

**ESSENTIAL, ENDURING,
AND UNDER STRAIN:**

Hawaii's Nonprofit Sector in 2025

WHO RESPONDED TO THE SURVEY?

A SNAPSHOT OF THE HAWAII NONPROFIT SECTOR



This report focuses on responses from the 102 organizations from Hawaii that took the 2025 State of the Nonprofit Sector Survey. These nonprofits represented a range of budget sizes, sectors, and leadership demographics. Compared to nonprofits in the rest of the country, those in Hawaii had smaller budget sizes and were newer, more likely to work in rural areas, more likely to work statewide, and more likely to be led by a person of color.

Throughout this report, when comparisons are made between national and Hawaii nonprofits, the national data excludes respondents from Hawaii.

KEY SAMPLE DIFFERENCES: HAWAII VS. NATIONAL

	Hawaii	National (excluding Hawaii)
Number of respondents in sample	102	2,104
Percentage with operating expenses under \$1 million in 2024	66%	45%
Percentage working in rural areas	95%	45%
Percentage working statewide	58%	23%
Percentage established in 2015 or later	31%	17%
Percentage led by person of color*	59%	36%
Percentage with an Asian or Asian American leader	29%	5%
Percentage with a Native Hawaiian and/or Pacific Islander leader	33%	0%

*Person of color is defined in this survey as an individual self-identifying as one or more of the following races/ethnicities: American Indian or Alaska Native, Asian or Asian American, Black or African American, Hispanic or Latine, Middle Eastern, and/or Native Hawaiian and/or Pacific Islander.

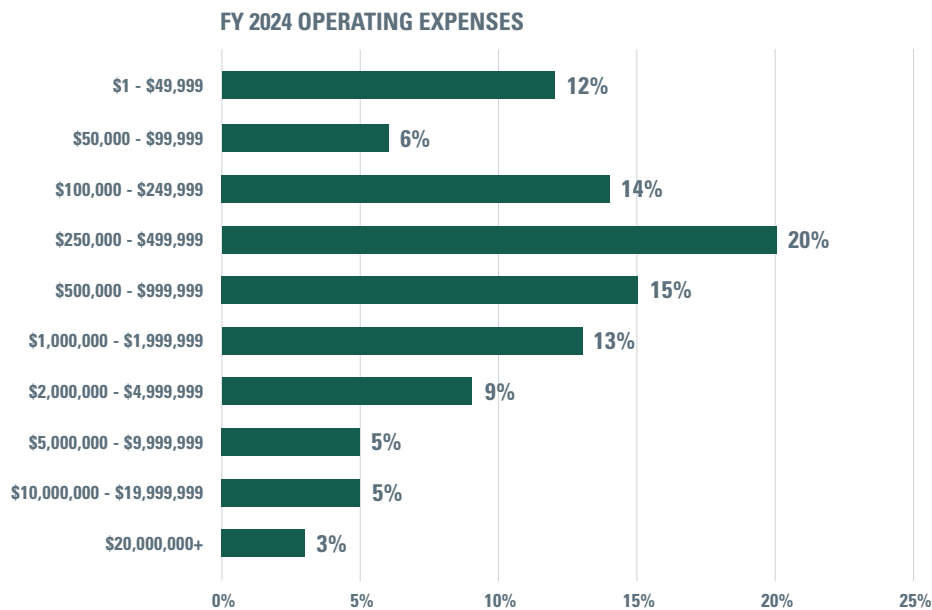
ABOUT THE 2025 NATIONAL STATE OF THE NONPROFIT SECTOR SURVEY

The State of the Nonprofit Sector Survey – conducted from January 30 to March 14, 2025 - gathered data about US nonprofits’ health, challenges, and successes. NFF is deeply grateful to the 2,200+ survey respondents for all the important work they do every day, and for entrusting us with their stories.

Note: Due to rounding and to questions that allowed respondents to select multiple answer choices, not all numbers in this report may appear to add up to exactly 100%.

We are dedicated to making a meaningful difference in the lives of children and adults with special needs, particularly in rural and underserved communities. We recognize that access to quality care can be limited in these areas, and we are committed to expanding our reach to ensure that everyone ... can benefit from essential therapy services, nutritional education, and innovative movement programs that celebrate their unique abilities.

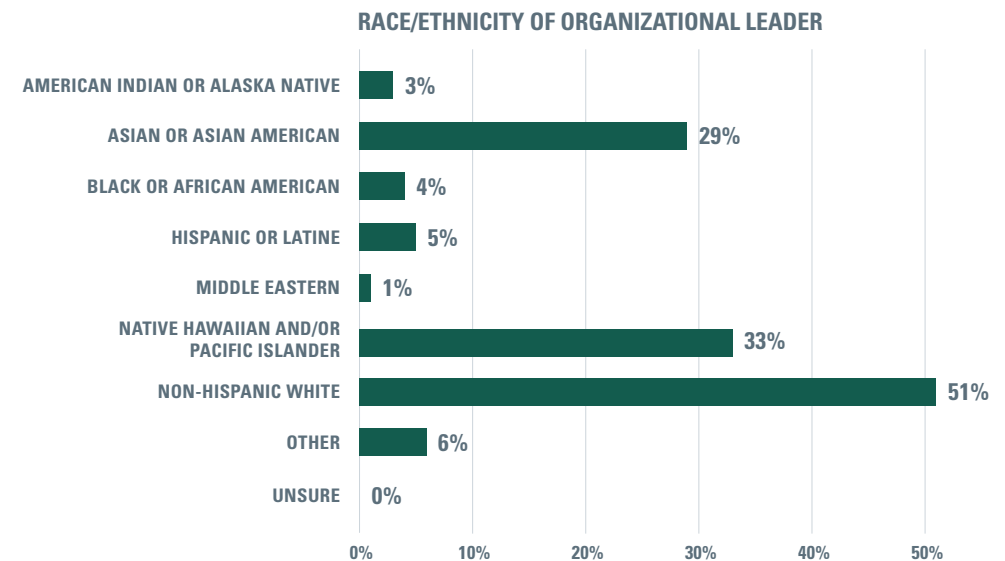
Education survey respondent in Hawaii



KEY AREA OF WORK

Human Services	19%
Arts/Culture	18%
Environment/Environmental Justice	9%
Community Development	9%
Healthcare	8%
Social Justice/Civil Rights/Community Organizing	6%
Education (Early Childhood)	5%
Economic Development (including Employment and Workforce Development)	5%
Other*	21%

