

# State of Nonprofits 2026

What Funders Need to Know



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### ACKNOWLEDGMENTS

This research draws from CEP's Nonprofit Voice Project, which is funded in part by the McKnight Foundation. Support for our research on the current context was provided by the Conrad N. Hilton Foundation, the Houston Endowment, the Prebys Foundation, the Kenneth Rainin Foundation, and Sobrato Philanthropies.



The authors are grateful to CEP's Phil Buchanan, Kevin Bolduc, Grace Chiang Nicolette, and CEP's Programming and External Relations team for their contributions, especially Jay Kustka for the design of this report. We also want to thank Kara Young Ponder from the National Council of Nonprofits and Mariane Asad Doyle from the Center for Nonprofit Excellence for their feedback on our survey instrument, as well as the nonprofit leaders from the Nonprofit Voice Project who gave their time to complete surveys.

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# INTRODUCTION

Nonprofit organizations across the country are navigating an extraordinarily difficult context. As we reported in January 2026, many are contending with simultaneous and compounding pressures, including much greater demand for their services and an increasingly challenging funding landscape.<sup>1</sup> These pressures land on nonprofits that were already stressed by the pandemic and by widespread feelings of burnout.<sup>2</sup>

In response, many nonprofit organizations have had to adapt — for example, by diversifying their revenue streams, restructuring their organizations, or starting new collaborations with public and private sector partners — to make it through this time and continue to provide programs and services.<sup>3</sup> Many have recognized that, for the future of the sector, the unique value of nonprofits' contributions to the public good needs to be more broadly and durably understood by society as a whole.<sup>4</sup>

In our “State of Nonprofits 2026” report, the fourth in CEP’s annual “State of Nonprofits” series, we continue to elevate the perspectives of nonprofit leaders and aim to provide a clearer understanding of the pressures they are facing and the steadfast ways they’re responding to mounting challenges. Our goal is to inform both institutional and individual funders about how they can more effectively support and strengthen the nonprofit sector.

The findings in this report are based on survey responses from nonprofit CEOs participating in CEP’s Nonprofit Voice Project — a sample of U.S.-based nonprofits that is broadly representative of organizations receiving at least some foundation funding. In February 2026, we surveyed 887 nonprofit leaders and received responses from 380 organizations, representing a 43% response rate. (See Appendix A: Methodology for more information.)

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<sup>1</sup> Laura Tomasko, Hannah Martin, Katie Fallon, Mirae Kim, Lewis Faulk, and Elizabeth T. Boris, “How Government Funding Disruptions Affected Nonprofits in Early 2025” (Washington, DC: Urban Institute, 2025), <https://www.urban.org/research/publication/how-government-funding-disruptions-affected-nonprofits-early-2025>; Ellie Buteau, Elisha Smith Arrillaga, Seara Grundhoefer, and Christina Im, “A Sector in Crisis: How U.S. Nonprofits and Foundations Are Responding to Threats” (Cambridge, MA: Center for Effective Philanthropy, 2026), [https://cep.org/wp-content/uploads/2026/01/CEP\\_A\\_Sector\\_in\\_Crisis\\_FNL.pdf](https://cep.org/wp-content/uploads/2026/01/CEP_A_Sector_in_Crisis_FNL.pdf).

<sup>2</sup> Elise Miller, Jennifer Talansky, and Anjali Deshmukh, “2025 National State of the Nonprofit Sector Survey Findings” (Nonprofit Finance Fund, 2025), <https://nff.org/wp-content/uploads/NFF-2025-Survey-Report.pdf>; Phil Buchanan, Lauren Broder, and Christina Im, “State of Nonprofits 2023: What Funders Need To Know” (Cambridge, MA: Center for Effective Philanthropy, 2023), [https://cep.org/wp-content/uploads/2023/06/NVP\\_State-of-Nonprofits\\_2023.pdf](https://cep.org/wp-content/uploads/2023/06/NVP_State-of-Nonprofits_2023.pdf); Christina Im, Seara Grundhoefer, and Elisha Smith Arrillaga, “State of Nonprofits 2024: What Funders Need To Know” (Cambridge, MA: Center for Effective Philanthropy, 2024), [https://cep.org/wp-content/uploads/2024/06/NVP\\_State-of-Nonprofits\\_2024.pdf](https://cep.org/wp-content/uploads/2024/06/NVP_State-of-Nonprofits_2024.pdf); Elisha Smith Arrillaga, Emily Yang, and Christina Im, “State of Nonprofits 2025: What Funders Need to Know” (Cambridge, MA: Center for Effective Philanthropy, 2025), [https://cep.org/wp-content/uploads/2025/05/NVP\\_State-of-Nonprofits\\_2025.pdf](https://cep.org/wp-content/uploads/2025/05/NVP_State-of-Nonprofits_2025.pdf).

<sup>3</sup> Ellie Buteau, Elisha Smith Arrillaga, Seara Grundhoefer, and Christina Im, “A Sector in Crisis: How U.S. Nonprofits and Foundations Are Responding to Threats.” [https://cep.org/wp-content/uploads/2026/01/CEP\\_A\\_Sector\\_in\\_Crisis\\_FNL.pdf](https://cep.org/wp-content/uploads/2026/01/CEP_A_Sector_in_Crisis_FNL.pdf).

<sup>4</sup> “Nonprofits Get It Done’ — National Council of Nonprofits Launches Campaign To Defend and Reaffirm the Vital Role of Nonprofits in American Life” (National Council of Nonprofits, August 5, 2025), <https://www.councilofnonprofits.org/pressreleases/nonprofits-get-it-done-national-council-nonprofits-launches-campaign-defend-and>.

## TERMINOLOGY

Throughout the report, we use the term **CEO** to refer to a leader of a nonprofit organization, though some survey respondents go by other titles, such as executive director.

We also use the term **current context** throughout the report. By current context, we mean the series of events led by the U.S. federal government — including legislative actions, executive orders, and budget decisions — that went into effect starting in 2025 with the potential for wide-ranging effects on philanthropy and nonprofits. During data collection, this definition was provided to all survey respondents.

## CEP'S 'STATE OF NONPROFITS' SERIES

Since 2023, CEP has published an annual “State of Nonprofits” report to elevate nonprofit experiences to both institutional and individual funders, with the goal of tracking changes in the nonprofit experience over time. This is the fourth report in that series.

### Nonprofits Represented in This Research

Data used in this report were obtained through CEP's Nonprofit Voice Project (NVP). CEP created the NVP (formerly known as the Grantee Voice Panel) in 2012. The NVP is a panel of U.S. nonprofits representative of the national landscape of nonprofits receiving funding from at least one foundation giving \$5 million or more annually.

Nonprofits in this sample represent a diverse group of varying organizational sizes, issue areas, and geographic regions. CEP refreshes this sample with new nonprofit leaders every two to four years.

### Understanding Changes in Nonprofit Experience Over Time

CEP's current NVP panel was created in early 2025. (More information on the current sample creation and composition can be found [here](#).) This year's set of survey respondents includes 301 nonprofit organizations that also responded to CEP's [2025 “State of Nonprofits” survey](#). The results of analyses comparing the experiences of organizations that participated in both the 2025 and 2026 “State of Nonprofits” surveys are included throughout the report.

## FINDING 1

Burnout has increased dramatically among nonprofit CEOs, who say the current context has contributed to lower staff morale and heightened levels of stress and fear.

## FINDING 2

Nonprofit CEOs report more difficulty obtaining foundation funding than in previous years.

## FINDING 3

Despite ongoing financial challenges, many nonprofits are making strategic adaptations to their work in order to survive.





