

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

New York City's Nonprofit Sector in 2025

WHO RESPONDED TO THE SURVEY?

A SNAPSHOT OF THE NYC NONPROFIT SECTOR



This report focuses on responses from the 133 organizations in New York City (NYC) that took the 2025 [State of the Nonprofit Sector Survey](#). These nonprofits represented a range of budget sizes, sector, and leadership demographics. Compared to responding nonprofits in the rest of the country, those in NYC were significantly larger, more likely to have a national scope, and more likely to be led by a person of color.

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

KEY SAMPLE DIFFERENCES: NYC VS. NATIONAL

	NYC	National (excluding NYC)
Number of respondents in sample	133	2073
Percentage with operating expenses under \$1 million	31%	47%
Percentage primarily serving urban areas	94%	65%
Percentage with a national scope	35%	13%
Percentage led by a person of color*	53%	36%

*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, including their collective challenges, successes, and the required investments to continue enriching millions of lives. This dataset is used across the sector to advocate for meaningful actions philanthropy, government, and others can take to support nonprofits now and 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.

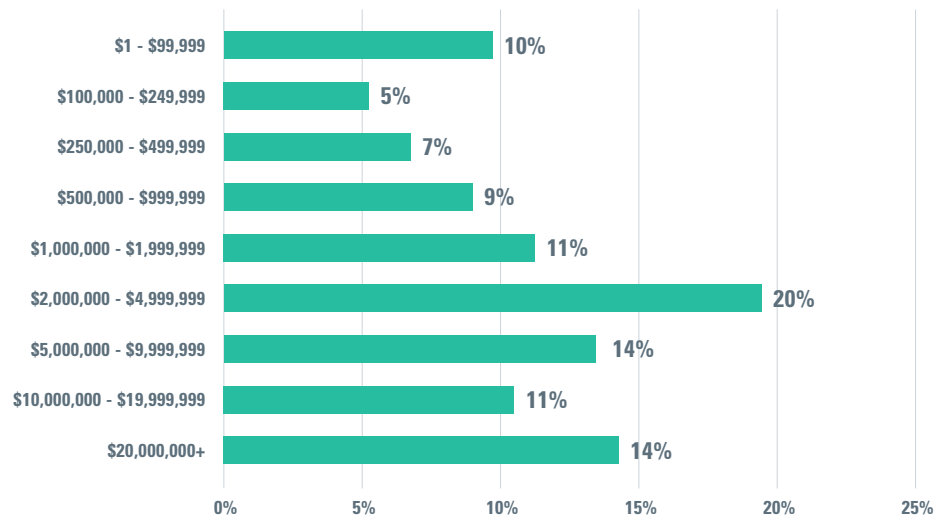
NFF is deeply grateful to the 2,200+ national survey respondents for all of the important work they do every day, and for entrusting us with their stories. NFF also thanks our survey sponsors and the many community partners who provided input on survey topics and distributed the survey to their networks.

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%.

Our organization is intergenerational and through a process of deep listening, reflecting and celebrating the people in our community, we build trust and cohesion which translates into meaningful programs that resonate with our constituents and bring lasting value to the neighborhood.

Arts/culture survey respondent in New York City

FY 2024 OPERATING EXPENSES

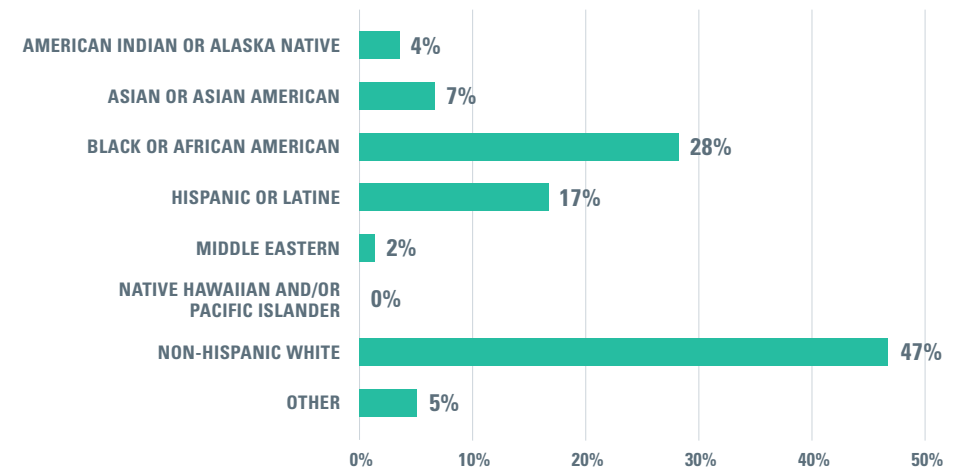


KEY AREA OF OF WORK

Arts/Culture	22%
Human Services	17%
Education (other than Early Childhood)	10%
Economic Development (including Employment & Workforce Development)	9%
Social Justice/Civil Rights/Community Organizing	8%
Youth Services	7%
Housing/Shelter	6%
Community Development	5%
Other*	17%