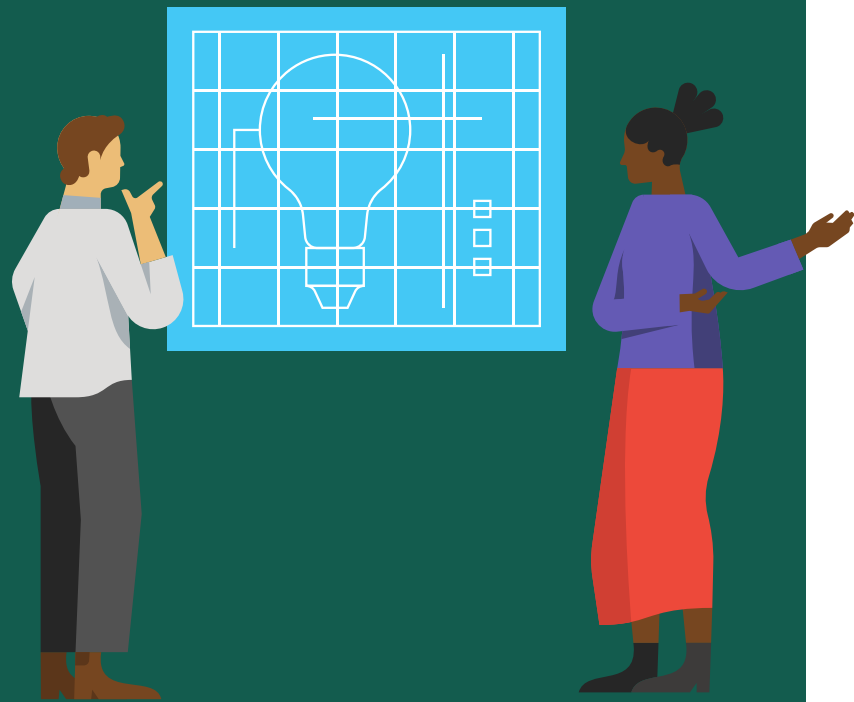
*Categories in "Other" include: Animal-Related, Capacity Building/Nonprofit Support, Education (Other than Early Childhood), Food/Agriculture/Nutrition, Immigration, Housing/Shelter, Mental Health/Crisis Intervention, Philanthropy/Grantmaking, and Youth Services.



Additionally, 54% of respondents said that half or more of their leadership teams identify as people of color. Close to three-quarters (72%) of organizations are female-led.

WHAT THE DATA TELLS US

NONPROFITS ARE THE INFRASTRUCTURE THAT POWERS AND SERVES HAWAII COMMUNITIES



Hawaii nonprofits don't just serve the community; they are the community.

Across Hawaii, nonprofits are vital community infrastructure. They care for us during local crises like devastating wildfires. They protect us, house us, feed us, teach us, and make Hawaii strong and vibrant for all who live here. Local nonprofits are rooted in community and working toward a better future for all. In Hawaii, 42% of respondents have a leader with lived experience representative of a community the organization serves. 45% said they received and acted on community feedback about their services in 2024.

53% of Hawaii nonprofit respondents exclusively or primarily serve people with lower incomes.

MAJOR FOCUS AREAS FOR HAWAII RESPONDENTS	
Building Community Wealth and Well-Being	75%
Address Economic Inequality	40%
Helping People Maintain and/or Keep Quality Jobs	35%
Advancing Environmental Justice	24%
Advancing Racial Equity	20%
Advancing Gender Equity	13%

In addition to directly serving communities, 55% of respondents engaged in advocacy/policy work and 23% worked to increase community civic engagement in 2024.

From employing residents to buying locally and developing Hawaii's workforce, nonprofits in Hawaii boost the economy.

The Hawaii nonprofits in our survey employed nearly 2,300 people in 2024, with many sharing that their staff are from the local communities they serve. Additionally, 40% spent more than \$100,000 in 2024 buying services, food, or other supplies from local vendors, with 7% spending more than \$1 million at local vendors.

And our survey provides only a tiny glimpse of what nonprofits are contributing to the local economy. The [nearly 10,000 nonprofits in Hawaii](#) generate close to 60,000 jobs and employ 12% of the state's private workforce.



Located on the north shore of Maui, [our organization] attempts to do as much as possible to embrace concepts of a circular economy. We hire staff who are specialists in their field and local to the areas, employ contractors who have relationship with these lands, and focus upon businesses that are directly serving Maui as small businesses.