**FINDING  
1**

**Worsening CEO Burnout**

**Burnout has increased dramatically among nonprofit CEOs, who say the current context has contributed to lower staff morale and heightened levels of stress and fear.**

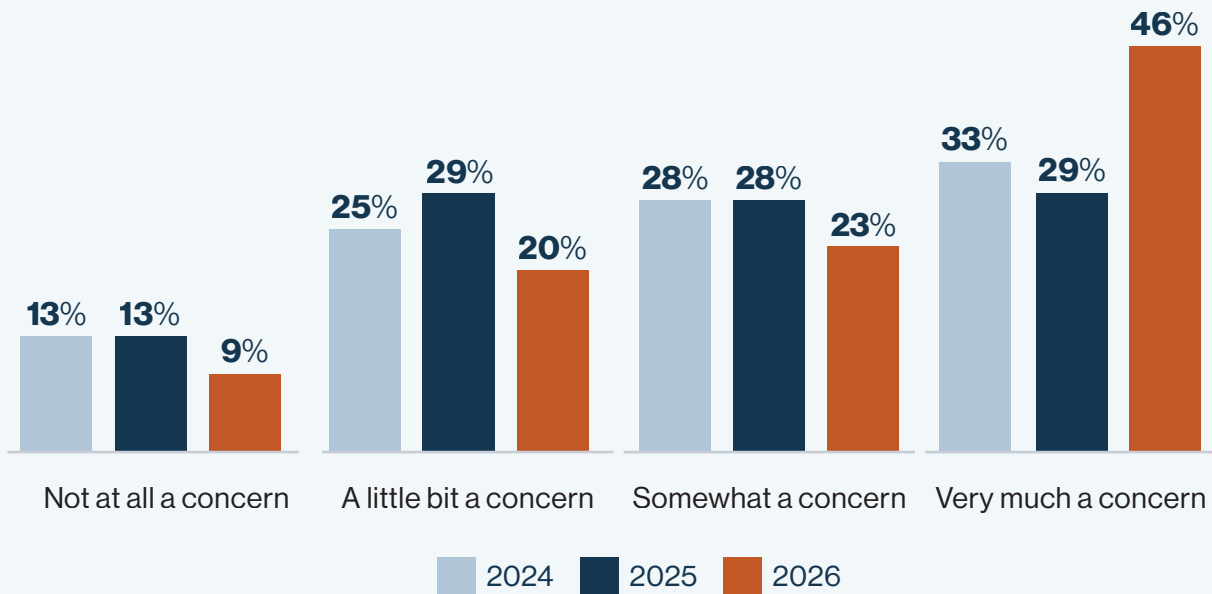
## FINDING 1: WORSENING CEO BURNOUT

The proportion of nonprofit CEOs who report that their own burnout is very much a concern to them jumped to 46% in 2026, up from just under 30% in 2025 (see Figure 1).<sup>5</sup> For the approximately 300 nonprofit CEOs who responded to our survey both last year and this year, this is a statistically meaningful increase over time.

“As the executive director, I have been going through my first-ever, incredibly intense burnout,” says one CEO. “My entire holiday vacation, I could barely leave the couch or the bed. I looked into sabbatical options, but there are none available for my industry, location, or size of staff.” Another leader remarks that they are “burned out and looking for another job.” One CEO reports, “People are sad and stressed out. Clients are worried about the future and fearful of violence and hate speech. I try to facilitate a happy culture at work to enable folks to step away from the heavy ‘outside world’ while working so they can focus on serving our clients.” Another describes some of the factors leading to exhaustion at their organization:

When funding revenue is insufficient or insecure, the staff feels it every day. They are the ones who must look into the eyes of someone seeking help and tell them that we cannot provide services for them. It is demoralizing. Fortunately, our team is strong and well bonded, so they have been able to support each other, but that cannot go on indefinitely. As the leader, I am carrying the weight home every day.

**FIGURE 1. Nonprofit CEOs’ Levels of Concern About Their Own Burnout, 2024-2026**  
(Ns=239-584)



*Note: Percentages may not add up to 100 because respondents could also select “I am not the executive director, CEO, or equivalent.”*

<sup>5</sup> Nonprofit CEOs who identify as female are slightly more likely to say their own burnout has been very much a concern in the last year. This statistical relationship is of a small effect size. This relationship between gender and leadership burnout was not observed in last year’s “State of Nonprofits” data.

## CHALLENGING ENVIRONMENT FOR NONPROFIT OPERATIONS

Many factors are contributing to this more challenging environment for nonprofit staff and leaders. Almost three quarters of CEOs (73%) report their organizations have experienced increased demand for services (see Figure 2). “The current environment has created ongoing uncertainty and strain within our organization,” one leader explains. “National cuts to major food programs have reduced resources and increased instability across the hunger-relief sector, leaving nonprofits like ours facing higher demand with fewer supports.”

Two thirds of CEOs (65%) report their organization has been concerned about the well-being and safety of those they seek to help. Almost 40% also say they are concerned about their staff and board’s well-being and safety. “Immigration raids happening in their neighborhoods makes staff fearful and sometimes reluctant to come to the office,” says one CEO. “Morale is very challenging because they want to see the organization speak out and do more, but, as the leader, I have to balance whether we become a target. There is a sense of hopelessness and overwhelm.”

Leaders also report needing to divert some of their attention to issues of public perception and a new legal landscape. About half of nonprofit CEOs (48%) report experiencing pressure to reframe how they publicly describe their work, and 37% say their organization has experienced legal challenges related to their work (see Figure 2).

**FIGURE 2. Nonprofit Experiences Since January 2025 (N=368-372)**

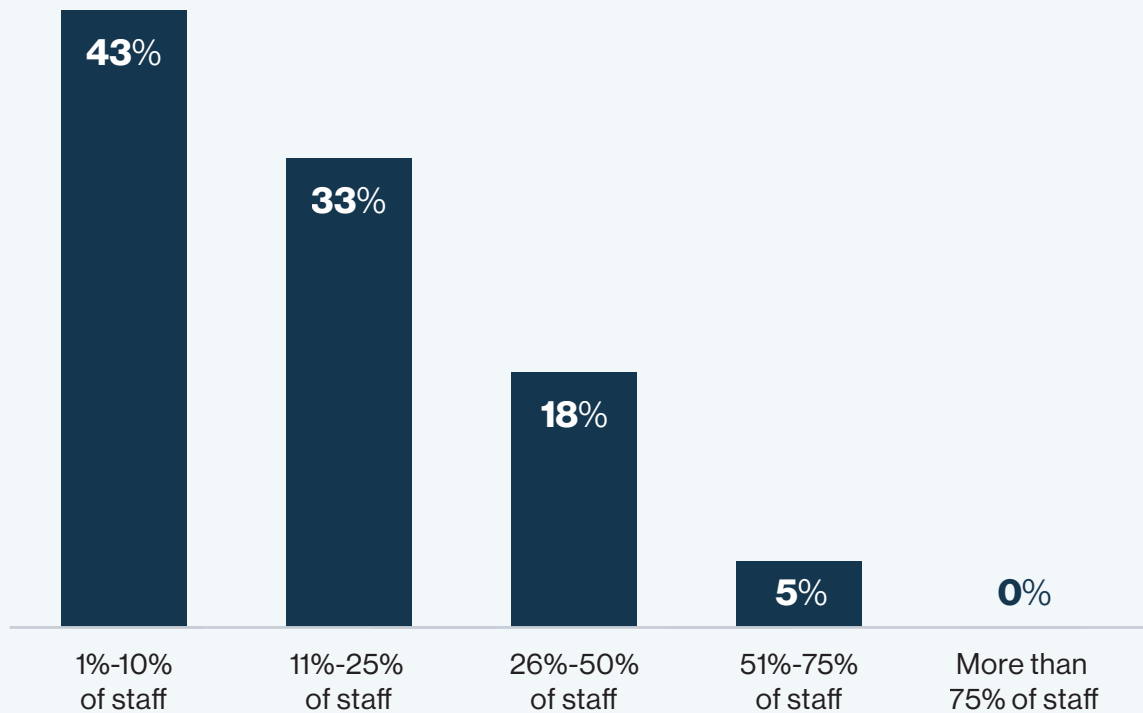


*Note: Percentages add up to more than 100 because respondents could select all that apply.*

## FINDING 1: WORSENING CEO BURNOUT

As a result of the current context, about 30% of nonprofits have experienced a reduction in their staff size — for most of those organizations, staff has been reduced by more than 10% (see Figure 3).<sup>6</sup> Nonprofit leaders find the degree to which burnout is affecting nonprofit staff has increased over the last year. One quarter of CEOs now believe burnout is significantly impacting their staff, as opposed to the 17% who rated burnout as significantly impacting their staff in 2025 (see Figure 4).<sup>7</sup> In both 2026 and 2025, about 40% of CEOs found that burnout moderately affects their staff.

