

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

The Bay Area Nonprofit Sector in 2025

WHO RESPONDED TO THE SURVEY?

A SNAPSHOT OF THE BAY AREA NONPROFIT SECTOR



This report focuses on responses from the 129 organizations from the California Bay Area that took the [2025 State of the Nonprofit Sector Survey](#). The Bay Area is defined in this report as the following counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma. Compared to nonprofits in the rest of the country, those in the Bay Area were larger in budget size, more likely to work in urban areas, and more likely to be led by a person of color.

Throughout this report, comparisons to national data exclude respondents from the Bay Area.

KEY SAMPLE DIFFERENCES: BAY AREA VS. NATIONAL

	Bay Area	National (excluding Bay Area)
Number of respondents in sample	129	2077
Percentage with operating expenses under \$1 million in FY 2024	67%	53%
Percentage working in urban areas	88%	66%
Percentage led by person of color*	54%	36%
Percentage with an Asian or Asian American leader	16%	6%

*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](#) – Nonprofit Finance Fund’s (NFF) tenth – gathered data about US nonprofits’ health and their collective challenges and successes. This dataset is used across the sector to advocate for meaningful actions philanthropy, government, and others can take to support nonprofits into the future.

The 2025 Survey was conducted in collaboration with EVITARUS and Ambit 360 Consulting. From January 30 to March 14, 2025, we asked US nonprofit leaders a series of questions to understand the management, operational, and financial picture they navigated in 2024 and anticipated in 2025.

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 the go-to social service organization in our geographically-isolated community – providing access to a wide array of programs and services that otherwise would not be available locally. We are trusted as being responsive to community needs, including during times of disaster. We serve low wage workers – largely in hospitality and agriculture sectors.

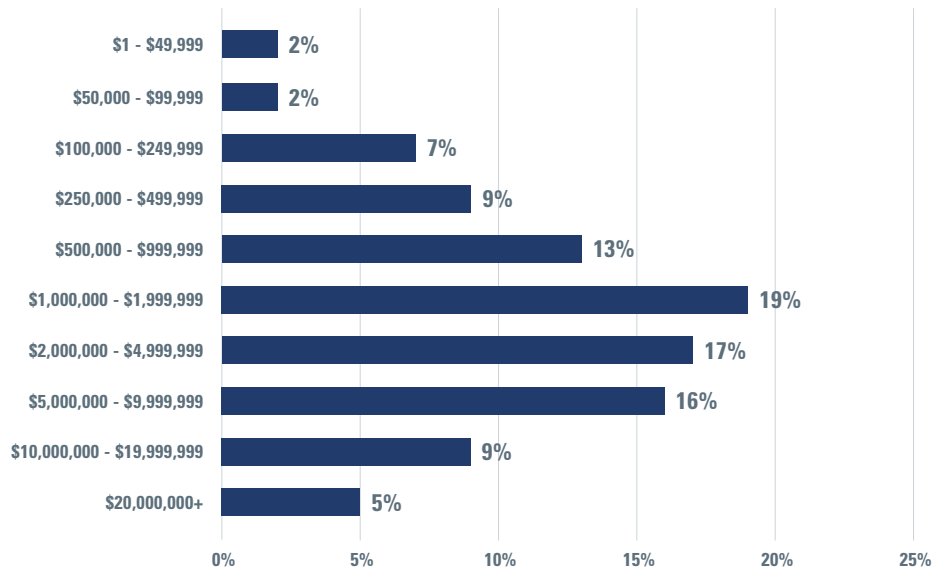
Human services survey respondent in the Bay Area

KEY AREA OF OF WORK

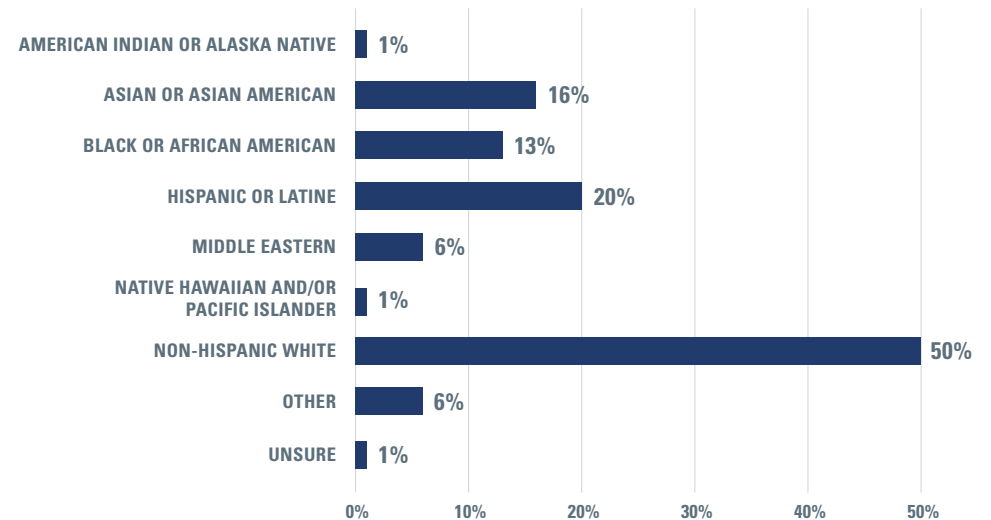
Arts/Culture	21%
Human Services	13%
Social Justice/Civil Rights/Community Organizing	12%
Youth Services	11%
Education (Other than Early Childhood)	7%
Education (Early Childhood)	5%
Environment/Environmental Justice	5%
Economic Development (including Employment and Workforce Development)	4%
Other*	21%