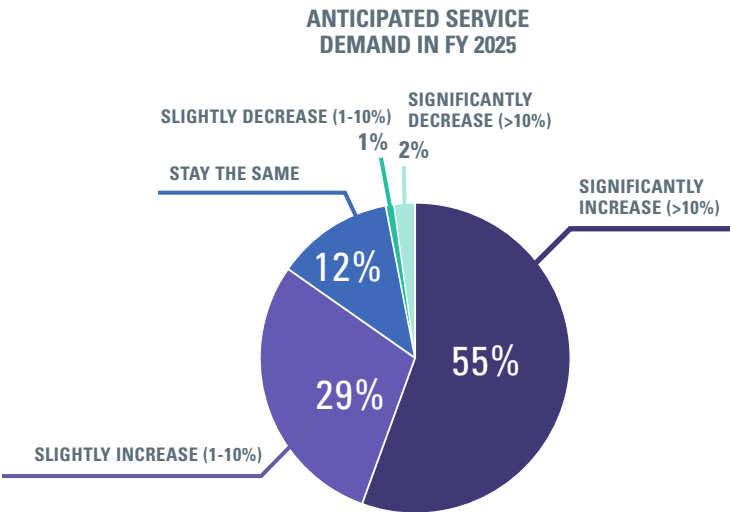
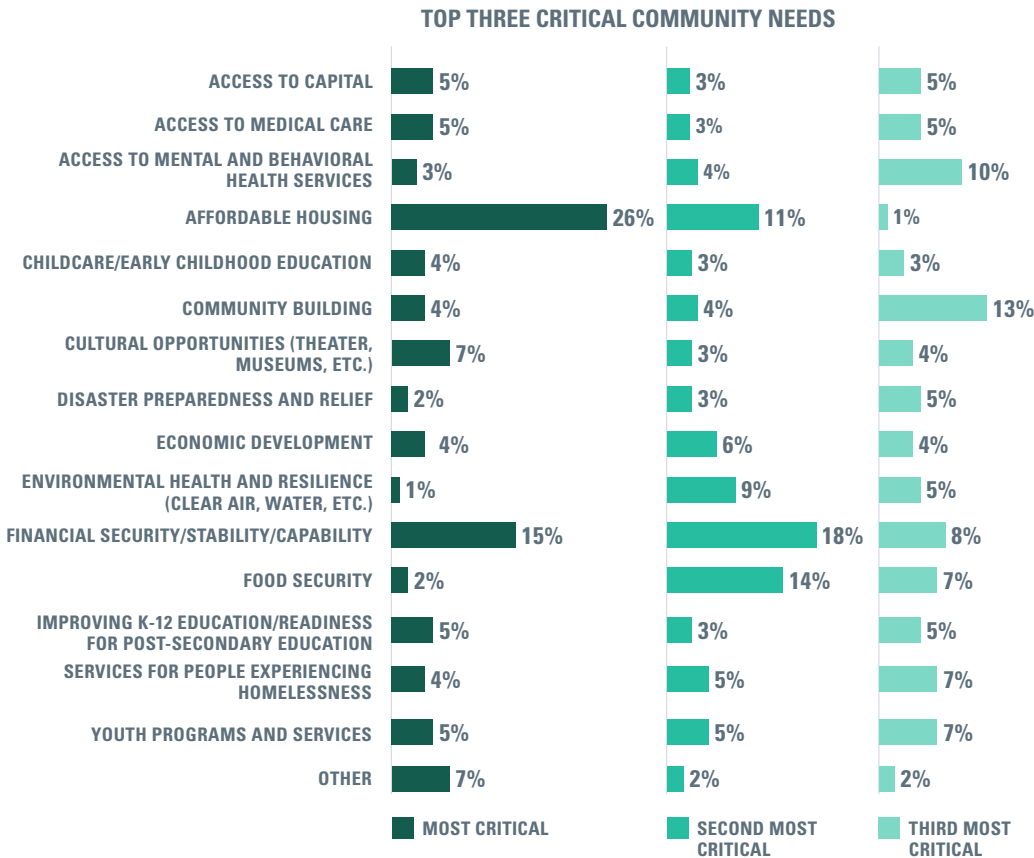
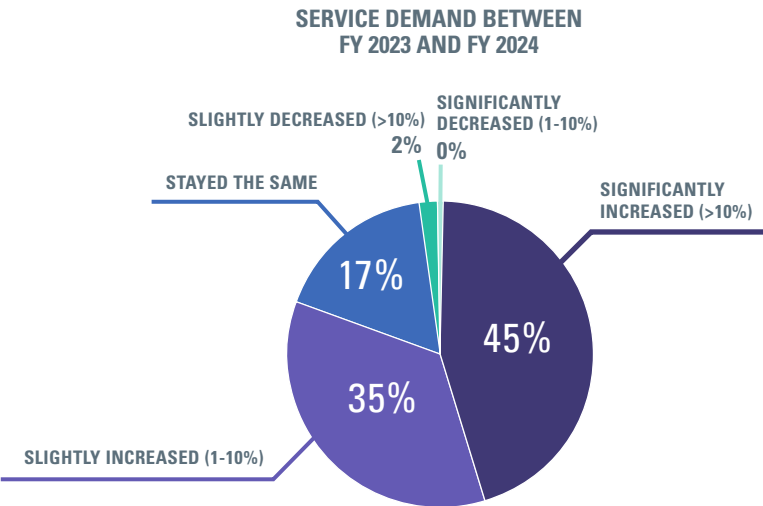
Environment/environmental justice survey respondent in Hawaii

We provide education for young children to prepare them for kindergarten which allows their parents to work. Because of the care we provide, nearly 200 parents of young children can be productive workers in our community. Additionally, programs we provide support individuals to address mental health needs, which, unaddressed, have daily affects; their wellness helps all aspects of their work and home life. In addition to providing crucial community support services, we contribute to the local and state economies by providing 50 jobs for hard-working individuals in our community.

Human services survey respondent in Hawaii

Demand for services is rising, with financial security, affordable housing, and food security identified as top community needs in Hawaii.

Local nonprofits are working to address a range of interconnected community needs. Most (70%) reported that demand for their services increased in 2024; 61% don't expect to meet service demand in 2025.



With wildfire recovery, election impacts, and inflation, 2024 was a year of change for Hawaii nonprofits.

