

2025 NATIONAL STATE OF THE NONPROFIT SECTOR SURVEY FINDINGS

Essential, Enduring, and Under Strain: The Nonprofit Sector's Strength and Struggle in a Shifting Landscape



A Presentation of National Survey Findings

June 18, 2025

"We are building, not breaking.
We are healing, not hiding.
We are fighting, but not falling."

-Human services survey respondent, CA

What We'll Cover Today

- Introduction and Survey Overview
- 2025 Key Themes
 - Current environment nonprofits are navigating
 - Financial health
 - Experiences with funders
 - Nonprofit staff dynamics
- Recommendations for Funders and Nonprofits
- Q&A



About Nonprofit Finance Fund

Through capital, consulting, and advocacy, NFF boosts the collective success and power of nonprofits to advance community wealth and well-being.

We envision a world of equitable prosperity, where communities have the capital, community assets, knowledge, and agency to thrive.



Thank You to our Partners and Sponsors

- **Survey Administrator:** EVITARUS
- **Survey Advisor:** Ambit 360 Consulting
- Local and national outreach partners
- Responding organizations

Advocate Level Sponsor



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- Collective of funders from Greater Atlanta (Betty and Davis Fitzgerald Foundation, Community Foundation for Greater Atlanta, The Imlay Foundation, Tull Charitable Foundation, and United Way of Greater Atlanta)
- Collective of funders from Greater Philadelphia
- Hawai'i Alliance of Nonprofit Organizations

About NFF's 10th State of the Nonprofit Sector Survey

- **Goals of the Survey:** To assess the financial health, funding, and operational landscape of US nonprofits in 2024, as well as anticipated experiences in 2025
- **Survey in the Field:** January 30-March 14, 2025
- **Target Population:** Sector-wide survey and data was collected using convenience sampling. NFF and partners invited leaders of all active US nonprofit organizations to participate.
 - Special outreach for geographies with local partners: California, Hawaii, Greater Philadelphia, Dallas-Fort Worth Region, New York City, Georgia
- **Total Questions: 63**
- **Total Valid Responses in Sample: 2,206**

Looking Ahead - What To Expect After This National Report

- Additional deeper analyses of data on notable themes
- Fall release and presentations of state and local reports for California, Hawaii, Greater Philadelphia, Dallas-Fort Worth Region, New York City, Georgia
- Fall release of publicly accessible data analyzer on NFF website (www.nff.org) thanks to a partnership with Your Part-Time Controller

Today's Speakers



Elise Miller
Senior Director
Nonprofit Finance Fund



Jennifer Talansky
Vice President
Nonprofit Finance Fund



Dr. Shakari Byerly
Managing Partner
EVITARUS

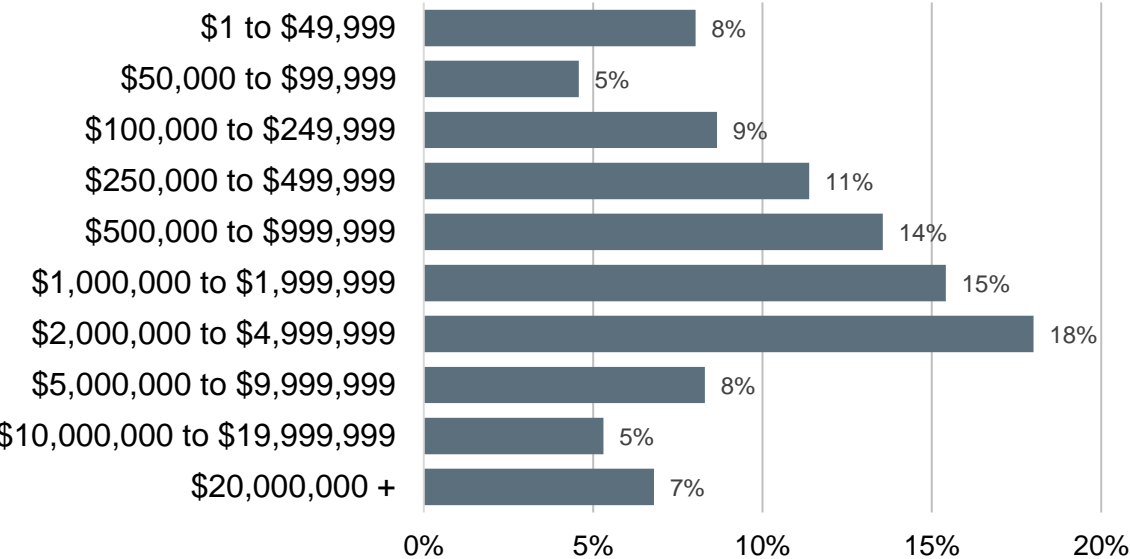
Who Responded to the Survey? A Snapshot of the Nonprofit Sector



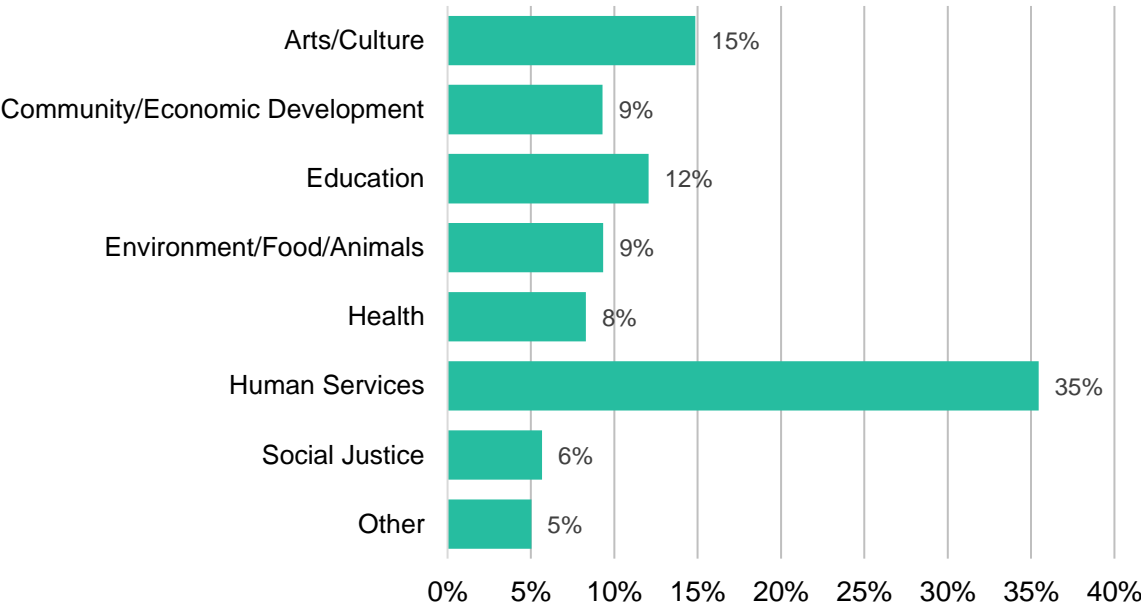
Who Responded?