*Categories in "Other" include: Capacity Building/Nonprofit Support, Community Development, Food/Agriculture/Nutrition, Healthcare, Housing/Shelter, Immigration, Mental Health/Crisis Intervention, Philanthropy/Grantmaking, and Religion.

FY 2024 OPERATING EXPENSES



RACE/ETHNICITY OF ORGANIZATIONAL LEADER



In addition, 65% of respondents said that half or more of their leadership teams identify as people of color. Over two-thirds (70%) of organizations are female-led; 29% have a leader who identifies as LGBTQIA+, compared to 13% of national respondents.

WHAT THE DATA TELLS US NONPROFITS ARE THE INFRASTRUCTURE THAT POWERS AND SERVES BAY AREA COMMUNITIES



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

From educating to housing to feeding to inspiring to healing, nonprofits across the Bay Area are the infrastructure supporting strong and vibrant communities. They are foundational to the region's well-being. Local nonprofits are rooted in community and working toward a better future for all. 42% of Bay Area respondents have a leader with lived experience representative of a community the organization serves. 57% said they received and acted on community feedback about their services. More than two-thirds (69%) of Bay Area nonprofits exclusively or primarily serve people with lower incomes.

MAJOR FOCUS AREAS FOR BAY AREA RESPONDENTS

Advancing Racial Equity	70%
Building Community Wealth and Well-Being	63%
Addressing Economic Inequality	58%
Advancing Gender Equity	33%
Advancing Environmental Justice	26%
Helping People Maintain and/or Keep Quality Jobs	23%

In addition to directly serving communities, 52% of respondents engaged in advocacy or policy work in 2024, compared to 45% of national respondents. 40% worked to increase community civic engagement, compared to 28% of national respondents.

[Our special sauce] is our long-term history in the community in dual language and multi-cultural settings [and] closeness to our constituents and families served.

Education (early childhood) survey respondent in the Bay Area

From employing residents to buying locally, to upskilling the workforce, nonprofits in the Bay Area boost the economy.

The Bay Area nonprofits in our survey employed close to 4,000 people in 2024. 53% spent more than \$100,000 in 2024 buying services, food, or other supplies from local vendors, with 8% spending more than \$1 million at local vendors.

As an arts organization, service industries that serve our patrons are bolstered: restaurants, bars, parking lots, etc. The organization also has a non-profit partner program where we partner with another local non-profit to raise awareness and funds for that organization.

Arts/culture survey respondent in the Bay Area

[We provide] childcare that allows parents/guardians to work while their children are cared for and engaged in meaningful academic, enrichment, and physically active activities.

