

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

# **Greater Philadelphia's Nonprofit Sector in 2025**

# WHO RESPONDED TO THE SURVEY?

## A SNAPSHOT OF THE GREATER PHILADELPHIA NONPROFIT SECTOR



This report focuses on responses from the 97 organizations from Greater Philadelphia – defined in this report as Bucks County, Chester County, Delaware County, Montgomery County, and Philadelphia County – that took the [2025 State of the Nonprofit Sector Survey](#). It also incorporates reflections and insights from a series of interviews with Philadelphia area nonprofit leaders held in August 2025.

Compared to survey respondents in the rest of the country, respondents in Greater Philadelphia represented organizations that were significantly larger, more likely to have a local or regional scope, and more likely to be led by a person of color. **Throughout this report, when comparisons are made between national and Greater Philadelphia nonprofits, the national data excludes respondents from Greater Philadelphia.**

### KEY SAMPLE DIFFERENCES: GREATER PHILADELPHIA VS. NATIONAL

	Greater Phila.	National
Number of respondents in sample	97	2109
Percentage with operating expenses of \$2 million or more in FY 2024	51%	38%
Percentage working in urban areas	91%	66%
Percentage with a local scope	89%	75%
Percentage led by a person of color*	45%	37%
Percentage with a Black or African American leader	26%	18%

\*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

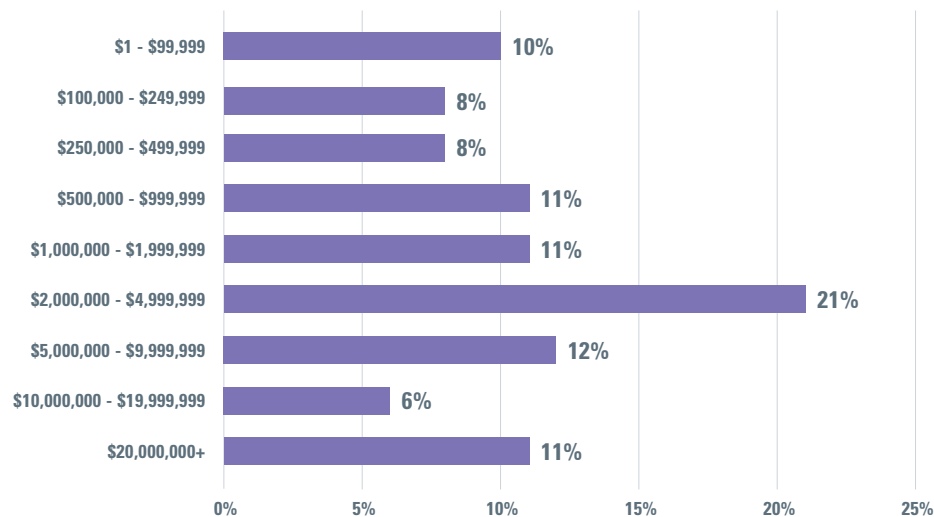
Nonprofit Finance Fund’s tenth [The State of the Nonprofit Sector Survey](#) – conducted from January 30 to March 14, 2025 - gathered data about US nonprofits’ health, challenges, and successes. NFF is deeply grateful to the 2,200+ survey respondents for all the important work they do every day, and 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%.

There is something about this pride of being a part of Philly. And the deep community roots. Nonprofits do the work with a lot of passion. And that helps in a space like now, where we are all facing a similar crisis. Our passion is keeping us grounded and not allowing us to lose hope, even in a time that feels so hopeless.

Nonprofit interviewee in Greater Philadelphia

#### FY 2024 OPERATING EXPENSES

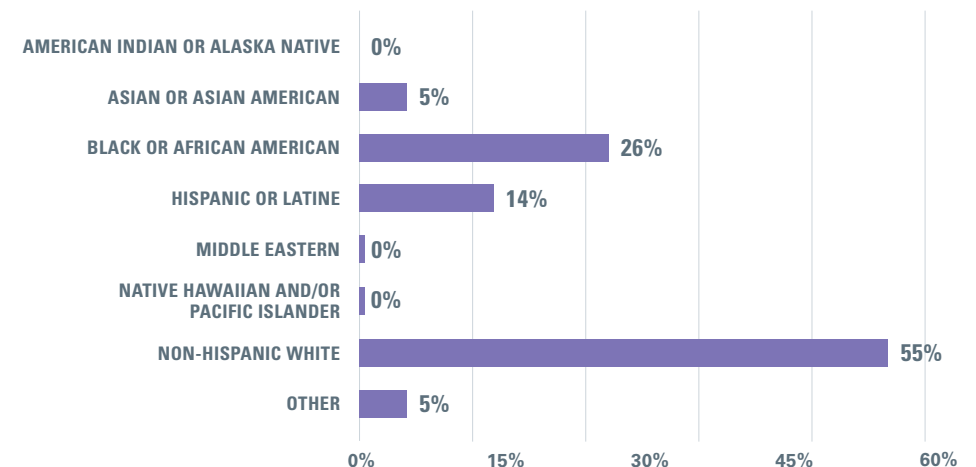


#### KEY AREA OF OF WORK

Arts/Culture	14%
Human Services	13%
Education (other than Early Childhood)	11%
Economic Development (including Employment & Workforce Development)	10%
Education (Early Childhood)	7%
Youth Services	6%
Housing/Shelter	6%
Food/Agriculture/Nutrition	5%
Mental Health/Crisis Intervention	5%
Other	21%

