

A background image of dark, heavy, and dramatic storm clouds, filling the entire frame. The clouds are in various shades of grey and black, with some lighter patches where light breaks through, creating a sense of tension and pressure.

# MOUNTING PRESSURE

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Foundations and Nonprofits on the Current Context

# PROJECT FUNDERS



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**Massachusetts nonprofits expect federal policies to devastate sector and vulnerable communities**

**Philanthropy Is Having a Crisis of Confidence**

**Nonprofits, Hobbled by Funding Cuts, Now Worry About Losing Tax-Exempt Status**

**Schools suddenly lose \$1 billion for mental health care**

**Food Banks Are Running Out of Food Exactly When More Americans Will Need Them**

**In a Time of Nonprofit Defunding, Will Foundations Put More Money on the Line?**

**Facing Federal Defunding, Nonprofits Draft Best and Worst Case Budgets**

**Tax Measure Will Add New Money Woes to a Reeling Nonprofit Sector**



# WHERE THE DATA COME FROM

## NONPROFITS

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Representative sample of U.S.-based nonprofit organizations that have received funding from foundations that give \$5 million or more annually

## FOUNDATIONS

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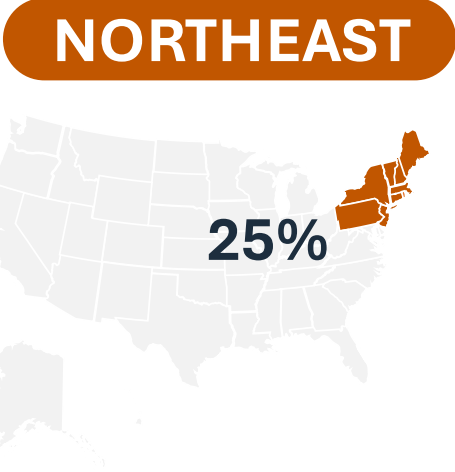
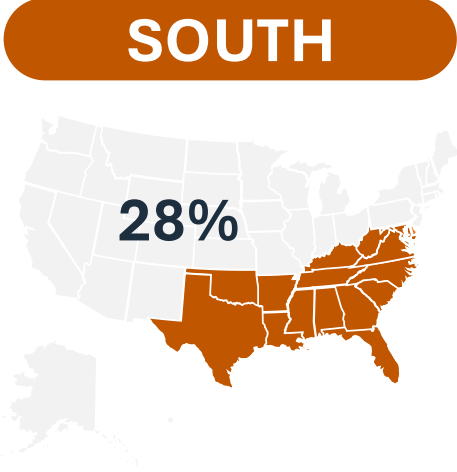
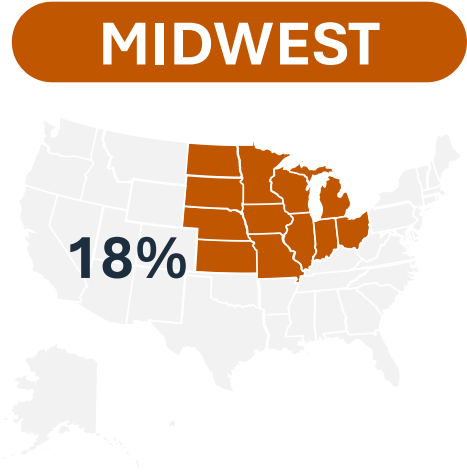
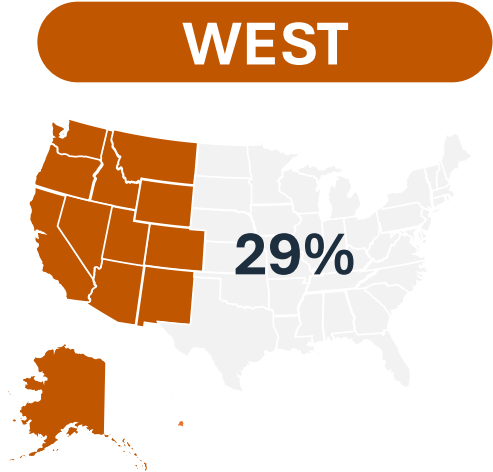
All U.S.-based independent, community, or health conversion foundations that give \$5 million or more annually

# WHERE THE DATA COME FROM

DATA SOURCE	TIMING	# OF ORGANIZATIONS	RESPONSE RATE
Survey of nonprofit leaders	Aug – Sep 2025	408	46%
Survey of foundation leaders	Aug – Sep 2025	227	30%
Interviews with nonprofit leaders	Sep 2025	27	N/A
Interviews with foundation leaders	Sep 2025	31	N/A