Youth services survey respondent in the Bay Area

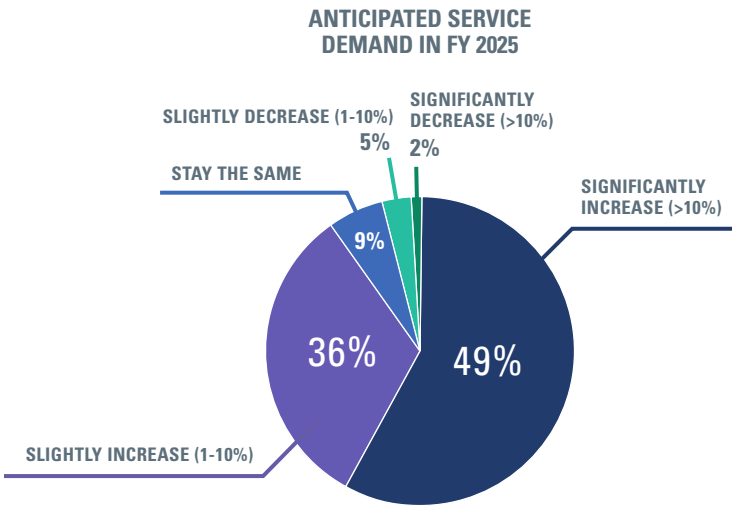
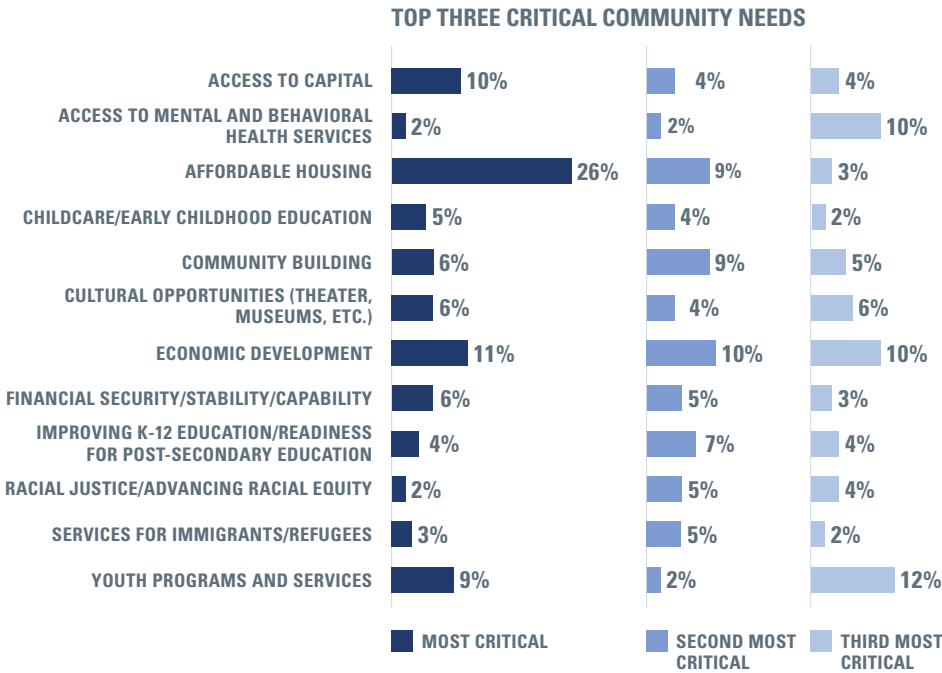
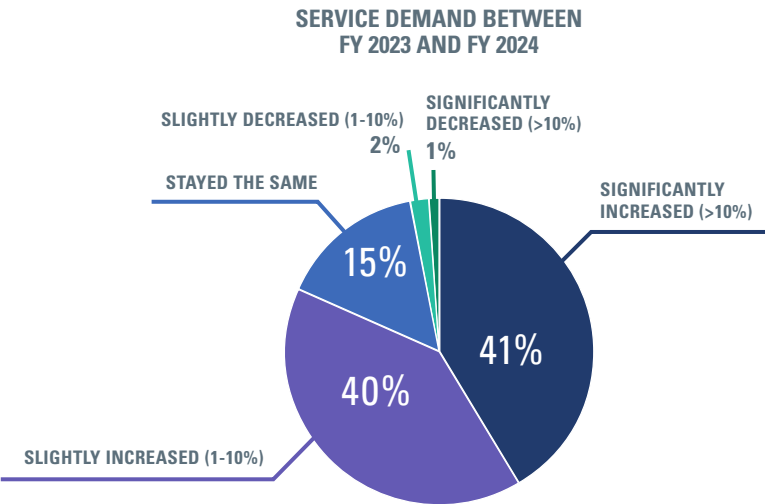
[Our organization] is working to solve problems of equity in business ownership for women, immigrants, and people of color. Women account for only 33% of business owners nationwide and still make 46-75 cents for every dollar their white, male counterparts make. We provide affordable commercial kitchen space to talented entrepreneurs. The high cost of renting a commercial kitchen makes it difficult for many working-class food entrepreneurs to formalize their business. Our kitchen space lets people who were formerly shut out of the food industry find a way in. Businesses receive mentorship and access to market opportunities. ... We amplify the voices that need to be heard.

Economic development survey respondent in the Bay Area



Demand for services is rising, with affordable housing, financial security, and racial justice identified as top community needs in the Bay Area.

Local nonprofits are working to address a range of interconnected community needs. Most reported that demand for their services is increasing; 61% don't expect to be able to meet service demand in 2025.