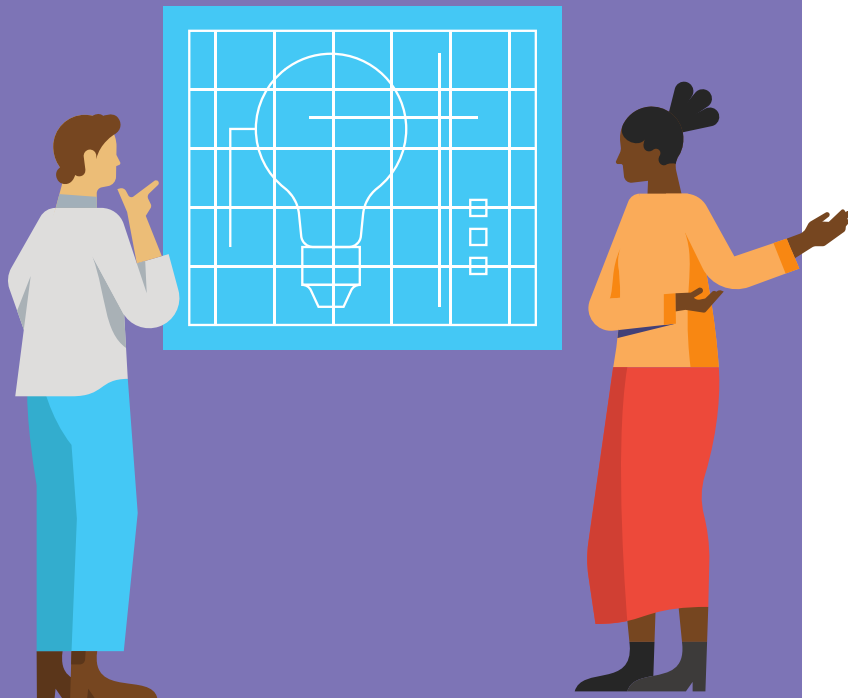
\*Categories in "Other" include: Community Development, Environment/Environmental Justice, Healthcare, Immigration, Philanthropy or Grantmaking, Religion, Reproductive Health, Social Justice/Civil Rights/Community Organizing.

#### RACE/ETHNICITY OF ORGANIZATIONAL LEADER



In addition, 44% of respondents said that half or more of their leadership teams identify as people of color. More than two-thirds (68%) of organizations are female-led and 18% have a leader who identifies as LGBTQIA+.

# WHAT THE DATA TELLS US NONPROFITS ARE THE INFRASTRUCTURE THAT POWERS AND SERVES GREATER PHILADELPHIA COMMUNITIES



## Local nonprofits are working toward a better Philadelphia region for all.

**From educating to housing to feeding to inspiring to healing, nonprofits across the Philadelphia area are the infrastructure supporting strong and vibrant communities. They are foundational to the region's well-being.**

Survey respondents and interviewees described their organizations as the first line of response to urgent community needs, stepping in where public systems fall short, and often without recognition or adequate support.

And nonprofits don't just serve the community; they are the community. 28% have a leader with lived experience representative of a community the organization serves. 50% said they received and acted on community feedback about their services in 2024.

### MAJOR FOCUS AREAS FOR RESPONDENTS

Addressing Economic Inequality	63%
Advancing Racial Equity	63%
Building Community Wealth and Well-Being	57%
Helping People Maintain and/or Keep Quality Jobs	36%
Advancing Gender Equity	29%
Advancing Environmental Justice	18%

78% of Greater Philadelphia nonprofits exclusively or primarily serve people with lower incomes, as compared to 66% of organizations nationally. More than half (52%) of local respondents engaged in advocacy/policy work and 40% worked to increase community civic engagement in 2024.

Our organization's special sauce lies in our holistic, culturally competent approach to supporting families...Our deep roots in the community, bilingual staff, and focus on equity enable us to build trusted relationships, empowering parents and preparing children for kindergarten success.

Human services survey respondent in Greater Philadelphia

# When it comes to building the economy, Philadelphia nonprofits stand tall.

The Greater Philadelphia nonprofits in our survey employed over 8,500 people in 2024, with 52% paying \$1 million or more in total salaries. Nearly half (46%) spent more than \$100,000 buying services, food, or other supplies from local vendors last year, with 15% spending more than \$1 million at local vendors. From employing residents, to buying locally, to boosting tourism, to building homes and commercial spaces, the economic impact of nonprofits is far-reaching.

And our survey provides only a tiny glimpse of what nonprofits are contributing to the local economy. According to 2022 data from the Bureau of Labor Statistics, nonprofit organizations in the City of Philadelphia employed 30% of the total private workforce. The 3,000-plus nonprofits in the City of Philadelphia reported \$48.5 billion in total revenue – more than one-third of the city's GDP – in their most recent IRS filings.



We partner with the city council, Parks & Rec, community organizations, NGOs, and individuals to create economic opportunities for underserved and low-income people. We meet people where they are and keep a light touch. We are here to serve, not direct.

Economic development survey respondent in Greater Philadelphia

We provide workforce development for teens, paying \$15 per hour via summer and afterschool employment. By investing in youth workforce opportunities in historically disinvested communities, we are not only addressing immediate economic needs but also fostering long-term stability and leadership development among the young people most impacted by systemic inequities.

Youth services survey respondent in Greater Philadelphia

[We] bring audiences into the community to frequent restaurants, shops and community businesses.

Arts/culture survey respondent in Greater Philadelphia

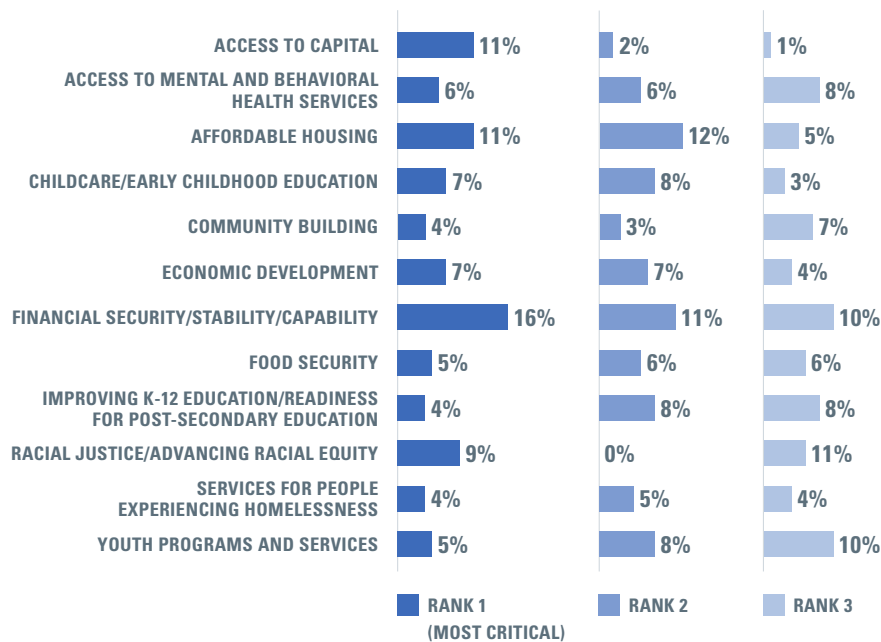
We re-develop previously vacant buildings into permanently affordable housing and commercial spaces.