High costs due to inflation was most frequently reported as impacting Hawaii organizations and those they serve, with 81% of respondents sharing that it had some level of impact. Compared to respondents nationally, nonprofits in Hawaii were more likely to report impact from extreme weather events (37% in Hawaii reported a great deal of impact, compared to 19% nationally). In 2025, organizations are monitoring changes in funding, scenario planning for different situations, pursuing new funding models, and joining coalitions to advocate and partner.

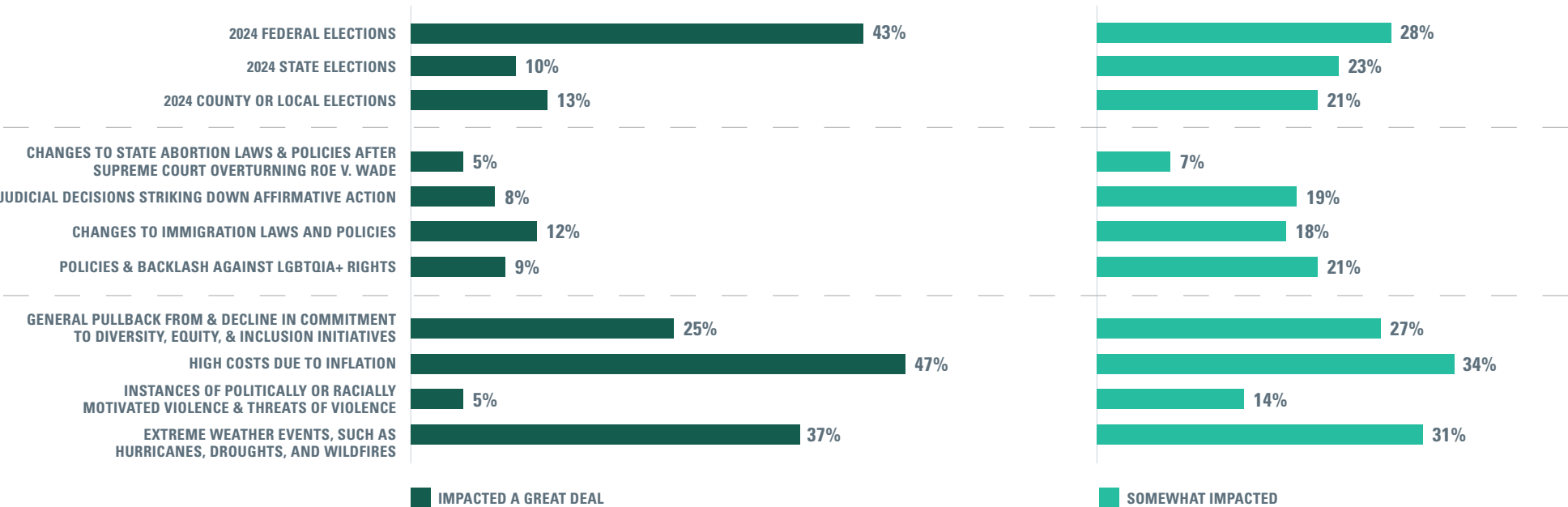
We are conducting internal discussions to affirm our organizational values and commitments to staff, program participants, and the broader community. Possible responses to the changing climate include focus on private philanthropy rather than public funds, scaling back programming, and devising ways to comply with federal requirements without losing sight of our obligation to our staff and community to support their well-being.

Education survey respondent in Hawaii

[We are] scenario planning in case our federal funding is cut [and increasing] advocacy and outreach. Programmatically, we need to reach a broader ... audience for more effective bridge-building.

Arts/Culture survey respondent in Hawaii

IMPACT OF RECENT EVENTS ON ORGANIZATIONS AND THE CLIENTS THEY SERVE

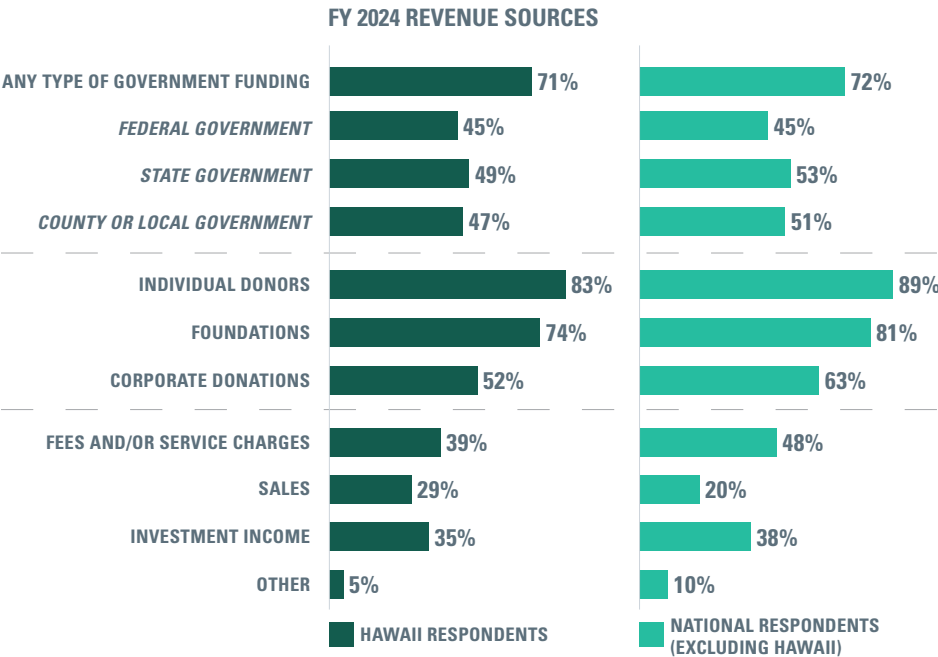


WHAT THE DATA TELLS US

NONPROFIT FUNDING DYNAMICS

Most Hawaii nonprofits rely on individual donors and foundation funding to operate.

