

A dramatic, high-contrast image of dark, heavy storm clouds filling the sky. The clouds are textured and layered, with some lighter patches where light breaks through, creating a sense of depth and intensity. The overall color palette is dominated by dark greys, blacks, and muted blues, with a few highlights of white and light grey.

MOUNTING PRESSURE

Foundations and Nonprofits on the Current Context

PROJECT FUNDERS



This research also draws from CEP's Nonprofit Voice Project, which is funded in part by:



MCKNIGHT FOUNDATION

ADVISORY GROUP



Marselle Alexander-Ozinkas



Mariane Asad Doyle



Stephanie Bazan



Brita Blesi



Julie Butner



Cathleen Clerkin



Rachel Huguet



Julie Russell



Dace West



Kara Young Ponder



Massachusetts nonprofits expect federal policies to devastate sector and vulnerable communities

Philanthropy Is Having a Crisis of Confidence

Nonprofits, Hobbled by Funding Cuts, Now Worry About Losing Tax-Exempt Status

Schools suddenly lose \$1 billion for mental health care

Food Banks Are Running Out of Food Exactly When More Americans Will Need Them

In a Time of Nonprofit Defunding, Will Foundations Put More Money on the Line?

Facing Federal Defunding, Nonprofits Draft Best and Worst Case Budgets

Tax Measure Will Add New Money Woes to a Reeling Nonprofit Sector

WHERE THE DATA COME FROM

NONPROFITS

Representative sample of U.S.-based nonprofit organizations that have received funding from foundations that give \$5 million or more annually

FOUNDATIONS

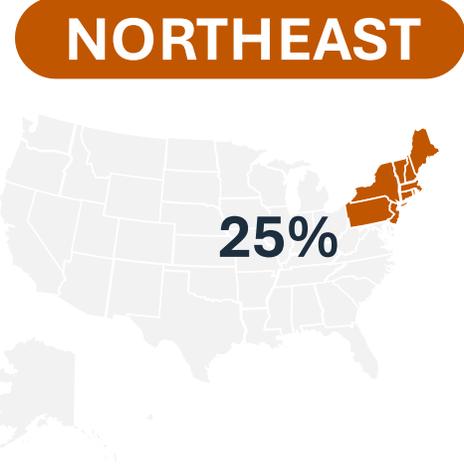
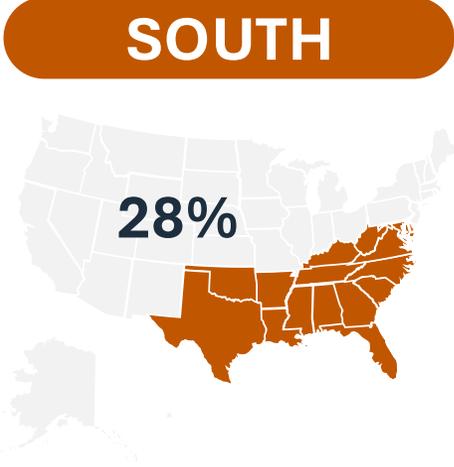
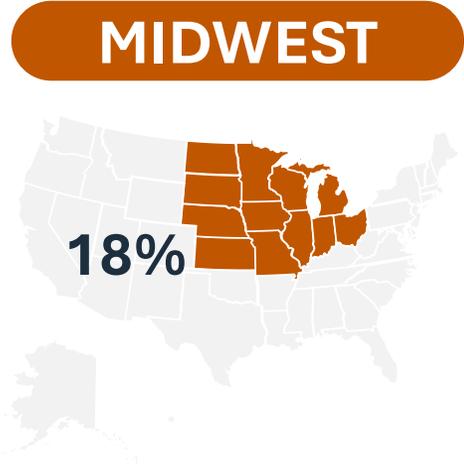
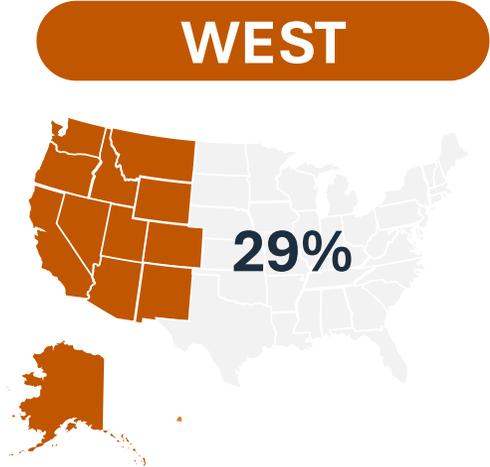
All U.S.-based independent, community, or health conversion foundations that give \$5 million or more annually

WHERE THE DATA COME FROM

DATA SOURCE	TIMING	# OF ORGANIZATIONS	RESPONSE RATE
Survey of nonprofit leaders	Aug – Sep 2025	408	46%
Survey of foundation leaders	Aug – Sep 2025	227	30%
Interviews with nonprofit leaders	Sep 2025	27	N/A
Interviews with foundation leaders	Sep 2025	31	N/A

NONPROFIT PERSPECTIVES

US CENSUS REGIONS OF RESPONDING NONPROFITS (N=404)