2,206 leaders raised their voices and shared their stories with us

Operating Expenses in 2024



Key Area of Work

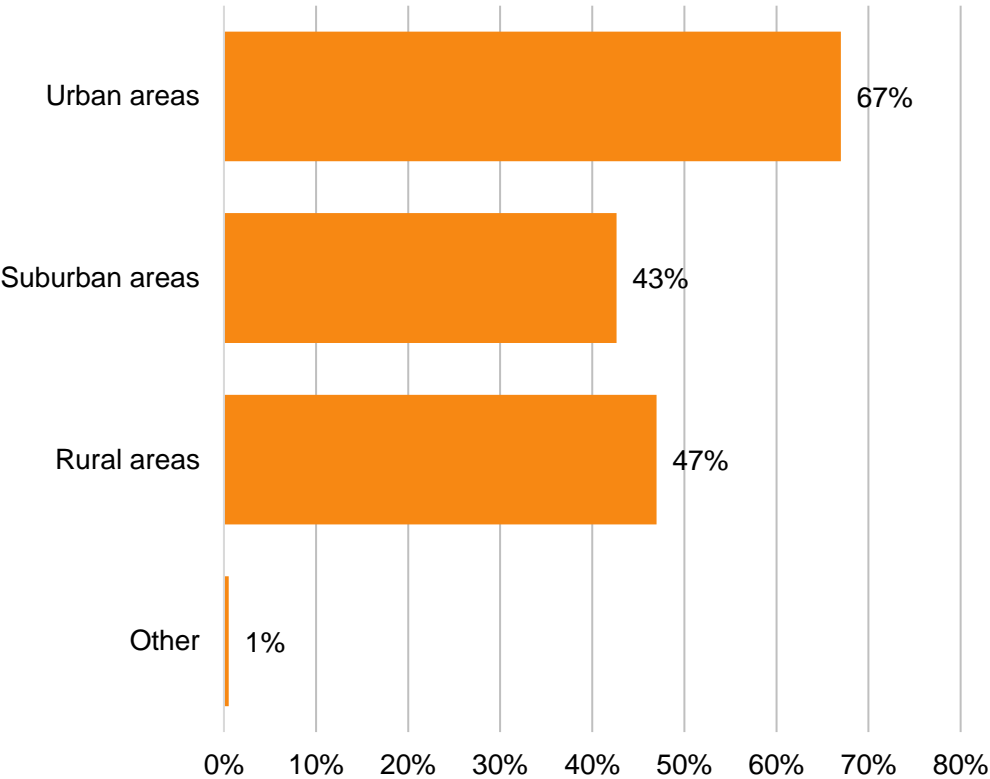


Top 10 States Represented: California (506), Georgia (323), Texas (177), North Carolina (163), New York (162), Pennsylvania (123), Hawaii (102), Colorado (70), New Jersey (63), and Massachusetts (56)

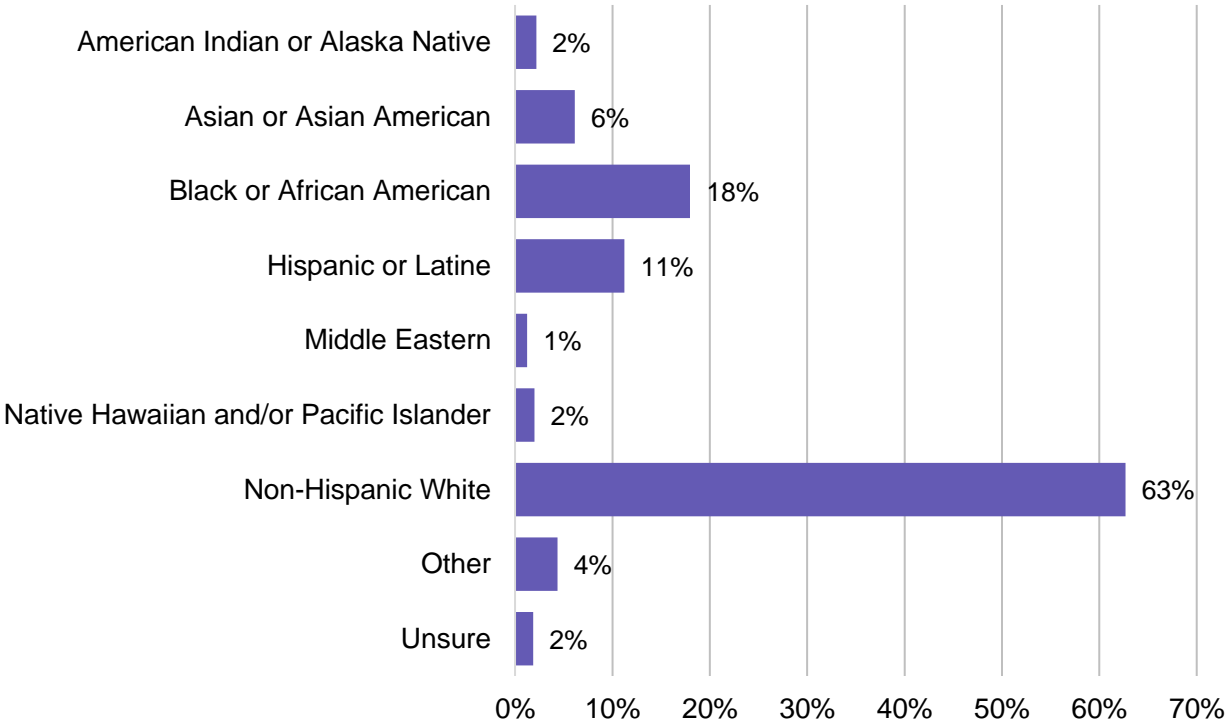
Who Responded?

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Geographic Type Served



Race/Ethnicity of Organizational Leader



Note: For these questions, totals exceed 100% because respondents could select multiple answer options.

What the Data Tells Us: This Is What Community Infrastructure Looks Like



When the World Gets Hard, Nonprofits Show Up

“When a colleague nonprofit organization became insolvent and ceased operations after 102 years of existence, our organization quickly filled the void left in their community by moving to expand and open a new center in its place. This saved jobs and avoided displacing children and families from their early care and education environment.”

-Early childhood education respondent, OH

“[In response to the L.A. wildfires] we immediately initiated community support funds and activities to connect members with each other and help agencies; we have initiated a giving campaign to supply our members with donated new equipment essential to their ability to work on jobs, that they have lost in the fires.”

-Arts/culture respondent, CA

Nonprofits don't just serve communities; they are the community.

32% of leaders have lived experience representative of communities they serve

51% solicited and acted on community feedback about their services

For Building the Economy, Nonprofits Stand Tall



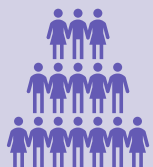
“Every dollar in invested in our organization results in \$10 in economic impact on multiple fronts. Our impact on an international level is 10x times the size of our budget.”

-Arts/culture respondent, CA



“[Since we’ve existed], we have generated over \$350 million in investment to create permanent affordable housing, which has created over \$1 Billion in economic impact across our three-state footprint.”

-Housing respondent, PA



“We employ close to 200 people in our area and spend most of our \$12 million budget on housing expenses, groceries, and activities for the people we support. All of these dollars are kept local, and we pride ourselves on partnering with local businesses to keep patronizing them instead of national corporations.”