**FIGURE 3. Percentage Reduction in Staff Among Nonprofits That Have Reduced Staff Since January 2025 (N=107)**

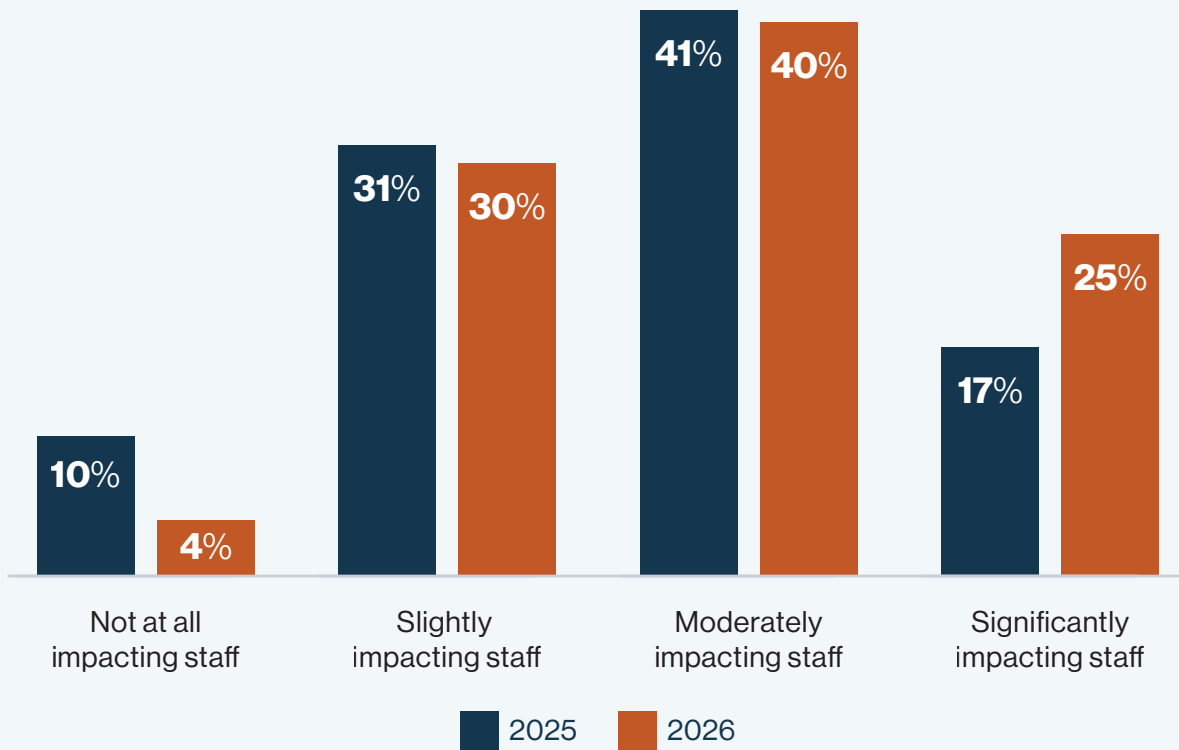


*Note: Percentages do not add up to 100 due to rounding.*

<sup>6</sup> A December 2025 study from Challenger, Gray & Christmas found that nonprofit organizations cut nearly 29,000 jobs in the U.S. in 2025, up from 5,640 in 2024 (<https://www.challengergray.com/blog/2025-year-end-challenger-report-highest-q4-layoffs-since-2008-lowest-ytd-hiring-since-2010/>).

<sup>7</sup> This is a statistically significant difference of a medium effect size.

**FIGURE 4. Extent to Which Burnout Is Currently Impacting Nonprofit Staff**  
(N=370-584)



Note: Percentages do not add up to 100 due to rounding.

Almost half of nonprofit CEOs (45%) cite staffing as their organization’s biggest challenge. Staffing has been cited as one of the biggest challenges facing nonprofits in our “State of Nonprofits” research since 2023, demonstrating the ongoing difficulty of staff recruitment and retention for nonprofit organizations.<sup>8</sup>

Leaders mention a variety of reasons why their organizations struggle with these components of staffing, mostly related to finances. “The challenge is to keep everyone engaged and satisfied with their roles, with the promise of new opportunities, increased wages, and growth,” says one leader. “Due to the size of our organization, we can’t always offer this in a formal way.”

<sup>8</sup> Phil Buchanan, Lauren Broder, and Christina Im, “State of Nonprofits 2023: What Funders Need To Know” (Cambridge, MA: Center for Effective Philanthropy, 2023), [https://cep.org/wp-content/uploads/2023/06/NVP\\_State-of-Nonprofits\\_2023.pdf](https://cep.org/wp-content/uploads/2023/06/NVP_State-of-Nonprofits_2023.pdf); Christina Im, Seara Grundhoefer, and Elisha Smith Arrillaga, “State of Nonprofits 2024: What Funders Need To Know” (Cambridge, MA: Center for Effective Philanthropy, 2024), [https://cep.org/wp-content/uploads/2024/06/NVP\\_State-of-Nonprofits\\_2024.pdf](https://cep.org/wp-content/uploads/2024/06/NVP_State-of-Nonprofits_2024.pdf); Elisha Smith Arrillaga, Emily Yang, and Christina Im, “State of Nonprofits 2025: What Funders Need to Know” (Cambridge, MA: Center for Effective Philanthropy, 2025), [https://cep.org/wp-content/uploads/2025/05/NVP\\_State-of-Nonprofits\\_2025.pdf](https://cep.org/wp-content/uploads/2025/05/NVP_State-of-Nonprofits_2025.pdf).

Another explains that “our amazing team is overworked and overloaded from demand for services, but we are unable to expand staffing given the current financial environment. Losing a single employee would be devastating.” Some nonprofit leaders note that “our staff cannot afford to live in the communities we serve” and that their organization isn’t able “to increase salary to pay competitive wages while facing decreasing local government funding.”

### **RENEWED PURPOSE IN THE FACE OF CHALLENGES**

More than half of CEOs (56%) describe leading in an atmosphere of increased fear and stress, while simultaneously managing lower staff morale. Despite challenges, almost 30% of nonprofit leaders say the high stakes of the current context have sparked a renewed sense of purpose for their organizations. Some leaders describe how the current context has motivated their staff to “come together to support each other and the communities we serve” and that their organization has “gotten better at re-centering the reason for our efforts.” They note that staff “believe our work matters more now than ever” and acknowledge that “this climate has increased stress, required constant adaptation, and reinforced a culture focused on resilience and problem-solving.” One leader notes that renewed motivation for their mission is not a cure for burnout, however, saying: “We are strengthened in our resolve but personally exhausted.” As one CEO puts it:

As fear, uncertainty, and polarization increase in the broader environment, those dynamics do not stop at the organizational door. Many of our staff are members of the very communities experiencing heightened stress and vulnerability, and that reality shows up in emotional load, concern for safety, and the need for support and clarity. At the same time, this moment has strengthened our sense of shared purpose.

## SAFETY CONCERNS AND MISSION THREATS BY NONPROFIT FOCUS AREA AND LEADERS' IDENTITY

Nonprofit CEOs report different experiences within the current context depending on their organization's focus area and their own identities. CEP's analyses suggest that nonprofits with LGBTQ+ CEOs and CEOs of color, as well as nonprofits focused on social justice, experienced more pronounced threats than their peers.

Leaders who identify as LGBTQ+ are slightly more likely to report their organization has experienced<sup>9</sup>:

- ▶ Safety concerns for their community
- ▶ Safety concerns for their staff and/or board
- ▶ Legal challenges related to the people and issues affected by their work
- ▶ Backlash to their mission

Leaders who identify as people of color are slightly more likely to report their organization has experienced<sup>10</sup>:

- ▶ Backlash to their mission
- ▶ Tension on their board (including loss of board members)

Organizations focused on social justice are moderately more likely to report their organization has experienced<sup>11</sup>:

- ▶ Legal challenges related to the people and issues affected by their work
- ▶ Backlash to their mission

And are also slightly more likely to report their organization has experienced<sup>12</sup>:


- ▶ Safety concerns for their community
- ▶ Safety concerns for their staff and/or board
- ▶ Pressure to reframe how they publicly describe their work

<sup>9</sup> These statistical relationships are of a small effect size.

