EVOLVING FOUNDATION RESPONSES TO A SECTOR IN CRISIS

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EFFECTIVE PHILANTHROPY

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INTRODUCTION

Amid significant shifts in the national context since January 2025, U.S.-based foundations and nonprofits have been reassessing how best to pursue their missions. The Center for Effective Philanthropy (CEP) has sought to provide timely, data-based insights to inform their decisions and practice. This report is part of our ongoing series about the response of foundations and nonprofits to the current context.[1]

Amid significant shifts in the national context since January 2025, U.S.-based foundations and nonprofits have been reassessing how best to pursue their missions.

In previous CEP reports, such as "A Sector in Crisis" (2026), nonprofit CEOs described facing both increased demand for services and significant cuts to their funding. We reported that many foundation and nonprofit leaders believed foundations have an even larger role to play in supporting nonprofits during this time.[2] In "State of Nonprofits 2026: What Funders Need To Know," we documented the degree to which nonprofits are reeling, with two thirds of nonprofit CEOs saying they're concerned about their organization's financial sustainability.[3] This current report provides updated data on how foundations are adapting their strategies and practices, and shares insights about the nonprofit experience to inform foundations' next steps.

Board Book Insert

Foundation leaders, if you are interested in sharing a summary of this research with your board, please see our board book insert here.

[1] Other organizations are also tracking the effects of political and economic change on various segments of the philanthropic sector and cataloging adaptations to the changing environment: Benjamin Soskis, "How the Turbulence Facing US Nonprofits Might Transform the Giving Infrastructure," *Urban Institute*, April 3, 2026, https://www.urban.org/research/publication/how-turbulence-facing-us-nonprofits-might-transform-giving-infrastructure; Brian Fox and Matt Price, "How Nonprofits and Foundations Are Navigating New Challenges, Future Impact," *Candid*, April 29, 2026, https://candid.org/blogs/nonprofits-and-foundations-future-impact/; Alexandra Chan et al., "How To Support Nonprofit Worker Well-being," *Nonprofit Finance Fund*, March 3, 2026, https://nff.org/insights/worker-well-being/.

[2] 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/report-backpacks/a-sector-in-crisis-how-u-s-nonprofits-and-foundations-are-responding-to-threats/?section=intro

[3] Ellie Buteau, Elisha Smith Arrillaga, and Seara Grundhoefer, "State of Nonprofits 2026: What Funders Need To Know." https://cep.org/report-backpacks/state-of-nonprofits-2026/?section=intro

Terminology

Throughout the report, we use the term "current context." 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 in 2025 with the potential for wide-ranging effects on nonprofits' funding and work. During data collection, this definition was provided to all survey respondents and those interviewed for the study.

Sizes and Types of Responding Organizations

Nonprofit organizations participating in our survey are representative of U.S. nonprofits that receive funding from private foundations that give $5 million or more annually. At the median, staff size was 13. Median annual expenses were $1.8 million, and median annual revenue was $2.1 million.[4] The most common focus areas among responding nonprofits are human services, education, and social justice, and nonprofits' geographic locations are distributed almost evenly across the four U.S. census regions.[5] Certain organization types, including hospitals, universities, and some religious organizations (e.g., churches), were excluded from the research to ensure consistent interpretation of the data. (See Appendix A: Methodology for more information.)

This study also includes a survey of all independent and community foundations that give $5 million or more annually. Responding foundations most commonly fund in the areas of education, human services, and health. The median responding foundation has nine staff members, $15.6 million in annual giving, and $230 million in assets.[6] These foundations fairly equally represent all four U.S. census regions. Corporate foundations and intermediary funders, among others, are excluded from the research. (See Appendix A: Methodology for more information.)

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[4] Data about staff size, expenses, and revenue for organizations in this sample were obtained from Candid in 2024, which is the year CEP created this survey sample.

[5] U.S. Census Bureau, "Census Bureau Regions and Divisions With State FIPS Codes," https://www2.census.gov/geo/pdfs/maps-data/maps/reference/us_regdiv.pdf.

[6] Data about staff size, giving, and assets for foundations in this sample were obtained from the most recent available year of financial information in Candid's online Foundation Directory or CEP's internal contact management software.

KEY FINDINGS

FINDING 1

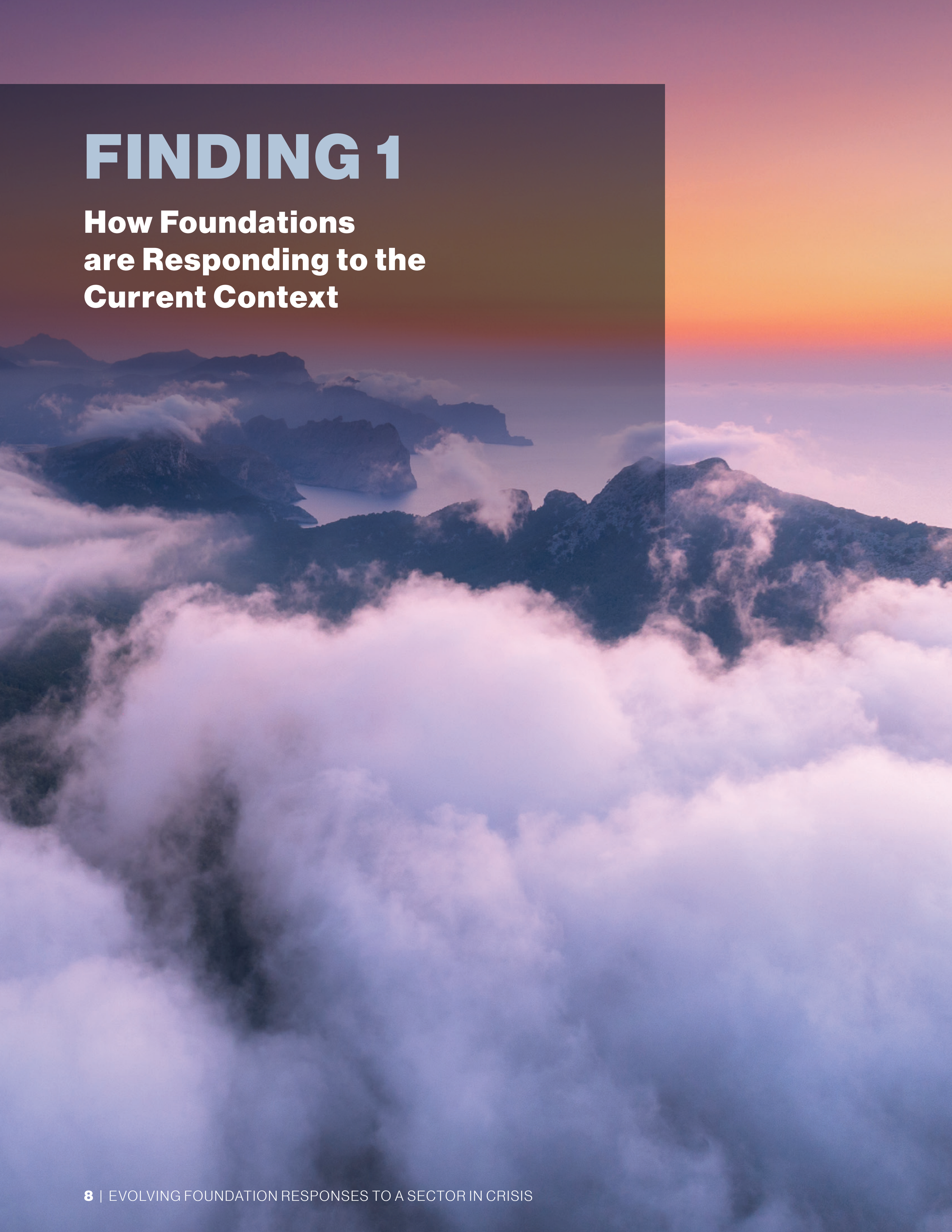
Foundations are making many changes in response to the current context, but barriers — including risk aversion — are contributing to their sense they have not been very effective in response.

FINDING 2

Most foundations are providing support beyond the grant to the nonprofits they fund, but that support is frequently mismatched to nonprofits' needs.