-Human services respondent, OR

To Demand Better, Nonprofits Stand Up

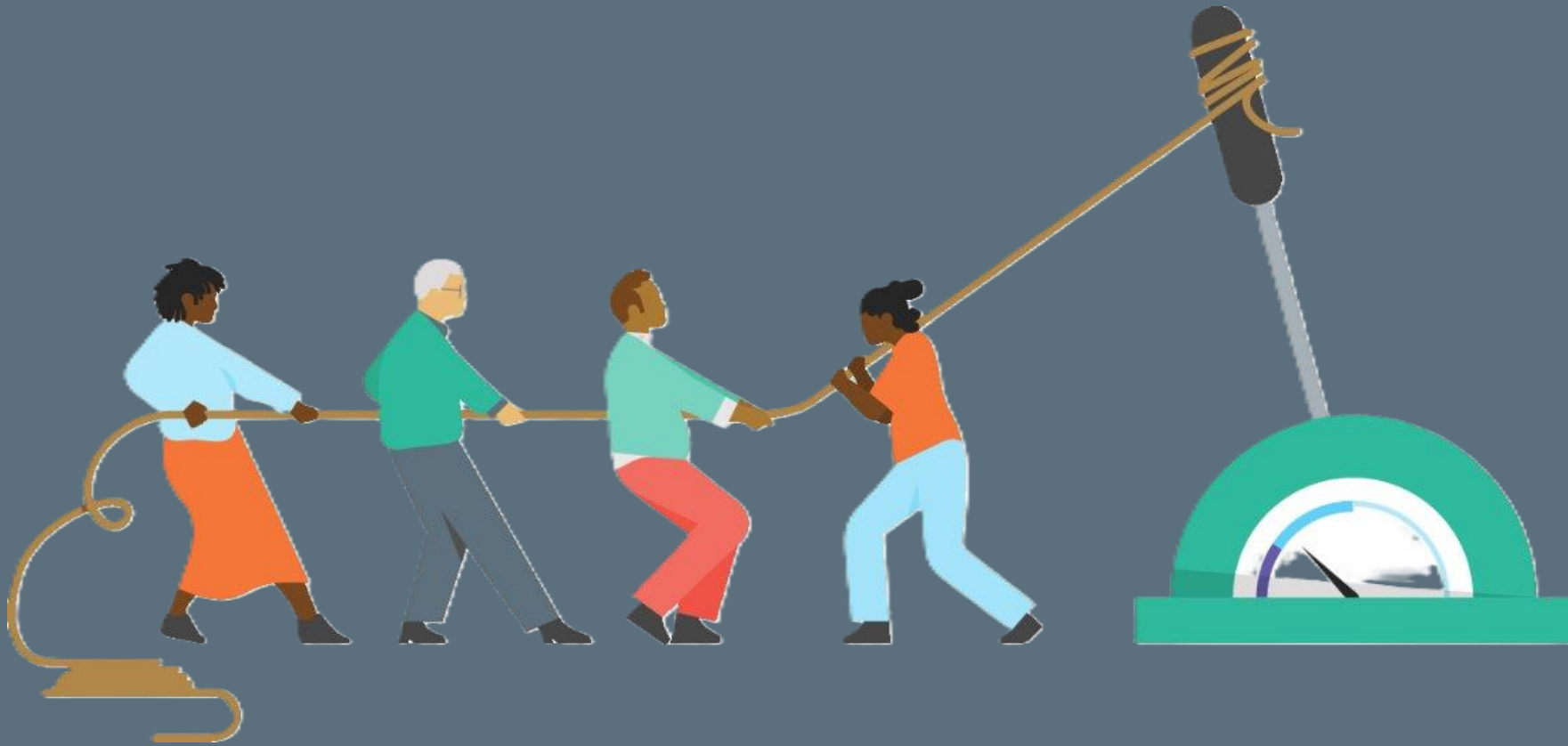
Major Organizational Focus Area

Building Community Wealth and Well-Being	62%
Addressing Economic Inequality	54%
Advancing Racial Equity	44%
Helping People Maintain or Keep Quality Jobs	36%
Advancing Gender Equity	24%
Advancing Environmental Justice	19%

“We organize community led campaigns to move more public money to address community identified needs, from the local to the national scale. We work to educate and engage members of our community in the government on economic factors shaping our community and work together to find resources and solutions to solve them.”

-Social justice respondent, CO

What the Data Tells Us: Our Community Infrastructure is in Trouble



Organizations are Navigating Three Colliding Crises in 2025

These aren't isolated problems, but feed into each other to create a cycle of strain, rippling across nonprofits, their staff, and communities.



Rising Costs

86% of respondents reported high costs due to inflation is affecting their organizations and clients.



Gov't Funding Cuts and Delays

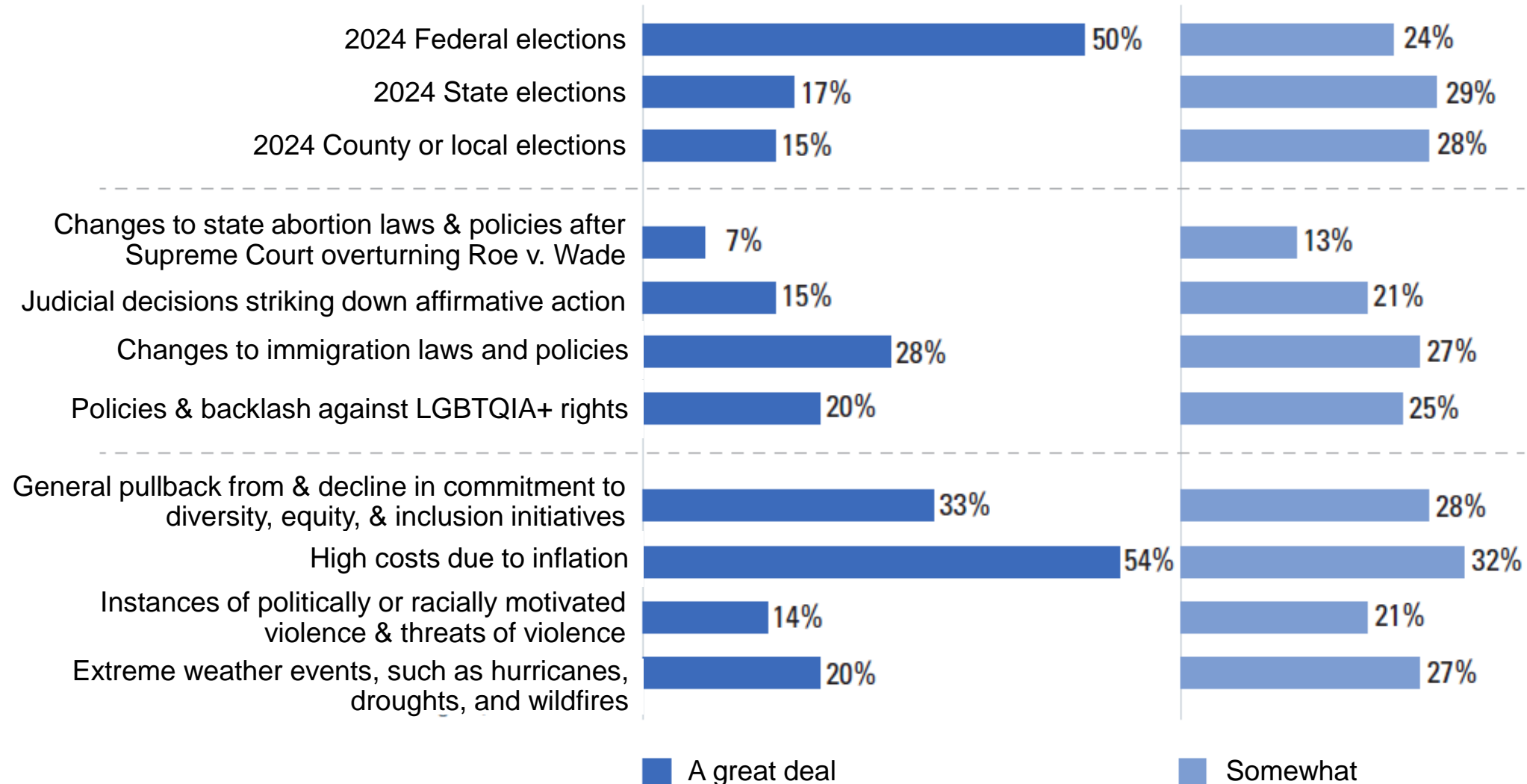
84% of respondents with government funding expect cuts in 2025. 65% expect cuts greater than 10%.