<sup>10</sup> These statistical relationships are of a small effect size.

<sup>11</sup> These statistical relationships are of a medium effect size.

<sup>12</sup> These statistical relationships are of a small effect size.



**FINDING  
2**

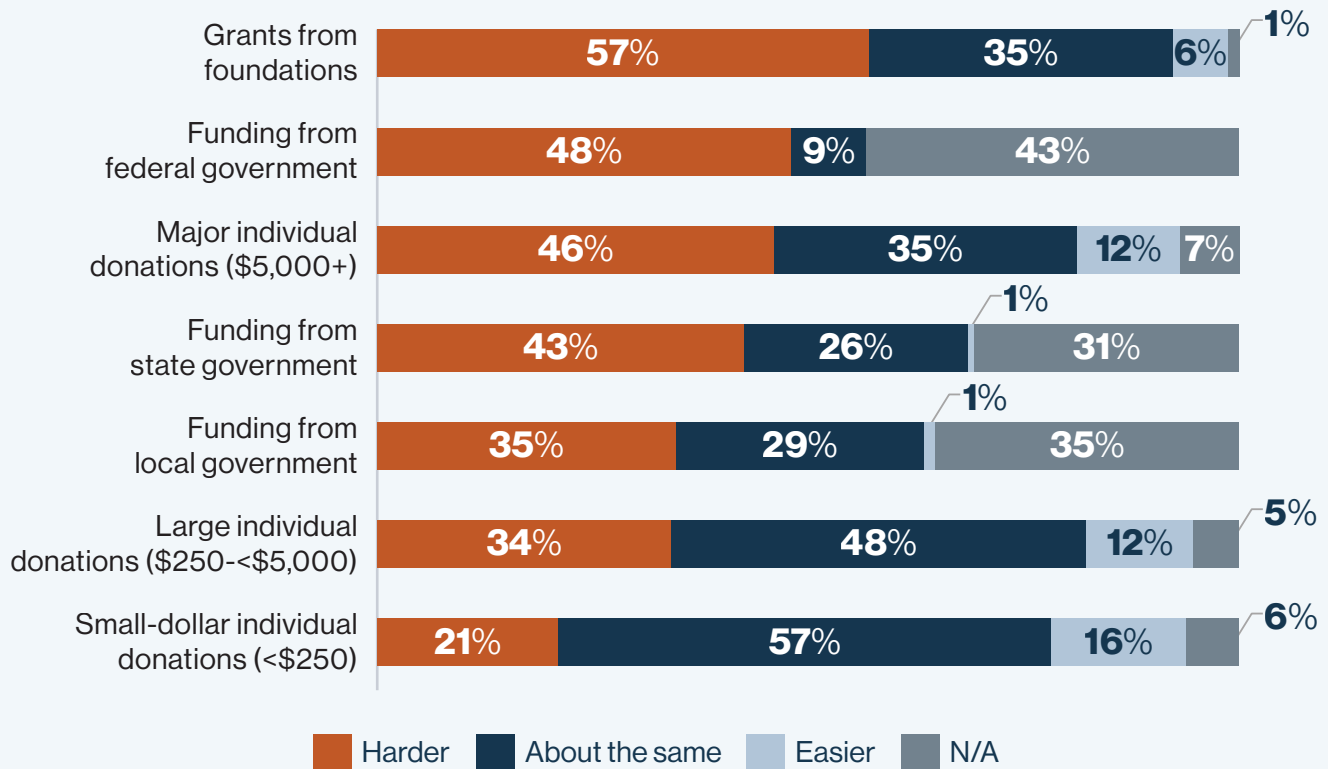
**Unpredictable Funding Environment**

Nonprofit CEOs report more difficulty obtaining foundation funding than in previous years.

## FINDING 2: UNPREDICTABLE FUNDING ENVIRONMENT

Almost 60% of nonprofit CEOs say that, since January 2025, it has been harder to secure foundation grants relative to the past (see Figure 5).<sup>13</sup> As one leader says: “Our biggest challenge is higher volatility in giving. More foundations than we would expect in a typical year have reduced or dropped their support.”<sup>14</sup>

**FIGURE 5. Change in Level of Difficulty Nonprofits Report in Getting Funding Since January 2025 (N=377-378)**



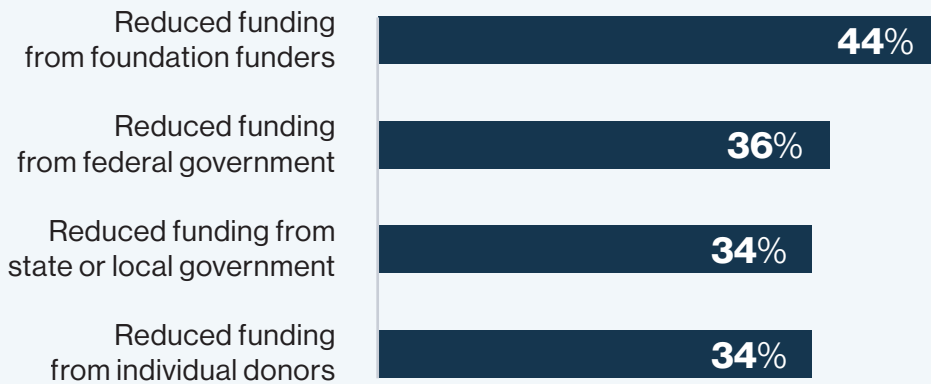
Note: Percentages may not add up to 100 due to rounding.

More than 40% of nonprofit CEOs also report they have seen reduced funding from their foundation funders since January 2025 (see Figure 6). More than a third have seen a decrease in funding from federal, state, or local government partners. “Compounding the issue of reduced federal funding is a reduction of the number of foundations giving in our area of work in our region,” says one CEO. “The ones that do continue to fund us often do it at the same amounts each year, which means we are actually receiving less support due to inflation.”

<sup>13</sup> In late 2025, CEP found that almost 90% of foundation leaders reported experiencing increased demand for their foundation’s funding in 2025 (<https://cep.org/report/mounting-pressure/>).

<sup>14</sup> Nonprofit CEOs leading organizations focused on individuals with disabilities are more likely to report that it has been harder for their organization to secure individual donations of any size, small dollar individual donations, and major individual donations. Nonprofit CEOs leading organizations focused on social justice are more likely to report that it has been harder for their organization to secure individual donations of any size, government funding of any kind, and major individual donations. Nonprofit CEOs who identify as only male are less likely to report that it has been harder to secure individual donations of any size, government funding of any kind, and major individual donations. All of these statistical relationships are of a small effect size.

**FIGURE 6. Percentage of Nonprofits Experiencing Funding Losses by Funding Source Since January 2025 (N=374-378)**



### EFFECTS OF FUNDING CUTS ON NONPROFITS

More than a third of nonprofit CEOs say the biggest challenge currently facing their organization, other than the need for increased funding, is the uncertainty that comes with the current funding environment. Some of these leaders say that the practices of their nongovernment funders have actively contributed to instability in their organization’s funding streams. “The biggest challenge is the broader federal context, which impacts everyone’s work on a daily basis,” says one CEO. “This has paralyzed foundation giving, increased anxiety about public funding, and fueled a scarcity mindset among nonprofits, which hinders our innovation, advancement, and mission-centered work.” Another leader echoes this concern about the impacts of an unpredictable and unreliable funding environment on their organization: “Although we are not directly impacted by loss of federal funding — because we do not and have not gotten federal funding — we feel the downstream effects acutely. Those who previously relied on federal funding are now turning to our existing donor base, resulting in overload for donors and less money to be distributed to individual organizations such as ours.”