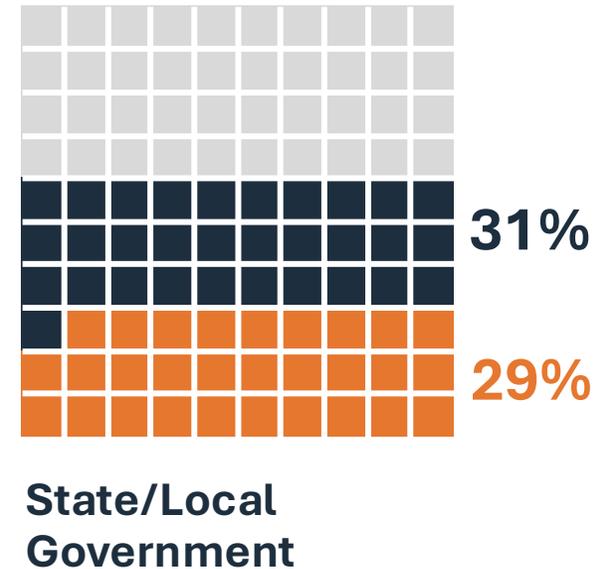
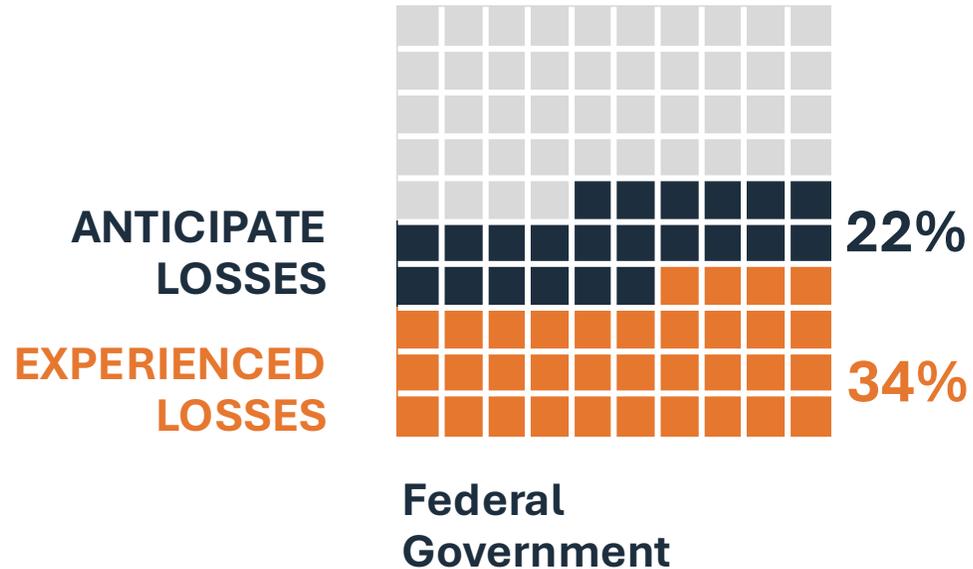


KEY FOCUS AREAS OF RESPONDING NONPROFITS

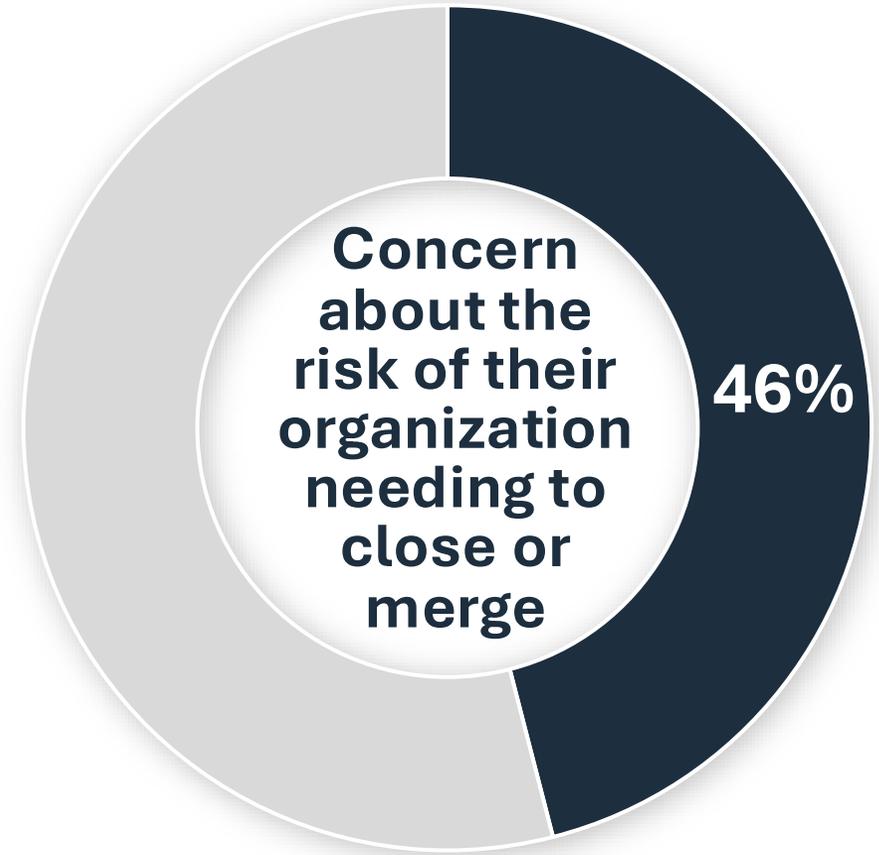
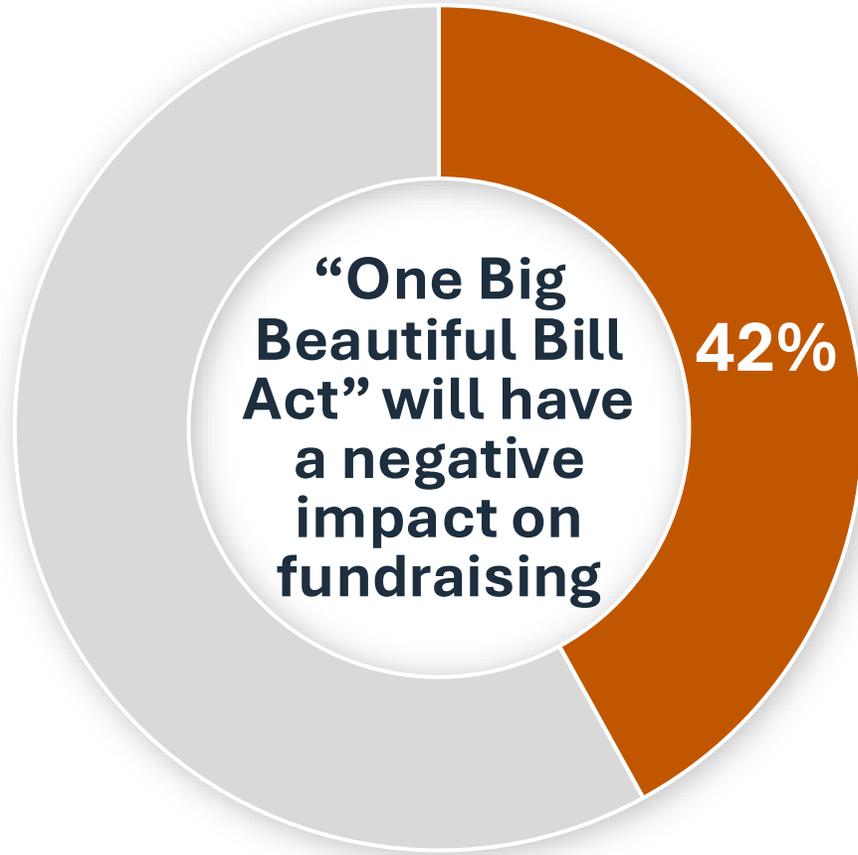
Human Services	43%
Education	39%
Social Justice	27%
Health	24%
Public/Societal Benefit	24%
Arts/Culture/Humanities	20%
Civic Engagement and Government	15%
Environment and Animals	14%
Religion	3%
International/Foreign Affairs	2%
Mutual/Membership Benefit	2%