FINDING 3

Honest communication between nonprofits and funders is a challenge, with nonprofits holding back in ways that may limit funders' ability to know what is most needed.



FINDING 1

How Foundations are Responding to the Current Context

Foundations are making many changes in response to the current context, but barriers — including risk aversion — are contributing to their sense they have not been very effective in response.

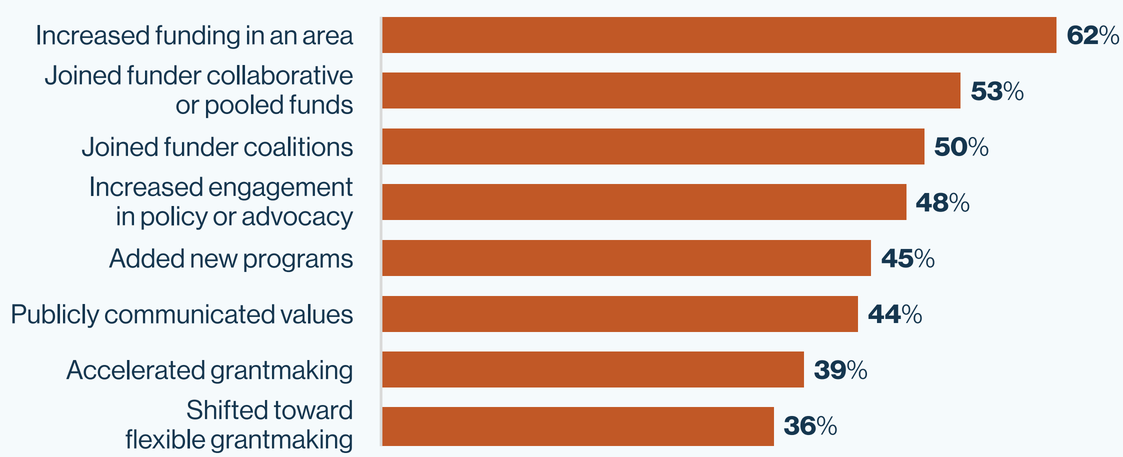
Foundations report that determining how to respond effectively to the ever-changing current context is a challenge. Foundation CEOs note their responses have “evolved with the times” and that they are “adjusting in real time.” Almost all foundation CEOs describe making major changes to the way their organizations are working, even as most do not rate their own foundation’s response to the current context as very effective to date.

Ninety-three percent of responding foundation CEOs report making at least one change to the way they approach their foundation’s work.

MAJOR CHANGES TO PROGRAMMATIC AND FUNDING STRATEGIES

Ninety-three percent of responding foundation CEOs report making at least one change to the way they approach their foundation’s work.[7] The most common changes, adopted by at least half of responding foundations, are increasing funding in at least one issue area and collaboratively pooling funds (see Figure 1).

FIGURE 1. Most Common Foundation Strategy Changes Reported by CEOs in Response to the Current Context (N=180–182)



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

[7] Foundation CEOs were asked, “In response to the current context, which of the following changes, if any, has your foundation made to its programmatic strategies?” and were asked to select all options that apply. Foundation CEOs were asked about strategy changes in three categories: funding allocation, grantmaking related, and external facing. In total, foundation CEOs were offered 19 options from which to choose, as well as “other (please specify).”

More than 60% have increased funding in at least one issue area, such as "increased support for food banks and food pantries due to SNAP challenges" and "investing more in civic health due to growing fractures within communities." About half of foundation CEOs report having collaboratively pooled funds. As one foundation CEO says, "We are supporting grantee capacity on pro-democracy communications through a funder collaborative." Another foundation CEO notes their foundation has "joined collaboratives focused on [local disaster relief] and food equity," noting, "We are better when working in concert with our peer funders."

About half of CEOs, 48%, report their foundation has increased its engagement in policy or advocacy to be responsive to the current context.

About half of CEOs, 48%, report their foundation has increased its engagement in policy or advocacy to be responsive to the current context. One CEO explains their foundation is increasing its engagement in advocacy "because there's not enough money if bad policies remain in place." Another CEO's foundation "helped bring together a coalition of nonprofit organizations focused on strengthening collaboration around policy, advocacy, and shared community challenges," while yet another is "organizing other funders to support organizing, movement-building, and advocacy." More than 40% of funders have added new programs and initiatives, including "major initiatives in mental health and transportation" and an "affordable-housing initiative."

Most CEOs report making multiple major changes to their programmatic and funding strategies. One foundation CEO wrote about the many changes their organization was initiating:

> We conducted a refresh of the foundation's strategic plan and landed on a number of pivots to be more effective in our community-impact work, including providing unrestricted grant support, building out multiyear grantmaking, leaning into policy and advocacy, revamping our economic mobility strategy to focus on workforce and small business support, and lifting up a fund in response to shifting federal funding.

LESS COMMON FOUNDATION RESPONSES TO THE CURRENT CONTEXT

A few of the less frequently reported changes by foundations are increasing payout, ending programs, decreasing or eliminating funding in an issue area, and temporarily pausing new grantmaking (see Figure 2).

Across independent and community foundations, 27% of foundation CEOs responding to our May 2026 survey report increasing their foundation's payout rate in response to the current context. The median payout rate solely among independent foundations is 6%.[8] One third (33%) of independent foundation respondents report their payout is higher in the current fiscal year than in previous years, and the median payout among this group of funders is 7% (see Figure 3).[9] One CEO explains their foundation has increased payout because there is "more need and also we've made a lot of multi-year grants lately

[8] The median payout rate among community foundations responding to our May 2026 survey is 8%.

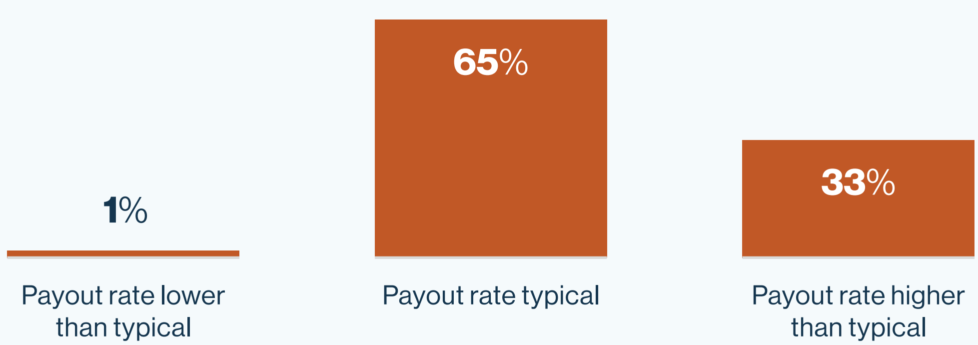
[9] According to Giving USA, adjusted for inflation, grantmaking by independent, community, and operating foundations increased by 3% between 2024 and 2025. "Giving USA 2026: The Annual Report on Philanthropy for the Year 2025," Indiana University Lilly Family School of Philanthropy, 2026, https://givingusa.org/product/2026-annual-report/.

which tie up available grant dollars and lead us to giving more than the standard 5% rate." Another CEO says, "We have been on a trend of increasing payout, and we wanted to surge support for US pro-democracy orgs."