Community development survey respondent in Greater Philadelphia

# Financial security tops the list of community needs in Greater Philadelphia, as demand for services continues to rise.

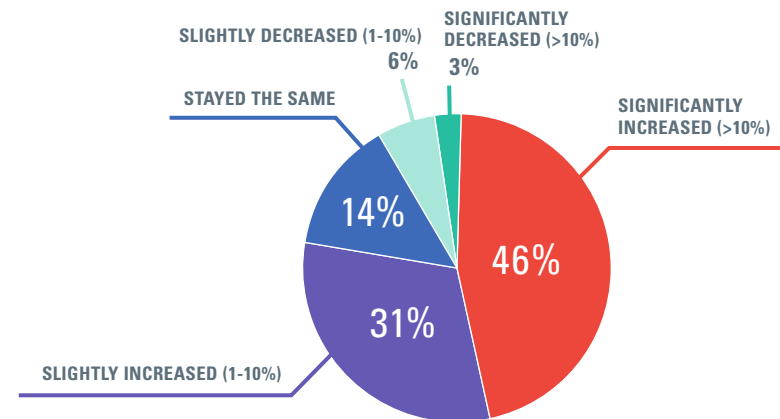
Local nonprofits are working to address a range of interconnected community needs, with financial security highlighted as a top need by more than one-third (37%) of respondents. Affordable housing was named as a top need by 28% of respondents.

TOP THREE CRITICAL COMMUNITY NEEDS

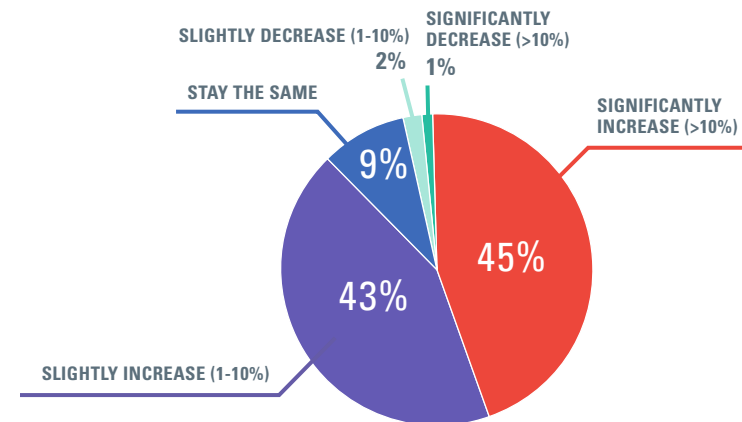


Consistent with national data, a large majority of Greater Philadelphia nonprofits reported that demand for their services is increasing – and often significantly. 56% don't expect to be able to meet service demand in 2025.

SERVICE DEMAND BETWEEN FY 2023 AND FY 2024



ANTICIPATED SERVICE DEMAND IN FY 2025



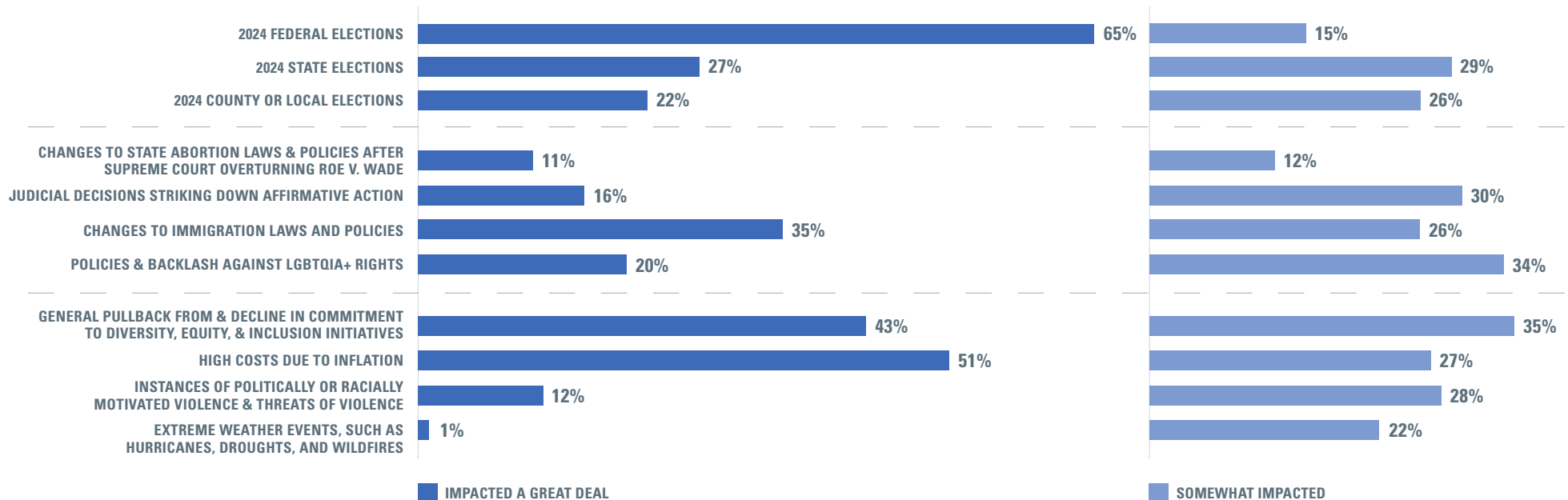
# Elections, inflation, and policy shifts in 2024 impacted a majority of Greater Philadelphia nonprofits and their clients.

Compared to respondents nationally, nonprofits in Greater Philadelphia were more likely to report impact from state elections (56% for Greater Philadelphia respondents, compared to 46% nationally), judicial decisions striking down affirmative action (46% for Greater Philadelphia respondents, compared to 36% nationally), and pullback from and decline in commitment to diversity, equity, and inclusion initiatives (78% for Greater Philadelphia respondents, compared to 60% nationally). In 2025, local organizations are preparing for the future by scenario planning, launching new advocacy campaigns, seeking out new private funding sources, and investing in community engagement and community care efforts.