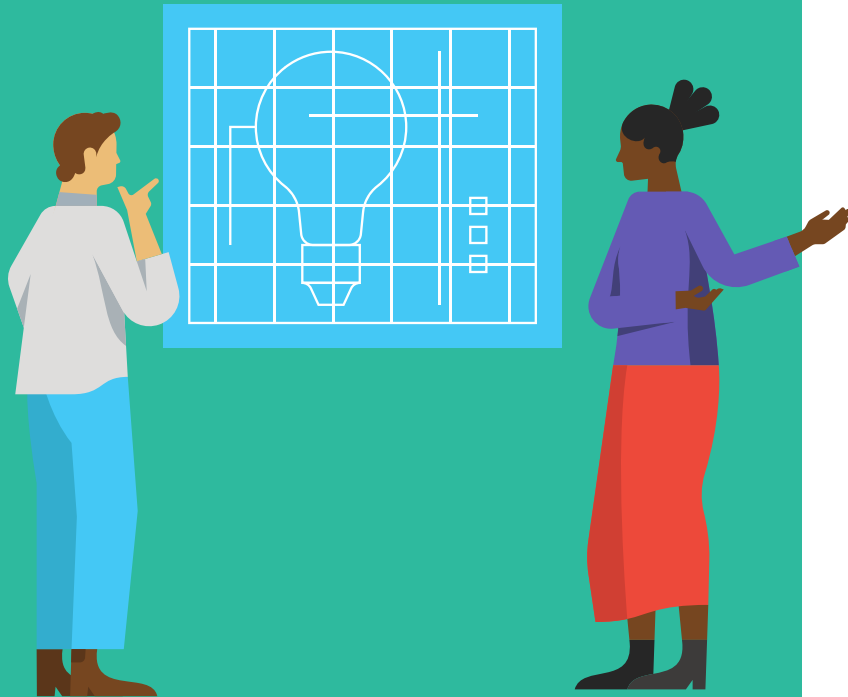
*Categories in "Other" include: Capacity Building/Nonprofit Support, Education (Early Childhood), Environment/Environmental Justice, Food/Agriculture/Nutrition, Healthcare, Immigration, Mental Health/Crisis Intervention, Philanthropy or Grantmaking, Religion.

RACE/ETHNICITY OF ORGANIZATIONAL LEADER



Over half of respondents (53%) are from organizations led by people of color. In addition, 55% of respondents said that half or more of their leadership team identify as people of color. Two-thirds (66%) of organizations are female-led and 20% have a leader who identifies as LGBTQIA+.

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



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

Across NYC, nonprofits are vital community infrastructure. They teach us, house us, feed us, entertain us, care for us, and make the city strong and vibrant. Local nonprofits are rooted in community and work toward a better future for all. 42% 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.

Across sectors, 74% of NYC nonprofits exclusively or primarily serve people with lower incomes, as compared to 66% of organizations nationally.

MAJOR FOCUS AREAS FOR NYC RESPONDENTS

Addressing Economic Inequality	68%
Advancing Racial Equity	61%
Building Community Wealth and Well-Being	60%
Helping People Maintain and/or Keep Quality Jobs	41%
Advancing Gender Equity	34%
Advancing Environmental Justice	18%

In addition to directly serving communities, 44% of respondents engaged in advocacy/policy work and 36% worked to increase community civic engagement in 2024.

[Our special sauce] lies in our deeply rooted, community-first approach, with a unique blend of housing advocacy, youth development, and culturally responsive support that has been shaped by over 60 years of grassroots work...We're not just advocates; we're neighbors. We live the challenges we work to address.

Human services survey respondent in New York City

Nonprofits in NYC boost the economy by employing residents, buying locally, and driving tourism.

The 13,000 nonprofits across NYC contribute nearly \$78 billion per year to the economy – nearly 10% of the city's GDP – and employ almost 18% of all workers. The NYC nonprofits in our survey employed 13,195 people in 2024. Over half (55%) spent more than \$100,000 buying services, food, or other supplies from local vendors, with 18% spending more than \$1 million at local vendors.

We create jobs for our immediate staff and...for a network of 50 consultants and trainers. We use our own purchasing power to support more local and Black-owned businesses.

Capacity building/nonprofit support survey respondent in New York City

Our organization brings tourism into NYC from all over the world.