FIGURE 2. Least Common Foundation Strategy Changes Reported by CEOs in Response to the Current Context (N=180–182)

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

FIGURE 3. Payout Rate of Independent Foundations Compared With Previous Fiscal Years (N=101)



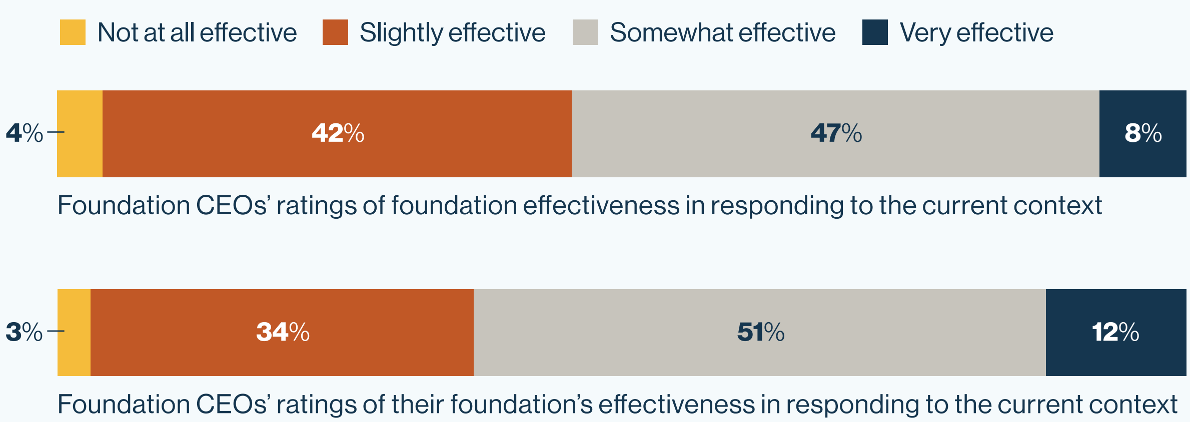
Note: Percentages do not add up to 100 because of rounding.

Ten percent of foundation CEOs report ending initiatives or programs, and 8% decreased funding in a program area. One CEO whose foundation made such a change explains, “We made the difficult decision to exit our immigration portfolio. The portfolio was focused on policy change, and we concluded that there is not a window in the near term for positive policy change on this issue.” Another foundation ended its program “focused on supporting DEI practices for public and private employers.” Yet another moved in the opposite direction, deciding to provide less funding for organizations that are not “supportive of multiracial democracy” or have “little to no ties to diverse communities and communities of color.”

FOUNDATION CEOS REPORT MIXED VIEWS ON THE EFFECTIVENESS OF THEIR RESPONSES TO THE CURRENT CONTEXT

Despite reporting a range of strategic changes, few foundation CEOs assess their response as very effective. Just 12% rate their own foundation’s response as very effective, while only 8% say the same of foundation funders broadly (see Figure 4.)

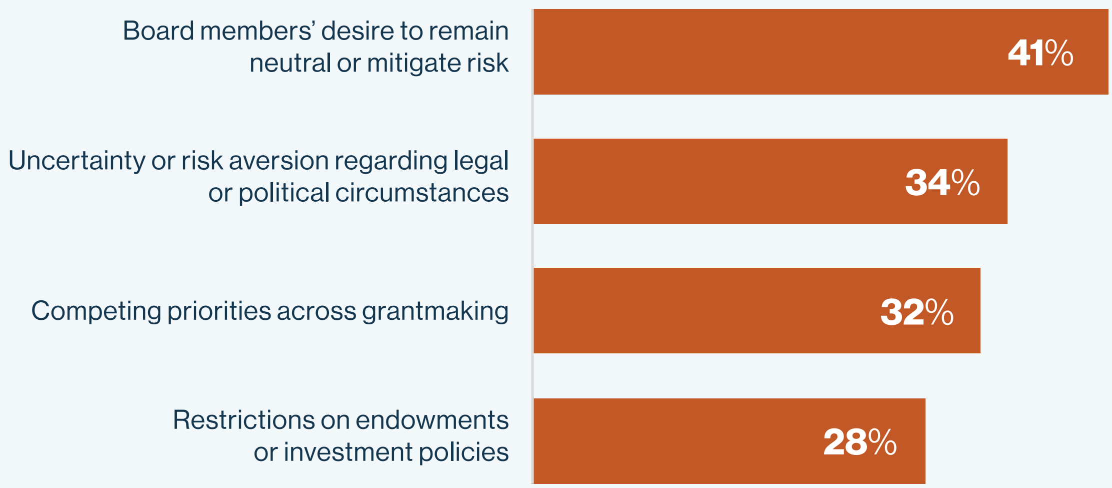
FIGURE 4. Foundation CEOs’ Ratings of How Effective Their Own Foundation Has Been in Responding Versus Effectiveness of Foundations Overall (N=179–180)



Note: Percentages do not add up to 100 because of rounding.

Foundation CEOs most frequently identify risk-related concerns as barriers to being responsive in the current context. More than half of foundation CEOs — 53% — cite some form of risk aversion as a barrier to the way their foundation has responded. Specifically, more than 40% report their board members’ desire to remain neutral or mitigate risk has been a barrier, and about one third point to uncertainty or risk aversion regarding the legal or political implications of responding (see Figure 5). Some foundation CEOs describe how their foundation has been discussing risk. As one CEO says, “We had conversations about our appetite for risk-taking, courage, and our role in supporting our grantees as they hold the line.” Another CEO highlights the geographic region in which they work as a reason why their foundation has “been less vocal on issues and just tried to focus on doing the work … trying not to bring undue attention to us.” Other common barriers to foundations responding more effectively include competing priorities across their grantmaking portfolios and restrictions on endowments or investment policies, each cited by about 30% of foundation CEOs.

FIGURE 5. Foundation CEOs Report Top Barriers to Their Foundation's Response to the Current Context (N=152)



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

Nonprofit CEOs also report concerns about risk as a factor shaping foundation responses. Only 12% of nonprofit CEOs say their foundation funders were willing to take risks that "very effectively" met their organization's needs. One nonprofit CEO described the tenor of foundation funders as seeming "like everyone wants to 'wait and see' what will happen, rather than invest and support the most urgent needs now."

Most Independent Foundation CEOs Report No Increase in Payout Rate

Two thirds of independent foundation CEOs report their foundation payout rate has stayed consistent with those of previous years. CEOs provide a variety of reasons for this decision, from being limited by their founding documents to explaining, "We do not work to a payout percentage; rather, we fund good ideas and let that dictate how much we distribute." One foundation CEO offers that their foundation is "focused on increasing the value of every grant we deploy and focusing on greatest needs in light of shifting federal policies. We believe this is more meaningful than the 'spend more' sloganeering." Some foundation CEOs explain they have kept payout consistent with previous years to maintain or grow the endowment's purchasing power over time. As one CEO notes, "Due to the foundation's directive to support the state in perpetuity, the board has made the decision to maintain a 5% payout rate annually. This allows the organization to grow over time, which has enabled it to lead on larger, transformational projects. This support would not be possible without a level of fiscal patience."

FINDING 2

Support Beyond the Grant

Most foundations are providing support beyond the grant to the nonprofits they fund, but that support is frequently mismatched to nonprofits' needs.

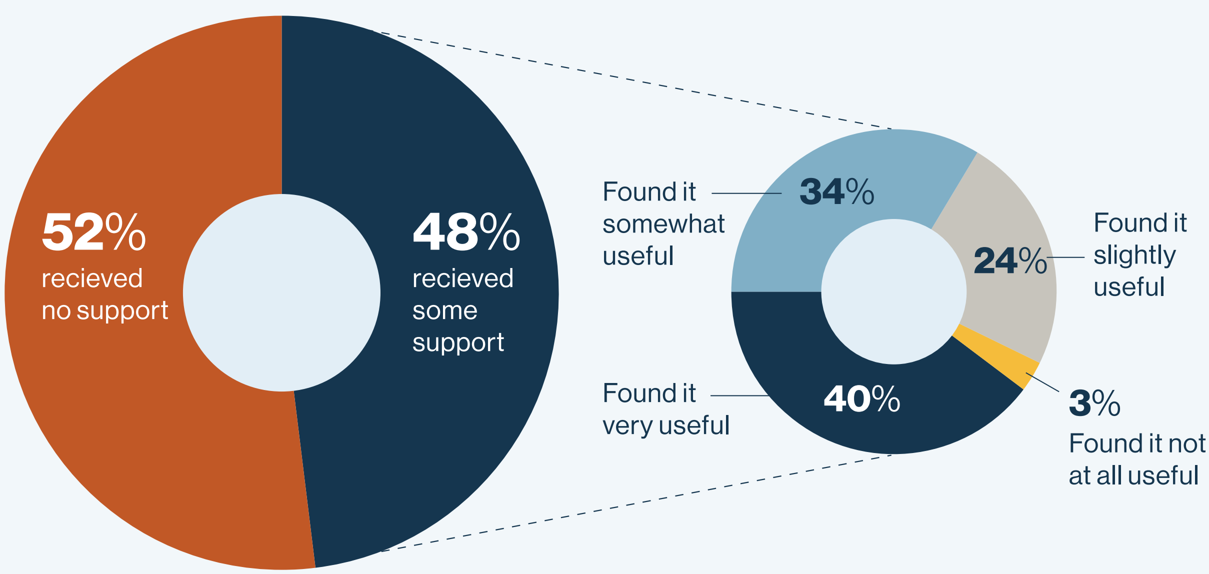
Nine in 10 foundation CEOs indicate their organizations are providing nonprofits with at least some form of support beyond the grant to help them navigate the current context. The most common form of support is professional development, offered by nearly half of foundations. Support for building partnerships is provided by 46% of foundations, while 41% are providing support to assist with nonprofits' fundraising.