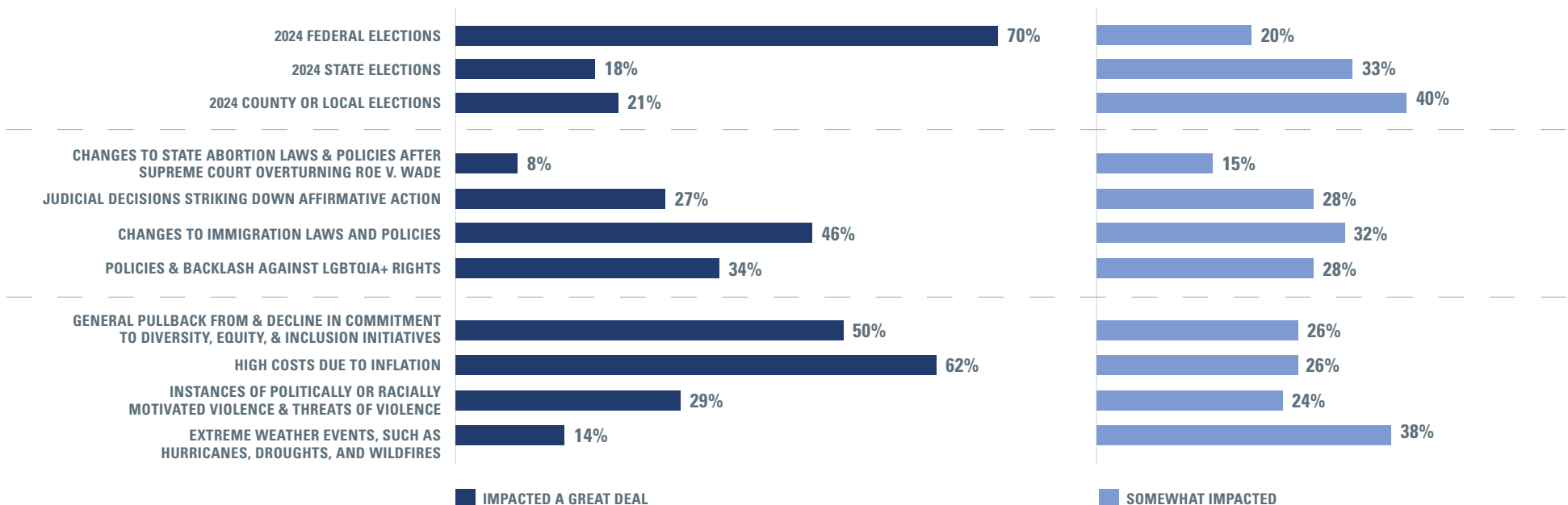
Federal elections, high costs due to inflation, and changing immigration policies greatly impacted many Bay Area nonprofits and their clients in 2024 and early 2025.

Compared to respondents nationally, nonprofits in the Bay Area were more likely to report impact from federal elections (90% of Bay Area respondents, compared to 73% nationally), policies and backlash against LGBTQIA+ rights (62% of Bay Area respondents, compared to 44% nationally); and changes to immigration laws and policies (78% of Bay Area respondents, compared to 53% nationally). In 2025, organizations are preparing for the future by conducting internal risk assessments, joining coalitions to advocate and partner, pursuing new funding models, and doubling down on their commitment to serving communities.

We are training staff/volunteers on procedures if ICE comes to our door, we are hosting several 'know your rights' meetings, and we offer our facility for numerous partner agencies/legal aid providers/advocacy groups to meet and offer services. We are collaborating with our City/County/State on policies/procedures almost daily as the chaos continues to grow. We feared that we would lose most of our government funding ... some/all federal funds - most [flowing] through local ... funding - all is at risk so we are already doing scenario planning for the remainder of this year and next fiscal year if all or some funding goes away. Our approach overall is to stay strong, informed, and connected as we prepare to fight for the rights of our clients and our community, while keeping our doors open and working to prevent homelessness and hunger in our local community.

Human services survey respondent in the Bay Area

IMPACT OF RECENT EVENTS ON ORGANIZATIONS AND THE CLIENTS THEY SERVE

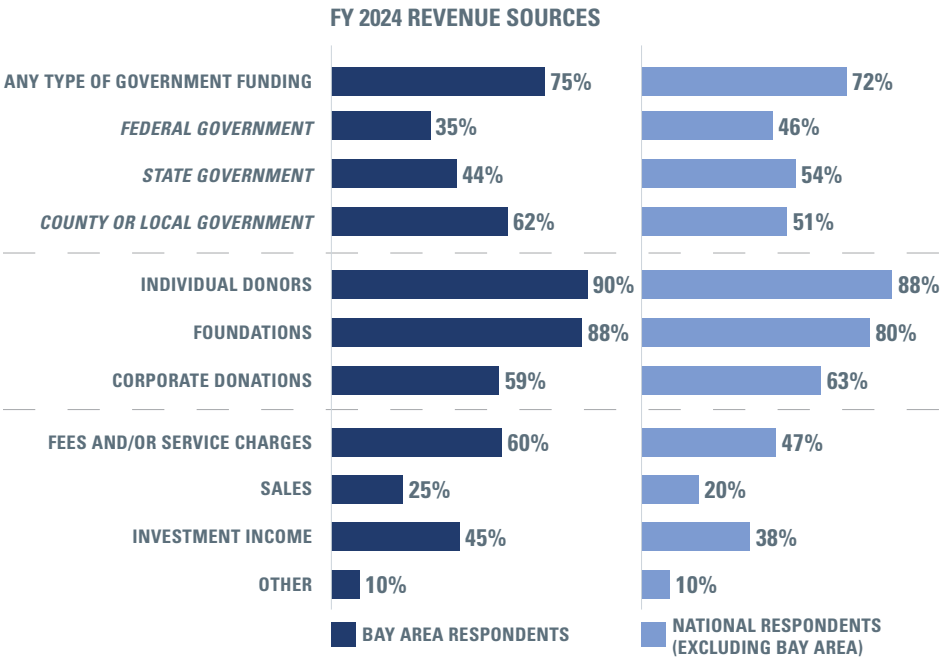


WHAT THE DATA TELLS US

NONPROFIT FUNDING DYNAMICS

Most Bay Area nonprofits rely on foundation and government funding to operate, and are navigating payment delays and anticipated decreases in funding.