# **NONPROFIT PERSPECTIVES**

# US CENSUS REGIONS OF RESPONDING NONPROFITS (N=404)

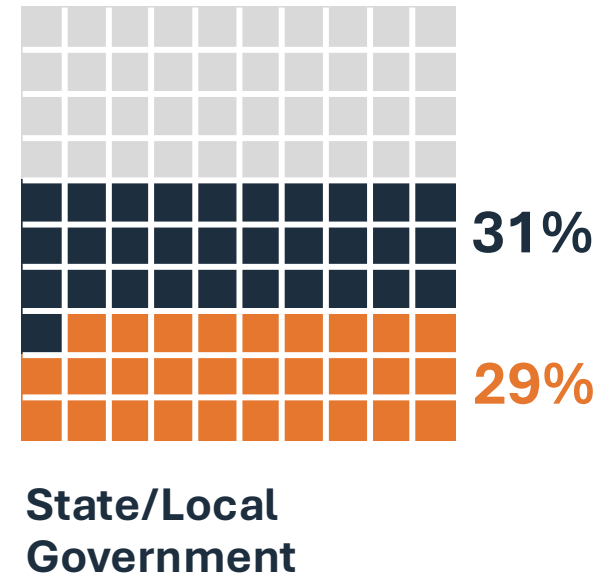
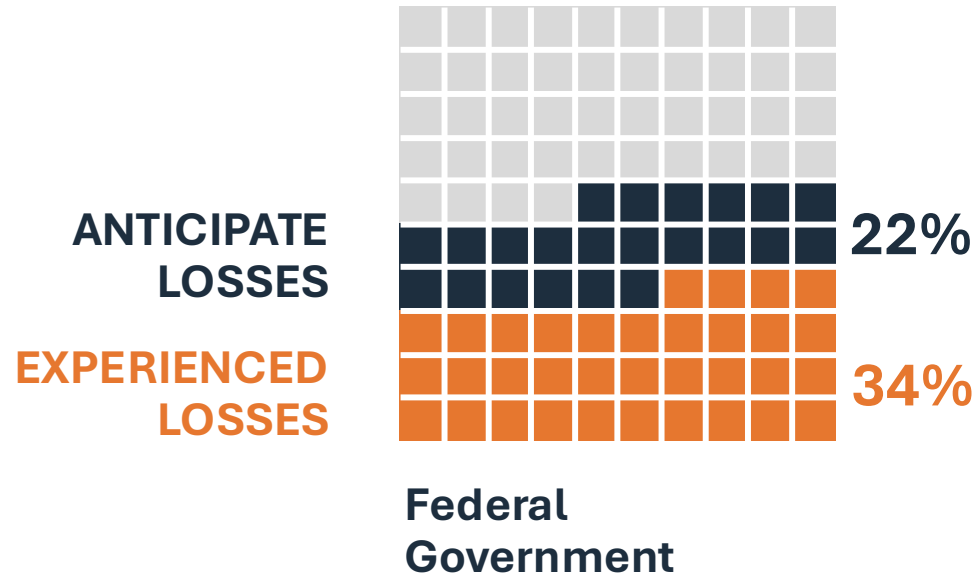


# KEY FOCUS AREAS OF RESPONDING NONPROFITS

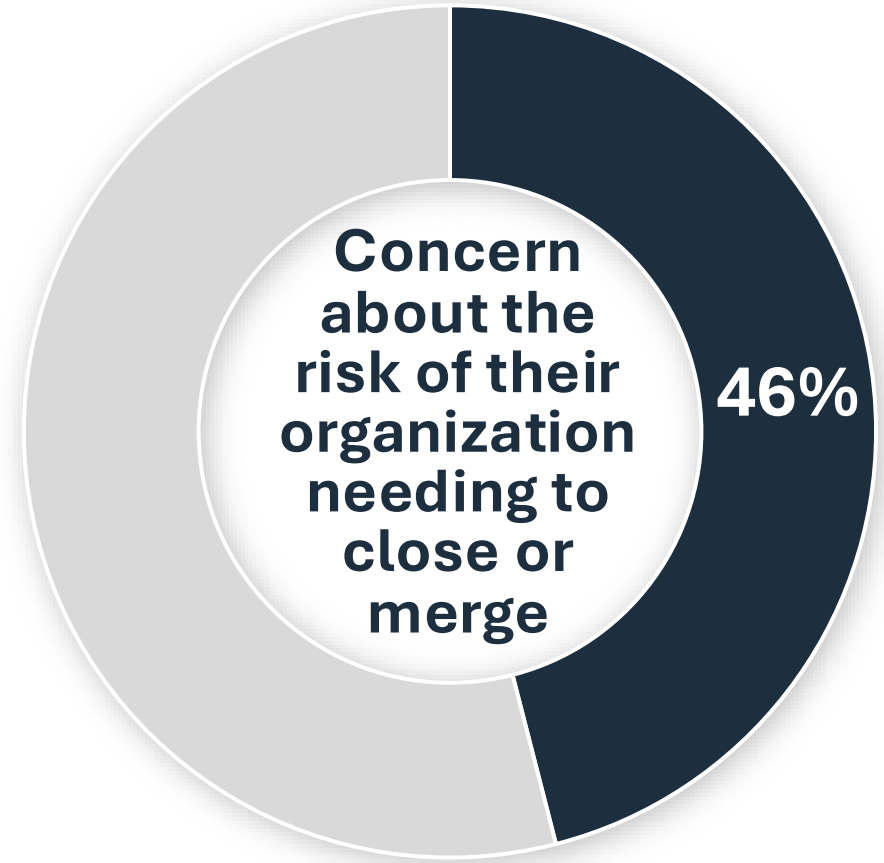
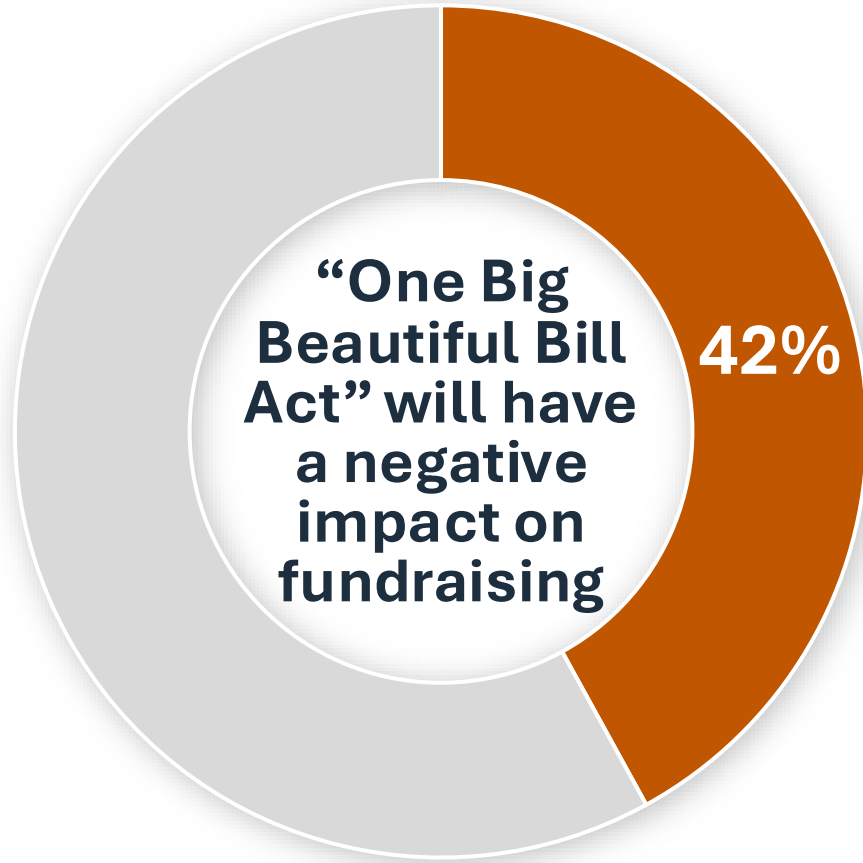
Human Services	43%
Education	39%
Social Justice	27%
Health	24%
Public/Societal Benefit	24%
Arts/Culture/Humanities	20%
Civic Engagement and Government	15%
Environment and Animals	14%
Religion	3%
International/Foreign Affairs	2%
Mutual/Membership Benefit	2%

