government priorities. As these priorities shift, institutions must quickly pivot to new areas of focus, a transition that requires not only financial resources but also the development of new competencies and expert networks. This adaptation challenge is particularly acute for smaller think tanks with less diversified funding sources and more limited organizational flexibility.

A 2024 survey by the Global Think Tank Initiative found that 68% of think tanks worldwide reported significant funding challenges, with 41% describing their financial situation as "precarious" or "unsustainable" (Global Think Tank Barometer, 2024). Additionally, the survey revealed that 73% of think tanks had been forced to reduce staff or research programs within the past two years due to funding constraints. The traditional sources and amounts of financing available to think tanks are in jeopardy, creating an urgent need for strategic reassessment. Financial instability not only threatens the continuation of ongoing research initiatives but also undermines the ability of these institutions to maintain independence and pursue long-term research agendas that may not align perfectly with the immediate interests of remaining funders.

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## **Existential Threats to Relevance and Legitimacy**

### **The Transformed Information Ecosystem**

Beyond financial challenges, think tanks face additional existential threats to their work and credible standing. The exponential proliferation of fake news and disinformation has created an environment where expert analysis must compete with misleading content that is often more accessible and emotionally resonant. According to the Reuters Institute Digital News Report (2024), trust in news media globally fell to an all-time low of 38% in 2024, creating an environment where all information sources face heightened skepticism. The report also found that 64% of respondents expressed concern about their ability to distinguish between what is real and fake on the internet, up from 54% in 2021.

The continuous growth of micro-segmented audiences presents another challenge. Research from the Pew Research Center indicates that 72% of Americans now primarily receive their news through algorithmically curated feeds, with 67% reporting that they rarely encounter views that differ substantially from their own (Pew Research Center, "Digital News Consumption Patterns," 2024). As people increasingly consume information within echo chambers that reinforce existing beliefs, the opportunity for think tanks to introduce nuanced policy perspectives across ideological divides diminishes. The growing predominance of social networks as the main source of information further exacerbates this problem, as these platforms often prioritize content based on engagement metrics rather than informational quality or accuracy.

## **Polarization and the Devaluation of Evidence**

In an era of binary and polarized debates, think tanks that produce recommendations based on systematized evidence and with methodological rigor may find themselves questioning whether their work is perceived as an added value by broad sectors of society. The Varieties of Democracy (V-Dem) Institute reported in its 2024 Democracy Report that political polarization has increased in 75% of democracies over the past decade, with severe polarization—defined as the inability of opposing sides to agree on basic facts—present in 32% of democratic countries, up from 17% in 2014.

Similarly, in an environment where political leaders display increasingly authoritarian biases, evidence-based research may be viewed with suspicion or outright hostility when it contradicts preferred political narratives. According to Freedom House's "Freedom in the World 2024" report, this marks the 18th consecutive year of decline in global freedom, with 67 countries experiencing deterioration in political rights and civil liberties. The fundamental question emerges: Is a solidly grounded technical report a required and appreciated element by the main political actors when debating in the middle of an electoral campaign? Unfortunately, it appears less and less so. A 2024 study by the International Policy Research Network found that only 23% of policy proposals referenced during electoral debates across 12 major democracies included citations to research evidence, down from 42% a decade earlier (IPRN Election Discourse Analysis, 2024).

## **The Diminishing Authority of Expertise**

These trends collectively contribute to the progressive loss of influence and legitimacy in the role of think tanks over the past decade. A longitudinal study by the Media Monitoring Project tracked think tank citations in major news outlets across 15 countries and found a 37% decline in substantive references to think tank research between 2013 and 2023, with the steepest drops

occurring in countries experiencing democratic backsliding (Media Monitoring Project, "Think Tank Influence Index," 2024). As traditional gatekeepers of information have been bypassed by direct-to-consumer communication channels, the authority of expertise itself has been challenged.

This erosion of authority has practical consequences for how think tank research is received and utilized. When evidence-based analysis becomes just another voice in a cacophony of competing claims, its distinctive value proposition is diminished. Policy makers may still commission research from think tanks, but they may do so selectively, focusing on work that confirms pre-existing positions rather than research that challenges assumptions or presents inconvenient findings.

## **Reimagining the Think Tank Model: Emerging Adaptations**

### **Specialization and Strategic Partnerships**

Given these challenges, think tanks need to entirely rethink how they have traditionally funded and supported themselves. New models are needed that acknowledge both the changing funding landscape and the transformed information ecosystem. One potential approach involves greater specialization toward work funded by large private foundations.

The Atlantic Council provides a compelling example of this adaptation; in 2023, it reorganized its research structure to align with the strategic priorities of major foundations, resulting in a 45% increase in philanthropic funding over 18 months (Atlantic Council Annual Report, 2024). By creating dedicated centers focused on climate security, digital democracy, and economic resilience—areas of particular interest to foundations like MacArthur, Ford, and Gates—the

Council successfully diversified away from government funding while maintaining its core mission.

Another promising avenue involves finding ways to cooperate with and support private sector interests while maintaining intellectual integrity. The Peterson Institute for International Economics has pioneered this approach through its Corporate Partners Program, which generated 32% of the institute's revenue in 2024 while maintaining strict governance protocols to preserve research independence (PIIE Financial Disclosures, 2024).