In 2024, Bay Area nonprofits most frequently received funding from individual donors (90%), foundations (88%), and government (75%). A higher percentage of nonprofits in the Bay Area relied on county or local government funding as compared to nonprofits nationally.

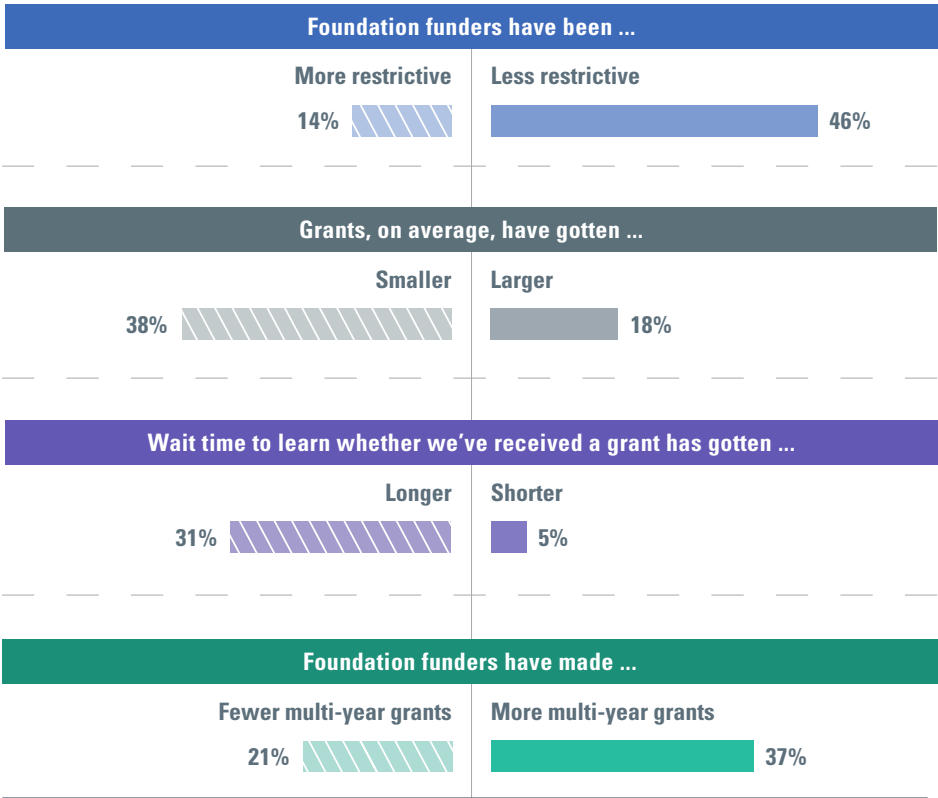


A CLOSER LOOK AT FOUNDATION FUNDING

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.

Almost half (46%) of Bay Area nonprofits shared that funders have gotten less restrictive since late 2022, compared to 40% of national respondents. Among Bay Area respondents receiving foundation funding in 2024, over one-third (37%) said funders are making more multi-year grants, compared to one-quarter (24%) of national respondents. While 38% in the Bay Area shared that grants have, on average, gotten smaller, this is a lower percentage than nationally, where nearly half (49%) of nonprofits reported smaller grant sizes.

CHANGES IN FOUNDATION FUNDING PRACTICES SINCE LATE 2022



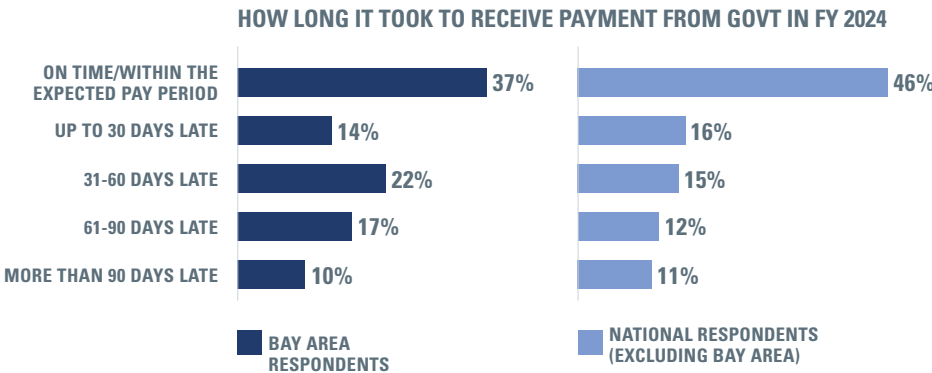
We have lost some funding and [are] working on ways to recover this. We are also preparing for other funders potentially being investigated and donors shifting funds to causes that may feel more urgent. We are also considering our role in the broader landscape and if any programming should pivot to meet the current political moment.