# NONPROFITS HIT HARD BY FUNDING LOSSES

Proportion of Nonprofits That Have Experienced, or Anticipate Experiencing, Funding Losses



# NONPROFITS HIT HARD BY FUNDING LOSSES



“

*“There is no viable win condition — the win is to tread water. **Costs are increasing simultaneous to a much more difficult funding environment...***

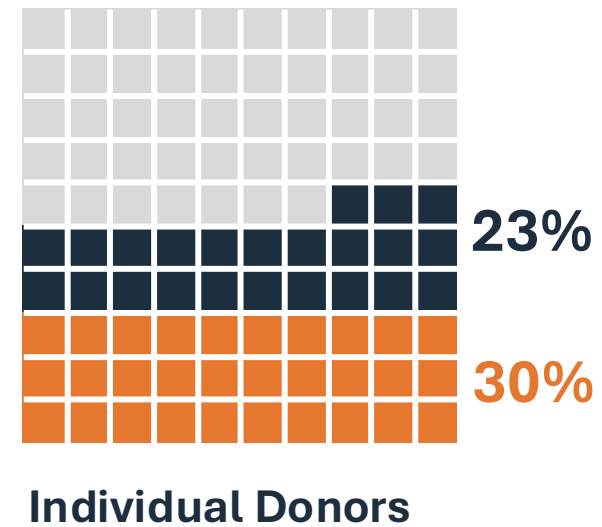
*The well is running dry, our operating runway is shrinking, and though staff want to move in a proactive direction, I am most worried about base level subsistence.”*

*-Nonprofit Leader*

”

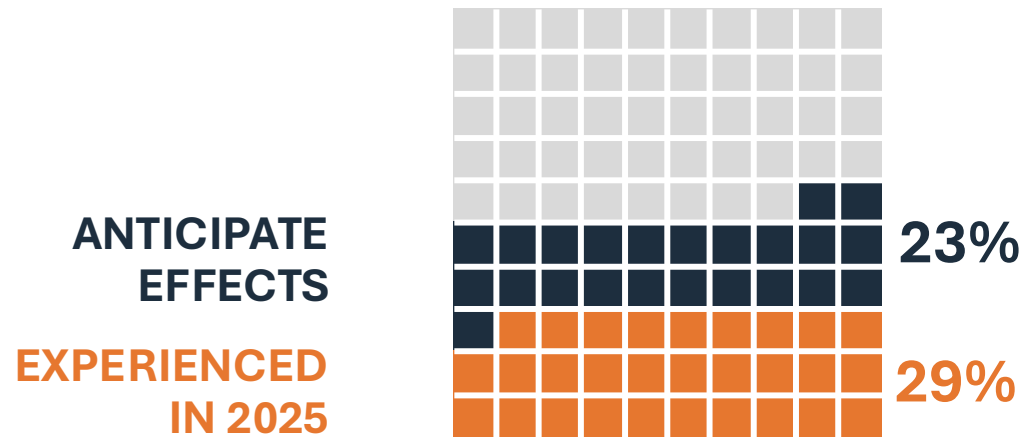
# NONPROFITS HIT HARD BY FUNDING LOSSES

Proportion of Nonprofits That Have Experienced, or Anticipate Experiencing, Funding Losses