Widespread funding cuts have also resulted in very real consequences for the nonprofits that responded to CEP’s survey. Organizations that experienced funding cuts from any government funding source since January 2025 are more likely to have reduced the services they provide. Nonprofit CEOs who report their organization experienced state or local funding cuts are also more likely to have reduced both their services and staffing in the last year and a half.<sup>15</sup> “[Our biggest challenge is] increased demand for our services while dramatically losing government resources,” emphasizes one CEO. “[And] private sources are not predictable. We are downsizing overall, and it’s going to be painful.”

<sup>15</sup> These statistical relationships are of a medium effect size.

## WHAT ISSUES DO NONPROFIT LEADERS THINK FOUNDATION FUNDERS SHOULD BE PAYING ATTENTION TO IN 2026?

Our sample included nonprofit CEOs from a wide range of nonprofits, including both locally and nationally focused organizations. These CEOs work in issue areas ranging from health to education to arts and culture. When asked which issues foundation leaders should pay attention to in 2026, almost 40% of nonprofit leaders called attention to pressing basic needs and the maintenance of the social safety net — this was the most common concern expressed by leaders. The following quotations reflect action items nonprofits suggest their foundation funders take, both to support the basic needs of their communities and to benefit civic health:

“ Families in our communities are not only facing food insecurity, housing instability, and limited access to affordable child care; they are also navigating chronic fear, trauma, and social isolation driven by shifting policies, public hostility, and economic precarity. These conditions affect children’s learning, parents’ ability to work, and the overall well-being of entire neighborhoods. Community-based organizations are being asked to respond to these layered crises in real time, often without the infrastructure, unrestricted funding, or long-term commitments needed to do so safely and sustainably.

“ One significant area of need that foundation funders should pay close attention to in 2026 is sustained, community-rooted cultural infrastructure that supports healing, workforce pathways, and civic belonging in rural and under-resourced communities. For the people and communities we serve, access to the arts is not a peripheral concern but a vital tool for addressing social isolation, intergenerational trauma, and limited economic opportunity. Communities need long-term investments that go beyond short-term programs or one-time events and instead strengthen local institutions that are trusted, place based, and led by people who understand the cultural and historical context of the region.

“ Foundation funders should pay close attention to the growing number of ‘working households’ who are quietly slipping into crisis in 2026. We are seeing more seniors raising grandchildren, veterans living on fixed incomes, and full-time workers who are doing everything right — working, budgeting, cutting expenses — yet still unable to keep up with rising rent, utilities, food costs, and medical bills. If we focus only on crisis response, we will always be behind. Investing in stability and dignity for working families, seniors, and veterans is where real long-term impact will happen.

“ We all know that there is a huge need to backfill cuts in federal funding for basic needs. Our fear is that foundations will focus exclusively on that and set aside priorities having to do with a hopeful, civil, civic-minded society. It would be hugely detrimental to scale back funding for the arts, festivals, events, and programming that bring people together in positive ways.



**FINDING  
3**

**Responding to Financial Challenges**

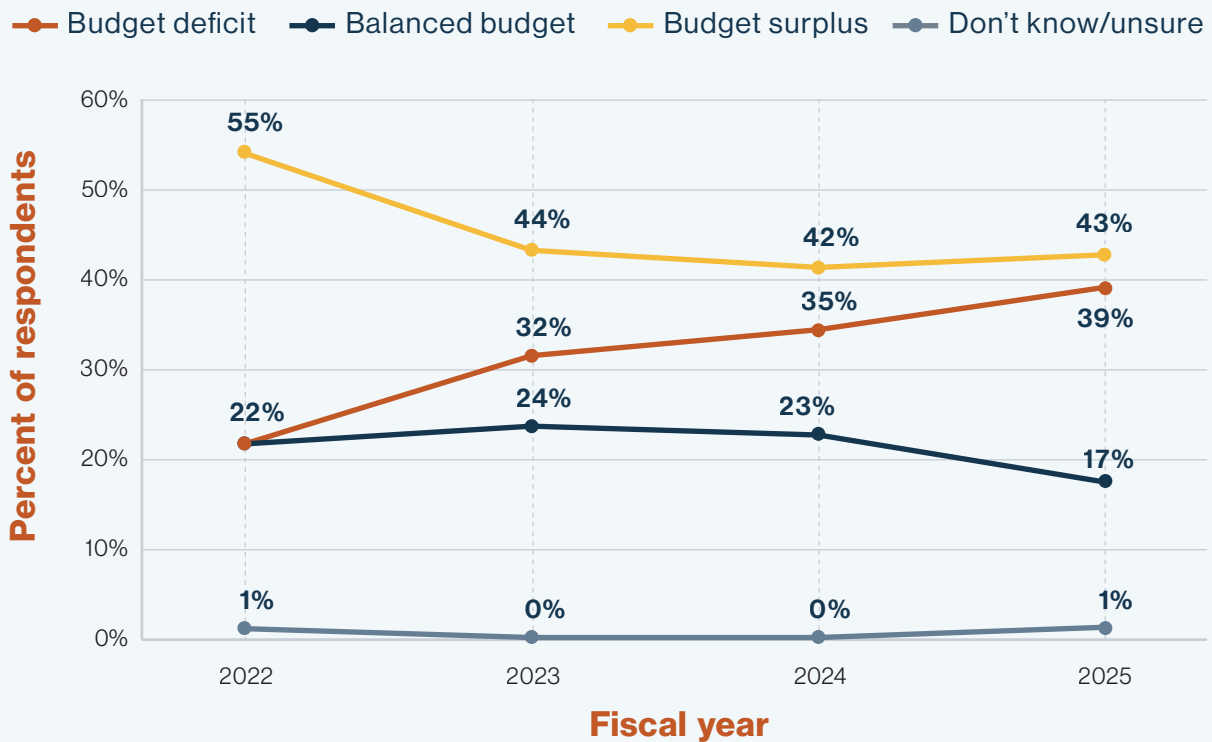
Despite ongoing financial challenges, many nonprofits are making strategic adaptations to their work in order to survive.

**FINDING 3: RESPONDING TO FINANCIAL CHALLENGES**

The last year was financially difficult for many nonprofits — two thirds (66%) of nonprofit CEOs say they have concerns about their organization’s financial stability. Most of these leaders attribute their financial concerns largely, if not entirely, to the challenges posed to their organizations by the current context.<sup>16</sup> “We are working to break even and survive rather than thrive and expand,” says one CEO, simply.

The proportion of nonprofits reporting a deficit in the most recent fiscal year (2025) has risen to 39%, up from 22% in 2022. The rest report a balanced budget or a surplus (see Figure 7).<sup>17</sup>

**FIGURE 7. Trends in Fiscal Year Budget Status, 2022-2025 (Ns=239-583)**



<sup>16</sup> Other organizations have reported similar findings: One study from the Urban Institute found that 50% of nonprofit leaders reported concerns about their organization’s financial health in 2025, with about a quarter of these leaders specifically citing revenue cuts, lower donations, and increased competition for funding as the sources of their concern. Grace Koch, Hannah Martin, and Katie Fallon, “Nonprofit Leaders’ Concerns About Finances, Programming, and Workforce Challenges Intensified from 2024 to 2025” (Washington, DC: Urban Institute, February 23, 2026), <https://www.urban.org/urban-wire/nonprofit-leaders-concerns-about-finances-programming-and-workforce-challenges>.