Housing/shelter survey respondent in the Bay Area



A CLOSER LOOK AT GOVERNMENT FUNDING

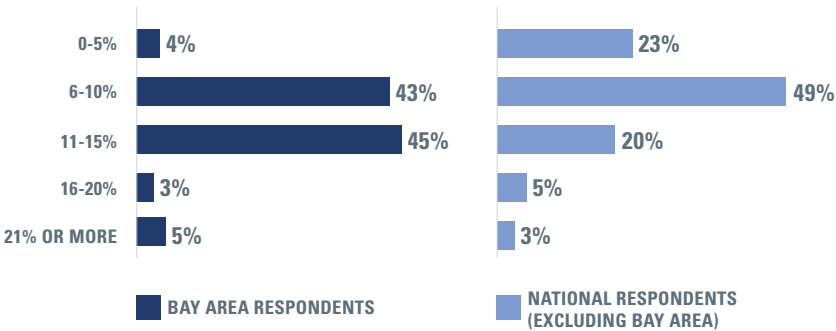
Bay Area respondents with federal, state, and/or local government funding reported significant delays in payment. 37% said they are paid on time, compared to 46% of nonprofits nationally. More than a quarter (27%) said they typically receive payment more than 60 days late.



These delays make it challenging to operate and take leaders away from other activities, as they dedicate time and energy to cash flow management. Bay Area survey respondents reported drawing on their savings (61%), taking on debt from a financial institution (27%), delaying payment to vendors (16%), and pausing or reducing services (16%) to continue operating amidst payment delays.

As a bright spot, Bay Area nonprofits generally reported a higher average allowable indirect rate than nonprofits nationally. Almost half (47%), though, reported a typical indirect rate of 10% or less, [acknowledged in October 2024 OMB guidance](#) as insufficient to run a healthy organization.

TYPICAL INDIRECT RATE ALLOWED IN FY 2024



Amid these challenges with existing government funding, 89% of Bay Area nonprofits with government funding expected it to decrease as a result of the 2024 election; 72% expected it to decrease by more than 10%, compared to 65% of respondents nationally.



WHAT THE DATA TELLS US

NONPROFIT FINANCIAL HEALTH



Bay Area nonprofits entered 2025 with fragile financial health.

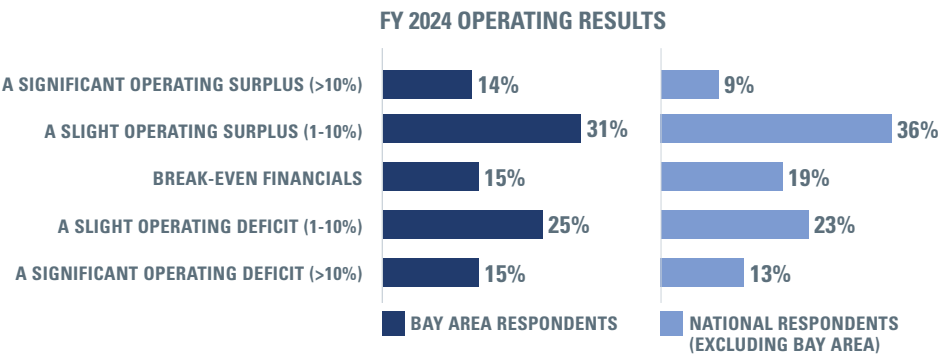
Given these funding dynamics, what is the financial state of Bay Area nonprofits? To understand short- and long-term nonprofit financial health, we look at two main indicators in this survey: operating surplus/deficit and months of cash.

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.

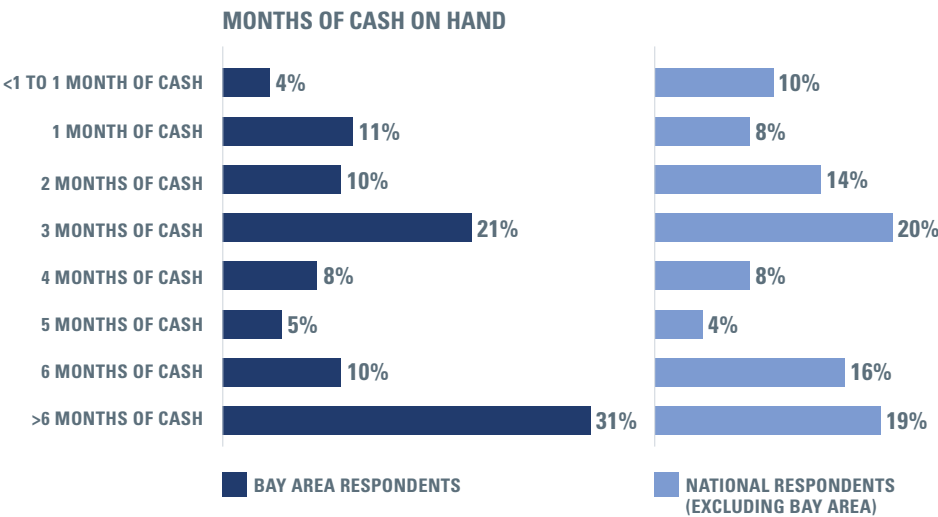
We have been organizing since the elections to focus on four primary areas: 1) changes in community needs and impact on services, 2) keeping our staff and volunteers safe and addressing resiliency, 3) impact on funding and future resources, 4) protecting the organization and our assets (building, cybersecurity, ensuring compliance, etc.).