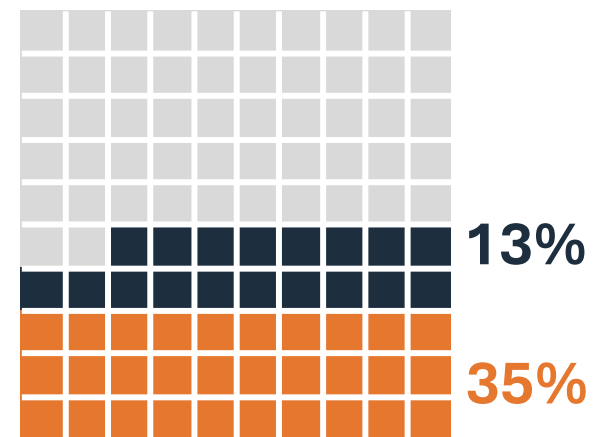


# INCREASED STRAIN ON NONPROFITS

Proportion of Nonprofit Leaders That Have Experienced, or Anticipate Experiencing, Effects



Reduction in staffing



Concerns about well-being/safety of staff/board

“

*“Trying to stay on top of all these constantly changing threats is a full-time job in itself, and I still have my regular full-time job as Executive Director.*

*Our government [is] supposed to be our source of protection and provide paths to safety for our clients through the programs they fund.*

***Now the Feds are closing those paths, and it feels like we need to protect our clients from them.***

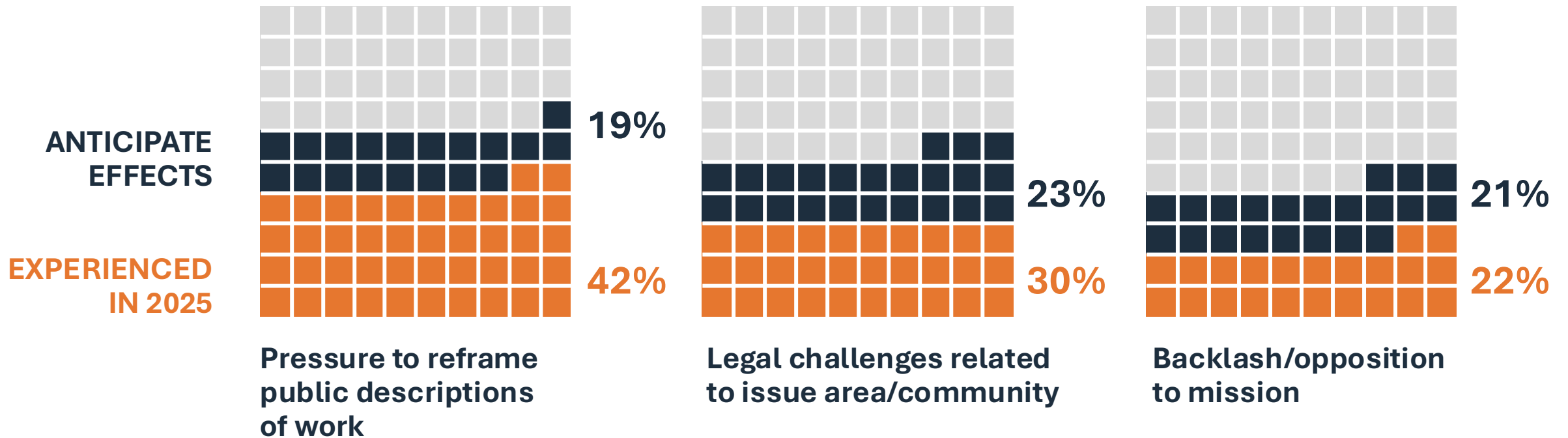
*How do we do that? No one has the answer.”*

*- Nonprofit Leader*

”