Arts/culture survey respondent in New York City

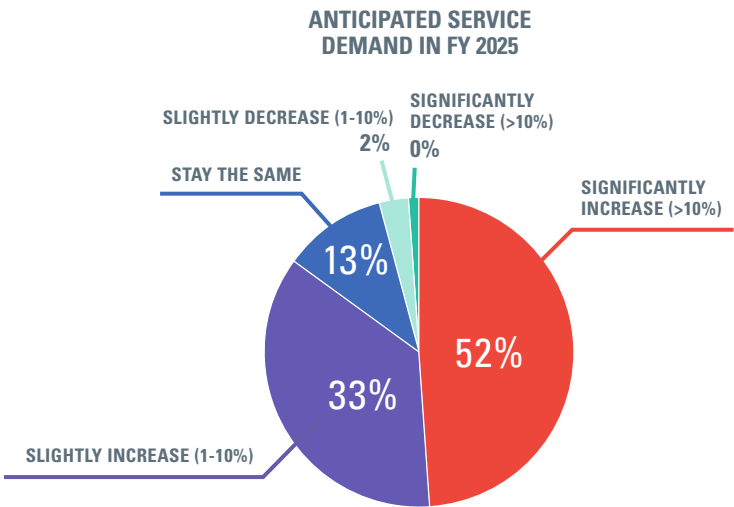
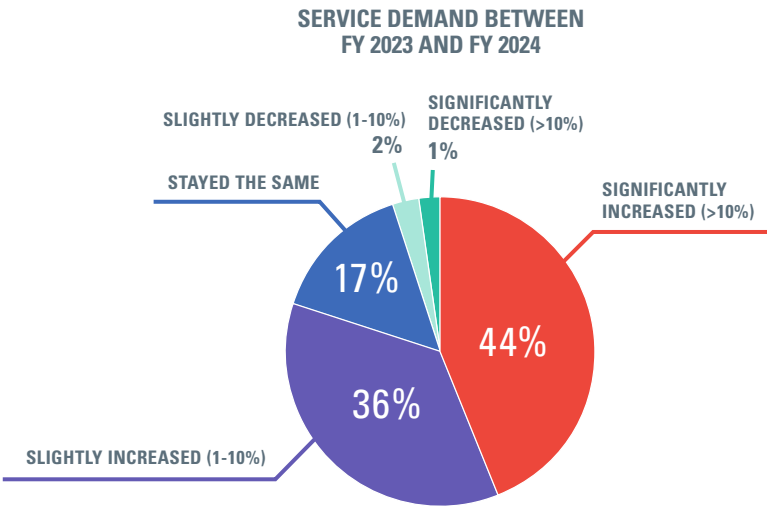
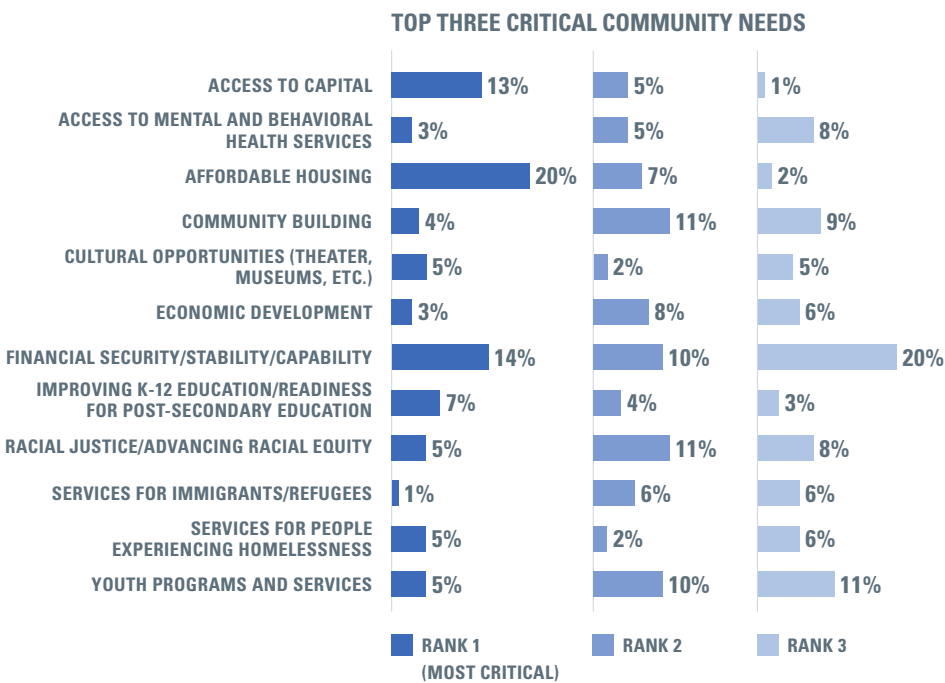
We provide guaranteed income and work to 8,000 people coming home from prison every year.

Social justice/civil rights/community organizing survey respondent in New York City



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

Local nonprofits are working to address a range of interconnected community needs. Most reported that demand for their services is increasing; about half (52%) don't expect to be able to meet service demand in 2025.