Growing Demand

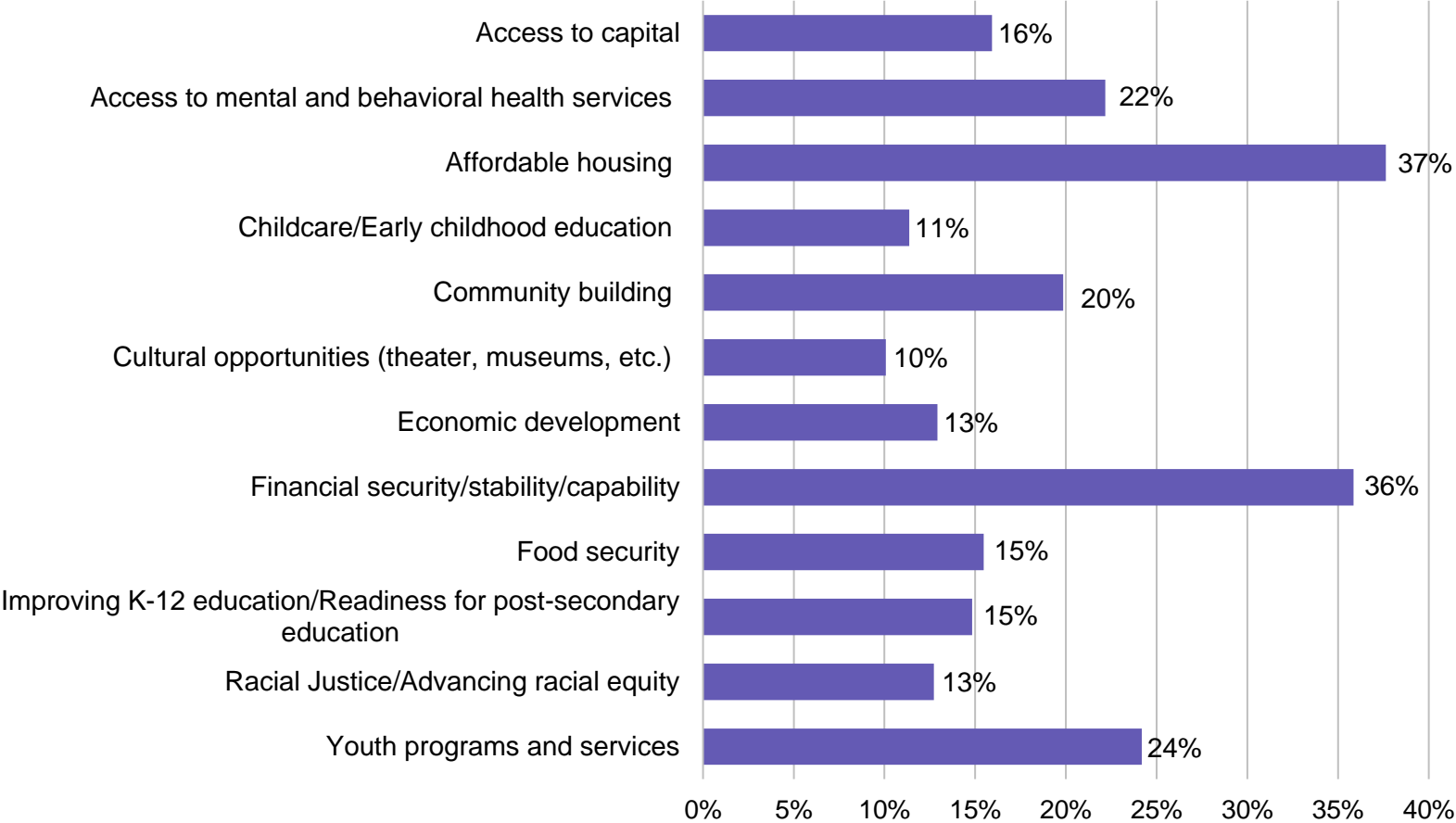
85% of respondents expect demand for services to increase in 2025. Less than half expect to meet demand.

A Number of Recent Events Have Impacted Organizations and Their Clients



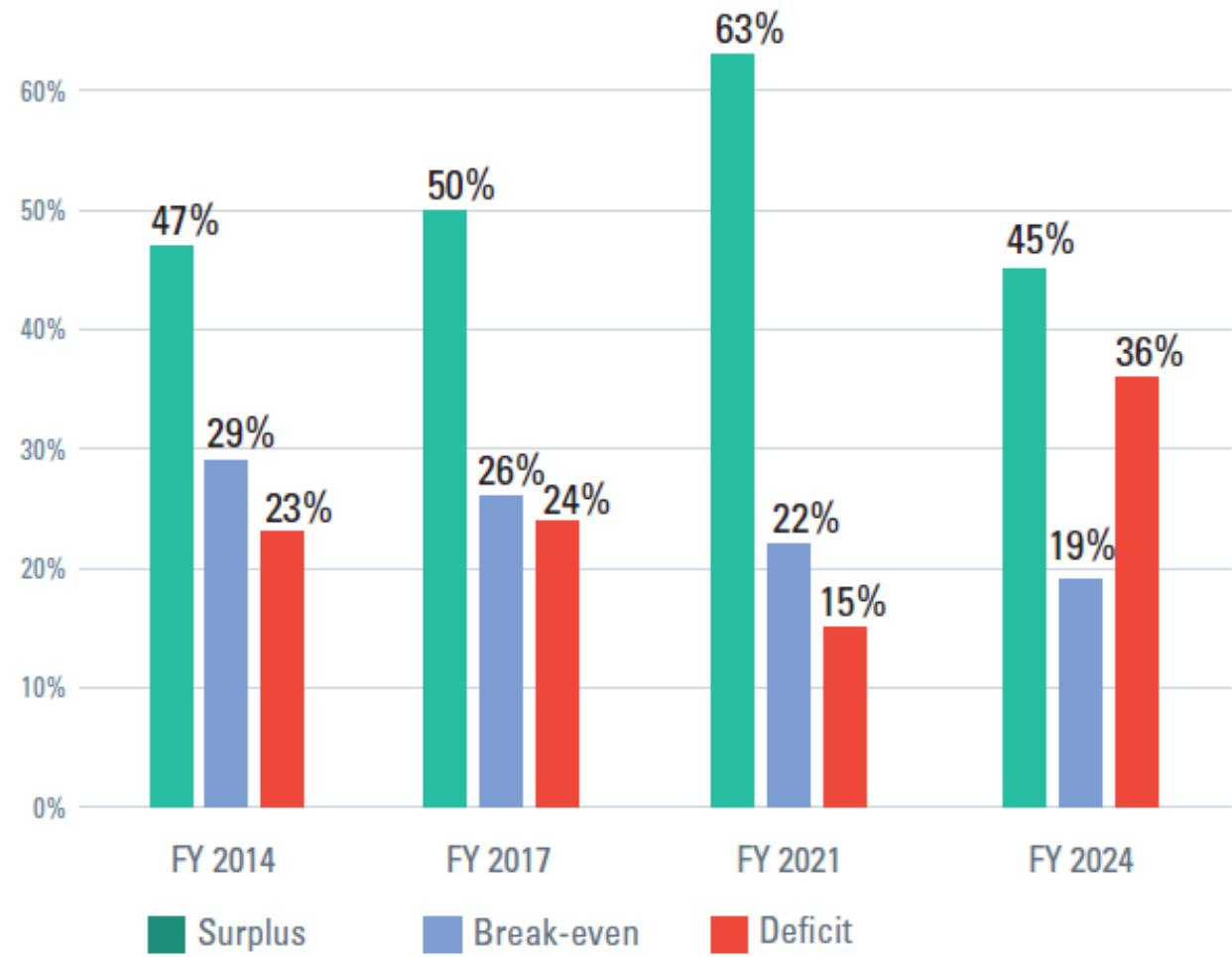
From Housing to Mental Health, Nonprofits are Responding to a Web of Interconnected Needs