# MISSIONS UNDER SCRUTINY

Proportion of Leaders That Have Experienced, or Anticipate Experiencing, Effects



# NONPROFITS UNDER PRESSURE

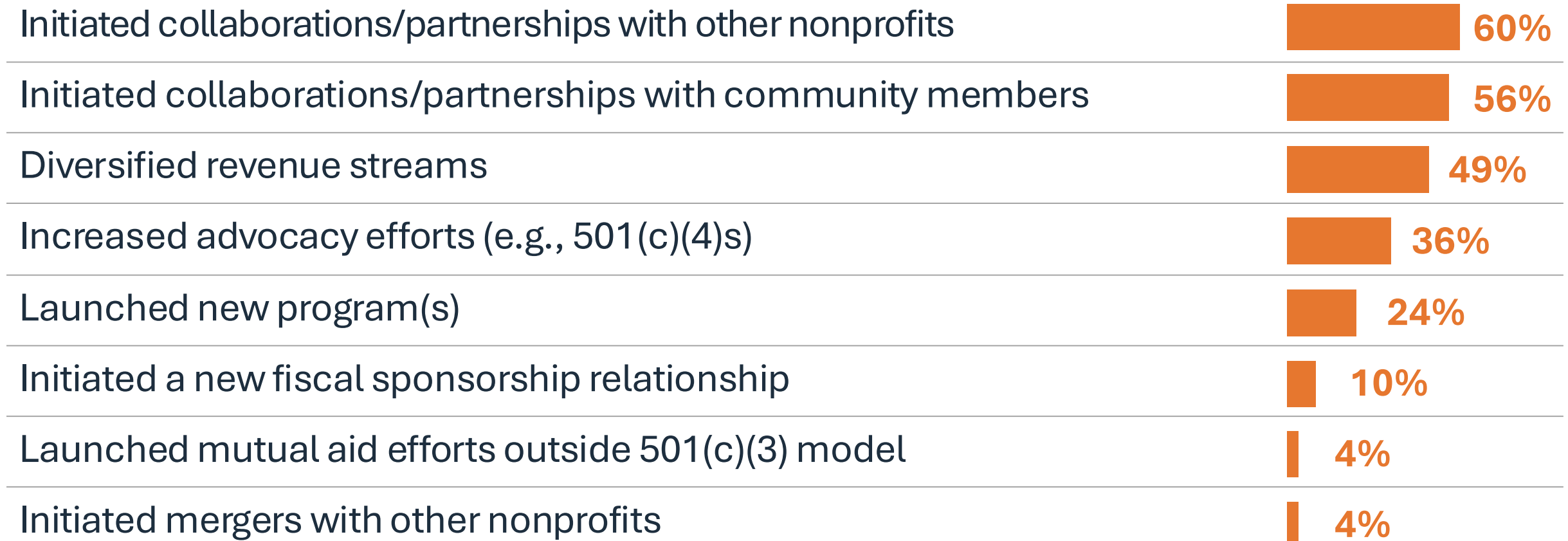
**81%**

of nonprofits have experienced or anticipate experiencing increased demand for services

**68%**

of nonprofits say that the current context has had a negative impact on their ability to carry out work

# NONPROFITS RESPONDING THROUGH COLLABORATIONS, DIVERSIFYING REVENUE



# EXISTENTIAL THREATS FOR NONPROFITS

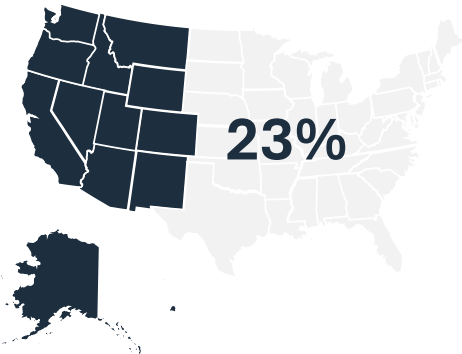
**61%**

**of nonprofits say that the current context  
poses moderate to significant risk  
for them to continue to operate**

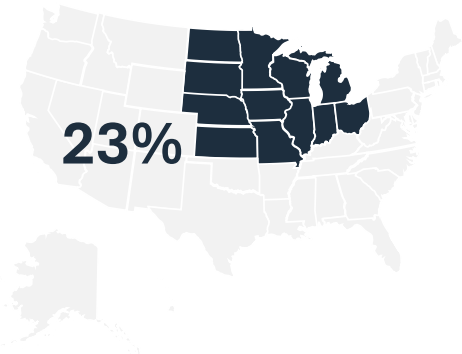
# FOUNDATION PERSPECTIVES

# US CENSUS REGIONS OF RESPONDING FOUNDATIONS (N=227)

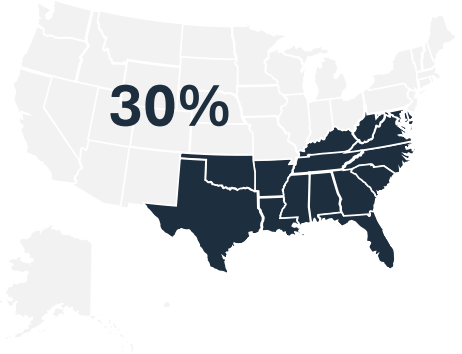
**WEST**



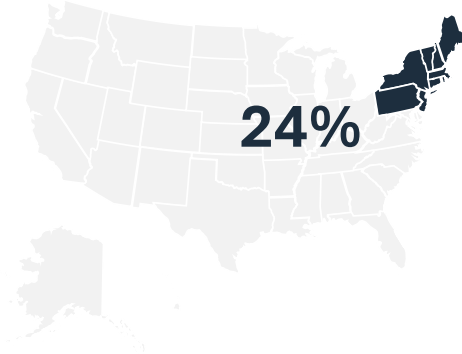
**MIDWEST**



**SOUTH**



**NORTHEAST**



# FOUNDATION TYPE

Private Foundation	61%
Community Foundation	35%
Other	4%

# NEGATIVE EFFECTS ON MOST FOUNDATIONS

**55%**

of foundation leaders indicate that the current context has had a negative impact on their foundation's progress toward goals

# GREATER DEMAND FOR FOUNDATION SUPPORT

87%

**of foundation leaders report  
increased demand for funding in 2025**

*An additional 9% anticipate experiencing this increased demand*

“

*“[There is] so much need by the communities and the nonprofits we serve and partner with.*

***We have increased our annual payout and still there simply isn't enough to make up for the significant federal and other funding losses.”***

*- Foundation Leader*

”

# CHANGING GRANTMAKING

**30%**

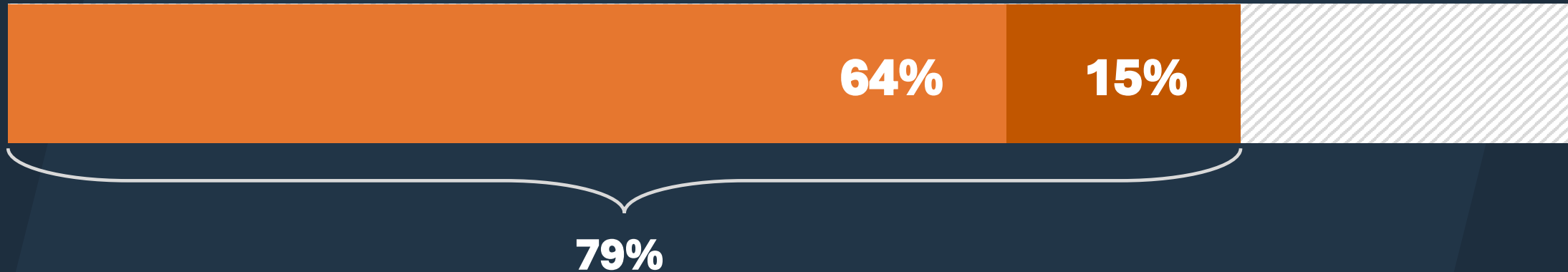
**of foundations have increased payout in 2025 more than planned in response to the current context**