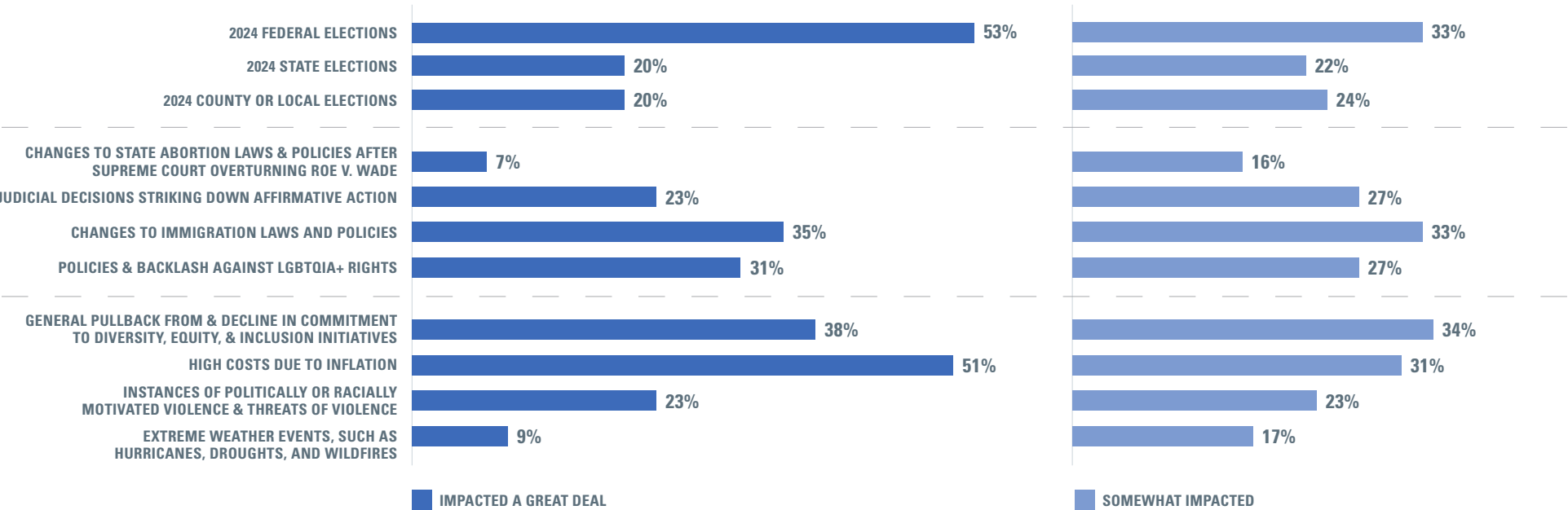
With elections, inflation, and policy shifts, 2024 was a year of change for many NYC nonprofits.

Compared to respondents nationally, nonprofits in NYC were more likely to report impact from judicial decisions striking down affirmative action (50% for NYC respondents, compared to 36% nationally), changes to immigration laws and policies (68% for NYC respondents, compared to 54% nationally), and backlash against LGBTQIA+ rights (58% for NYC respondents, compared to 44% nationally). In 2025, organizations are preparing for the future by conducting internal risk assessments, joining coalitions to advocate and partner, investing in staff training, and pursuing new funding models.

[As a result of the 2024 election], we are doing extensive scenario planning for client and staff safety, data protection, engagement, as well as for anticipated attacks and funding loss. We're increasing coalition work and partnerships. We anticipate major funding loss directly (federal money) and indirectly (economic downturn, lost state passthrough funds, corporate withdrawal of support) that will mean that many fewer people are supported and that staff lose jobs.

Human services survey respondent in New York City

IMPACT OF RECENT EVENTS ON ORGANIZATIONS AND THE CLIENTS THEY SERVE

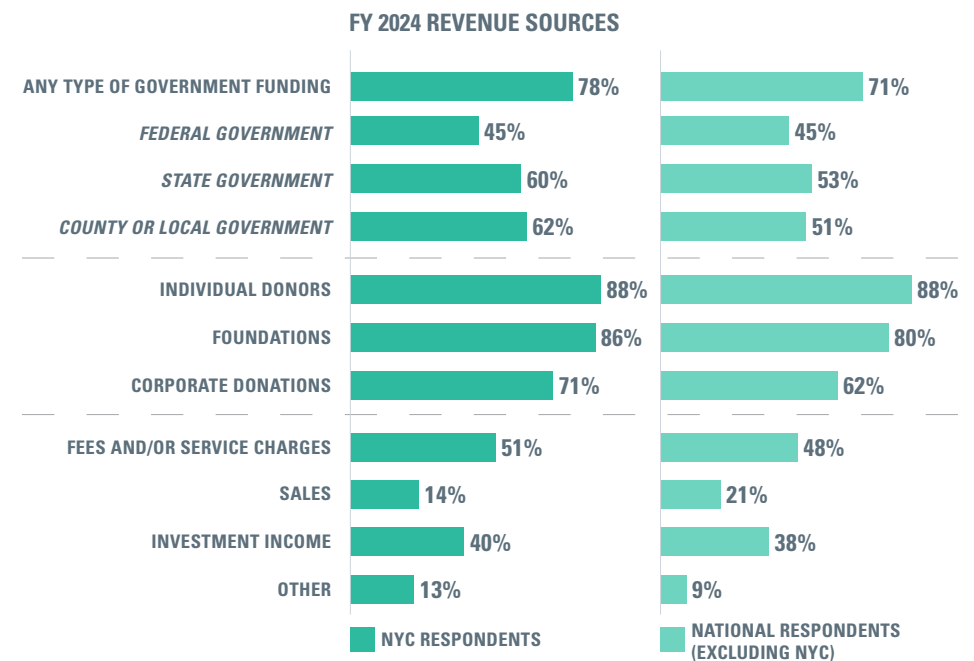


WHAT THE DATA TELLS US NONPROFIT FUNDING DYNAMICS



Most NYC nonprofits rely on foundation and government funding to operate, and are navigating payment delays and lower funding levels.