About 40% of foundation CEOs believe providing support beyond the grant has been the most helpful action their foundation has taken to support grantees in response to the current context. By contrast, only 1% of nonprofit CEOs feel that providing more support beyond the grant would be the most valuable step that foundation funders could take to support nonprofits. Taken together, these data highlight the differing perspectives of foundation and nonprofit leaders about the role and value of various types of support beyond the grant in responding to the current context.

USEFULNESS OF SUPPORT PROVIDED BEYOND THE GRANT

In many cases, nonprofit CEOs feel they are unable to fully take advantage of foundations' support beyond the grant. Forty-six percent of nonprofit CEOs report they currently have limited bandwidth to build capacity. The remaining half report their organization is stable and ready to absorb new learning or support. When nonprofit CEOs have received some kind of support beyond the grant from their foundation funders, they report mixed opinions as to its usefulness. About half of nonprofit CEOs report receiving such support, and only 40% of those CEOs found the support very useful to their organization's work or operations (see Figure 6).

FIGURE 6. Nonprofit CEO Evaluations of Support Beyond the Grant They Recieved Since January 2025 (N=153–323)



Note: Percentages do not add up to more than 100 because of rounding.

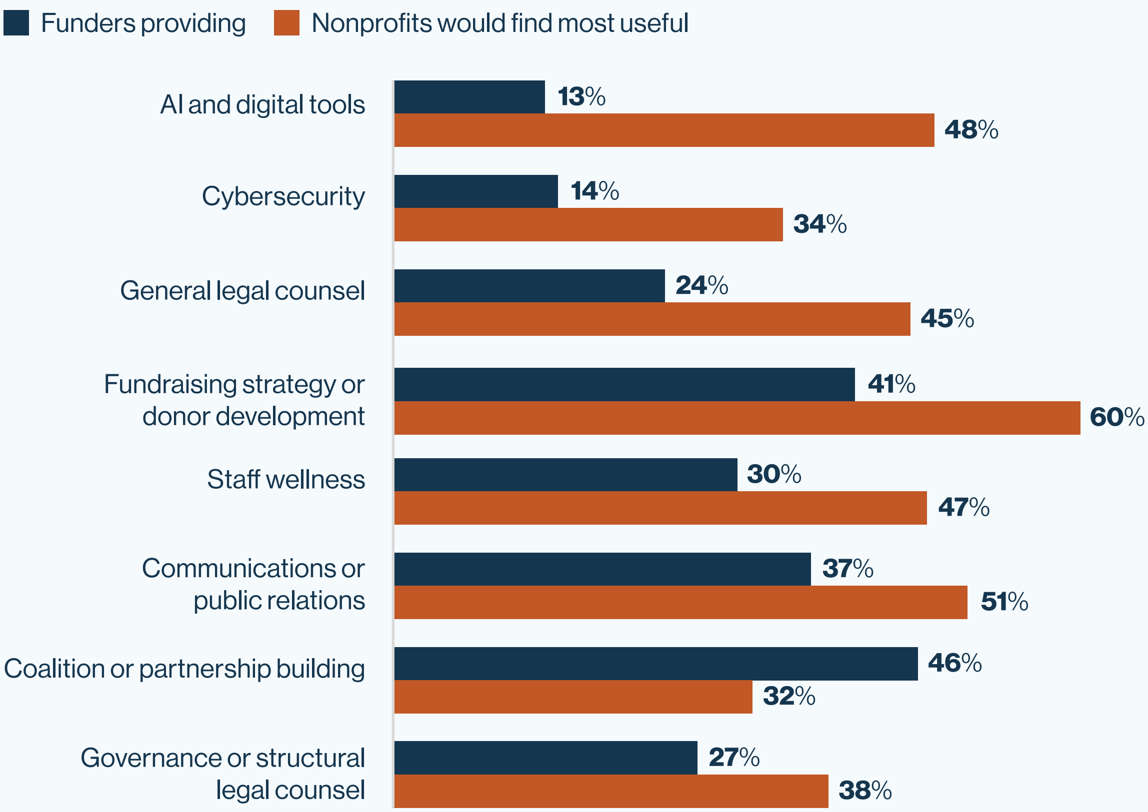
MISMATCH BETWEEN WHAT FOUNDATIONS ARE PROVIDING AND WHAT NONPROFITS WOULD FIND MOST USEFUL

Beyond-the-grant assistance in fundraising, technology, and legal aid are the areas with the highest discrepancies between what is being provided and what nonprofit CEOs say would be most useful for their organization right now. The most common form of assistance that grantees would find useful — reported by 60% of nonprofit CEOs — is help with fundraising strategy and donor development. Currently, 41% of foundations report providing such support. One nonprofit CEO whose organization has received such support describes efforts their funder has made to provide assistance with fundraising strategy, saying, "Our primary funder has used her influence to motivate and push other philanthropic partners to join her in identifying creative ways to push dollars out the door to keep other doors open. She has also made investments to create learning opportunities in our city to draw attention from national funders."

Support related to artificial intelligence and digital tools stands out as one of the largest mismatches between what foundations provide and what nonprofits say would be most useful.

Support related to artificial intelligence and digital tools stands out as one of the largest mismatches between what foundations provide and what nonprofits say would be most useful. Nearly half of nonprofits, 47%, report that this type of assistance beyond the grant would be most valuable; currently, 13% of foundations report providing this type of assistance. One nonprofit leader explains the utility of being able to use AI and digital tools for supporting a major strategic change their organization is undergoing, saying they are "moving to AI/technology to supplement our human workforce for helping families," while "adjusting to a much smaller staff, which is prompting more streamlined, efficient processes and programming." Relatedly, one third of nonprofits report that it would be most useful to receive support with cybersecurity; currently, 14% of foundations report providing this type of support. In addition, 45% of nonprofits say it would be most useful to receive support with general legal counsel; 24% of funders report providing this type of support (see Figure 7).

FIGURE 7. Beyond-the-Grant Support That Foundations Are Providing Versus Beyond-the-Grant Support Nonprofits Would Find Most Useful[10] (N=176–326)



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

[10] Foundation CEOs were asked, "What types of assistance beyond the grant, if any, has your foundation provided to grantee organizations in response to the current context?" Nonprofit CEOs were asked, "What types of assistance beyond the grant, if any, would be most useful for your organization right now?" In total, respondents were offered 23 options from which to choose, as well as "other (please specify)."