# CHANGING GRANTMAKING

**64%**

**provided emergency/rapid  
response grants**

*An additional 15% are considering  
making these grants*



# CHANGING GRANTMAKING

**42%**

of foundations report providing a larger number of **unrestricted grants** than they had been prior to 2025

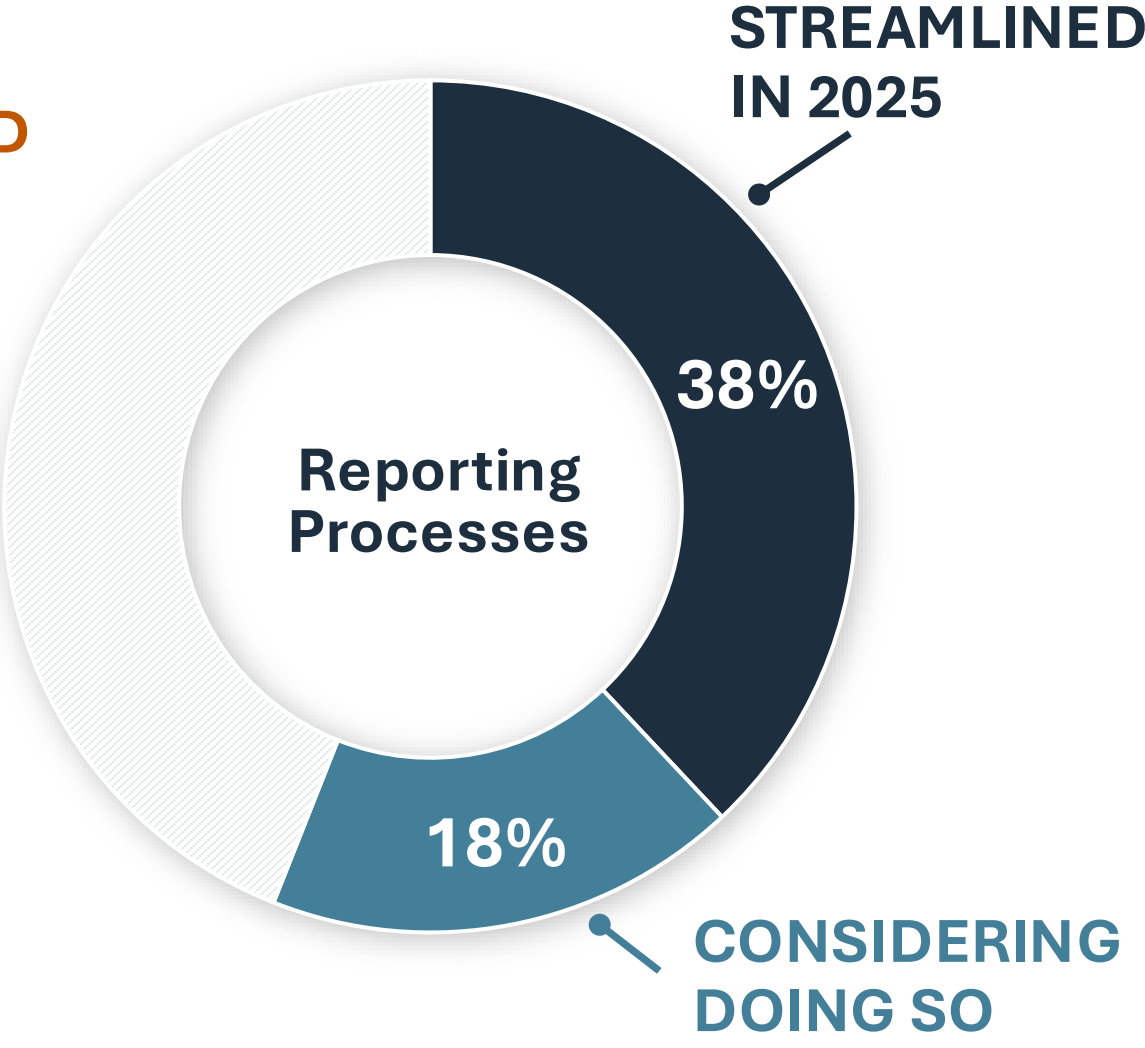
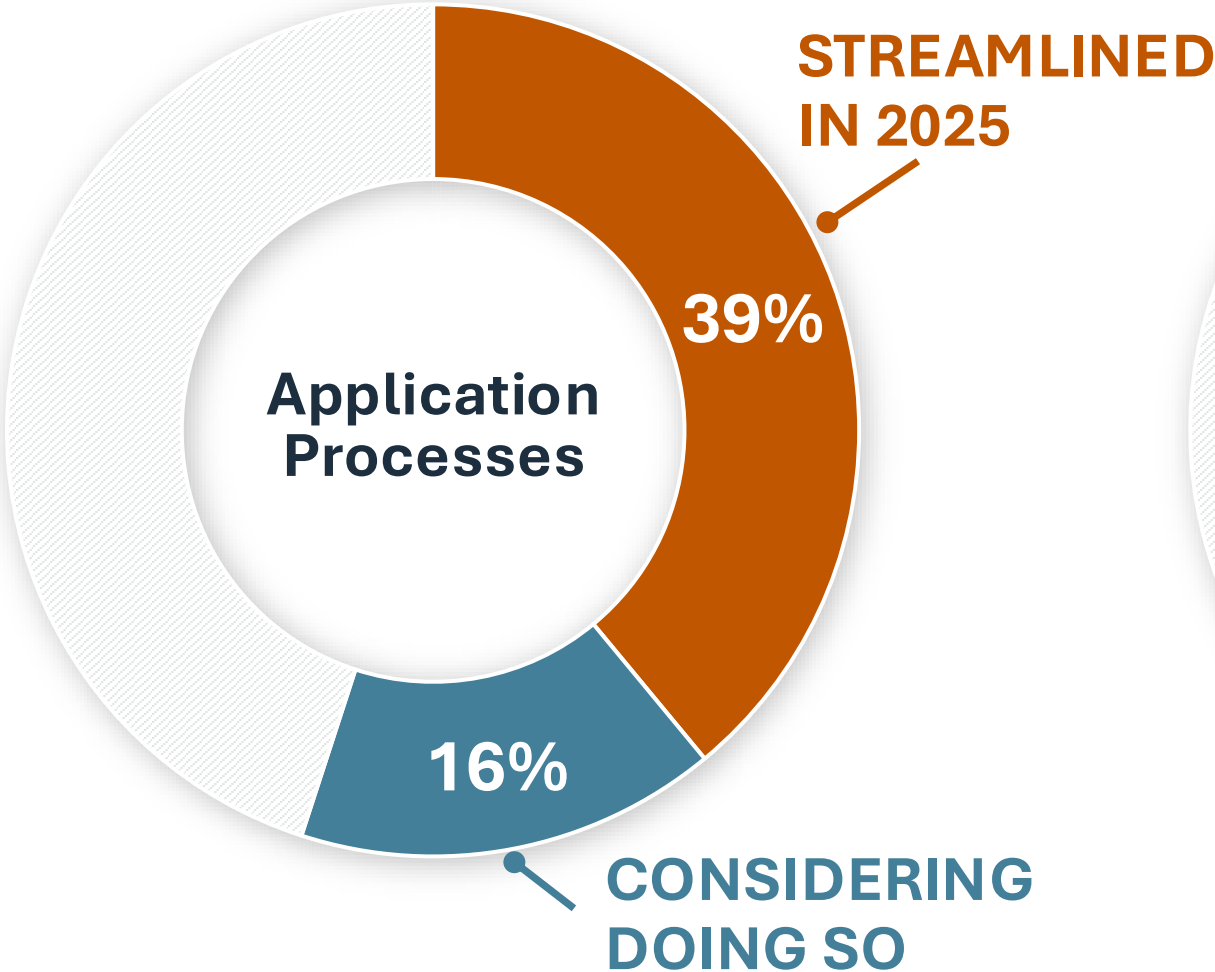
*An additional 17% are considering doing so*