We are prepared to adapt to any changes that may impact our ability to serve, such as shifts in federal or local funding, policies affecting homelessness and social services, or new opportunities for collaboration with government agencies. However, our core response will always be to focus on our community's immediate needs, whether through providing meals, essential items, or support services. Our goal is to remain nimble, ensuring that whatever changes come, we are ready to continue helping those who rely on us.

Mental health/crisis intervention survey respondent in Greater Philadelphia

## IMPACT OF RECENT EVENTS ON ORGANIZATIONS AND THE CLIENTS THEY SERVE

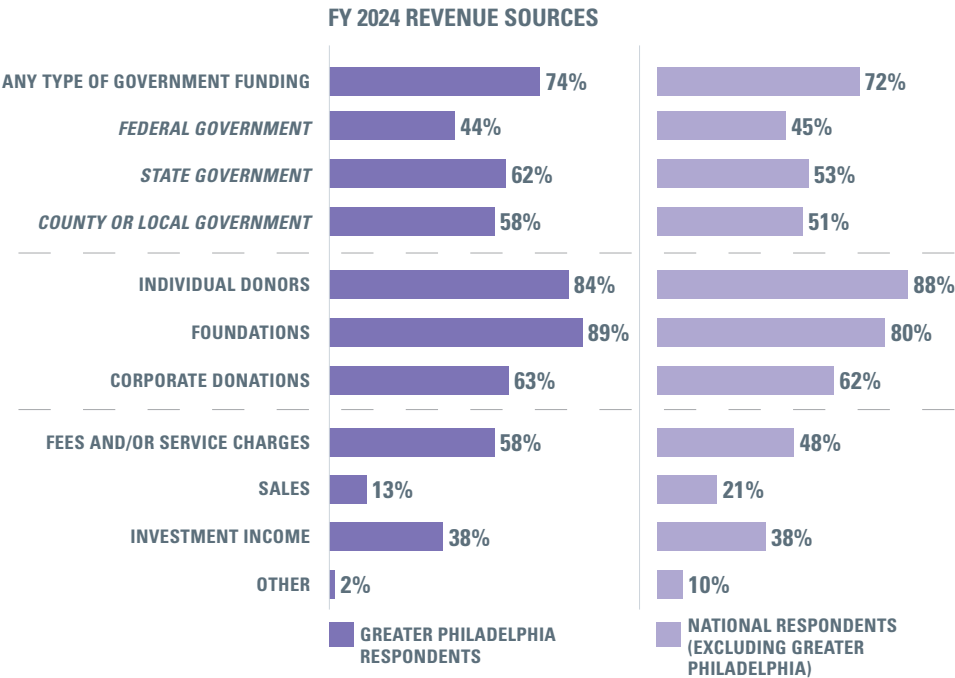


# WHAT THE DATA TELLS US

## NONPROFIT FUNDING DYNAMICS

# Most Greater Philadelphia nonprofits rely on foundation and government funding to operate; many are navigating payment delays and lower funding levels.

89% of local nonprofits received foundation funding in 2024 and 84% received funding from individual donors. 74% of respondents received government funding in 2024 – either from federal, state, and/or local government – with a slightly higher percentage receiving state or local funding than compared to nonprofits nationally.





A CLOSER LOOK AT FOUNDATION FUNDING

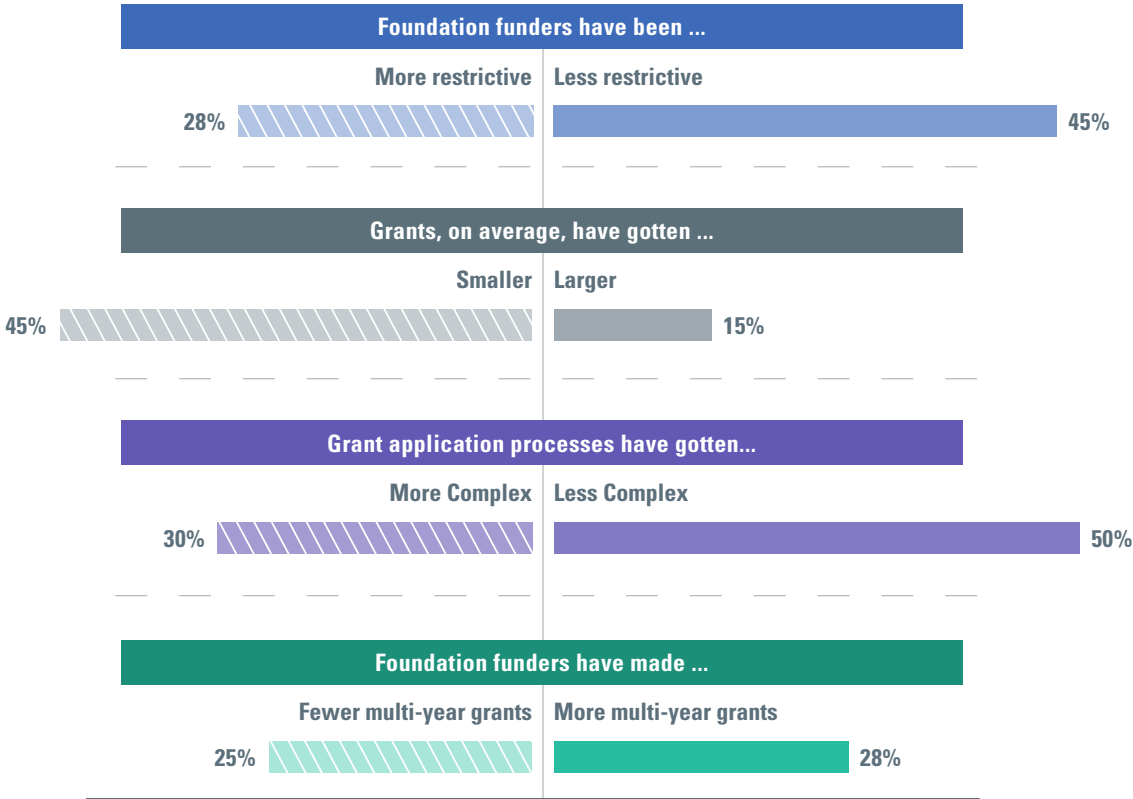
Our 2025 survey explored how foundation funding practices have changed since late 2022, to see if supportive funder practices started during the COVID-19 pandemic have continued. Many Greater Philadelphia nonprofits (45%) shared that funders have gotten less restrictive since late 2022. 50% said that grant application processes have gotten less complex. This is a higher percentage than nationally, where 30% reported less complex grant applications.