NONPROFITS HIT HARD BY FUNDING LOSSES

Proportion of Nonprofits That Have Experienced, or Anticipate Experiencing, Funding Losses



NONPROFITS HIT HARD BY FUNDING LOSSES



“

*“There is no viable win condition — the win is to tread water. **Costs are increasing simultaneous to a much more difficult funding environment...***

The well is running dry, our operating runway is shrinking, and though staff want to move in a proactive direction, I am most worried about base level subsistence.”

-Nonprofit Leader

”

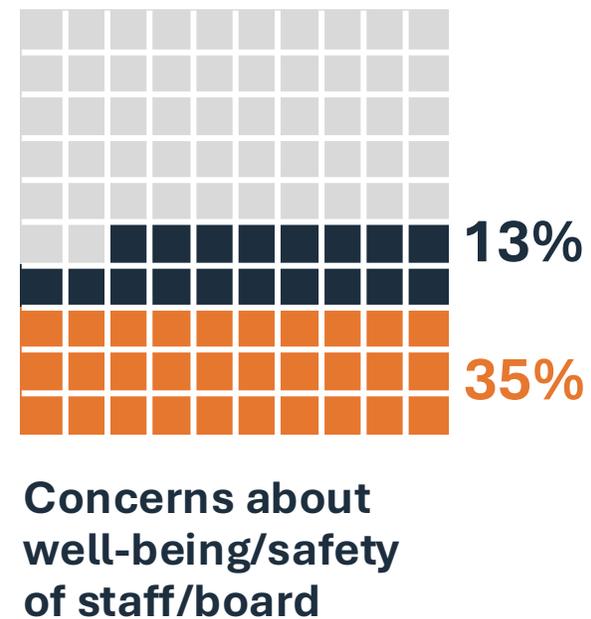
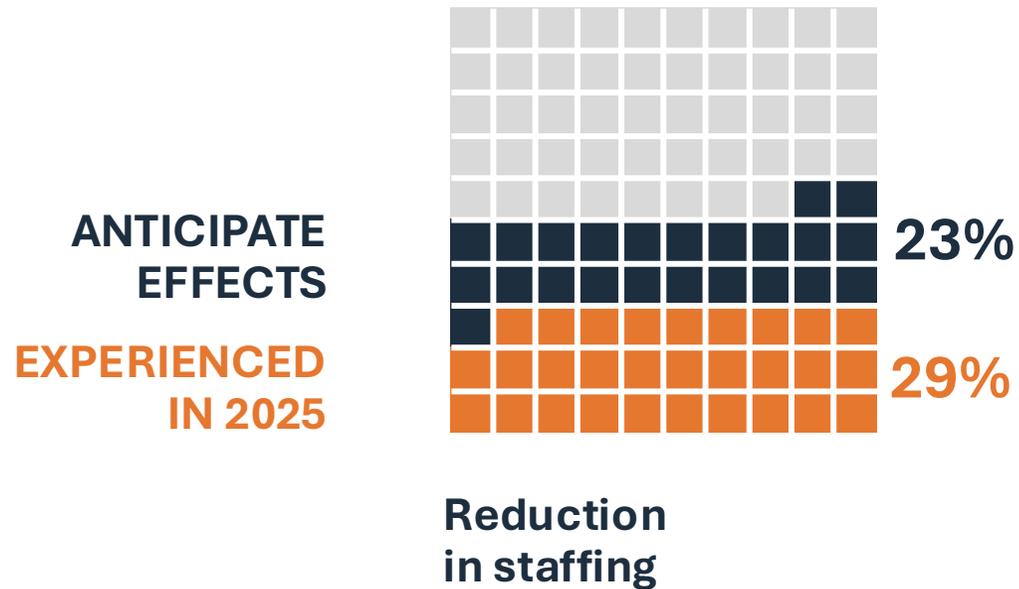
NONPROFITS HIT HARD BY FUNDING LOSSES