Human services survey respondent in the Bay Area

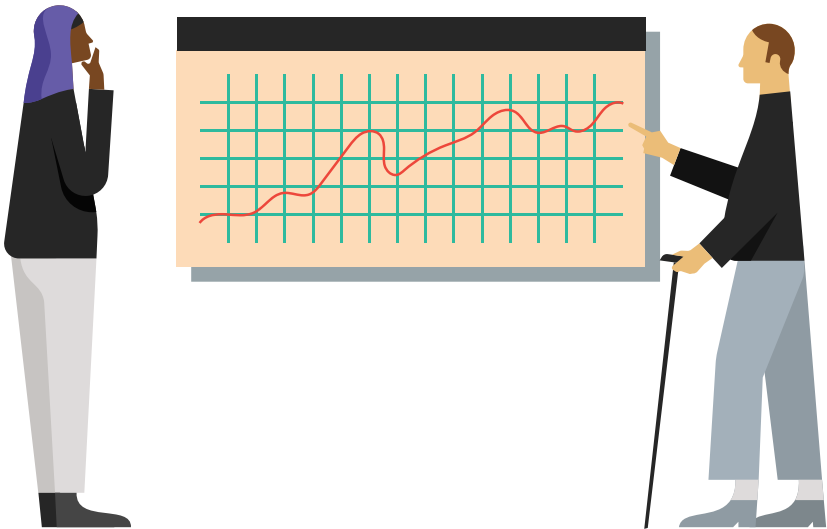
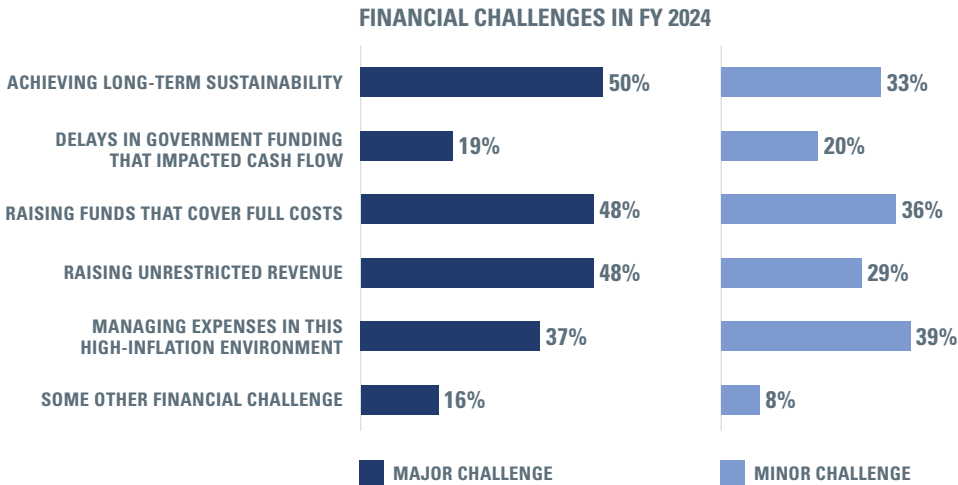
Many local nonprofits are struggling to cover their costs and don't have the cash on hand to manage delays or emergencies or to make strategic investments. 40% of Bay Area respondents reported an operating deficit in 2024, compared to 35% of national respondents. In 2025, a greater proportion of national nonprofits reported deficits than in the past ten years of our national survey data.



15% of Bay Area respondents had one month or less of cash on hand. At the other end, close to one-third (31%) had more than six months of cash on hand, compared to 19% of respondents nationally. 70% of Bay Area respondents also reported having reserve funds separate from operating cash.



84% of Bay Area nonprofits reported challenges raising funds that cover full costs and 83% reported challenges achieving long-term financial sustainability in 2024.