Top Three Critical Community Needs



With Costs Skyrocketing, Surpluses are Becoming Harder to Attain

The deficit rate is the highest it's been over the past 10 years of survey data

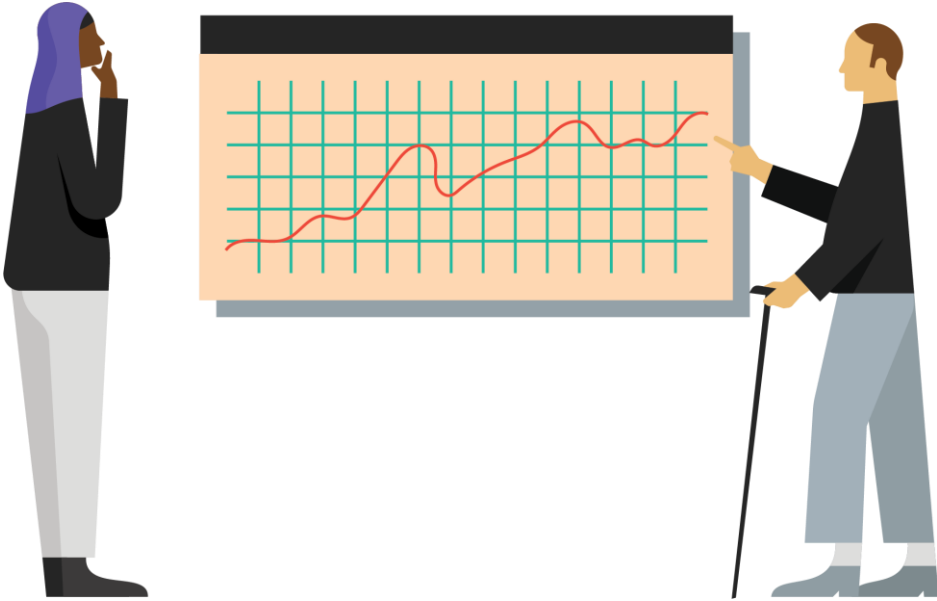
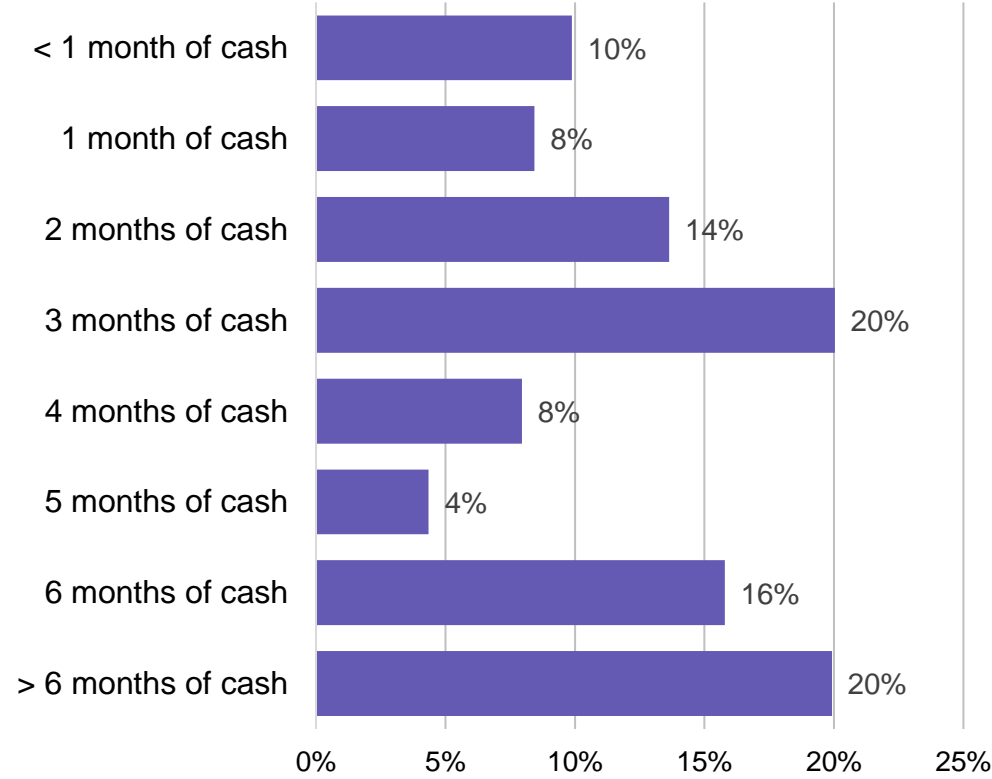


“A key financial challenge we are facing is managing the rising costs of operations, particularly due to inflation and supply chain disruptions. These factors have led to increased expenses for materials, labor, and logistics, which are putting pressure on our budget. We are actively exploring cost-efficiency measures and diversifying revenue streams to mitigate these challenges.”