36% of Greater Philadelphia nonprofits reported that at least half of their grants and donations in 2024 were unrestricted. At the same time, a majority (54%) named more flexible funding as their top need from foundation funders.

I know we could do so much more good in this world as a smaller organization that is very aligned with the communities being served. But the lack of [funding for] administration and infrastructure gets in the way of doing the good work.

Nonprofit interviewee in Greater Philadelphia

CHANGES IN FOUNDATION FUNDING PRACTICES SINCE LATE 2022



## A CLOSER LOOK AT GOVERNMENT FUNDING

Only one-third (33%) of Greater Philadelphia nonprofits said they are paid on time by government, compared to nearly half (46%) of nonprofits nationally. 58% of those reporting delayed payments are using loans or lines of credit to cope, compared to 35% nationally. Fewer local respondents managed delays using savings or existing resources – 25% of respondents in Greater Philadelphia, compared to 37% nationally.

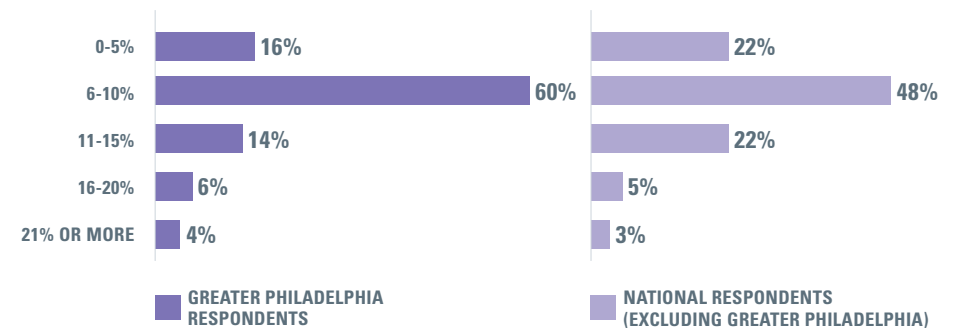


We fight for funding in the city and state budget, and it gets zeroed out. It's impossible to sustain programs.

Nonprofit interviewee in Greater Philadelphia

Across Philadelphia city government departments, inconsistent contracting practices and communications and oversight challenges have contributed to this dynamic. Greater Philadelphia nonprofit interviewees highlighted late payments, opaque processes, and complex contracting systems impacting their ability to deliver services. They noted a lack of dedicated, reliable, and permanent funding streams for nonprofits from the City of Philadelphia and surrounding counties. Some did highlight promising signs of improved government and nonprofit partnership, such as the creation of a nonprofit roundtable and efforts to streamline grant and contracting processes.

## TYPICAL INDIRECT RATE ALLOWED IN FY 2024



Three-quarters of respondents (76%) with government funding said they were able to charge an indirect rate of only 10% or less, a rate acknowledged in October 2024 OMB guidance as insufficient to run a healthy organization.

Funding flowing from the federal government has also been problematic: interviewees shared that federal cuts to everything from Title X to SNAP and delayed government payments have destabilized organizations. 89% of Greater Philadelphia nonprofits with government funding expected it to decrease as a result of the 2024 election, with 66% expecting it to decrease by more than 10%.

We are an extension of government. We are the infrastructure for government. And we are not treated as an equal partner.

Nonprofit interviewee in Greater Philadelphia



WHAT THE DATA TELLS US

# NONPROFIT FINANCIAL HEALTH

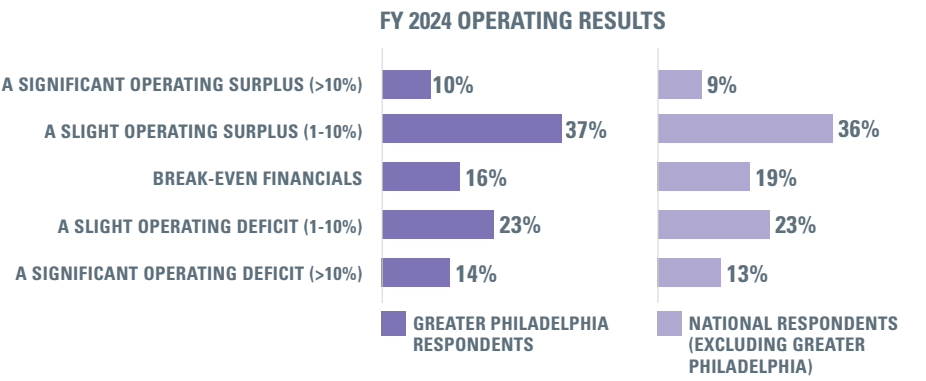


## Many Greater Philadelphia nonprofits are struggling to cover costs and have little financial safety net.

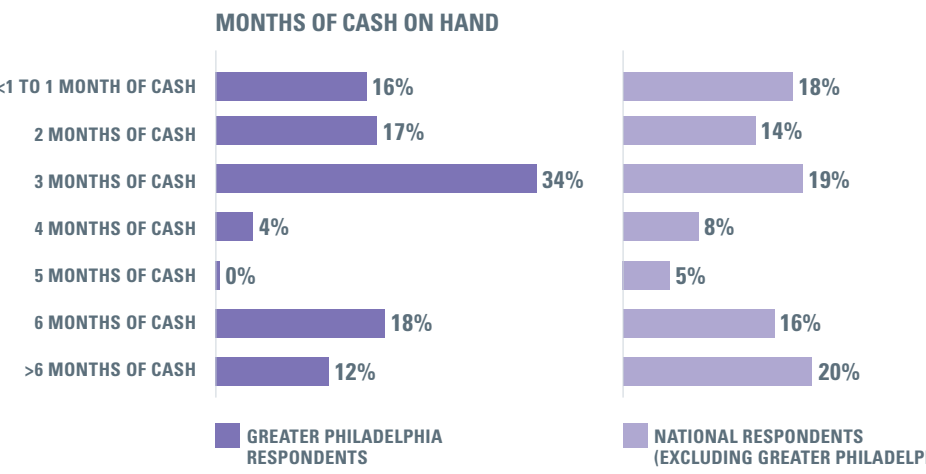
In light of these funding dynamics, what is the financial state of Greater Philadelphia nonprofits? To understand short- and long-term nonprofit financial health, we look at two main indicators in this survey: operating surplus/deficit and months of cash.