Proportion of Nonprofits That Have Experienced, or Anticipate Experiencing, Funding Losses



INCREASED STRAIN ON NONPROFITS

Proportion of Nonprofit Leaders That Have Experienced, or Anticipate Experiencing, Effects



“

“Trying to stay on top of all these constantly changing threats is a full-time job in itself, and I still have my regular full-time job as Executive Director.

Our government [is] supposed to be our source of protection and provide paths to safety for our clients through the programs they fund.

Now the Feds are closing those paths, and it feels like we need to protect our clients from them.

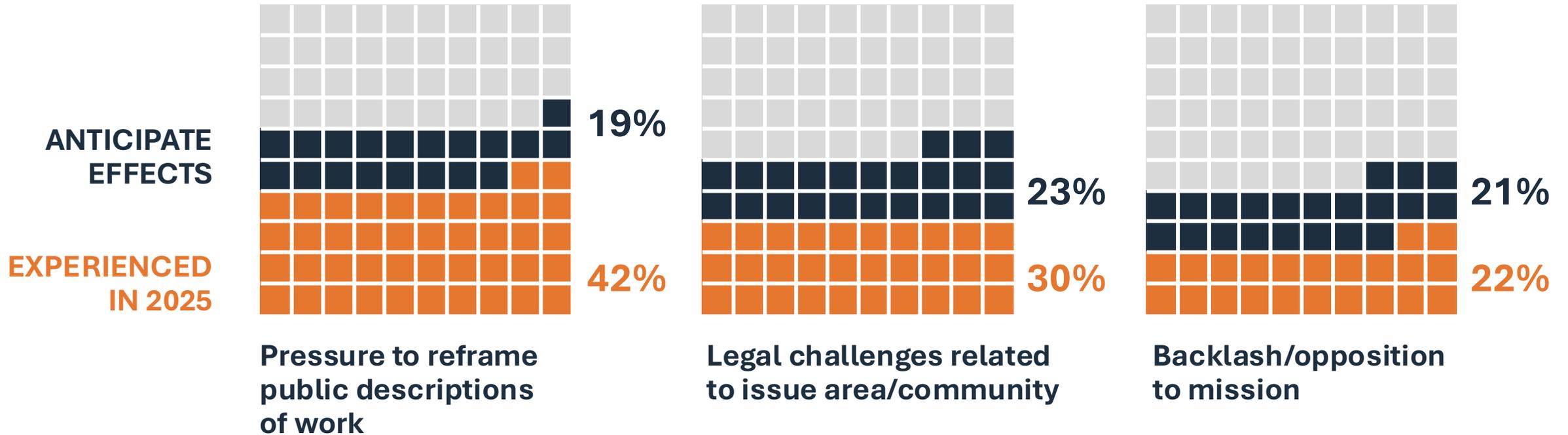
How do we do that? No one has the answer.”

- Nonprofit Leader

”