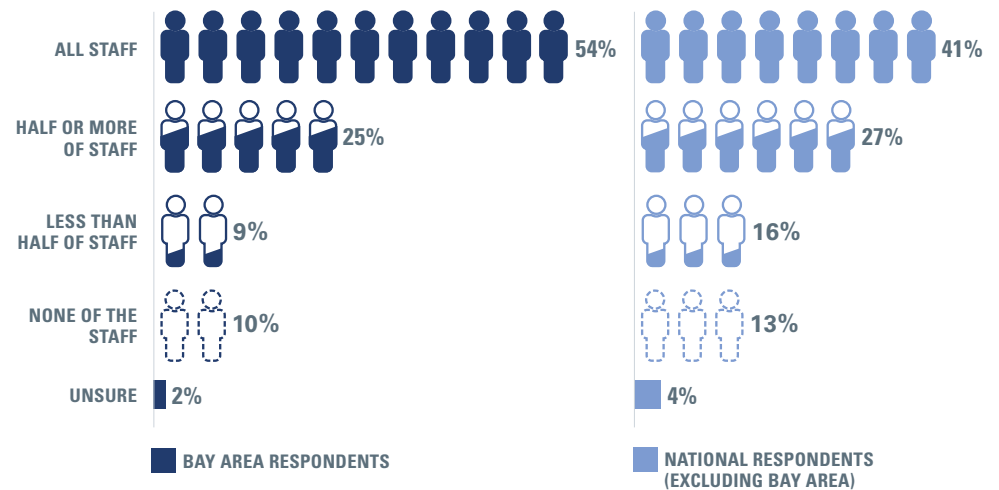
WHAT THE DATA TELLS US NONPROFIT WORKFORCE DYNAMICS



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

Almost all respondents in the Bay Area (93%) cited the high cost of living as a management challenge; 71% reported it as a major challenge, compared to only 35% of national respondents. For families with two working adults and two children in Alameda County, each adult must earn more than \$41 per hour working full-time to support basic needs like housing, food, and childcare. For families with one working adult and one child in Alameda County, the adult must earn more than \$58 per hour – over \$120,000 per year – to support basic needs.

HOW MUCH OF YOUR FULL-TIME STAFF IS YOUR ORGANIZATION ABLE TO PAY A LIVING WAGE?



Over half (54%) of Bay Area nonprofits were able to pay all full-time staff a living wage in 2024. For Bay Area respondents with budgets under \$1 million, only 40% were able to pay all full-time staff a living wage.

A higher percentage of Bay Area respondents offered benefits in 2024 than national respondents. However, consistent with national trends, the ability to pay a living wage and offer benefits was lower for organizations with smaller budgets.

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

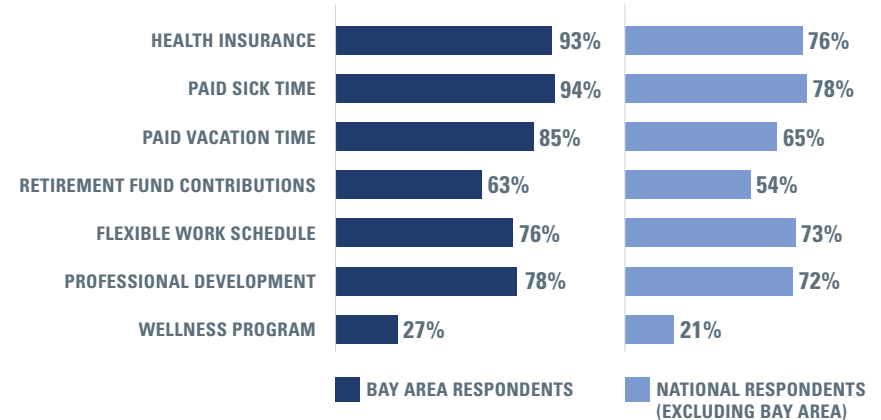
We employ a lot of staff who have lived experience in our service areas, and many of our staff have experienced significant trauma in their lives - this can lead to challenges, such as significant needs for paid time off / medical & mental health needs and/or challenges with boundaries and burnout.

Human services survey respondent in the Bay Area

As directors we read 'The Burnout Challenge,' and in addition to all the things we provide people so they can address burnout on their own (like unlimited PTO, flexibility, benefits), we are working on and acknowledging the system that also contributes to burnout, and working on continuity planning and coverage for each person's role so that when they do take leave, work is not just piling on and waiting for their return.

Economic development survey respondent in the Bay Area

SELECT BENEFITS MADE AVAILABLE IN FY 2024



*Other benefits nonprofits 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 responding to urgent needs, to employing, housing, feeding, teaching, and inspiring, to creating jobs for residents – nonprofits are essential infrastructure and the lifeblood of a strong and vibrant Bay Area. Yet in 2025, as Bay Area nonprofits see costs climb, funding decline, and demand for services grow, this infrastructure is under strain. How can we all support 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 the Walter & Elise Haas Fund for their support of this Bay Area report.

WALTER & ELISE HAAS FUND

Thank you to our local survey distribution partners: CalNonprofits, Prosperity Initiative, San Francisco Beacon Initiative, Silicon Valley Council of Nonprofits, Tipping Point Community, Tri-Valley Nonprofit Alliance, and many others that helped share the survey.