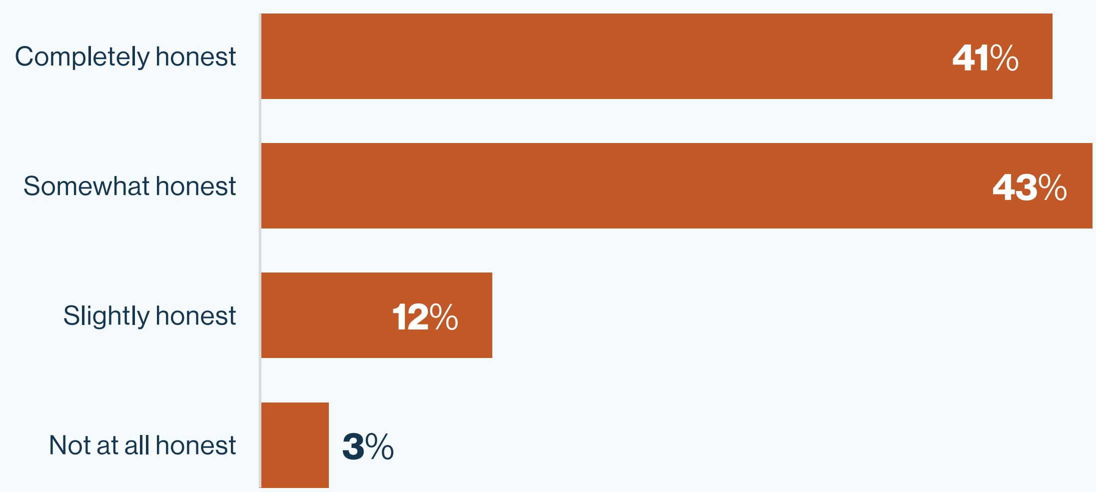
FINDING 3

Communication Between Nonprofits and Funders

Honest communication between nonprofits and funders is a challenge, with nonprofits holding back in ways that may limit funders' ability to know what is most needed.

A minority of nonprofit CEOs, 41%, believe they can be completely honest when communicating with their foundation funders about challenges their organization is facing in the current context (see Figure 8).

FIGURE 8. Nonprofit CEO Beliefs of How Honest They Can Be With Funders About Organizational Challenges (N=328)



Note: Percentages do not add up to 100 because of rounding.

Only 23% of nonprofits rate their foundation funders as very effective in communication, making it one of the lowest-rated areas of foundation responsiveness to the current context. One nonprofit CEO spoke about the importance of hearing a supportive message from funders, saying, "We need more communication from all funders and also a willingness to be partners in the fight. Specific to communication, be willing to hear directly from grantees about what we are dealing with and what we need to continue our fight."

OPEN AND CANDID COMMUNICATION ELUSIVE

Nonprofit CEOs who believe they need to be less than completely honest with their funders most commonly cite either fear of their funding being reduced or limited opportunities to have honest communication with their funders as the driving cause. Nearly a third who say they are less than completely honest with their funders report thinking their funders aren't interested in hearing about their challenges. About half also cite fear of reputational harm to their organization as a barrier to honest communication (see Figure 9).

FIGURE 9. Nonprofits CEOs' Reported Reasons for Less Than Completely Honest Communication With Foundation Funders (N=191)

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

Among nonprofit CEOs who believe they cannot be completely honest with their foundation funders, about one quarter would want their funders to be more transparent about what the funder is doing or what the nonprofit should expect from them. One nonprofit CEO says, "Tell us how — or if — your priorities are changing, given the current context," while another wishes their funders would, "Let us know where you are, what you're up to/interested in. What you're planning. Be clear about intent and resources available." Another nonprofit CEO seeks "regular updates so that we know what is coming. Last year our award from the local foundation was cut by almost half. I didn't know until the award letter came and I inquired."

Nonprofit CEOs who believe they can communicate completely honestly are more likely to rate their foundation funders as having been more effective in responding to the current context. Specifically, they experience their funders' responsiveness, willingness to take risks, and provision of rapid-response support as more effective for meeting their needs. They are also slightly more likely to find their funders' overall response to the current context, communication, provision of unrestricted support, provision of multiyear support, and provision of assistance beyond the grant to be more effective or useful.

Nonprofit CEOs who believe they can communicate completely honestly are more likely to rate their foundation funders as having been more effective in responding to the current context.

Many Foundations Continue To Evolve in Their Response

As the current context has evolved since January 2025, so have many foundations' responses. About 60% of foundation CEOs say they have decided to do more to support their grantees and the communities in which they operate. One CEO notes their foundation focused "more on reaction and response at first" but is "now shifting to evolving to new constraints to perpetuate priority programs." Another similarly expresses that their foundation's response is now "less reactive and more comprehensive across programs/strategies." One CEO describes their foundation's progression by saying, "It has evolved with the times and what we understand our grantees need — first stability, then risk mitigation assistance, then wellness supports, then hope." Over time, one CEO describes, "We are operating with less fear and alarm and more determination and steadiness." One CEO sums up their foundation's evolution by saying, "We listen more."

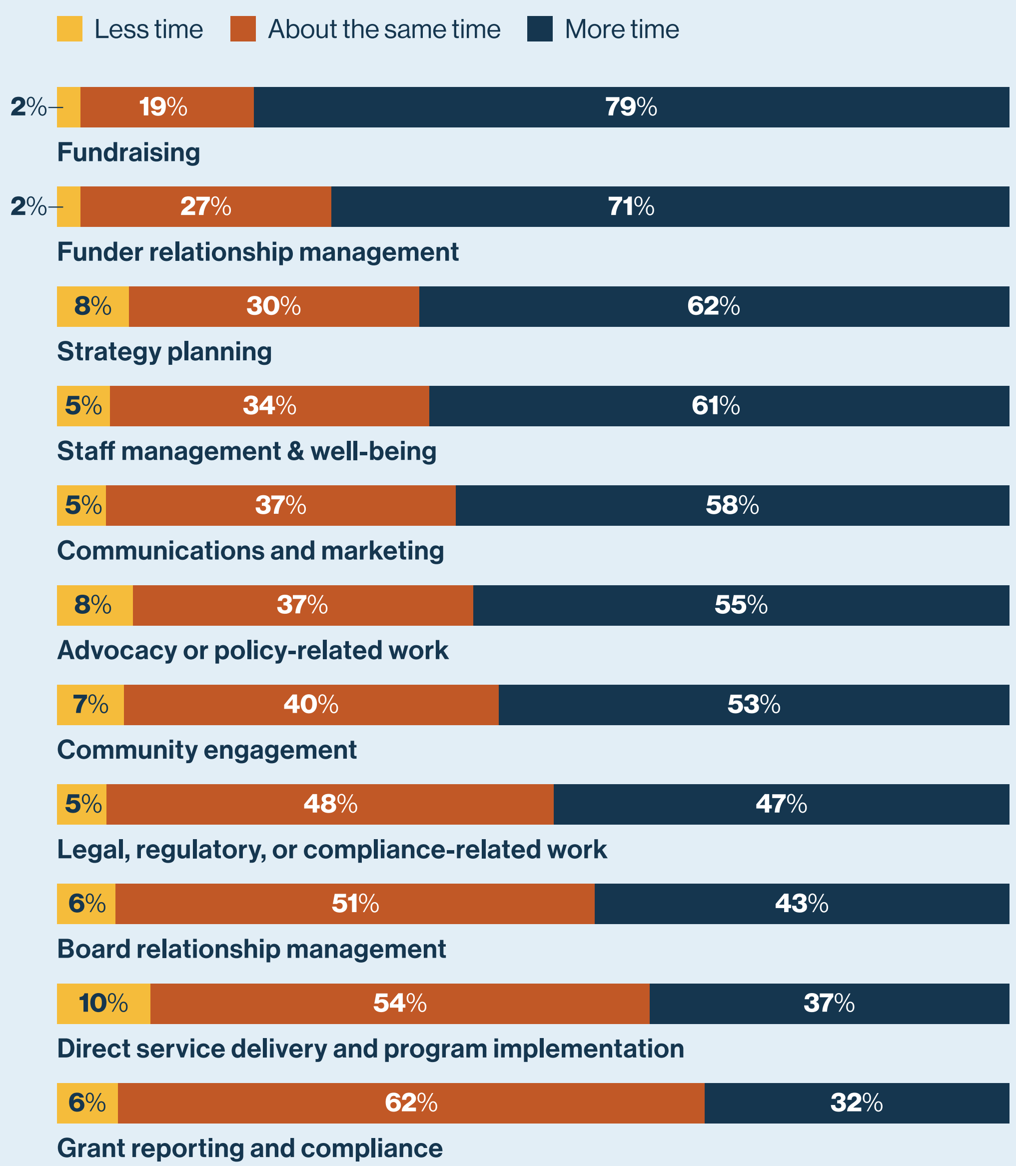
Not all foundations' evolutions have been solely externally facing. One CEO offers a glimpse into how they've worked to change internal conversations at their foundation, saying, "It has been difficult because I have some board members that have felt that what is happening is a good thing. That has been hard. I think we have learned to have more honest and open conversations and how to better handle differences."