**28%**

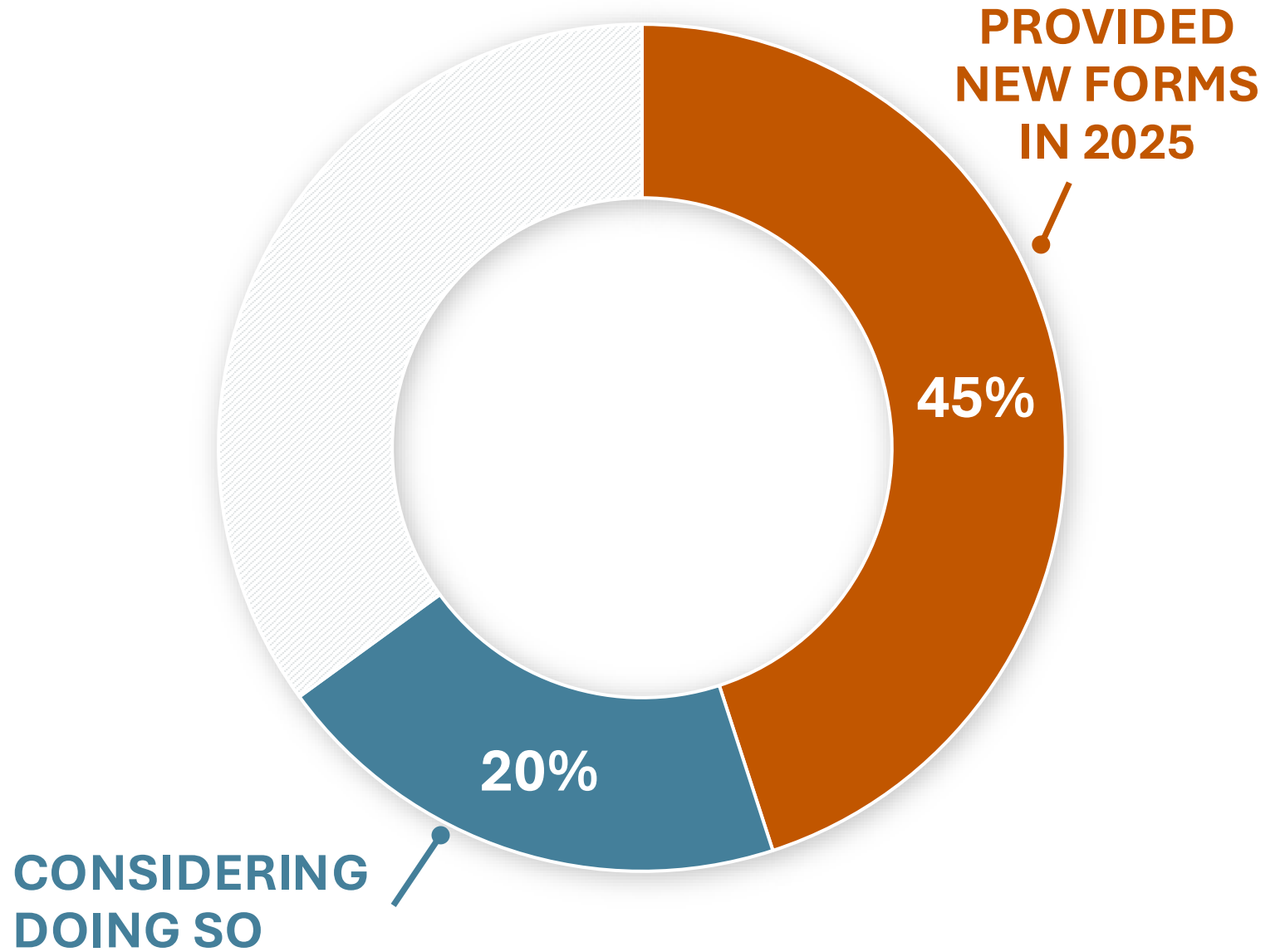
of foundations report providing a larger number of **multiyear grants** than they had been prior to 2025