More than three-quarters of NYC nonprofits receive funding from individual donors (88%), foundations (86%), and government (78%). A higher percentage of nonprofits in NYC rely on county or local government funding compared to nonprofits nationally.

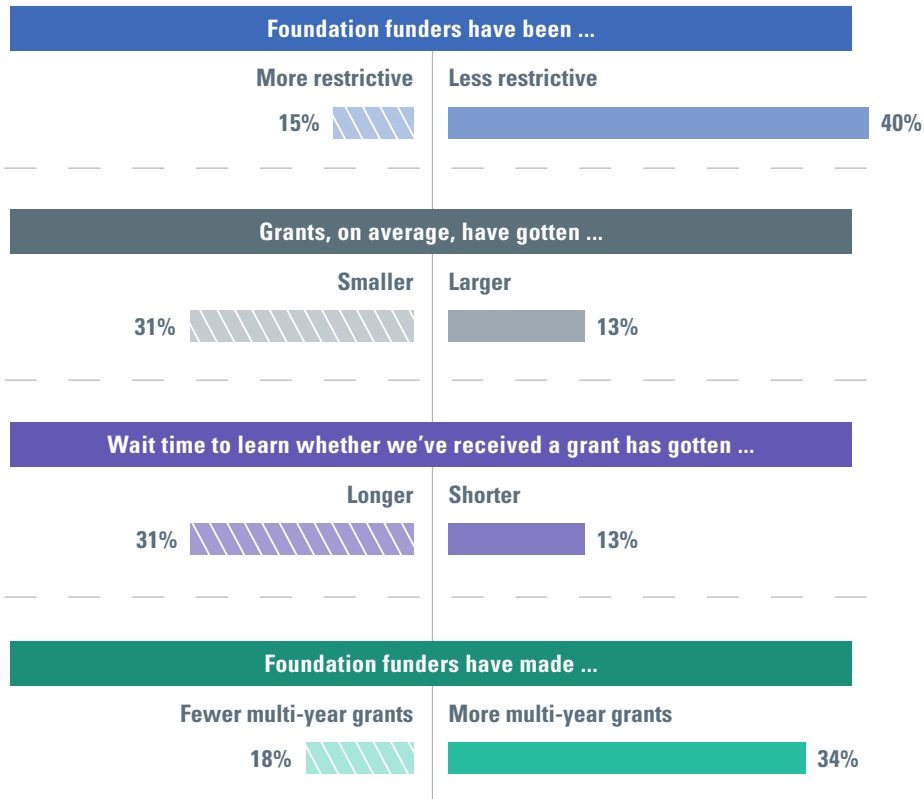


A CLOSER LOOK AT FOUNDATION FUNDING

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

Consistent with national results, many NYC nonprofits shared that funders have gotten less restrictive since late 2022. Among respondents in NYC who received foundation funding in 2024, one-third (34%) said funders are making more multi-year grants, compared to one-quarter (25%) of national respondents. While 31% in NYC 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



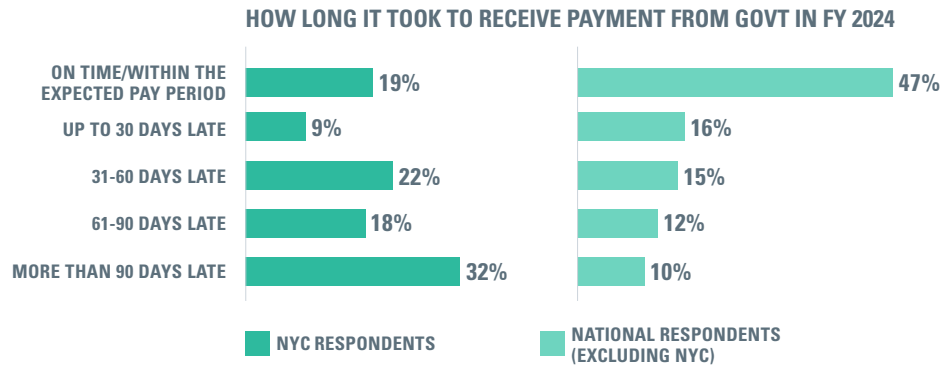
We are preparing for Federal, State, and City funding to become unavailable. Or much more competitive. We are aware that Foundations may be shifting their funding priorities away from the needs of the constituents we serve. We are working to identify individual donors with deep pockets who can make up some of the difference. We are holding our breath.

Arts/culture survey respondent in New York City



A CLOSER LOOK AT GOVERNMENT FUNDING

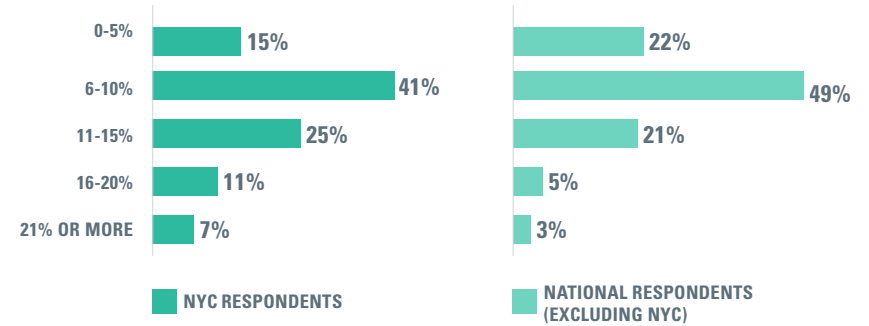
NYC respondents with government funding reported significant delays in payment from federal, state, and local government. Only 19% said they are paid on time, compared to 47% of nonprofits nationally. One-third (32%) said they typically receive payment more than 90 days late, compared to 10% of respondents nationally.