MISSIONS UNDER SCRUTINY

Proportion of Leaders That Have Experienced, or Anticipate Experiencing, Effects



NONPROFITS UNDER PRESSURE

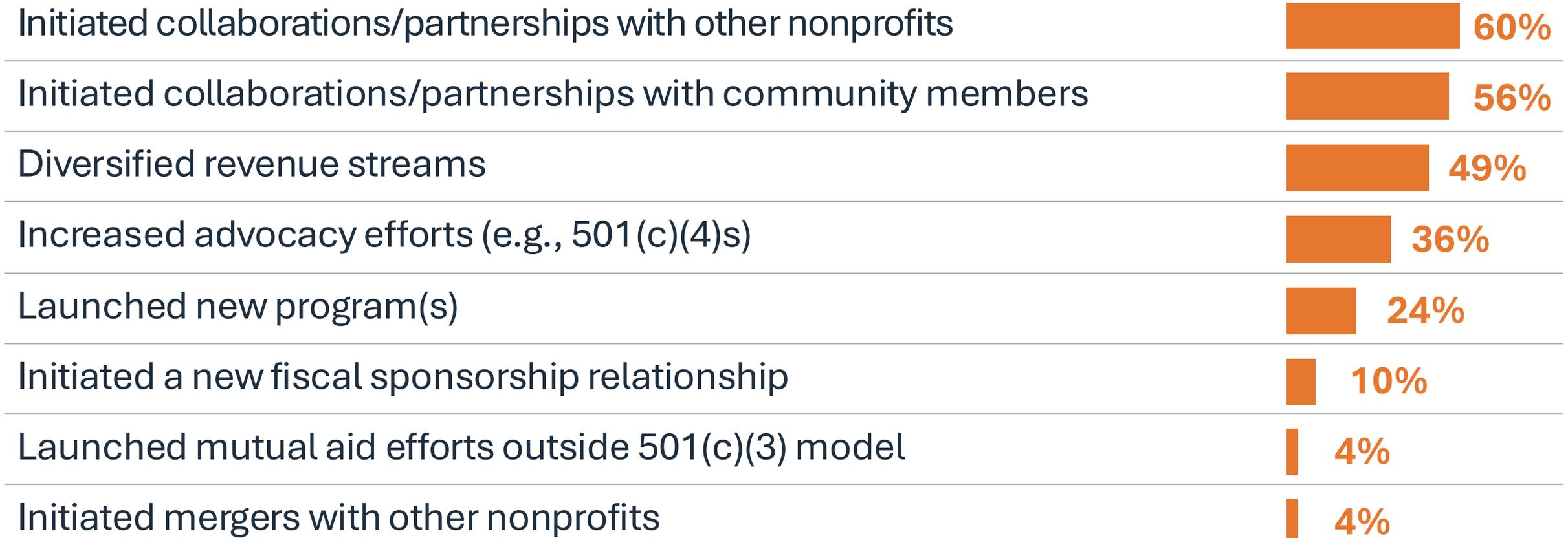
81%

of nonprofits have experienced or anticipate experiencing increased demand for services

68%

of nonprofits say that the current context has had a negative impact on their ability to carry out work

NONPROFITS RESPONDING THROUGH COLLABORATIONS, DIVERSIFYING REVENUE



EXISTENTIAL THREATS FOR NONPROFITS

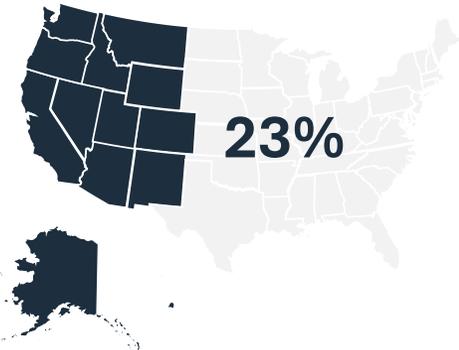
61%

**of nonprofits say that the current context
poses moderate to significant risk
for them to continue to operate**

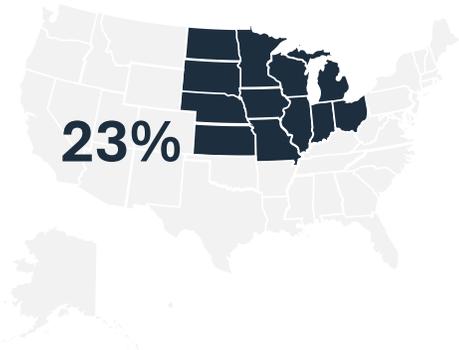
FOUNDATION PERSPECTIVES

US CENSUS REGIONS OF RESPONDING FOUNDATIONS (N=227)

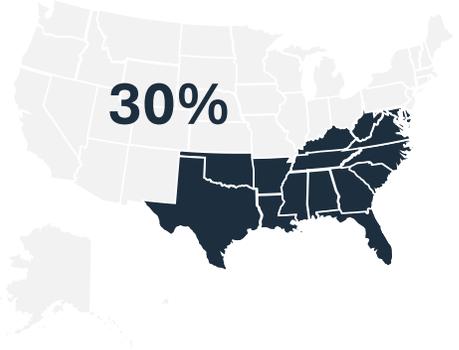
WEST



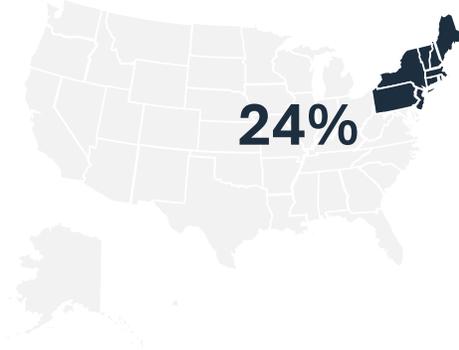
MIDWEST



SOUTH



NORTHEAST



FOUNDATION TYPE

Private Foundation	61%
Community Foundation	35%
Other	4%

NEGATIVE EFFECTS ON MOST FOUNDATIONS

55%

of foundation leaders indicate that the current context has had a negative impact on their foundation's progress toward goals

GREATER DEMAND FOR FOUNDATION SUPPORT

87%

**of foundation leaders report
increased demand for funding in 2025**

An additional 9% anticipate experiencing this increased demand

“

“[There is] so much need by the communities and the nonprofits we serve and partner with.

We have increased our annual payout and still there simply isn't enough to make up for the significant federal and other funding losses.”