Individual donors (83%) are a top source of revenue for Hawaii respondents, followed by foundations (74%) and government (71%).



A CLOSER LOOK AT FOUNDATION FUNDING

Our 2025 survey explored how foundation funding practices have changed since late 2022, to capture if supportive funder practices started during the COVID-19 pandemic have continued.

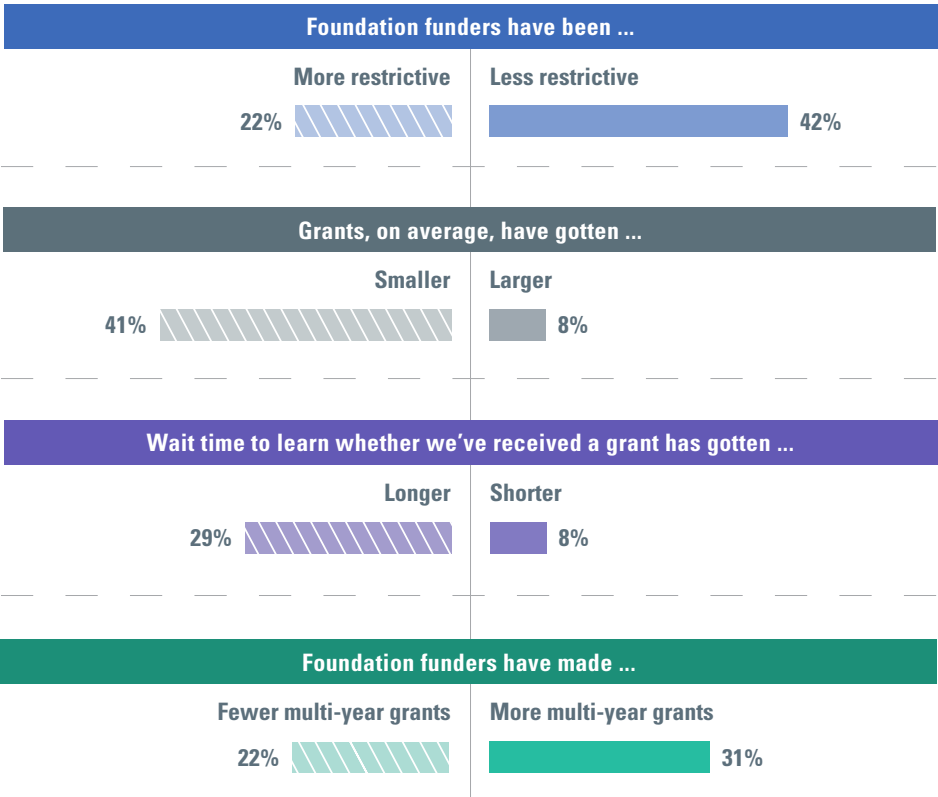
Hawaii respondents shared that some areas of funder practices have improved, especially compared to national respondents. Among respondents in Hawaii that received foundation funding in 2024, 31% said funders are making more multi-year grants, compared to 25% of respondents nationally. While 41% of Hawaii respondents shared that grants have, on average, gotten smaller, this was a lower percentage than reported by respondents nationally (48%).

Additionally, 42% of Hawaii nonprofits shared that funders have gotten less restrictive about the use of grant funds since late 2022. While many organizations reported improved foundation funding practices, only 25% of Hawaii respondents shared that more than half of their funding was unrestricted, compared to 36% of national respondents.

We may have to close several programs that have significant federal funding. Several years ago the modifications to federal exemption for charitable donations were a serious blow; now we are faced with serious governmental reductions to core services. Some of our programs will not be able to survive without it. I am especially concerned about [federal government] funding and programs to support parents and families and prevent child abuse and neglect.

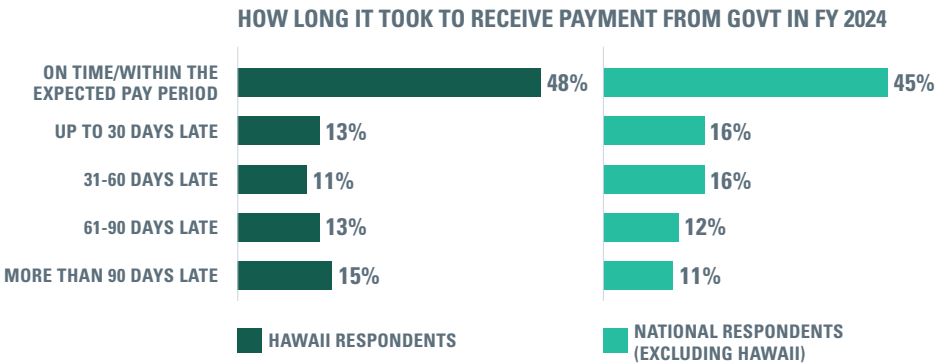
Human services survey respondent in Hawaii

CHANGES IN FOUNDATION FUNDING PRACTICES SINCE LATE 2022

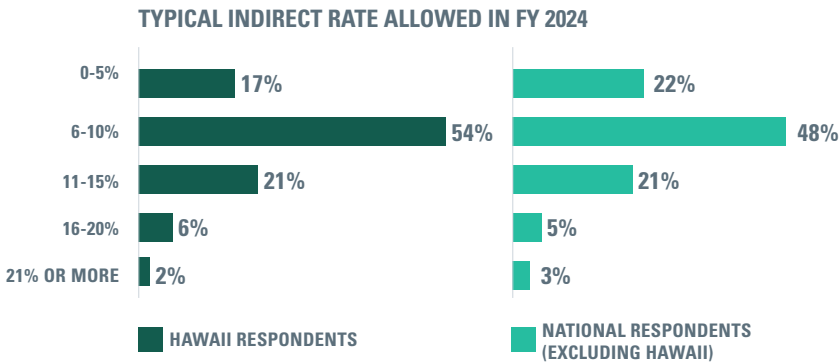


A CLOSER LOOK AT GOVERNMENT FUNDING

A majority of Hawaii respondents rely on government funding, with 71 % of respondents having received funding from federal, state, and/or local government in 2024. Similar to experiences nationally, Hawaii organizations are managing delayed payments and limited coverage of administrative costs in light of low allowable indirect rates.