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.

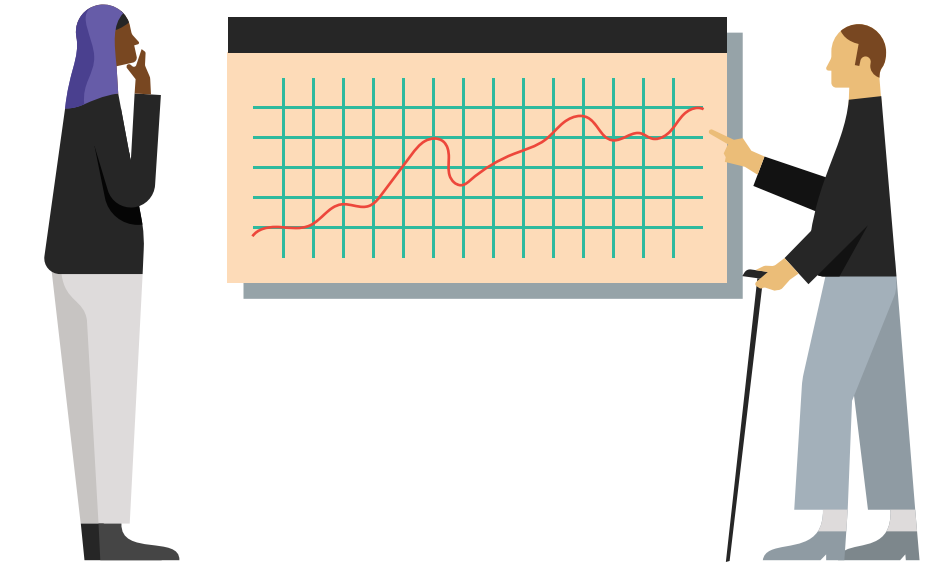
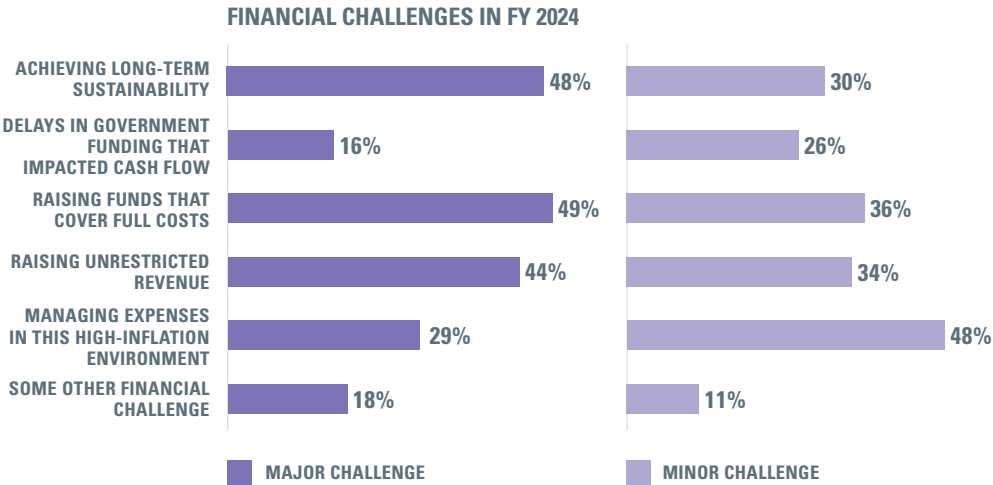
37% of Greater Philadelphia respondents reported an operating deficit in 2024 – a similar percentage as nonprofits nationally (36%). In our 2025 survey, a higher percentage of nonprofits nationally reported deficits than in the past ten years of our survey data. Nearly half (47%) of local nonprofits reported an operating surplus.



Two-thirds (66%) of Greater Philadelphia nonprofits have three months or less of cash on hand, compared to half (51%) of nonprofits nationally. This leaves little room to manage payment delays, navigate emergencies, or to make strategic investments. 69% of local respondents did report having reserve funds separate from operating cash on hand.



Raising funds that cover **full costs** was the top financial challenge in 2024, cited by 85% of Greater Philadelphia nonprofits.



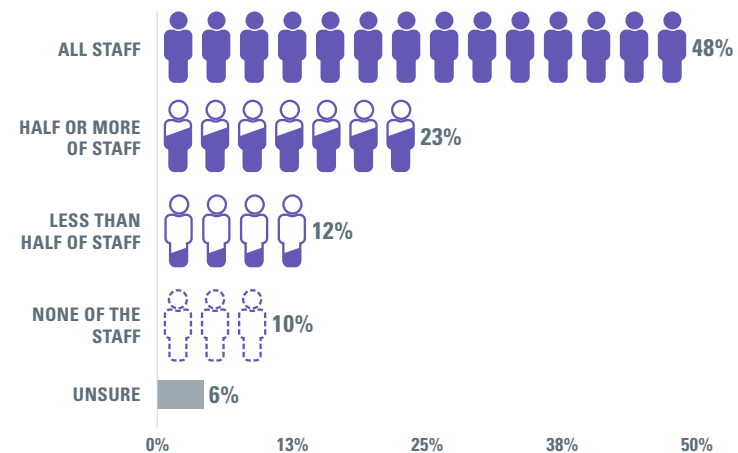
# WHAT THE DATA TELLS US NONPROFIT WORKFORCE DYNAMICS



## Paying all staff a living wage is out of reach for over half of Greater Philadelphia nonprofits.

48% of Greater Philadelphia nonprofits were able to pay all full-time staff a living wage in 2024, compared to 41% of nonprofits nationally. For families with two working adults and two children in Philadelphia County, each adult must earn roughly \$31 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 Philadelphia, the adult must earn \$44 per hour – over \$90,000 per year – to support basic needs.

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



There are difficulties paying a livable wage. What would it take to get us from \$17 per hour to \$26 per hour? Not being paid a living wage themselves, some staff have to go to food banks.

Nonprofit interviewee in Greater Philadelphia

# Burnout and employing enough staff are the most common management challenges for Greater Philadelphia nonprofits.

While most Greater Philadelphia nonprofits (55%) named high cost of living as a management challenge, nonprofits in the national sample were even more likely to identify this as a challenge. Only 12% of local nonprofits said high cost of living was a major challenge, compared to 39% of nonprofits nationally. But nonprofit interviewees commented that cost of living is a growing concern locally.