- Foundation Leader

”

CHANGING GRANTMAKING

30%

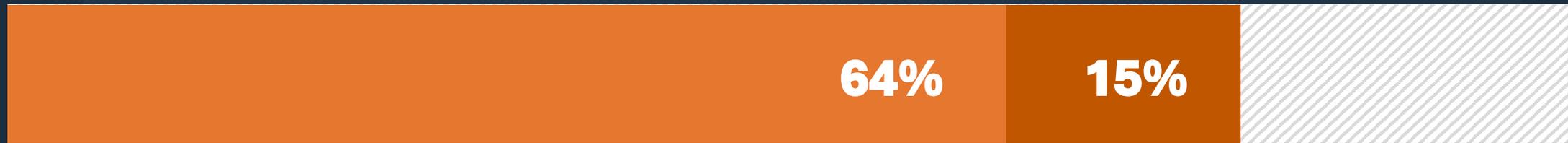
of foundations have increased payout in 2025 more than planned in response to the current context

CHANGING GRANTMAKING

64%

provided emergency/rapid response grants

An additional 15% are considering making these grants



79%

CHANGING GRANTMAKING

42%

of foundations report providing a larger number of **unrestricted grants** than they had been prior to 2025

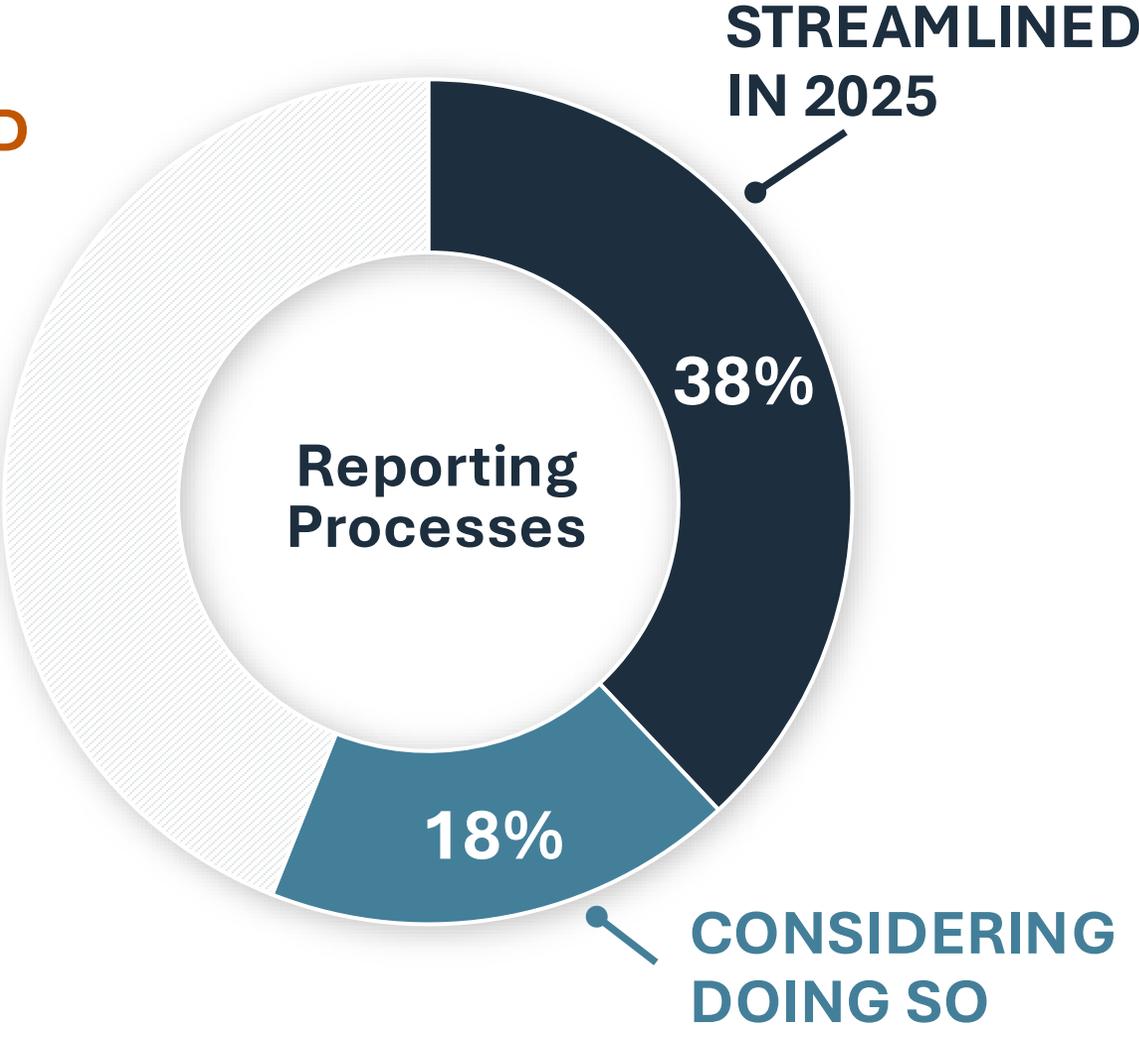
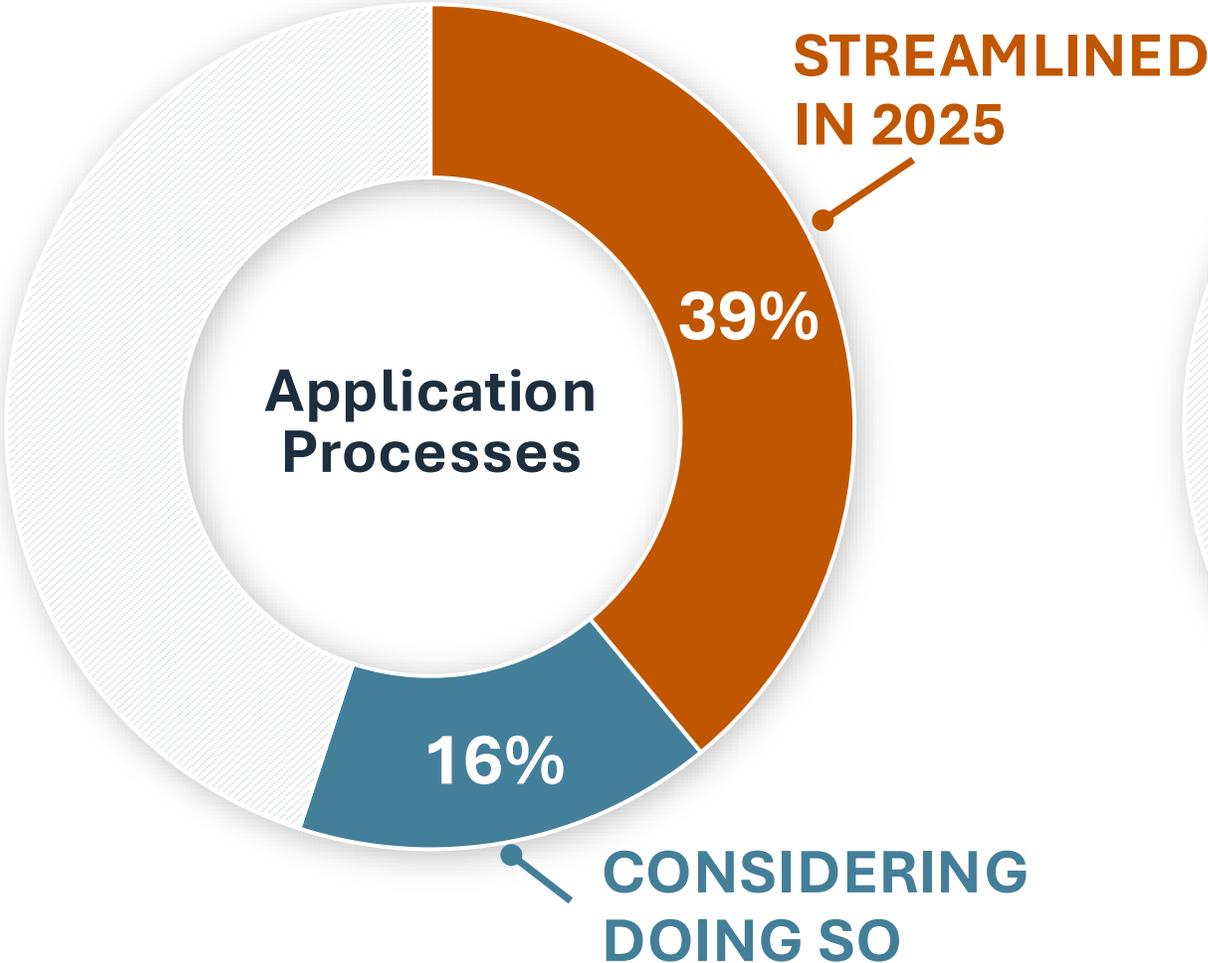
An additional 17% are considering doing so