Close to three quarters (71%) of Hawaii respondents reported being able to charge an indirect rate of only 10% or less, [acknowledged in October 2024 OMB guidance](#) as insufficient to run a healthy organization.



Amidst the challenges of managing government funding, 83% of Hawaii nonprofits with government funding expected it to decrease as a result of the 2024 election, with 65% expecting it to decrease by more than 10%.



WHAT THE DATA TELLS US

NONPROFIT FINANCIAL HEALTH



Hawaii nonprofits entered 2025 with less financial fragility than nonprofits nationally.

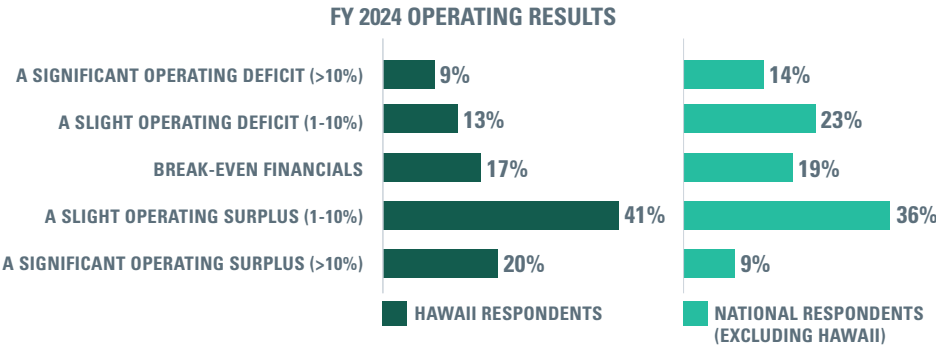
Given these funding dynamics, what is the financial state of Hawaii nonprofits? To understand short- and long-term nonprofit financial health, we look at two main indicators in this survey: operating surplus/deficit and months of cash.

METRIC	WHAT IT MEASURES
Operating Surplus or Deficit	Whether your organization ended the year with more revenue than expenses (surplus) or less (deficit). A surplus supports stability and growth. A deficit limits flexibility, increases risk, and makes it harder to respond to urgent needs or invest in long-term change.
Months of Cash	How long your organization can operate with the cash it has today, assuming no new income. This is a key measure of liquidity. It indicates, for example, how long an organization could keep running if a crisis hit, or how much cash it has available to invest in opportunities.

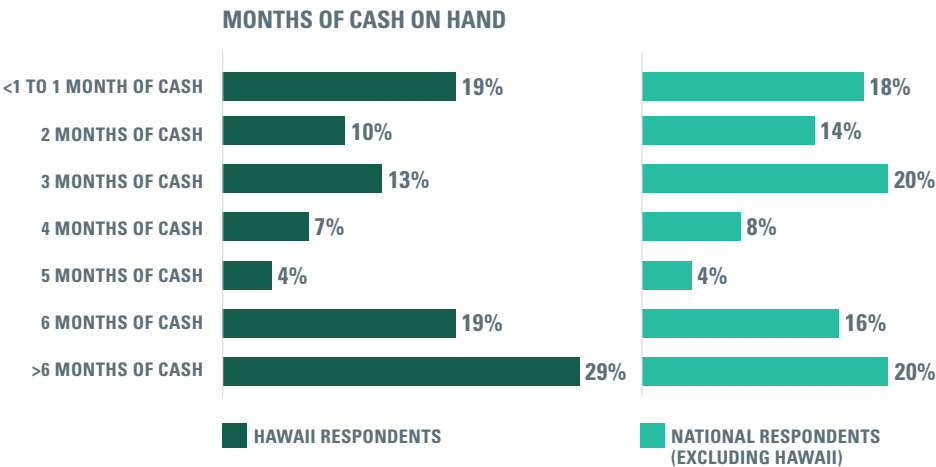
One of our key management challenges is maintaining consistent funding and staffing capacity to meet the growing demand for our services. While we’ve successfully secured grants and donor support, the limited availability of core staff [and] volunteers who are committed ... makes it challenging to scale our programs effectively ... Improving volunteer retention and building a stronger pipeline for consistent funding are critical to addressing this challenge.