-Human services respondent, CA

Many Organizations Have Little Savings in the Bank

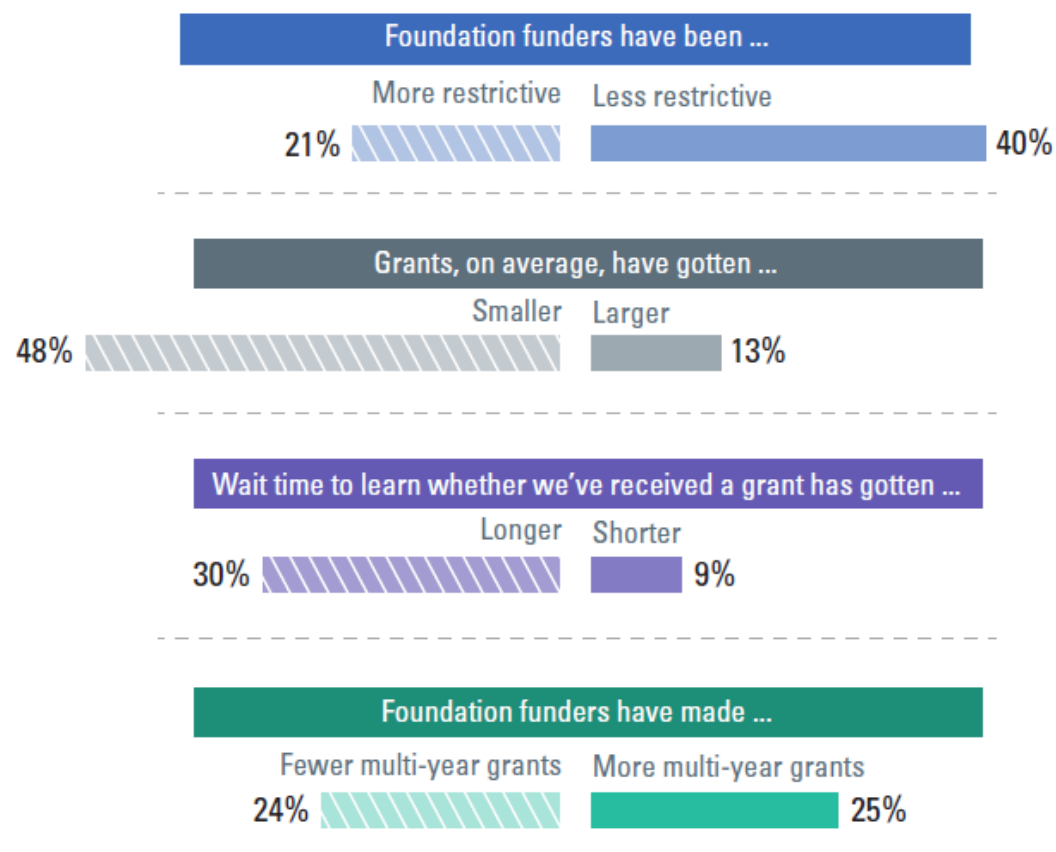
Months of Cash on Hand



66% of respondents had reserve funds, separate from operating cash, designated for emergencies or opportunities

Progress is Mixed When it Comes to Supportive Funder Practices

Changes in Foundation Funding Practices Since Late 2022



“Restructuring our financial model to increase unrestricted funds allowed us to move our ED position from part-time to full-time.”

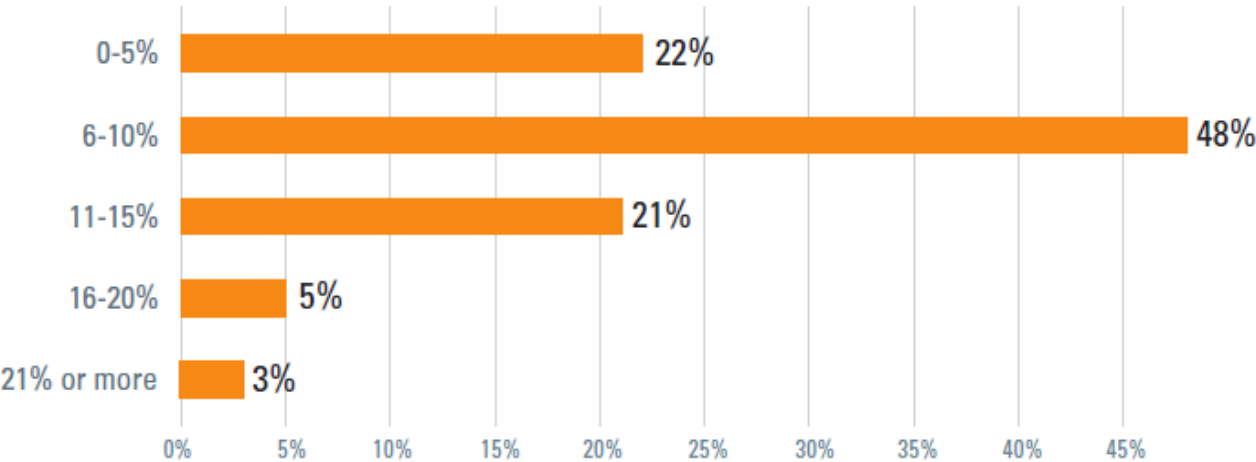
-Community development respondent, OR

“Receiving a large, unrestricted grant gave us the freedom to invest in our people, our place, and our future!”

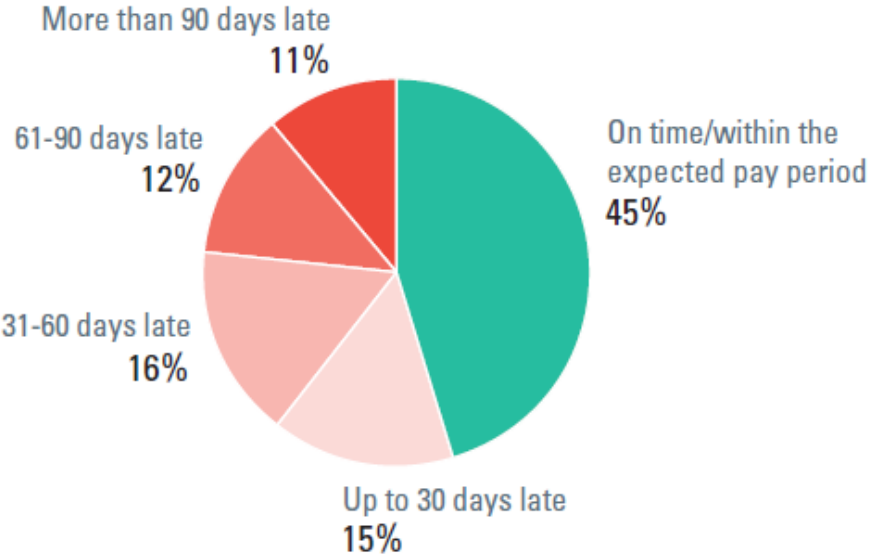
-Economic development respondent, HI

Government Funding Is Often Late and Doesn't Cover Full Costs

What Was the Typical Indirect Rate You Were Allowed to Charge on Gov't Funding?



After Submitting an Invoice to the Gov't, When Did You Typically Receive Payment?



Note: New OMB Guidance in October 2024 raised the minimum indirect cost rate from 10% to 15% for all federal grants (including those passed through state and local governments)

Cuts and Delays in 2025 Are Destabilizing Essential Services

“We receive federal funding so we are preparing for what that means for our current award (which seems frozen) and any future awards...We are also talking about the ways federal actions will negatively impact our clients. We are forming or deepening relationships with other service providers so we can make appropriate referrals and ease the process in any way we can.”

-Housing respondent, MD

“We are preparing for the trickle down of the federal grant funding cuts. Although our organization is 100% privately funded, we know that our funders are being pressed by much larger/more established organizations now as well to try to keep them afloat.”