I asked a [nonprofit] colleague about her retirement and she doesn't know what she'll do. That's what it means to be in nonprofit leadership.

Nonprofit interviewee in Greater Philadelphia

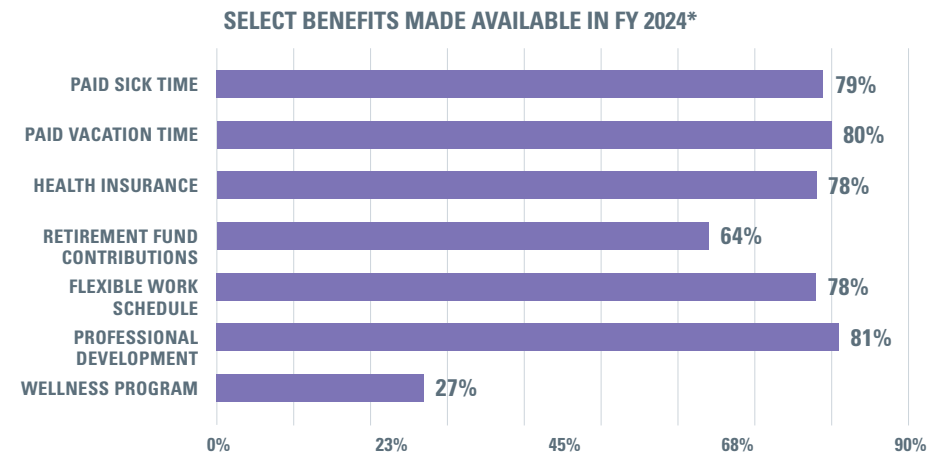
[It used to be] cheaper to live in Philadelphia than in other cities, but that is proving to be less true and will be consequential to the sector. Can our workforce live and work here?

Nonprofit interviewee in Greater Philadelphia

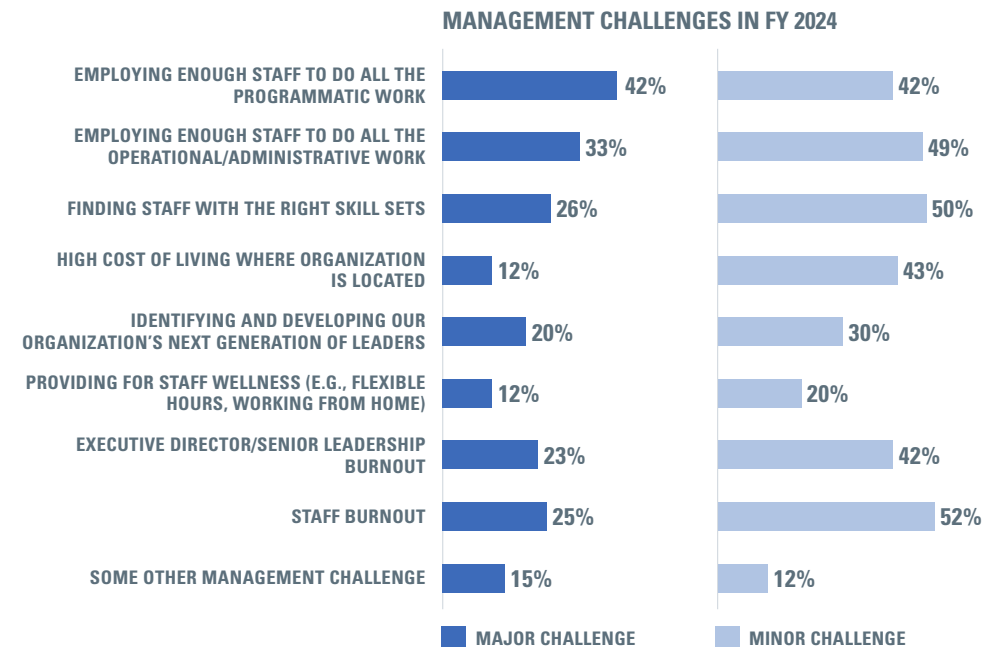
We don't have a solution [to burnout] at the moment. We have the funding to hire more staff but don't have people applying for the job, thus continuing to burnout the few staff we have.

Arts/culture survey respondent in Greater Philadelphia

A majority of Greater Philadelphia nonprofits offered benefits to their staff in 2024, most commonly professional development, paid vacation time, and paid sick time. 78% made health insurance available in 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, sabbaticals.



GETTING THROUGH,  
AND BUILDING  
WHAT'S NEXT

# WHAT WE CAN DO TO EMERGE STRONGER AS A SECTOR



## Recommendations for Supporting the Greater Philadelphia Nonprofit Sector

From building community wealth and well-being to responding to urgent community needs, nonprofits are essential infrastructure supporting a strong and vibrant region. Greater Philadelphia survey respondents and interviewees highlighted local resilience and deep pride in and commitment to their community – strengths they described as “uniquely Philadelphian.”

Yet in 2025, as costs climb, funding declines, and demand for services grows, this infrastructure is under strain. How can we all support local nonprofits to thrive so that our communities thrive?

Building on the stories and insights from survey respondents, we asked this question of Greater Philadelphia nonprofit leaders. Their reflections reveal a deep desire for systems-level change – moving beyond transactional relationships between nonprofits and funders and toward more equitable, sustainable, and trust-based practices. And they offered a roadmap, grounded in lived experience, to support the nonprofit sector’s resilience, innovation, and impact. Some of these recommendations require big or systemic changes to how – and how much – funding flows to nonprofits. Others go beyond the purse strings and call on funders to use their voices, make connections, and listen deeply.

As we list the recommendations below, we recognize that there are bright spots – funders that are boldly innovating to give nonprofits, their staff, and the communities they serve the extra care they need during these unprecedented times. We are inspired by their example, some of which we’ve woven in below, and hope that others are also inspired to action.