Youth services survey respondent in Hawaii

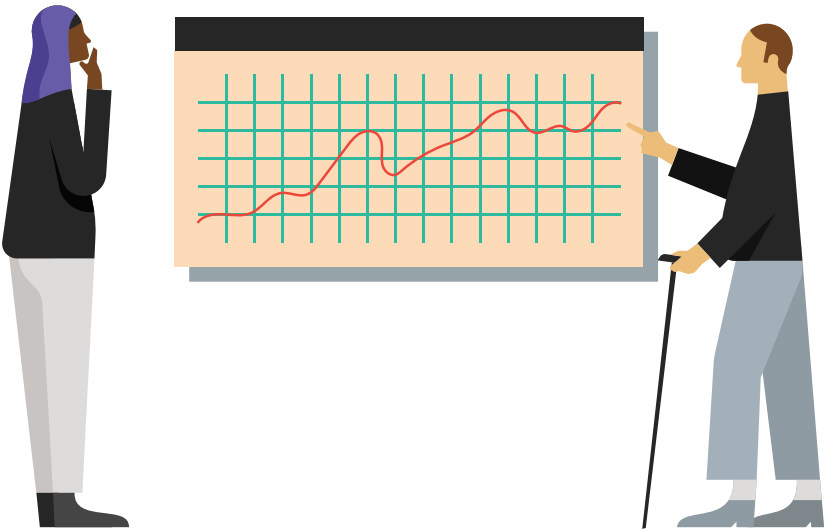
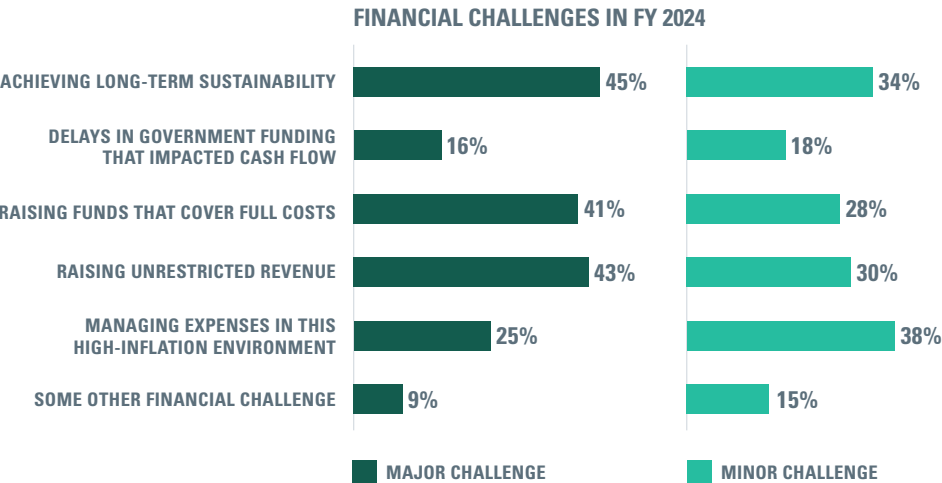
While we saw financial fragility in the national nonprofit sector as a whole in our survey data, Hawaii respondents shared a relatively stronger financial picture. While 37% of respondents nationally reported a deficit in 2024, only one in five (22%) Hawaii respondents reported a deficit.



One out of five (19%) Hawaii nonprofits had one month or less of cash on hand, on par with national data. At the other end, 48% of Hawaii respondents reported six months or more of cash on hand, compared to 36% nationally. However, just over half (54%) of Hawaii respondents reported having reserve funds separate from operating cash, a lower percentage than respondents nationally (67%).



79% of Hawaii nonprofits reported challenges achieving long-term financial sustainability in 2024 and 73% reported challenges raising unrestricted revenue.

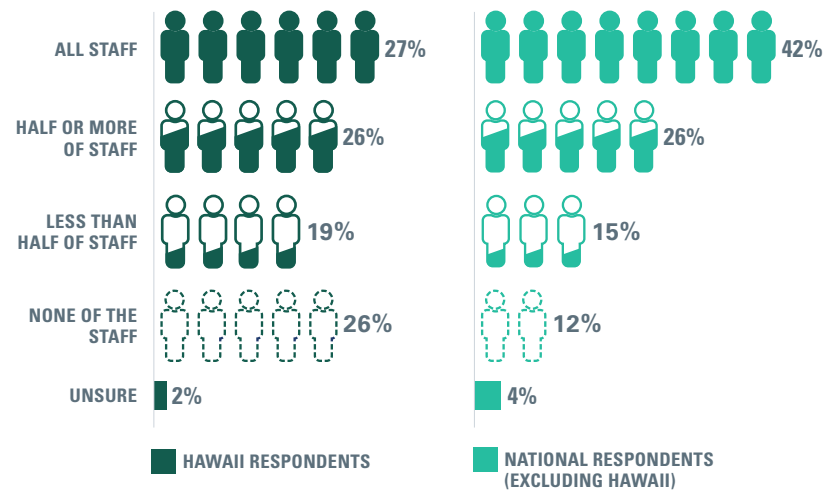


WHAT THE DATA TELLS US NONPROFIT WORKFORCE DYNAMICS



Investing in a healthy nonprofit workforce is a challenge with the high cost of living in Hawaii.

58% of respondents in Hawaii cited the high cost of living as a major management challenge, as compared to 36% of national respondents. For families with two working adults and two children in Hawaii, each adult must earn more than \$35 per hour working full-time to support basic needs like housing, food, and childcare. For a family with one working adult and one child in Hawaii, the adult must earn over \$50 per hour – nearly \$110,000 per year – to support basic needs.



Just 27% of Hawaii nonprofits were able to pay all full-time staff a living wage in 2024, compared to 42% of national respondents. 26% of Hawaii nonprofits were not able to provide any full-time staff a living wage, compared to 12% of national respondents.

Many Hawaii respondents were able to offer benefits to staff in 2024, but often at a lower rate than reported by national respondents. For example, 61% of Hawaii nonprofits offered paid sick time in 2024, compared to 78% nationally; 60% offered professional development, compared to 73% nationally.

In addition to high cost of living, most Hawaii nonprofits are struggling with burnout and employing enough staff.

Our organization actively addresses staff burnout by encouraging a balanced workload and providing mental health support. We offer regular check-ins with staff to assess stress levels and work-life balance, and we promote a culture where taking personal time is respected and encouraged. We have implemented flexible scheduling when possible and provide access to mental health resources and self-care workshops. Additionally, we create opportunities for team-building and peer support to foster a sense of community and reduce isolation. Our goal is to ensure that staff feel supported, valued, and able to sustain their work without compromising their well-being.