Other foundations have not changed their practices in response to the current context. As one CEO says, "Our response has not changed much as it's always been very grantee centered. By this I mean we are asking grantees directly what they need, not relying on the largest funders in our area to tell us what nonprofits need and want." Another explains, "We are not concerned with the current context. We realize that many nonprofits may close because they do not have diversified funding streams, and that is the lifecycle of business. Not every nonprofit needs to exist. If society thinks an organization is worthwhile enough then people will fund it. Otherwise, it needs to close."

Nonprofit CEOs Face Challenges as Their Role and Organizations Change

Nearly 80% of nonprofit CEOs report spending increased time on fundraising, and 71% report dedicating more time than they had previously to managing relationships with their funders. The average nonprofit CEO reports spending more time on at least half of the job responsibilities listed in Figure 10.

FIGURE 10. Nonprofit CEOs Report Change in Time Spent on Key Job Duties Since January 2025 (N=318–329)



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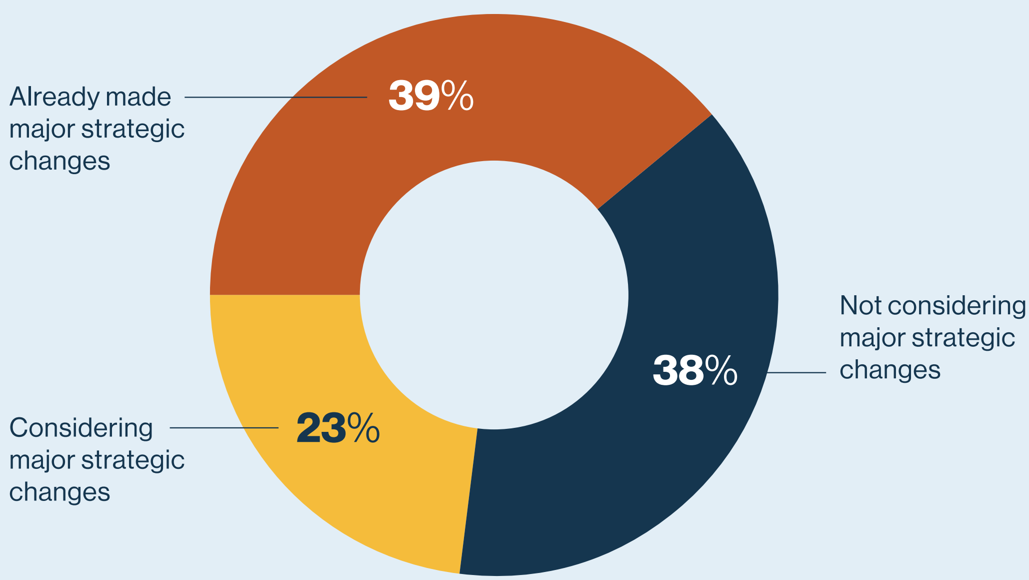
("Nonprofit CEOs Face Challenges as Their Role and Organizations Change" continued)

Sixty-two percent of nonprofit CEOs also report making or considering making major strategic changes to their organization (see Figure 11). As one CEO whose organization has undergone a reduction in services describes: "We've scaled back our programming by 25%. We've invested considerably more human and financial resources into development and fundraising." Other nonprofit CEOs describe changing the scope of their organization's work by adopting "new strategic initiatives to expand/deepen our work since so much of our current portfolio is being cut," to move "away from our dependency on grants and into potential revenue streams, but it has been difficult." One CEO whose organization is considering a major strategic change explains, "We are considering expanding our mission in order to become more sustainable for the future."

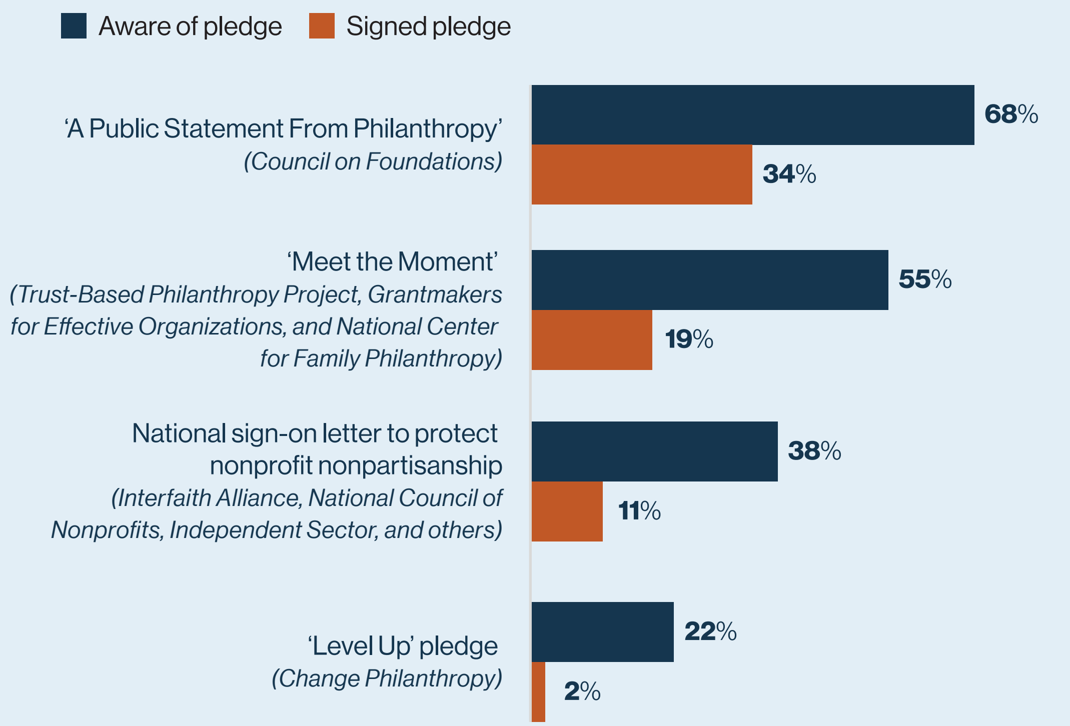
FIGURE 11. Nonprofit CEOs Considering or Making Major Strategic Changes to Their Organization (N=324)



Foundation CEOs and Public Pledges

Most foundation CEOs report having heard of at least one major public philanthropic pledge regarding the current context, and 44% report having signed at least one public philanthropic pledge. About one third of responding CEOs report having signed the Council on Foundations' "A Public Statement From Philanthropy" document (see Figure 12).

FIGURE 12. Foundation CEOs' Awareness of and Signing of Major Pledges (N=178)



Signing at least one pledge was associated with a broader set of reported actions among foundation CEOs. Those who reported signing a pledge also more frequently reported joining networks or collaborative funding efforts, publicly communicating their strategic position and values, providing support for coalition or partnership building, shifting toward more unrestricted grantmaking, and increasing overall payout.

CONCLUSION

The challenges presented by the current context are evolving, and almost all foundations and nonprofits are changing elements of their strategy. Many foundation CEOs report concentrating funding in needed areas, collaborating with other foundations, and increasing their engagement in policy and advocacy.

However, foundation CEOs do not appear to feel that their response has fully met the moment. Few rate themselves as very effective, which may be partly a result of the sheer difficulty of the context. Many report feeling constrained by risk aversion within their organizations. In addition, the majority of foundations report maintaining payout at typical levels — a striking contrast to the foundation response in the pandemic, for example.[11]

Although most foundations are not increasing payout, many are increasing the assistance beyond the grant they provide to their nonprofit partners in large numbers. However, our data suggest opportunities for foundations to better align their beyond-the-grant support with nonprofits' reported needs. Technology, especially support with AI, emerges as an area in which nonprofit interest is high, but provision of beyond-the-grant support from funders is low.

Many nonprofit CEOs also report holding back in communicating honestly with funders for fear of jeopardizing future funding or simply because of a lack of opportunity to engage with funders. This, too, presents opportunities: for foundations to do more to foster the conditions for candid communication and for nonprofits to be more direct with their funders.