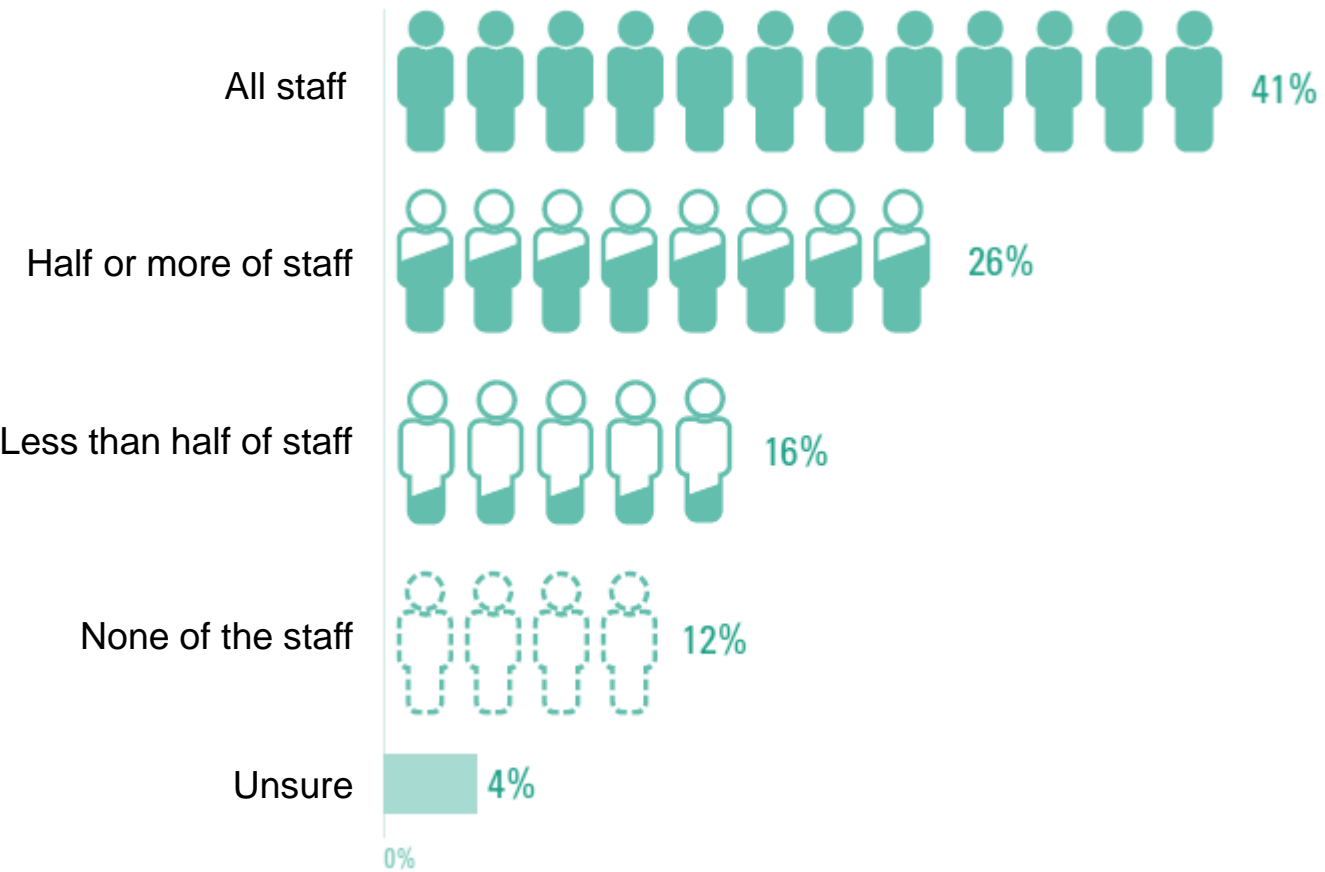
-Healthcare respondent, HI

“Government funding freezes are especially harmful in the area of reimbursements for funds already spent. Freezes in federal funding will lead to very significant changes in funding for food banks and the availability of low cost food for local distribution.”

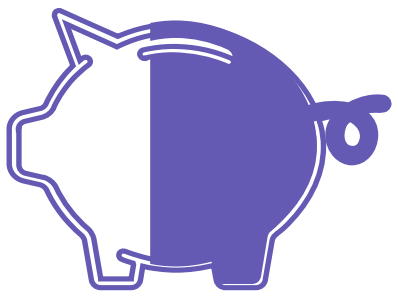
-Human services respondent, TX

Many Nonprofit Workers Aren't Earning a Living Wage – and Benefits are Limited, Especially for Smaller Organizations

How Much of Your Full-Time is Your Organization Able to Pay a Living Wage?



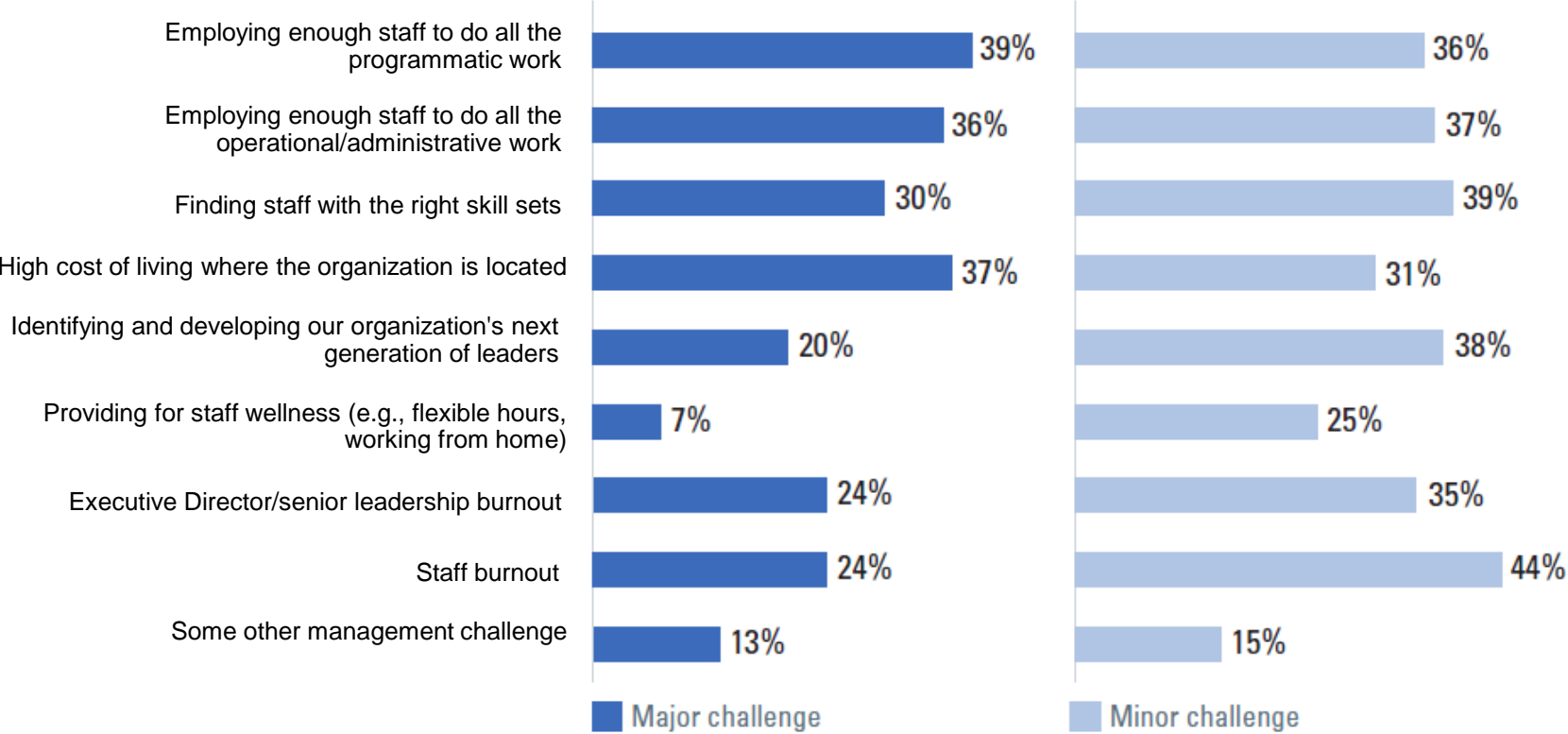
67% made health insurance available to staff



54% offered retirement fund contributions to staff

Nonprofits are Navigating Widespread Staff Burnout and Shortages, While Working to Center Care and Well-Being

Management Challenges in FY2024



“We prioritize the well-being of our team by centering self-care and recognizing when to cancel, pause, or scale back programming to prevent burnout.”