The program offers corporate members access to specialized briefings and early research findings while maintaining a firewall between funding and research conclusions. As businesses increasingly recognize the value of policy expertise for navigating complex regulatory environments and anticipating market shifts, opportunities emerge for mutually beneficial partnerships.

### **Narrowing Focus and Enhancing Impact**

Think tanks might also consider narrowing the scope of their work to high-impact deliverables that governments will still be willing to pay for in an increasingly transactional world. The RAND Corporation has successfully implemented this approach by developing its "Rapid Response Research" program, which delivers targeted policy analysis within compressed timeframes to address immediate government needs. According to RAND's impact assessment, these projects have a 76% rate of direct citation in subsequent policy documents, compared to a 24% citation rate for traditional longer-term research projects (RAND Impact Metrics, 2023).

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In some cases, a wholesale switch to for-profit models is not out of the question. The Economist Intelligence Unit (EIU) demonstrates the viability of this approach, having transformed from a traditional think tank model to a commercial research and advisory service. In 2024, the EIU reported a 23% profit margin while maintaining high standards of analytical rigor (Economist Group Annual Report, 2024). By adopting business practices that emphasize client service and measurable value creation, think tanks may tap into new revenue streams while also clarifying their value proposition.

### **Embracing Technological Innovation**

Adapting to the digital transformation of information consumption represents another critical avenue for think tank evolution. The Center for Strategic and International Studies (CSIS) has led this transition by developing its Digital Impact Initiative, which has transformed how the organization communicates complex research. By investing in data visualization, interactive content, and social media strategy, CSIS increased its digital engagement by 215% between 2022 and 2024, with particular success in reaching audiences under 35—a demographic traditionally underrepresented among think tank audiences (CSIS Digital Engagement Report, 2024).

Similarly, think tanks might leverage artificial intelligence and data analytics to enhance research capabilities while reducing costs. The Brookings Institution has pioneered this approach through its AI Policy Lab, which uses machine learning tools to analyze legislative and regulatory texts across multiple jurisdictions simultaneously. This capability has allowed Brookings to reduce research time for comparative policy analysis by 62% while expanding the scope of covered jurisdictions by 340% (Brookings Digital Innovation Report, 2024). By embracing these tools, think tanks can potentially deliver higher-value insights with greater efficiency, addressing both funding constraints and relevance challenges simultaneously.





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## **Community-Based Funding Models**

Some think tanks have explored completely new funding approaches based on community support and membership models. The Barcelona Centre for International Affairs (CIDOB) launched its "Policy Community" initiative in 2023, creating a tiered membership program that allows individuals, academic institutions, and smaller organizations to support its work through annual contributions.

The program generated 18% of CIDOB's funding in its first year, with a 73% renewal rate (CIDOB Financial Sustainability Report, 2024). This model draws inspiration from media subscription services but adapts the concept to the policy research context.

Similarly, the German Council on Foreign Relations (DGAP) has successfully implemented a "research consortium" approach, where multiple smaller funders—including local governments, foundations, and businesses—pool resources to support specific research initiatives.

This model has allowed DGAP to maintain independence while reducing reliance on any single funding source. By 2024, consortium funding accounted for 42% of DGAP's research budget, up from just 7% in 2020 (DGAP Innovation in Think Tank Financing, 2024).

## **Conclusion**

The converging challenges of funding uncertainty and diminished influence create an inflection point for the think tank community globally. The traditional model that has sustained these institutions for decades appears increasingly untenable in the face of geopolitical shifts, technological disruption, and changing information consumption patterns. Think tanks that wish to survive and thrive in this new environment must be willing to fundamentally reconsider their operational models, funding sources, and methods of engagement.

The examples highlighted in this essay demonstrate that adaptation is not only necessary but possible. From the Atlantic Council's strategic alignment with foundation priorities to RAND's development of rapid response capabilities, from CSIS's digital transformation to DGAP's consortium funding model, forward-thinking institutions are finding viable paths forward despite the challenging landscape. These innovations suggest that the future of think tanks may be more diverse in terms of organizational models and funding approaches than in the past, with different institutions adopting strategies that reflect their particular strengths, constituencies, and areas of focus.

While the path forward remains uncertain, it is clear that successful adaptation will require both pragmatism and idealism. Think tanks must find ways to secure sustainable funding without compromising the intellectual integrity that gives their work value. They must communicate research findings effectively in a fragmented media environment without sacrificing analytical rigor. And they must demonstrate relevance to policymakers and the public without becoming mere echoes of prevailing opinions.

The stakes of this adaptation extend beyond the institutional survival of individual think tanks. In a world facing complex challenges from climate change to technological disruption to democratic backsliding, the need for evidence-based policy analysis remains acute. The question is not whether such analysis is needed, but rather how it can be sustained and effectively

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delivered in a transformed landscape. By reimagining their approaches to funding, research, and communication, think tanks have the potential to not only survive the current crisis but emerge as even more valuable contributors to addressing the defining challenges of our time.

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