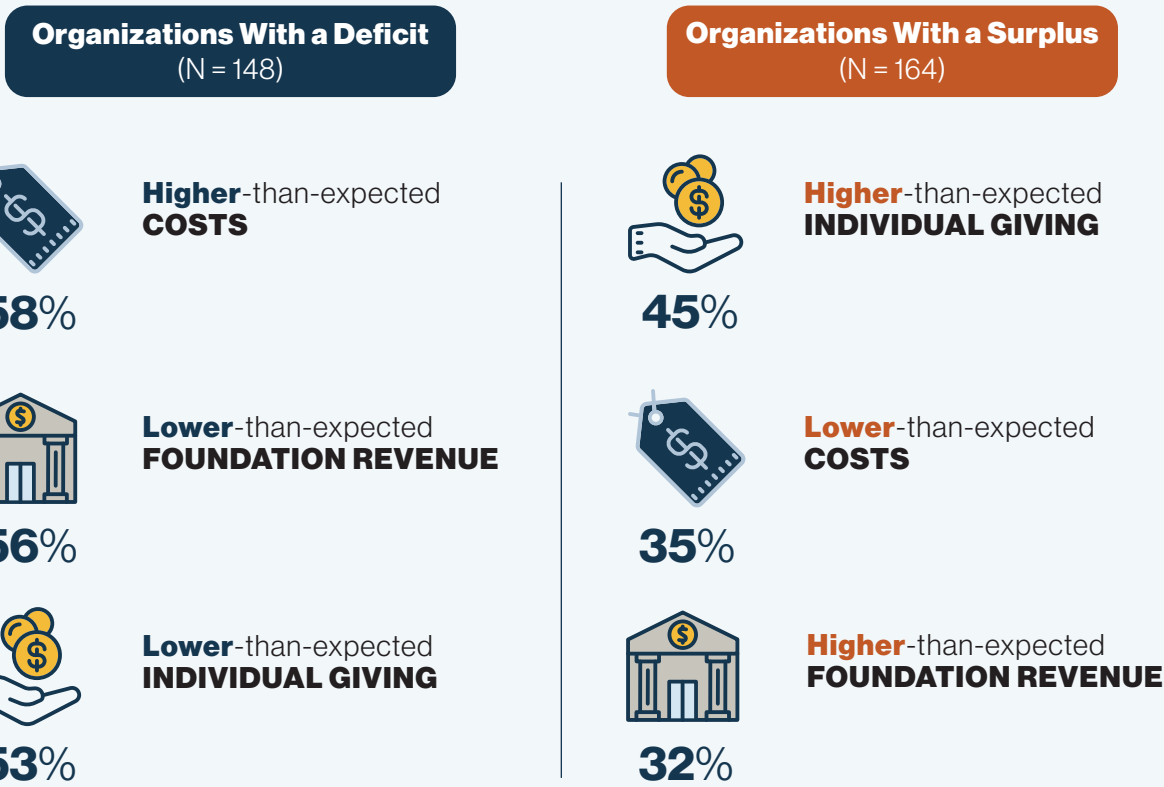
<sup>17</sup> We did not find any meaningful patterns of statistical relationships between the focus area of a nonprofit organization and its budget status for the last fiscal year.

### FINDING 3: RESPONDING TO FINANCIAL CHALLENGES

For organizations that reported a surplus in the last fiscal year, more than 40% say that higher-than-expected individual giving was the biggest contributing factor (see Figure 8).

For organizations that reported a deficit in 2025, higher-than-expected costs was the most common contributor cited by CEOs, followed closely by lower-than-expected foundation revenue. Nonprofit leaders who reported a budget deficit for their organizations in 2025 are more likely to have 1) experienced greater difficulty getting foundation grants in the last year compared to the past and 2) experienced funding cuts from their individual donors since January 2025.<sup>18</sup> “With the increase in costs, we are not finding an increase in support from individuals or foundations,” says one leader. In addition, organizations that experienced foundation funding cuts since January 2025 are more likely to project a budget deficit in 2026.<sup>19</sup>

**FIGURE 8. Top Contributors to Last Year's Financial Situation for Nonprofits**



*Note: Totals exceed 100 because nonprofit leaders could select all that apply.<sup>20</sup>*

<sup>18</sup> These statistical relationships are of a medium effect size.

<sup>19</sup> This statistical relationship is of a medium effect size.

<sup>20</sup> The percentages in this figure represent the top three contributors to organizations' deficit and surplus, respectively. All remaining responses were less than 50% of total responses to the question for organizations that reported a deficit and less than 30% of total responses for organizations that reported a surplus.

### STRATEGIC ADAPTATIONS TO WORK FOR FINANCIAL SUSTAINABILITY

Since January 2025, some nonprofits have implemented significant changes to maintain or improve their financial sustainability. Forty percent of nonprofit leaders say that actively fundraising has been the most important action their organization has taken in response to the current context. Of these leaders, almost half underscore the importance of diversifying their organization's sources of revenue for building or strengthening their long-term sustainability. "We have started to prioritize diversifying our funding streams as much as possible," says one. "This includes identifying and applying for novel grants, working to expand our individual donor base, and pursuing opportunities through funding co-ops." Another leader describes a similar approach at their organization, saying: "We have significantly expanded individual donor campaigns, overhauled our branding, and established significant goals for grants. This retooling and overhaul of fundraising is intended to further diversify our funding sources."

About a quarter of nonprofit CEOs also say they have changed their finances in some way, such as reducing costs or building their financial reserves, to improve sustainability in response to the current context. Leaders describe taking such actions as "extreme budgeting," "decreasing unnecessary overhead costs," and "reducing staff size." One CEO notes the impact of making these kinds of difficult financial decisions, saying: "[We are] cutting fat and tightening up operations. But that also means we're all working at 175%, and it is not sustainable."

## NONPROFITS CONSIDERING DIFFERENT ACTIONS TO IMPROVE FINANCIAL SUSTAINABILITY

In addition to actions nonprofit organizations have already taken in response to the current context, nonprofit CEOs are considering taking a variety of actions in order to build or improve their organization's finances: More than three quarters are considering pursuing increased funding from existing or new funders, almost half (46%) are considering the delay of planned cost increases related to staff (e.g., postponing compensation increases, freezing hiring), and more than 40% are considering drawing from their organization's reserve funds (see Figure 9).

**FIGURE 9. Financial Actions Nonprofits Are Considering Taking (N=380)**

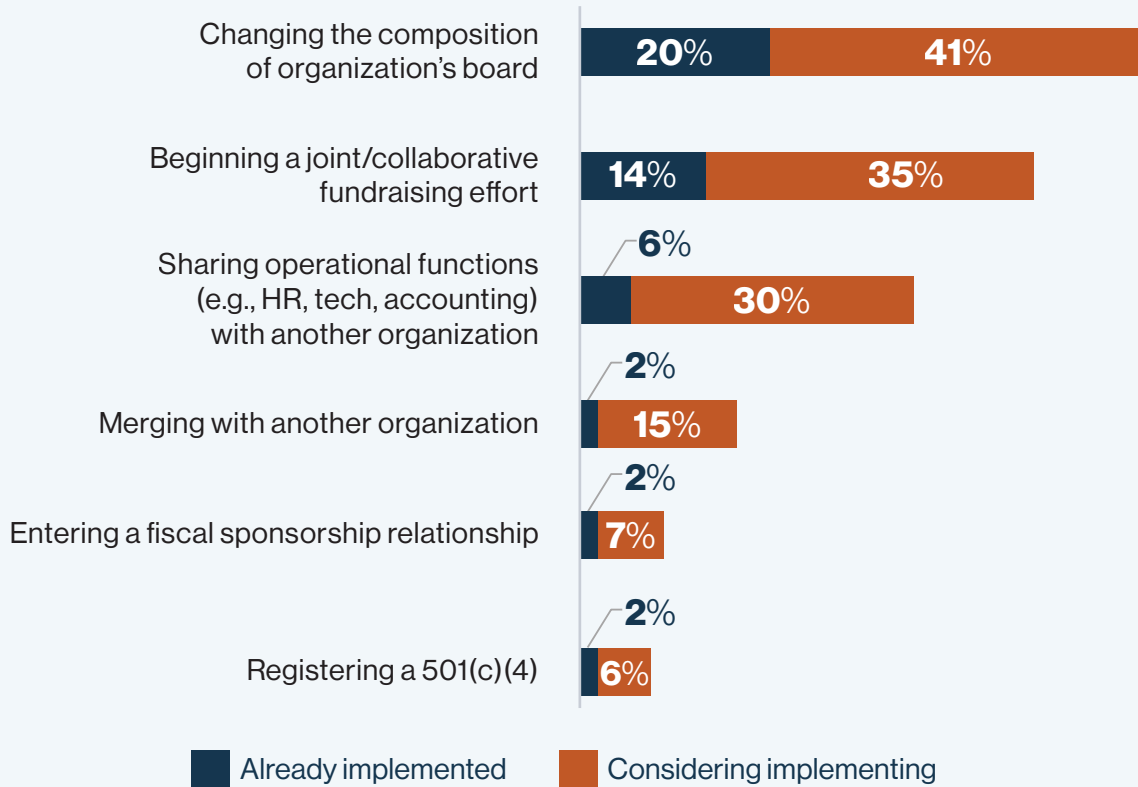


*Note: Nine percent of CEOs reported that they are considering an action not otherwise listed here. Percentages add up to more than 100 because respondents could select all that apply.*

### FINDING 3: RESPONDING TO FINANCIAL CHALLENGES

Some CEOs are also considering making less common operational or process changes to their organizations — for example, changing the composition of their board, starting a joint or collaborative fundraising effort with other grant seekers, sharing operations such as HR and tech with partners, and even merging entirely with other organizations (see Figure 10).<sup>21</sup> “We are recruiting new board members to help strengthen fundraising and strategic planning,” explains one leader.