-Social justice respondent, NY

Getting Through, and Building What's Next: What We Can Do to Emerge Stronger as a Sector



“With much uncertainty and rapidly changing information, it is important for us to take a measured, objective approach and not operate from a place of fear. Our role at the intersection of government, nonprofits, businesses, and community allows us to serve as a trusted resource. We will continue to listen to local needs, share information, and stay focused on our mission.”

-Community development respondent, VT

Be Adaptive, Creative, and Brave to Meet the Moment

Now is the time for courageous and intentional decision-making that protects communities and opens the door to new ways of working.

Funders

- **Go beyond "business-as-usual"**
 - **Increase your payout percentage**
 - **Flex your standard processes**
- **Listen to your grantees**, and pivot based on what you hear

Nonprofits

- **Flex your planning muscles**
 - Assess your current cash situation
 - Develop different budget scenarios
 - Prepare and share your financial story
- **Vocalize your needs, early and honestly**

Invest In What it Truly Takes to Do the Important Mission Work

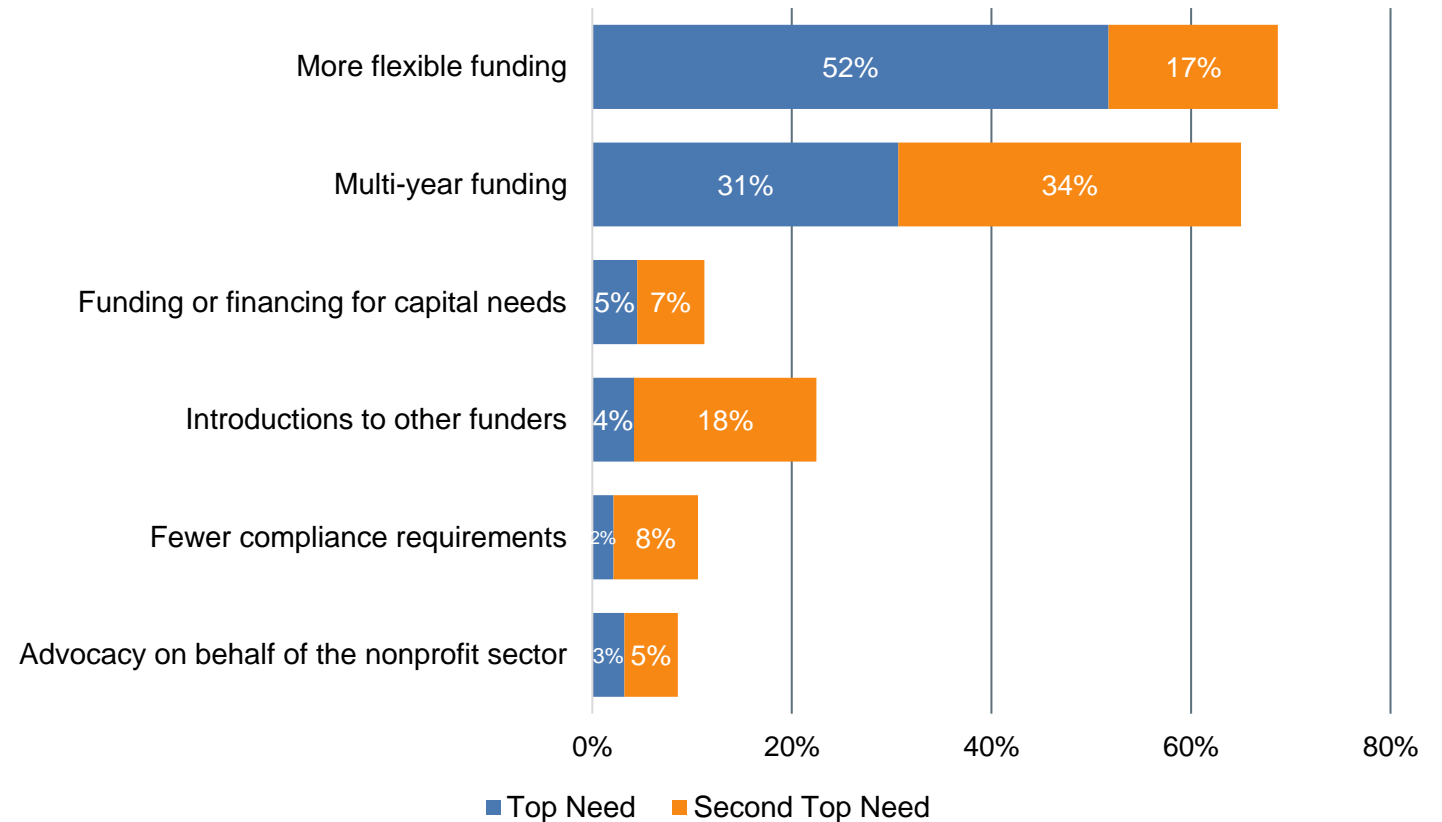
Funders

- Fund full costs
- Give multi-year, flexible funding

Nonprofits

- Calculate – and advocate for – your full costs
- Make clear the community impact of dollars invested in your organization

Top Two Needs from Foundation Funders



Collaborate as a System

Nonprofits, staff, and communities – and those that support them – operate as an interconnected ecosystem. Lean into opportunities to work together, reaching out to support and care for one another.

Funders

- **Invest in systems and coalitions, too**
- **Build bridges.** Nearly a quarter of respondents named connections to other funders as a top need.

Nonprofits

- **Build power with your network**
- **Share and leverage resources**
- **Support each other as leaders**

Flexing our Planning Muscle & Sharing Resources

“We are working to ensure that our cash flow and budget are stable for the year and that we can honor the commitments we’ve made for work to do and to staff and our community. We are scenario planning and supporting our community, especially those most impacted, digging into our values, and focusing on our important work. We are also advocating like crazy with our elected officials and for local legislation that strengthens our community.”

-Food/agriculture/nutrition respondent, VT

“We have a lot of knowledge about various programs, and we use that to connect with and inform other organizations, as well as our clients, residents, and people who reach out to us. We don’t hoard knowledge or resources and make a point of reaching out to other organizations to share.”

-Human services respondent, MA

Question & Answer



Keys Takeaways from the 2025 State of the Nonprofit Sector Survey

Nonprofits don't just serve the community; they are the community

Nonprofits are a vital part of community infrastructure, like roads and bridges

- They also contribute economically – through salaries, payroll taxes, patronizing local businesses, and more.
- They stand up when communities are in crisis, like now. And they, too, are in existential crisis.
- Inflation, government funding uncertainty, and grantmaker retrenchment to pre-pandemic funding practices and amounts are top issues causing nonprofit financial fragility.
- Nonprofit staff and leadership are overworked and underpaid, leading to worker shortages when we most need them.
- These times require nonprofits and funders to work together and to bravely go beyond “business as usual.”

Thank You and Let's Stay Connected

Look out for local reports and the public survey analyzer in the fall!

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