# Recommendations for Philanthropy

## PRACTICE TRUE TRUST-BASED PHILANTHROPY AND PRIORITIZE MULTI-YEAR, FLEXIBLE FUNDING

Leaders emphasized the need for funding practices that align with long-term resilience, especially now in the face of growing community need and ongoing uncertainty. Survey respondents and interviewees called for more funders to **make funding flexible, give multi-year grants, and lessen complexity of grant applications and reports**. Some Greater Philadelphia funders are already doing this. One interviewee, for example, praised a local foundation's approach of giving flat increases to all grantees without any application or additional restrictions – a surprise boost in funding that was rooted in trust and flexibility. Another shared that a current funder sent them a check to renew their program support without asking for a renewal application.

## ELEVATE THE ROLE AND ESSENTIALITY OF NONPROFITS IN PUBLIC NARRATIVE, STARTING WITHIN YOUR OWN ORGANIZATION

Philanthropy has access to platforms and audiences that nonprofits may not. **Use your influence – through storytelling, public education, and advocacy – to lift up the contributions of the nonprofit sector.** By both championing and investing in narrative change, philanthropy can help shift public perception and policy in ways that recognize nonprofits as essential infrastructure. And begin closer to home **by balancing the power in your relationships with grantees, including asking for and rewarding honesty about their needs. Hire from the communities you serve, too,** to have an internal on-the-ground perspective.

We ask that there be intensive training of foundation leaders to break the power dynamic issue down. To help answer the question: 'How do we really see [things from] someone else's perspective?'

Nonprofit interviewee in Greater Philadelphia

We need funding to allow for more innovation, and more general operating support. This allows nonprofits to build up the infrastructure to be successful in carrying out any type of project. We're often operating on a shoestring from an operational perspective.

Nonprofit interviewee in Greater Philadelphia

My recommendation to funders: get more comfortable providing general operating support. And you need to fund legal, advocacy – and things you aren't normally comfortable funding, like lobbying/external affairs.

Nonprofit interviewee in Greater Philadelphia

Philanthropy often has access to a different audience. They can shine a light on the value of nonprofits.

Nonprofit interviewee in Greater Philadelphia

Foundations have the power to change some things. They have a seat at the table and they need to be vocal about what they see.

Nonprofit interviewee in Greater Philadelphia



## INVEST IN WORKFORCE WELL-BEING AND LEADERSHIP SUSTAINABILITY

The emotional and financial toll of nonprofit work was a recurring theme in the survey and interviews; leaders called for funding that supports living wages, benefits, mental health resources, and leadership sustainability. Local nonprofits are investing in the well-being of their employees in new ways; they highlighted four-day work weeks, wellness stipends, and sabbaticals as examples. One interviewee commended a local foundation's investment in personal financial planning for nonprofit staff.

**Invest in nonprofits' ability to sustain well-being supports. Ensure your grants are keeping up with inflation and allowing nonprofits to pay thriving wages.**

I would love more funders to offer free [personal] financial planning. It shows that funders see leaders as people. There are lots of little ways for funders to support and be in the space of recognizing nonprofits leaders as humans.

Nonprofit interviewee in Greater Philadelphia

Nonprofits are now more open about their challenges and more open to collaboration.

Nonprofit interviewee in Greater Philadelphia

## SUPPORT COLLABORATION (AND ENGAGE IN IT, TOO)

Collaboration was named as a strength of the Greater Philadelphia nonprofit sector – and something that has grown in recent months. Nonprofits are working together to share information, fundraise jointly, advocate together, combine back-office functions, and more. But collaboration is not free; it takes time, energy, dollars, and trade-offs. Support organizations to work together in ways they determine impactful, whether **by funding organizations to convene and collaborate, making connections between nonprofits, introducing your grantees to other funders and supporters, or investing in local intermediaries and fiscal sponsors.** And – building on a history of philanthropic collaboration locally – **mobilize as funders to act together quickly when crises unfold, collectively advocate for nonprofits, invest in systems change, and streamline your grant applications and reporting requirements to lessen burdens on nonprofits.**



# Recommendations for Local Government

## CREATE PERMANENT FUNDING STREAMS THAT RECOGNIZE NONPROFITS AS ESSENTIAL INFRASTRUCTURE

Nonprofits are major, consistent contributors to employment and economic vitality, yet often without the reliable public funding that flows to many for-profit industries. Interviewees underscored **the need for permanent departments and dedicated funding streams – including for arts, culture, and humanities – to ensure sustained public investment in the nonprofit infrastructure.** One interviewee praised the recent creation of a general operating fund for their sector this year, though emphasized the need for its permanency to sustain impact in communities.

We need a baseline of funding from the City for nonprofits to get to a stable place.

Nonprofit interviewee in Greater Philadelphia

Philadelphia has a very rich arts and culture scene and that has a big impact on the greater economy. Arts have turned around neighborhoods that were in a state of decline. Artists move to a cheap area, restaurants move in, then it becomes vibrant, and artists get pushed out financially. Meanwhile, people coming to arts performances in the city patronize restaurants and hotels. The contributions of arts organizations to the city's economy need to be recognized and funded.

Nonprofit interviewee in Greater Philadelphia

## ENGAGE NONPROFITS IN POLICY AND PLANNING

Nonprofits are deeply embedded in their communities and have powerful ideas for shaping policy based on their community engagement. Interviewees urged government funders to **include nonprofit leaders in district-level planning, economic development, and cultural strategy.** There is already momentum to build on in the City of Philadelphia through nonprofit task forces and roundtables and growing opportunities for collaboration across nonprofits; interviewees highlighted the need for more opportunities for engagement between nonprofits and local government in Bucks, Chester, Delaware, and Montgomery counties.

## IMPROVE CONTRACTING AND PAYMENT PROCESSES

Predictable and timely public funding is critical to nonprofit stability, yet it is not the norm for local nonprofits. Interviewees called for streamlined contracting processes and prompter payments. One interviewee called out the uneven playing field for government contracts caused by late government payments – that with all the funding cuts and margins so tight, the only organizations that can take on government contracts are those with access to lines of credit, something that is not available to all. Upgrades to outdated technology, adequate staff resources in city departments, and a unified system to govern contracting can enhance both consistency and accountability across contracting agencies – and support more timely payments now and in the future.

## 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.

The creation of this local report was made possible by ten Greater Philadelphia philanthropies committed to ongoing collaboration and co-funding initiatives that address issues of importance to our city and region.

Nonprofit Finance Fund also thanks the Greater Philadelphia nonprofit leaders who spent time with our team discussing how to turn survey data into action locally, as well as the many community partners who provided input on survey topics and distributed the survey to their networks.