Youth services survey respondent in Hawaii

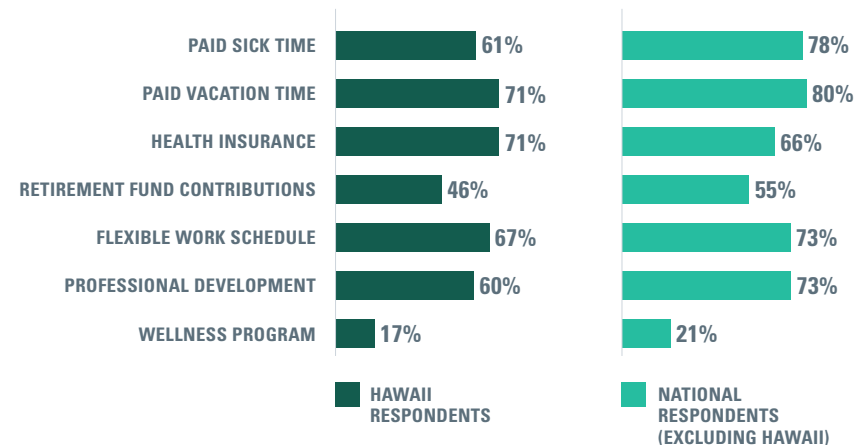
[We are] investing in wellness programs for staff, including staff incentives, prizes, training, and acknowledgement of employee performance. [We] need to do more for employee recognition and appreciation.

Mental health/crisis intervention survey respondent in Hawaii

We have a wellness package in place for staff burnout, but for many, the burnout came as a result of many years [of work] and also as a result of the wildfires in Lahaina.

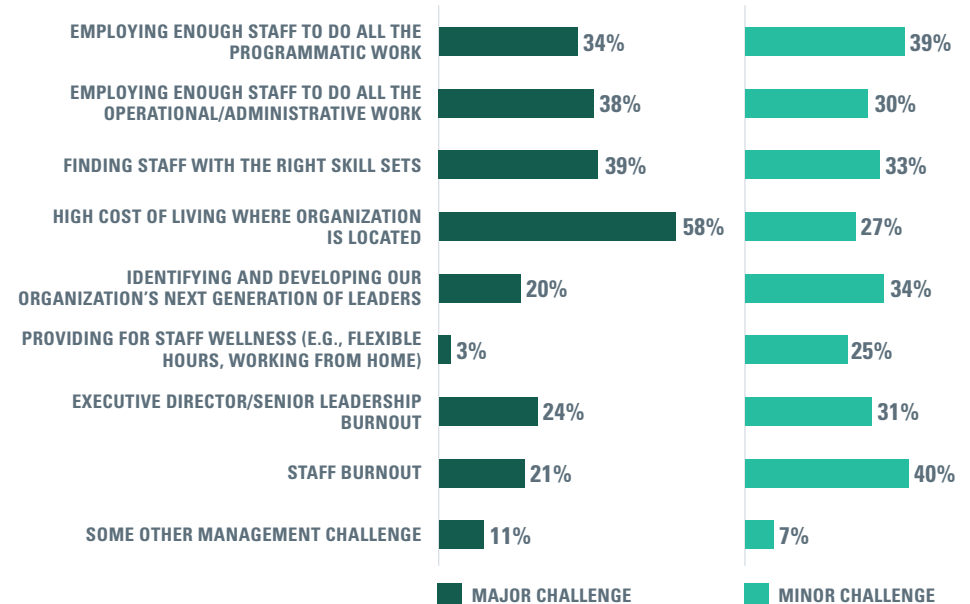
Human services survey respondent in Hawaii

SELECT BENEFITS MADE AVAILABLE IN FY 2024



*Other benefits survey respondents made available in 2024 included dental insurance, vision insurance, paid family leave above what the state provides, short-term disability, long-term disability, pre-tax account for medical expenses, pre-tax account for dependent care, and sabbaticals.

MANAGEMENT CHALLENGES IN FY 2024



GETTING THROUGH,
AND BUILDING
WHAT'S NEXT

WHAT WE CAN DO TO EMERGE STRONGER AS A SECTOR



Recommendations from our National State of the Nonprofit Sector Survey Report

From building community wealth and well-being, to housing, feeding, teaching, and inspiring, to creating jobs for residents – nonprofits are essential infrastructure and the lifeblood of a strong and vibrant Hawaii. Yet in 2025, as costs climb, funding declines, and demand for services grows, this infrastructure is under strain. How can we take action for nonprofits to thrive so that our communities thrive?

The following recommendations for funders and nonprofits come from [NFF's National State of the Nonprofit Sector Survey report](#):

- **Be Creative, Adaptive, and Brave to Meet the Moment**
 - **For funders:** Increase your payout percentage, adapt your standard processes, listen to your grantees and pivot based on what you hear.
 - **For nonprofits:** Assess your current situation, develop budget scenarios, vocalize your story and needs – early and honestly.
- **Acknowledge – and Invest in – What It Truly Takes to Do the Important Mission Work**
 - **For funders:** Fund full costs, give multi-year, flexible funding, invest in workforce well-being and leadership sustainability, elevate the role and essentiality of nonprofits in public narrative.
 - **For nonprofits:** Calculate and advocate for your full costs, and make clear the community impact of dollars invested in your organization.
- **Collaborate as a System**
 - **For funders:** Invest in systems and coalitions, introduce nonprofits to funders and others who can support their work.
 - **For nonprofits:** Build power with your network, share and leverage resources, support each other as leaders.
- **Extend Grace – to Yourself and Others**

Be compassionate with yourself during this time of heightened stress and fatigue, and focus your incredible energy on supporting your community, your team, and your peers.



ACKNOWLEDGEMENTS

Nonprofit Finance Fund® (NFF®) is a nonprofit lender, consultant, and advocate. For 45 years, we've helped organizations access the money and resources they need to realize their communities' aspirations. Alongside others, we're working to build community wealth and well-being and put affordable housing, essential services, quality jobs, and excellent education within reach of more people.

The National 2025 State of the Nonprofit Sector Survey was made possible through the generous support of our sponsors.

Nonprofit Finance Fund thanks Hawai'i Alliance of Nonprofit Organizations for their support of this local report.