28%

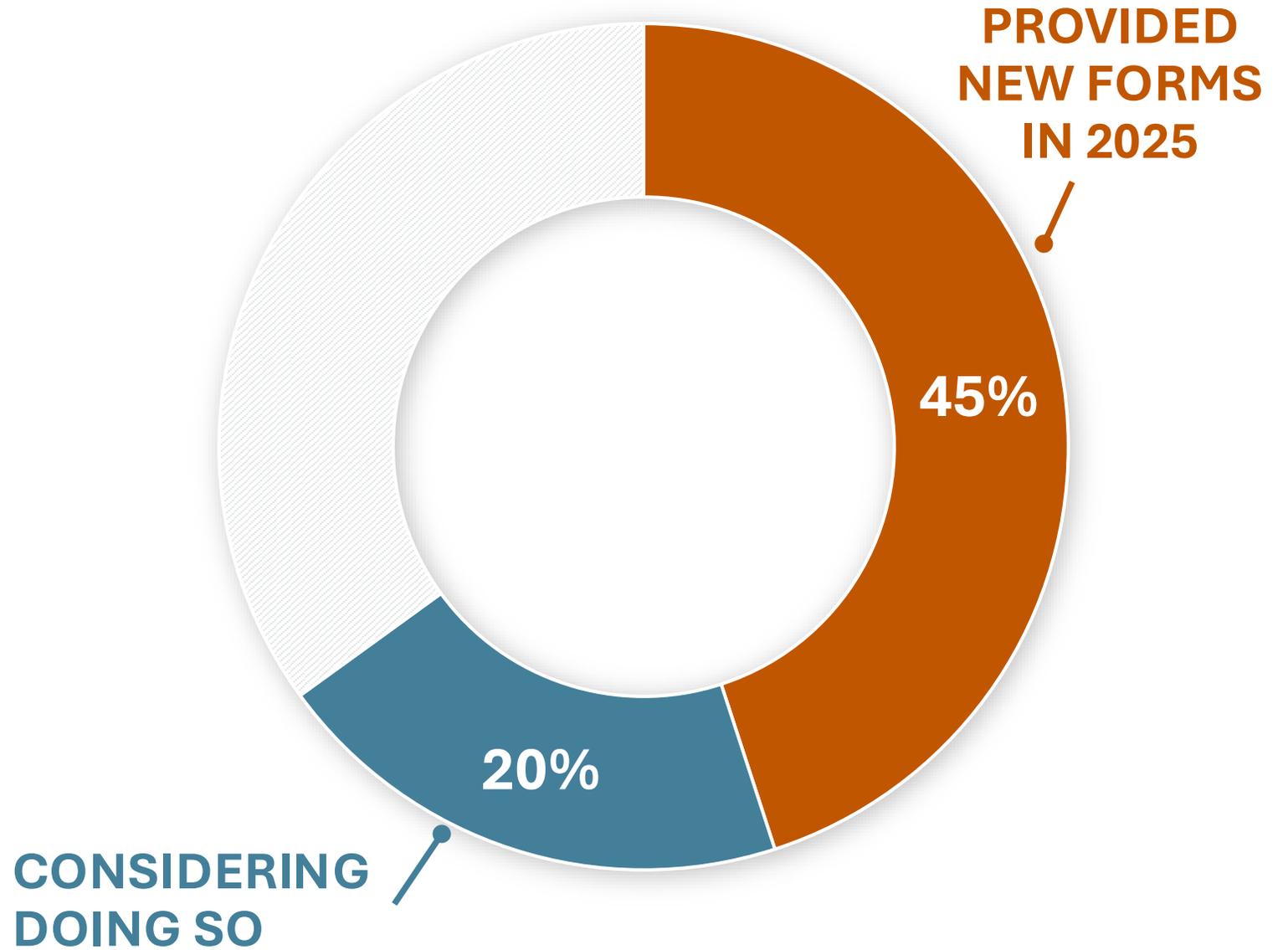
of foundations report providing a larger number of **multiyear grants** than they had been prior to 2025