Government funding delays have been longstanding and severe across NYC nonprofits, with critical services to New Yorkers hanging in the balance. In 2024, over 90% of the human services contracts that NYC government had with nonprofits were registered late. At most agencies, the first payments to human services providers came an average of 6.5 months after the contract's start date. Our 2025 NYC survey respondents reported taking on debt (45%), delaying payment to vendors (29%), and drawing on their savings (29%) to continue operating amidst delays, with 12% having to pause or reduce services.

NYC nonprofits generally reported a higher average allowable indirect rate than nonprofits nationally. A majority (56%), though, still reported a typical rate of 10% or less, which is acknowledged in October 2024 OMB guidance as insufficient to run a healthy organization.

TYPICAL INDIRECT RATE ALLOWED IN FY 2024



On top of these challenges with existing government funding, 83% of NYC nonprofits with government funding expect it will decrease as a result of the 2024 election, with 66% expecting it to decrease by more than 10%.



WHAT THE DATA TELLS US

NONPROFIT FINANCIAL HEALTH

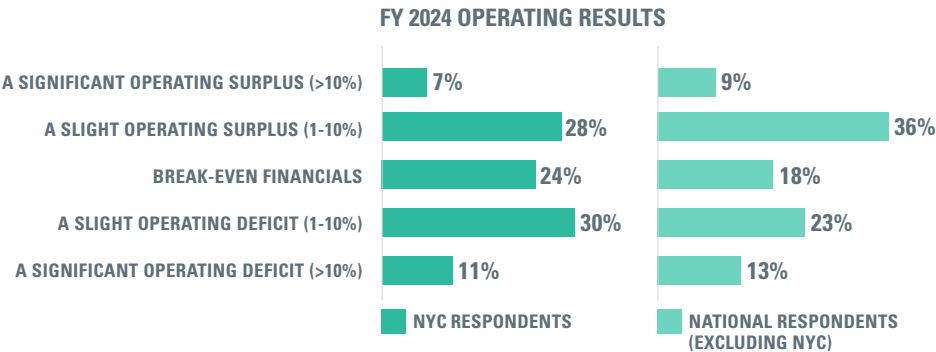


NYC nonprofits entered 2025 with fragile financial health.

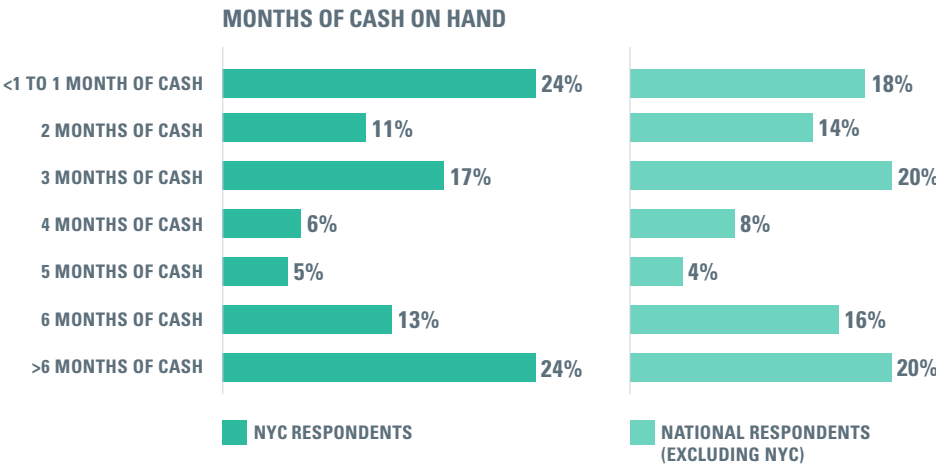
Given these funding dynamics, what is the financial state of NYC nonprofits? To understand short- and long-term nonprofit financial health, we look at two main indicators in this survey: operating surplus/deficit and months of cash.

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.