**FIGURE 10. Percentage of Nonprofits Considering or Making Larger Operational or Organizational Changes** (N=370-376)



*Note: Percentages do not add up to 100 because respondents could also select “Not considering implementing” or “Not applicable/don’t know.”*

<sup>21</sup> Nonprofit CEOs leading organizations focused on civic engagement/government and social justice are more likely to report having considered registering or having already registered their organization as a 501(c)(4). These statistical relationships are of a medium effect size.

## NONPROFIT COLLABORATION IN RESPONSE TO THE CURRENT CONTEXT

Exactly half of the nonprofit CEOs that CEP surveyed report their organization has initiated new partnerships or collaborations (excluding those with funders) in response to the current context. For these organizations, they say their most important collaborations have been sharing services with other organizations and collaborating with cross-sector partners (e.g., with local government agencies or businesses).

For those organizations that have started sharing services, CEOs describe such actions as “actively working with other nonprofits in the community to explore ways to share resources in order to reduce expenses” and “working more proactively with other organizations in our area that serve survivors of domestic and sexual violence and ... exploring staff sharing and organizational mutual aid efforts.” One leader says that, in 2025, their organization “entered into a formal partnership with three other entities (two nonprofits and one for-profit) to co-locate in a warehouse and share expenses/costs” and that they are “now currently pursuing grant funding opportunities together.”

Other nonprofit leaders emphasize the value of cross-sector collaboration and innovation for their organizations. “One of our most important collaborations has been our continued partnership with regional planning and public-sector partners to advance neighborhood-level data infrastructure and resident-led engagement,” says one. “In the current environment (where communities are demanding more transparency, accountability, and equitable investment), this work has been critical.” Another CEO describes the benefits for everyone involved of working with other organizations in their community, saying:

Since January 2025, our organization has initiated and deepened partnerships with community-based organizations, artists, civic groups, and local institutions to respond to shifting conditions and increased community needs. The most important collaboration has centered on shared use of space, co-designed programming, and joint delivery of community-facing activities, allowing partners to pool resources, reduce overhead, and extend reach without duplicating efforts. This collaboration has strengthened trust, increased visibility and participation, and enabled the organization to remain agile and responsive while maintaining program quality despite staffing and funding constraints.

## NONPROFIT CEOS DESCRIBE MAKING DIFFICULT CHOICES TO KEEP THEIR DOORS OPEN

The last year has presented significant challenges to nonprofit CEOs, many of whom have had to manage concerns about burnout, threats to the communities with which they work, and funding unpredictability. The following quotations illustrate some of the hard choices nonprofit leaders have had to make in the last year and a half to keep their organizations afloat:

“ Given the loss of our state funding in 2025, roughly one third of our total budget, we were forced to lay off 50% of our staff. As a result, we reached out to foundations and individual donors to support us during this time of crisis. Given the competition for funding relative to organizations that address basic needs, it will be much harder to secure foundation grants.

“ We've already cut expenses to the bone. We will pursue donors and grantors aggressively but fear we are too small in the current environment. Many want to give to larger organizations to ensure the money is more impactful.

“ We are borrowing from Peter to pay Paul. Doing all sorts of magic tricks to stay above water and not tap into our reserves. Our revenue is down and our funding is down.

“ We have been surviving on the proceeds of selling our building, but those are finite. We are struggling.

“ We have reduced a staff of 15 to 11 full-time employees. There are no cost-of-living raises and only one raise to bring a staff member up to the new minimum wage level. We are doing everything we can to cut any and all corners. Every grant that has been awarded is 50% less than the amount we requested.

# CONCLUSION

The pressures facing nonprofit organizations are enormous. Burnout, for both nonprofit staff and leadership, has intensified in the last year, as many organizations confront a combination of increased demand for their services and a tougher funding environment. Nonprofit CEOs report foundation funding has become increasingly difficult to secure relative to previous years. As a result of these challenges, nonprofit leaders have had to make difficult and sometimes dramatic changes to their work to see their staff, organizations, and communities through the current context. As one CEO told us: “We’re all terrified and barely holding it together. We find solace in each other and our work but just existing is exhausting these days.”

Nonprofits are working in an environment of stress and uncertainty for their organizations, and for the communities they serve and the issues they seek to address. While these pressures have resulted in a renewed sense of purpose and energy for some organizations, the long-term consequences of the current context on staff, organizations, and communities remain unclear. In the words of one nonprofit leader:

We have staff and board members who are personally targeted and impacted by the current context. It has given us a sense of purpose, however. We share a belief in the importance of what we do and the role we are able to play in this moment. We talk regularly about how it gives us hope to focus on what we can do in this climate, rather than be overwhelmed by all the challenges that feel outside of our control.

# APPENDIX A: METHODOLOGY

The findings presented in this report are based on survey data collected, analyzed, and interpreted by the Center for Effective Philanthropy (CEP). Leaders of 380 nonprofit organizations completed the survey. Information detailing the process for collecting and analyzing the data is below.

## SURVEY INSTRUMENT

Survey respondents were shown between 36 and 42 items, depending on their answers to previous questions. A copy of the survey instrument can be found on our website [here](#).

## SURVEY ADMINISTRATION

In February 2025, CEP invited 891 nonprofit leaders from the Nonprofit Voice Project to participate in a survey exploring their experiences in the past year and their outlook on the coming year.<sup>22</sup> The survey was fielded online over a four-week period, from February 4, 2026, to February 26, 2026. Nonprofit leaders were sent an email a week before the launch of the survey to introduce them to this research study. On the survey launch date, participants were sent a brief email that included a description of the study's purpose, a statement of confidentiality, and an individual link to the survey, preventing respondents from completing the survey more than once.<sup>23</sup> The survey was distributed in English and was administered through Qualtrics. Participants were sent up to eight reminder emails. In appreciation for their time, each survey respondent was provided with a \$30 gift card to a retailer of their choice.

## RESPONSE RATE AND RESPONSE BIAS

Completed surveys, defined as having at least 80% of the core questions answered, were received from 368 nonprofit leaders, and partially completed surveys, defined as having at least 50% of the core questions answered, were received from 12 leaders (see Table 1).

**Table 1. Survey Response Rates**

Survey period	Number of eligible respondents	Number of completed/partial responses	Survey response rate
February 4, 2026 - February 26, 2026	887	380	43%

Characteristics of responding and nonresponding leaders and organizations were analyzed to determine whether participants were more likely to answer the survey based on staff size, annual expenses, annual revenue, the geographic region where their organization is located, the gender of the nonprofit leader, or whether the nonprofit leader identified as a person of color.<sup>24</sup> We identified two statistically significant differences between survey respondents and nonrespondents. Nonprofit leaders who identify as a person of color were slightly less likely to respond to our survey than those who do not identify as a person of color, and nonprofit leaders who identify as only male were more likely to respond to our survey than those who identify as a gender other than only male.<sup>25</sup>

<sup>22</sup> We did not use a probability methodology to construct this sample. See the full details on the sample population and sample creation process on our website [here](#). While the survey was being fielded, four leaders were removed from the list of eligible respondents due to their request or our inability to contact them throughout the survey period.

<sup>23</sup> Participants were also informed that a screen reader option was available if needed.

<sup>24</sup> Chi-square tests were used to compare respondents and nonrespondents, and effect sizes were calculated.

<sup>25</sup> The former statistical relationship is of a small effect size, and the latter statistical relationship is of a medium effect size.