Foundation CEOs do not appear to feel that their response has fully met the moment. Few rate themselves as very effective, which may be partly a result of the sheer difficulty of the context.

As many have observed, this is a time of challenge for the nonprofit sector and, by extension, for many people and communities affected by the work of nonprofits. The philanthropic response is evolving, and we hope these data help provoke reflection about what approaches might be most useful now.

[11] Naomi Orensten and Ellie Buteau, "Foundations Respond to Crisis: A Moment of Transformation?" https://cep.org/wp-content/uploads/2020/11/CEP_Foundations-Respond-to-Crisis_A-Moment-of-Transformation_2020-1.pdf.

QUESTIONS THIS RAISES FOR FOUNDATION CEOS AND BOARDS:

- Does your board openly discuss risk tolerance and how that relates to the foundation's response to nonprofits and communities in this current context?
- How does the foundation determine what support beyond the grant to provide? How does the foundation decide what support would be most useful to a particular grantee?
- What could the foundation do to support more honest communication from grantees? What could creating more opportunities to hear directly from grantees look like for your foundation?

RESOURCES TO LEARN MORE:

- The Center for Effective Philanthropy:
  - "A Sector in Crisis: How U.S. Nonprofits and Foundations Are Responding to Threats"
  - "State of Nonprofits 2026: What Funders Need To Know"
  - "The Debate That Belongs in Every Foundation Boardroom Right Now"
- Center on Nonprofits and Philanthropy at the Urban Institute: "How the Turbulence Facing US Nonprofits Might Transform the Giving Infrastructure"
- Candid: "Why we're slow to help nonprofits (and what to do about it)"
- Nonprofit Finance Fund: "The Heart of the Sector: How Funders Can Support Nonprofit Worker Well-being"

APPENDIX A: METHODOLOGY

The findings presented in this report are based on data collected, analyzed, and interpreted by the Center for Effective Philanthropy (CEP). CEP fielded two surveys and received responses from leaders of 183 foundations and 329 nonprofit organizations, respectively.[12] Information detailing the process for collecting and analyzing the data is below.

NONPROFIT SURVEY METHODOLOGY

In May 2026, CEP invited 885 nonprofit leaders from the Nonprofit Voice Project (NVP) — a panel of U.S. nonprofits that is representative of the national landscape of nonprofits that receive some funding from private foundations that give at least $5 million annually — to participate in this survey. More information on the criteria for inclusion and the original NVP sample creation process can be found on our website here.[13]

This survey contained 38 items. A copy of the survey instrument can be found on our website here. The survey was fielded online for an approximately three-week period in 2026 — May 5 to May 28. Nonprofit leaders were sent an email two weeks before the launch of the survey to reintroduce them to CEP and inform them about this research study. On the survey launch date, participants were sent an email that included a description of the study, a statement of confidentiality, and an individualized link to the survey, preventing them from completing the survey more than once.[14] The survey was distributed in English and was administered through Qualtrics. Participants were sent up to nine reminder emails. In appreciation for their time, each survey respondent was given a $30 gift card to a retailer of their choice.

Completed surveys, defined as having at least 80% of the core questions answered, were received from 324 nonprofit leaders. Five partially completed surveys, defined as having at least 50% of the core questions answered, were received. (See Table 1.)

TABLE 1. Nonprofit Survey Response Rate

Survey period	Number of eligible respondents	Number of completed/ partial responses	Survey response rate
May 5, 2026 to May 28, 2026	882	329	37%

[12] We did not use a probability methodology to construct these samples.

[13] Three nonprofits were removed from this initial sample for various reasons — including our inability to reach the nonprofit's leader during the allocated survey period and the survey topics not being applicable for a given nonprofit. The first time a survey was administered to this group, the number of eligible respondents in the NVP sample was 893 leaders ("Challenging Times: How U.S. Nonprofit Leaders Are Experiencing the Political Context," https://cep.org/report/challenging-times-how-u-s-nonprofit-leaders-are-experiencing-the-political-context/).

[14] Participants were also informed that a screen reader option was available if needed.

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.[15] The only statistically significant difference identified between survey respondents and nonrespondents was that leaders of color were slightly less likely to respond to the survey.[16] We found no other differences between respondents and nonrespondents or their organizations.

Survey respondents represented nonprofits that varied in type, assets, giving, and geographic region (see Table 2).

TABLE 2. CHARACTERISTICS OF RESPONDING NONPROFITS

Nonprofit characteristics	Survey sample
Nonprofit geographic focus	*N=328*
Local geographic scope	57%
State geographic scope	28%
Regional geographic scope	25%
National geographic scope	20%
Global geographic scope	9%
Full-time staff	*N=329*
Range	1 to 2,500 employees
Median value	13 employees
Annual expenses	*N=329*
Range	~$154K to ~$70M
Median value	~$1.8M
Geographic region	*N=329*
Northeast	25%
Midwest	16%
South	29%
West	30%

Note: Percentages may not add up to 100 because of rounding.

[15] Chi-square tests were used to compare respondents and nonrespondents.

[16] This statistical relationship is of a small effect size.

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

- Human services (43%)
- Education (40%)
- Social justice (28%)

In the survey, respondents were asked questions about their demographic characteristics. Demographics of survey respondents can be found in Appendix B.

Analysis of Nonprofit Survey Data

The unweighted quantitative survey data from nonprofit leaders were examined using descriptive statistics and chi-square tests. 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 medium or large effect sizes are reported. Small effect sizes are denoted by using the qualifier "slightly" when reporting results throughout the report.

Thematic and content analyses were conducted on responses to the open-ended items in the survey. Analysts on CEP's team used two different methods to conduct these analyses. For some open-ended items, human coders developed a codebook for each open-ended item with more than 130 responses by reading and summarizing the main themes in response text. Each coder used the codebook when categorizing responses, to ensure consistency and reliability. One coder coded all responses to a survey question, and a second coder coded 15% of those responses to ensure strong interrater reliability (IRR).

For other items, coding was completed using Claude, a large language model developed by Anthropic. In these cases, a Python script running the Claude application programming interface (API) coded all responses to a survey question, and a human coder coded 15% of those responses to ensure the accuracy and reliability of machine-assisted coding. Regardless of whether IRR checks were completed by two human coders or a Claude-human pairing, an average IRR level of at least 80% was achieved for each codebook. IRR across items ranged from 90% to 95%.

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.

FOUNDATION SURVEY METHODOLOGY

In May 2026, CEP invited 750 foundation leaders to participate in a survey.[17] Foundation leaders were eligible for inclusion in this research study if the foundation they worked at:

- Was based in the United States
- Was categorized by Candid's online Foundation Directory or CEP's internal contact management software as an independent, health conversion, or community foundation

[17] Five foundations were removed from this initial sample for various reasons — including our inability to reach the foundation's leader during the period, the foundation not fitting CEP's sample requirements, the foundation's internal policies prohibiting participation in external surveys, and the foundation sunsetting during the survey period.

- Provided $5 million or more in annual giving, according to the most recent available year of financial information in Candid's online Foundation Directory or CEP's internal contact management software

Furthermore, to be eligible for inclusion, leaders of eligible foundations must have had:

- A title of president, CEO, executive director, or equivalent, as identified through the foundation's website, the foundation's Form 990, or internal CEP staff knowledge
- An email address that could be accessed online, such as on the foundation's website, or through internal CEP records

This survey contained 43 items. A copy of the survey instrument can be found on our website here. The survey was fielded online during an approximately four-week period in 2026 — May 6 to June 4. Foundation leaders were sent an email two weeks before the launch of the survey to introduce them to CEP and this research study. On the survey launch date, participants were sent a brief email that included a description of the study, a statement of confidentiality, and an individualized link to the survey, preventing them from completing the survey more than once.[18] The survey was distributed in English and administered through Qualtrics. Participants were sent up to 11 reminder emails. We did not provide any incentives, financial or otherwise, to foundations in exchange for the completion of the survey.

Completed surveys, defined as having at least 80% of the core questions answered, were received from 177 foundation leaders. There were six partial responses (see Table 3).