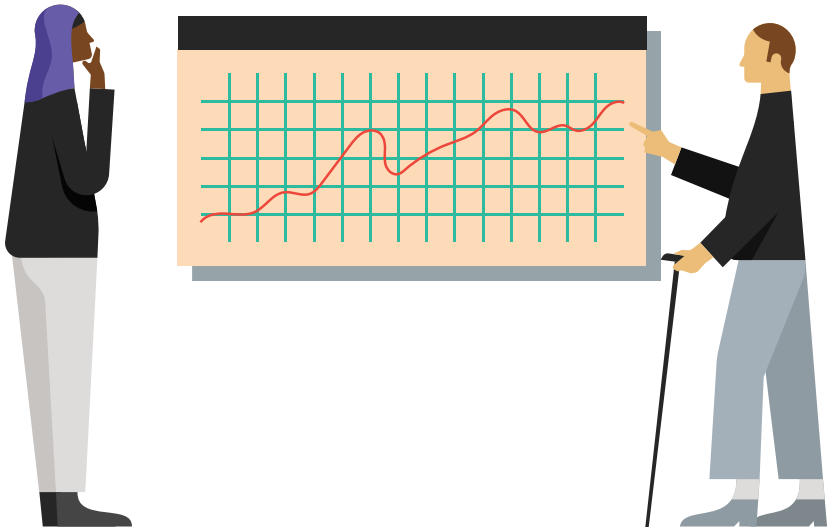
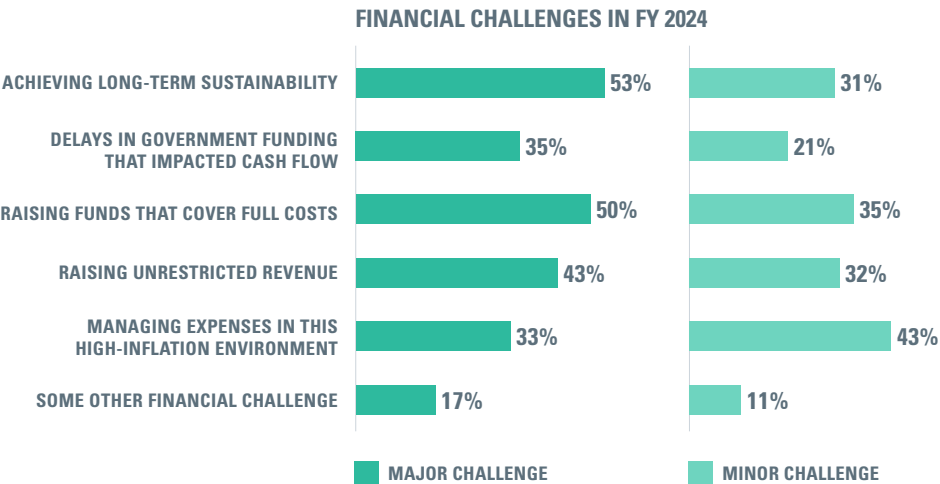
Many local nonprofits are struggling to cover their costs and don't have the cash on hand to manage delays or emergencies, or to make strategic investments. 41% of NYC respondents reported an operating deficit in 2024 – an even higher percentage than reported by nonprofits nationally (36%). In 2025, a greater proportion of nonprofits nationally reported deficits than in the past ten years of our survey data.



One-quarter (24%) of NYC respondents had one month or less of cash on hand. While 59% reported having reserve funds separate from operating cash on hand, this is a lower percentage than nonprofits nationally, where two-thirds (66%) reported having reserve funds.



More than 80% of NYC nonprofits reported challenges raising funds that cover full costs and achieving long-term financial sustainability in 2024.



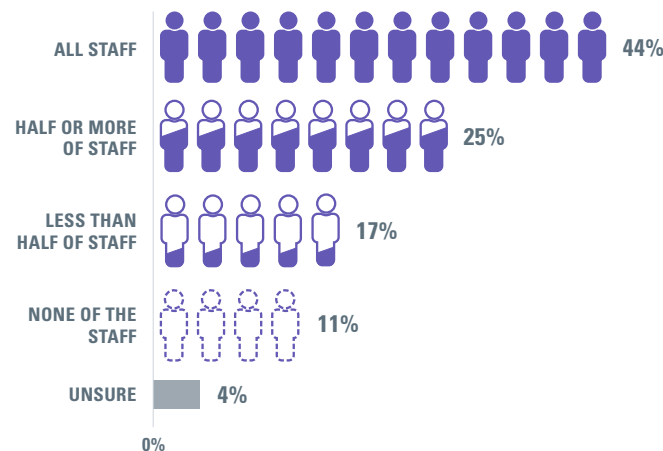
WHAT THE DATA TELLS US NONPROFIT WORKFORCE DYNAMICS



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

80% of respondents in NYC cited the high cost of living as a management challenge, compared with 68% of respondents nationally. For families with two working adults and two children in NYC, 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 NYC, the adult must earn more than \$50 per hour – over \$100,000 per year – to support basic needs.

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



Just 44% of NYC nonprofits were able to pay all staff a living wage in 2024. Most offered benefits, including 85% offering paid sick time and paid vacation time, 82% offering health insurance, and 67% offering retirement fund contributions. Consistent with national trends, the ability to pay a living wage and offer benefits was lower for NYC organizations with smaller budgets.

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

We recognize that organizing and direct service work can be demanding, and we've taken steps to support staff well-being and prevent burnout. This is reflected in our commitment to work-life balance...robust health benefits, including mental health coverage, and professional development opportunities...Through our union, staff have a voice in shaping workplace policies.