## RESPONDENT CHARACTERISTICS

More than 58% of the responding organizations have a local geographic scope, and 80% have a direct service component. The U.S. census region with the highest number of organizations represented is the West (31%), followed by the South (29%). Participating leaders represent organizations with a median staff size of 12, but with a range of one to 2,500 staff members. Leaders reported wide variation in their fiscal year 2025 operating budget, although 75% operated with less than \$4.5 million (Table 2).

**Table 2. Organizations’ Operating Budgets in the Last Fiscal Year (N=377)**

	25th percentile	50th percentile (median)	75th percentile
Operating budget	\$950,000	\$2,000,000	\$4,500,000

Leaders were invited to select all that apply for their organization's key focus areas. The top focus areas were the following:

- Education (42%)
- Human services (41%)
- Health (26%)
- Social justice (25%)

In the survey, respondents were also asked questions about their demographic characteristics (see Appendix B).

## QUANTITATIVE ANALYSIS OF SURVEY DATA

The unweighted quantitative survey data from nonprofit leaders were examined using descriptive statistics, chi-square tests, independent samples t-tests, paired samples t-tests, McNemar’s tests, and logistic regressions. An alpha level of 0.05 was used to determine statistical significance for all testing conducted for this research. Effect sizes were examined for all analyses. Unless otherwise noted, only analyses with medium or large effect sizes are reported. Select analyses of respondents who completed both the 2025 and 2026 “State of Nonprofits” surveys are cited throughout the report.

## QUALITATIVE ANALYSIS OF SURVEY DATA

Thematic and content analyses were conducted on the responses to the open-ended items in the survey. A codebook was developed for select open-ended responses by using Claude, a large language model developed by Anthropic, to create a preliminary list of themes based on response text. Those themes were then checked for accuracy and edited, if needed, by a member of CEP’s Research team. All final decisions about codebook themes were made by a member of CEP’s team. Each coder used the codebook when categorizing responses, to ensure consistency and reliability. Using MAXQDA, a software program for qualitative and mixed-methods data analysis, one coder coded all responses to a survey question, and a second coder coded 15% of those responses. An average interrater reliability (IRR) level of at least 80% was achieved for each codebook. Our IRR across items ranged from 89% to 94%.

Quotations from the open-ended survey responses are included in this report. These quotations have been selected to be representative of themes in the data.

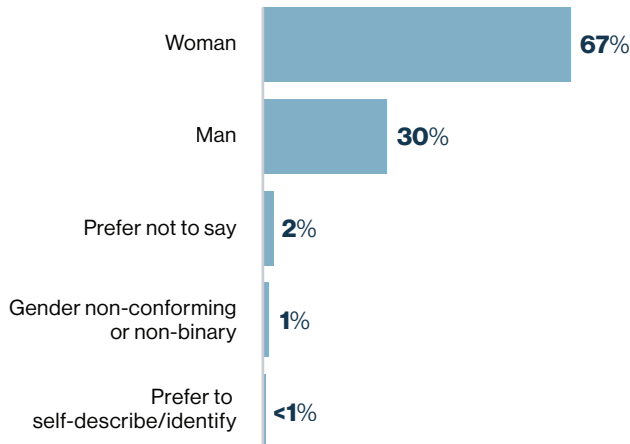
## RESEARCH LIMITATIONS

As is true of survey research in general, it is not possible to draw causal conclusions from these data. This research is generalizable only to the subset of nonprofits in the U.S. that get foundation funding from at least one foundation that gives at least \$5 million in annual grantmaking. We cannot know whether the leaders who chose to respond to this survey represent organizations that have spent more time thinking about the topics covered in this report. We are also not able to capture the experiences of nonprofits in our NVP panel that may have closed since the last time we surveyed the panel. This should be kept in mind when generalizing these findings.

# APPENDIX B: SURVEY RESPONDENT DEMOGRAPHICS

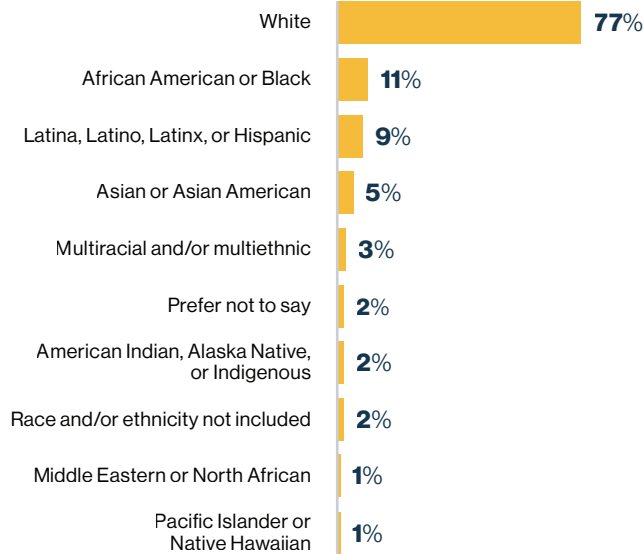
## How do you describe yourself?

(N=369)



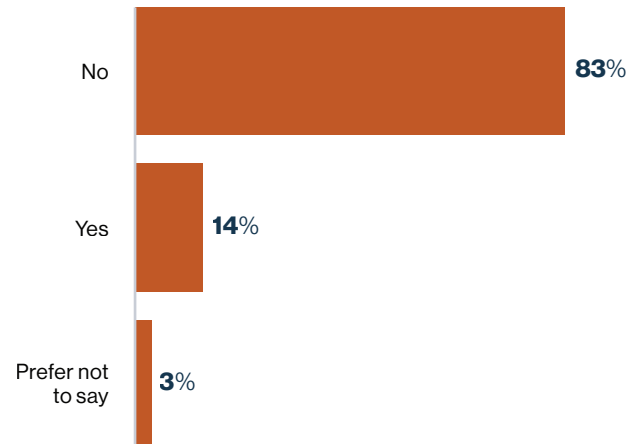
Note: Percentages add up to more than 100 due to rounding.

## How would you describe your race and/or ethnicity? (N=369)

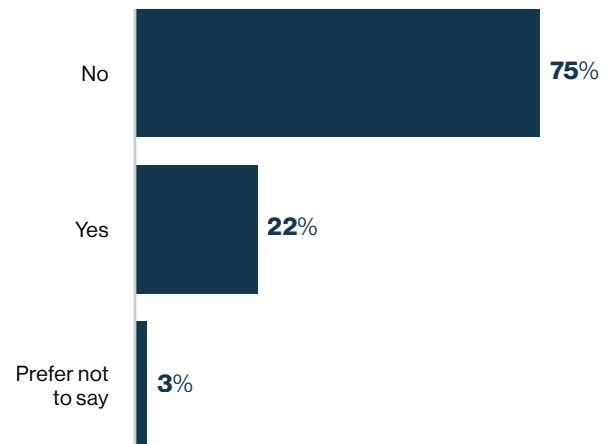


Note: Percentages add up to more than 100 because respondents could select all that apply.

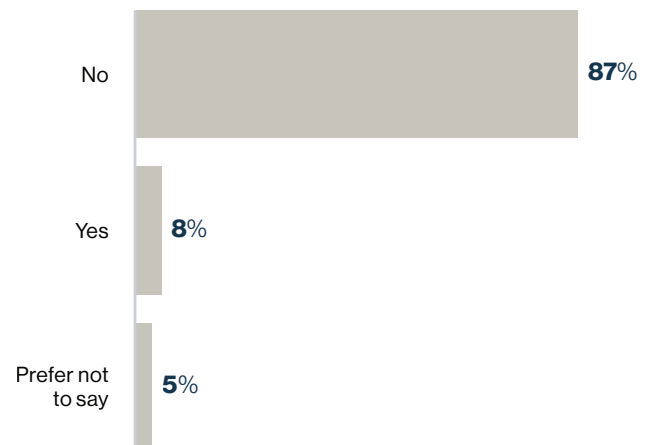
## Do you identify as a member of the LGBTQ+ community? (N=369)



## Do you identify as a person of color? (N=369)



## Do you have a disability? (N=369)





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