

A SECTOR IN CRISIS:

How U.S. Nonprofits and Foundations Are Responding to Threats

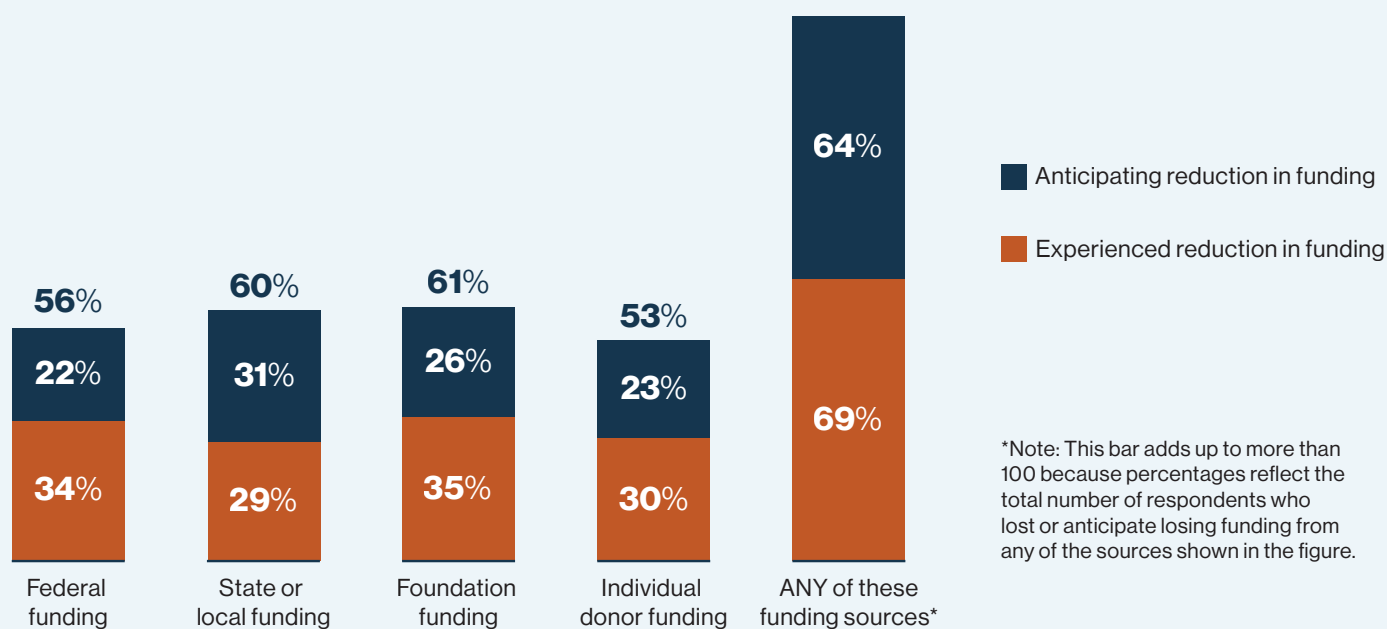
Key Findings:

1. Nonprofit leaders see this as a time of existential threat to their organizations.
2. Foundations have responded to the crises nonprofits are facing in a variety of ways.
3. Many foundation and nonprofit leaders believe foundations should be doing more.

1 Nonprofit leaders see this as a time of existential threat to their organizations and the communities they serve as they face both increased demand for their services and significant cuts to their funding.

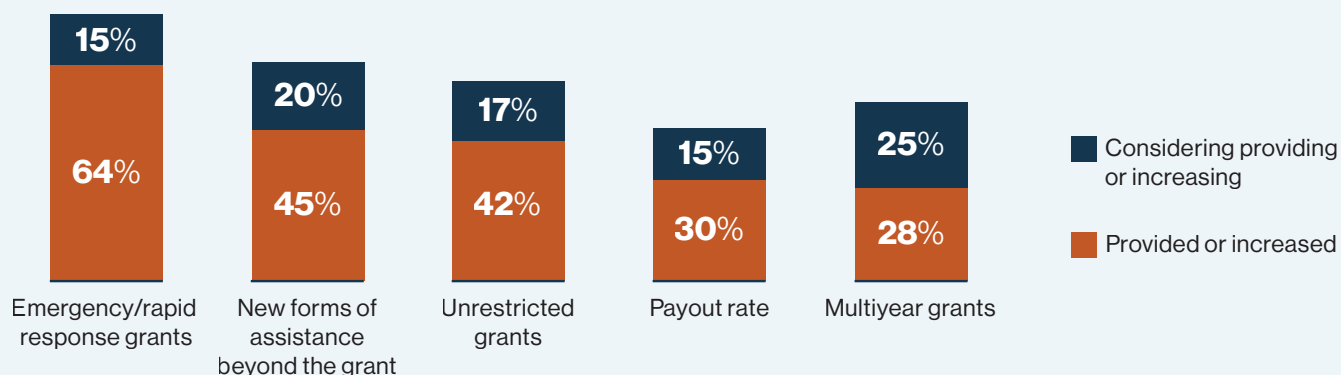
65% of nonprofits report increased demand for services in 2025 as a result of the current context

Nonprofit Funding Cuts by Funding Source as a Result of Current Context (N=404-406)



2 Many foundation leaders recognize the high stakes of the current context for nonprofits and have made changes to their grantmaking and processes in response.

Changes to Foundation Practice in Response to Current Context (N=216-222)



3 Many foundation and nonprofit leaders believe that foundations have an even larger role to play in supporting nonprofits during this time, and many suggest that foundations could and should be doing more.

42% of interviewed foundation leaders are dissatisfied with overall response from foundations

Proportion of Leaders Rating Foundation Response to Current Context as Moderately/Very Effective (N=221-401)



Questions this raises for boards

1. What is your foundation doing now to support nonprofits through the current context?
2. What are the trade-offs involved in making choices to address the current context versus planning for the long term?
3. What is one thing the board of directors at your foundation could do during this time to further support the foundation's mission?

Resources to learn more

- Full CEP report from which this data was pulled: [“A Sector in Crisis: How U.S. Nonprofits and Foundations Are Responding to Threats”](#)
- National Council of Nonprofits: [“Nonprofits Get It Done”](#)
- The Urban Institute: [“How Government Funding Disruptions Affected Nonprofits in Early 2025”](#)

If your staff or board is interested in learning more, or you would like someone from CEP to facilitate a conversation with your board based on these findings, please reach out to CEP's Vice President of Research, Elisha Smith Arrillaga, at elishas@cep.org.

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