*An additional 25% are considering doing so*

# CHANGING PROCESSES



# ASSISTANCE BEYOND THE GRANT



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*“We have focused on building up leaders in our community — recognizing their talents and gifts — so they can meet this moment.*

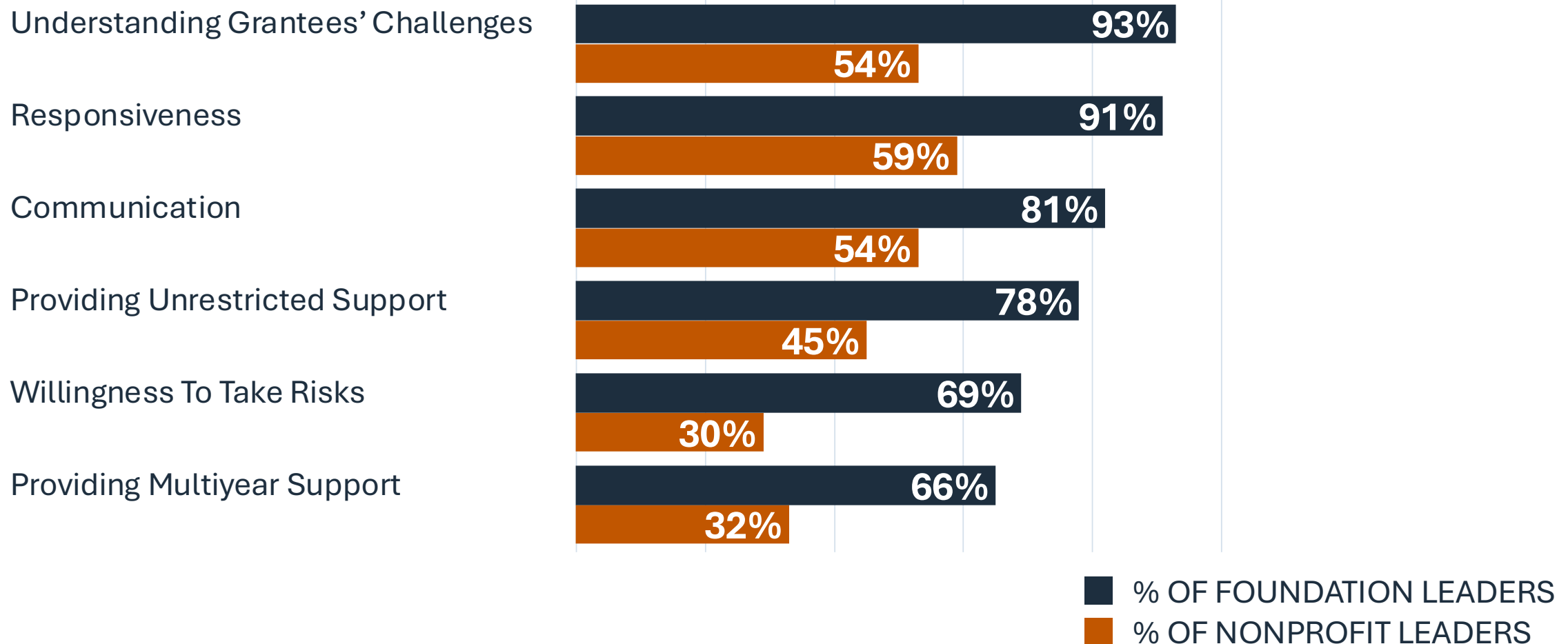
***Right now, this is just as important as money: seeing these leaders, affirming their worth, and letting them know we believe in them. It matters.”***

*- Foundation Leader*

”

# DIVIDED PERSPECTIVES

## Proportion of Leaders Rating Foundation Response as Effective



“

*“Threats to nonprofits and charitable foundations do not discriminate based on perspective.*

***We cannot afford to act in isolation.***

*We must move together to support the common good.”*

*- Foundation Leader*

”

“

***“I believe that courage is contagious.***

*When we use our voice to stand up for our beliefs and values, we help inspire others to do the same.”*

*- Foundation Leader*

”

**Read the Full Report [Here](#).**



THE CENTER FOR  
EFFECTIVE PHILANTHROPY