An additional 25% are considering doing so

CHANGING PROCESSES



ASSISTANCE BEYOND THE GRANT



“

“We have focused on building up leaders in our community — recognizing their talents and gifts — so they can meet this moment.

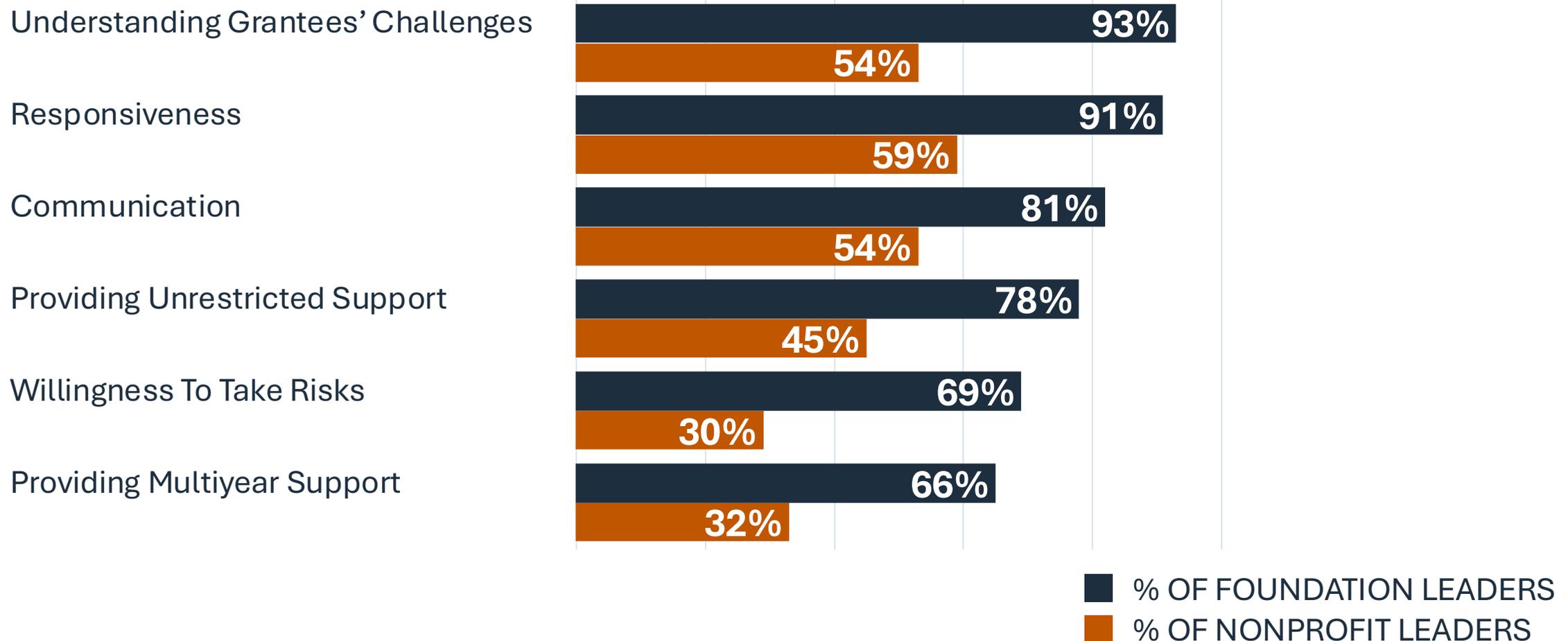
Right now, this is just as important as money: seeing these leaders, affirming their worth, and letting them know we believe in them. It matters.”

- Foundation Leader

”

DIVIDED PERSPECTIVES

Proportion of Leaders Rating Foundation Response as Effective



“

“Threats to nonprofits and charitable foundations do not discriminate based on perspective.

We cannot afford to act in isolation.

We must move together to support the common good.”

- Foundation Leader

”

“

“I believe that courage is contagious.

When we use our voice to stand up for our beliefs and values, we help inspire others to do the same.”

- Foundation Leader

”

Read the Full Report [Here](#).



THE CENTER FOR
EFFECTIVE PHILANTHROPY