Social justice/civil rights/community organizing survey respondent in New York City

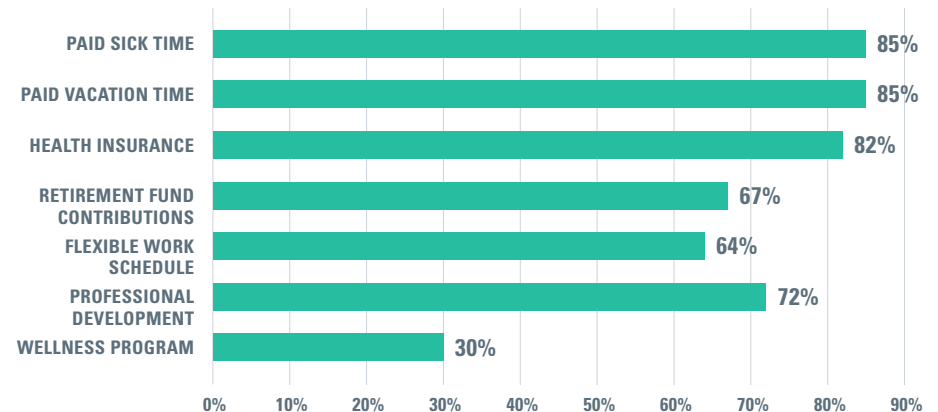
The only way to adequately address staff burnout is higher pay and benefits.

Community development survey respondent in New York City

[We address burnout with] flexible work schedules, work from home, support for wellness, and professional development. The burnout is fear of not raising enough funds to keep everyone employed. That is hard to overcome with an internal policy as foundations close and few are opening that support live performance.

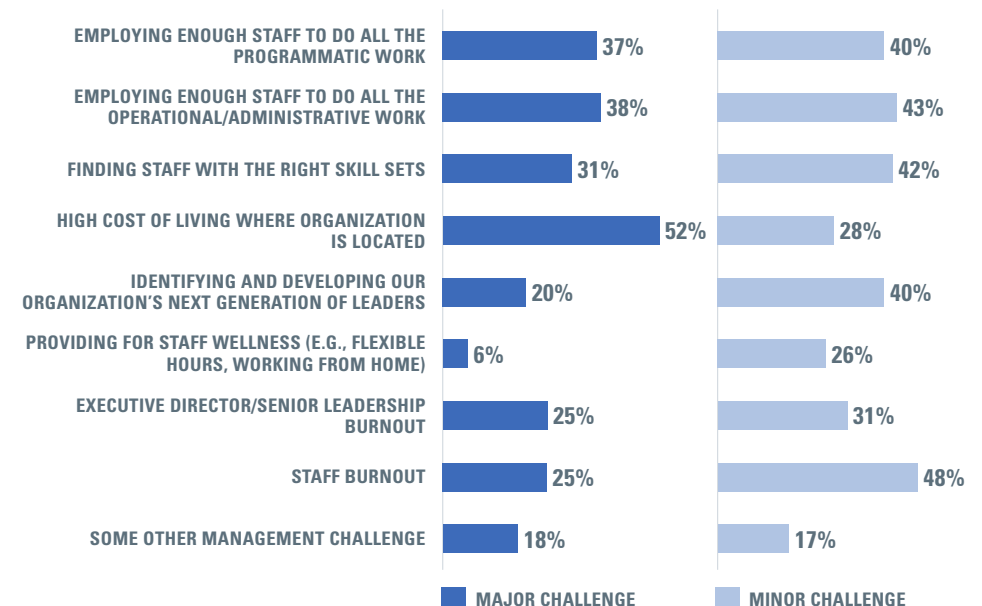
Arts/culture survey respondent in New York City

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, 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 Sector Survey Report

From building community wealth and well-being, to responding to urgent needs, to housing, feeding, teaching, and inspiring, to creating jobs for residents – nonprofits are essential infrastructure and the lifeblood of a strong and vibrant New York City. Yet in 2025, as costs climb, funding declines, and demand for services grows, 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.

Additional Recommendations for NYC Government

Local government funding plays a huge part in NYC's nonprofit ecosystem, yet bureaucracy surrounding contracting and payments creates an immense burden for nonprofits managing this revenue source. Ultimately, critical services, workforce stability, equity, and the trust of nonprofits and communities are at stake. **Here are additional recommendations for NYC government to recognize nonprofits as businesses with operating needs and to support the nonprofit sector now and into the future:**

- **Move quickly** to clear backlogs in contract registration, invoice processing, and payment, including by providing sufficient staff resources to procurement agencies for contract and invoice processing.
- **Streamline and standardize** forms, contracting processes, and online payment systems and ensure all agencies adopt these changes; provide in-depth technical support to nonprofits navigating the government procurement process.
- **Partner with philanthropy, state government, and the banking community – including mission-driven lenders like CDFIs** – to expand grant and low-cost financing programs to help nonprofits navigate payment delays.
- **Update citywide cost and procurement assumptions** to pay what it truly takes for nonprofits to deliver critical services, keeping up with inflation and local cost of living.

We are most proud of standing with and supporting our members over the past year, and through some real challenges. Anything we can do to help support them and the impact they are having in the community...is a top priority. We are as strong as we are because we stand together!

Immigration survey respondent in New York City

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.