TABLE 3. Foundation Survey Response Rate

Survey period	Number of eligible respondents	Number of completed/ partial responses	Survey response rate
May 6, 2026 to June 4, 2026	745	183	25%

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, asset size, annual giving, the geographic region where their organization is located, the foundation type, or whether the foundation has used CEP's assessments in the past.[19] In general, foundations larger than the median (as represented by staff size, asset size, and annual giving) were slightly more likely to respond to the survey. Foundations that have used CEP's assessments, as well as private foundations, were also slightly more likely to respond.[20]

Survey respondents represented foundations that varied in type, assets, giving, and geographic region (see Table 4).

[18] Participants were also informed that a screen reader option was available if needed.

[19] Chi-square tests were used to compare respondents and nonrespondents.

[20] These relationships are all of a small effect size.

TABLE 4. CHARACTERISTICS OF RESPONDING FOUNDATIONS

Foundation characteristics	Survey sample
Type of foundation	*N=182*
Community foundation	37%
Independent foundation	60%
Other type of foundation	3%
Assets	*N=182*
Range	~$3,650 to ~$8B
Median value	~$230M
Giving	*N=183*
Range	~$5M to ~$452M
Median value	~$15M
Geographic region	*N=183*
Northeast	22%
Midwest	24%
South	28%
West	26%

Leaders were invited to select all that apply for program areas they fund. The top three program areas were:

- Education (76%)
- Health (76%)
- Human services (72%)

Respondents were also asked questions about their demographic characteristics. Demographics of survey respondents can be found in Appendix C.

Analysis of Foundation Survey Data

The unweighted quantitative survey data from foundation leaders were examined using descriptive statistics and chi-square tests. 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 medium or large effect sizes are reported. Small effect sizes are denoted by using the qualifier "slightly" when reporting results throughout the report.

Thematic and content analyses were conducted on responses to the open-ended items in the survey. Analysts on CEP's team used two different methods to conduct these analyses. For some open-ended items, human coders developed a codebook for each open-ended item with more than 130 responses by reading and summarizing the main themes in response text. Each coder used the codebook when categorizing responses, to ensure consistency and reliability. One coder coded all responses to a survey question, and a second coder coded 15% of those responses to ensure strong IRR.

For other items, coding was completed using Claude. In these cases, a Python script running the Claude API coded all responses to a survey question, and a human coder coded 15% of those responses to ensure the accuracy and reliability of machine-assisted coding. Regardless of whether IRR checks were completed by two human coders or a Claude-human pairing, an average IRR level of at least 80% was achieved for each codebook. IRR across items ranged from 84% to 88%.

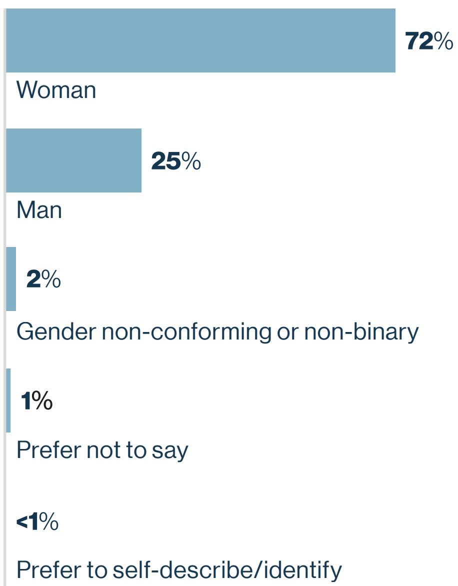
Quotations from the open-ended survey responses are included in this report. These quotations have been selected to be representative of themes in the data.

RESEARCH LIMITATIONS

Given the precarious position many nonprofits find themselves in, we cannot know to what extent nonprofit leaders felt fully comfortable sharing their experiences in this study. If this limitation affected the data reported here, then nonprofits' experiences may be even more negative than what is shared in this report. We are unable to know whether the nonprofit and foundation leaders who chose to respond to these surveys represent organizations that have been more affected than others by the current context or have spent more time than others thinking about, or responding to, the current context. As is true of survey research in general, it is not possible to draw causal conclusions from these data. This should be kept in mind when generalizing these findings.

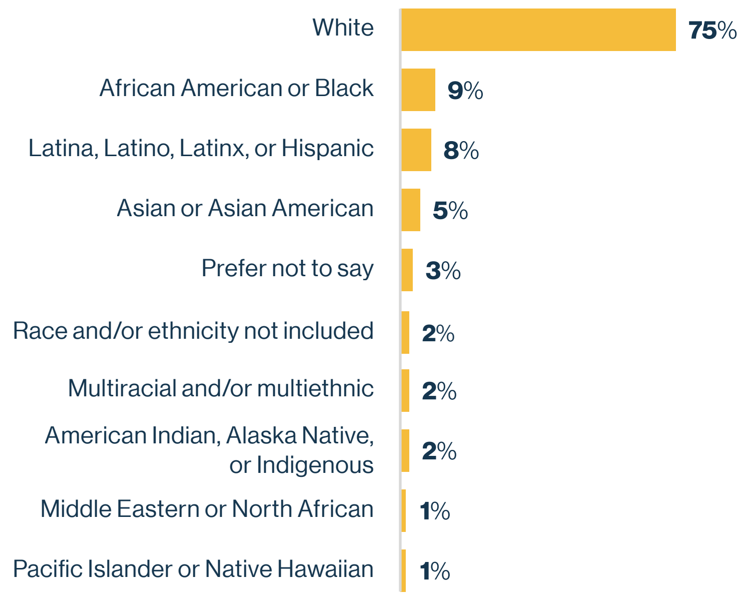
APPENDIX B: NONPROFIT SURVEY RESPONDENT DEMOGRAPHICS

Please select the option that represents how you describe yourself (N=324)



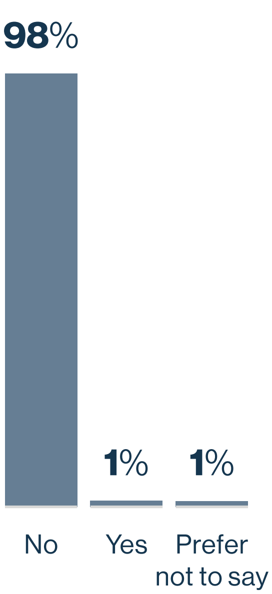
Note: Percentages do not add up to 100 because of rounding.

How would you describe your race and/or ethnicity? (N=322)

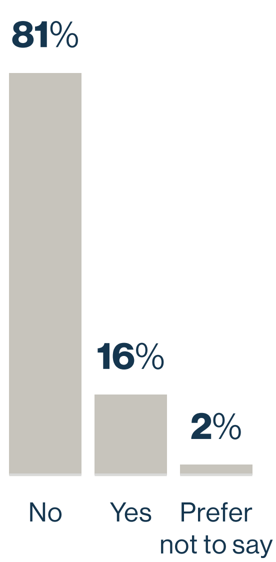


Note: Percentages add up to more than 100 because respondents could select all that apply.

Are you transgender? (N=323)

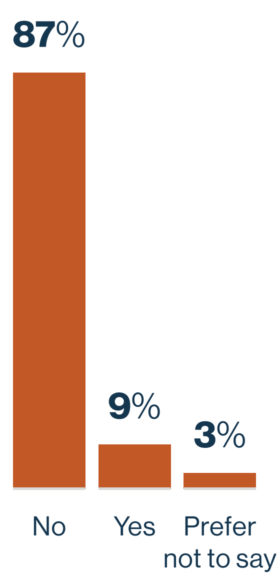


Do you identify as a member of the LGBTQ+ community? (N=324)



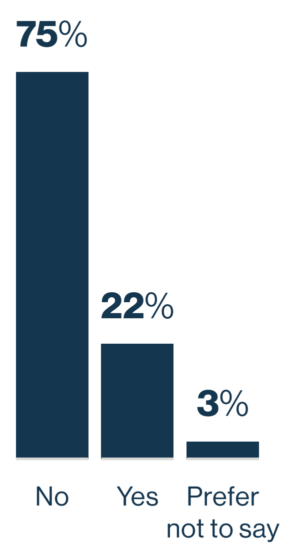
Note: Percentages do not add up to 100 because of rounding.

Do you have a disability? (N=318)



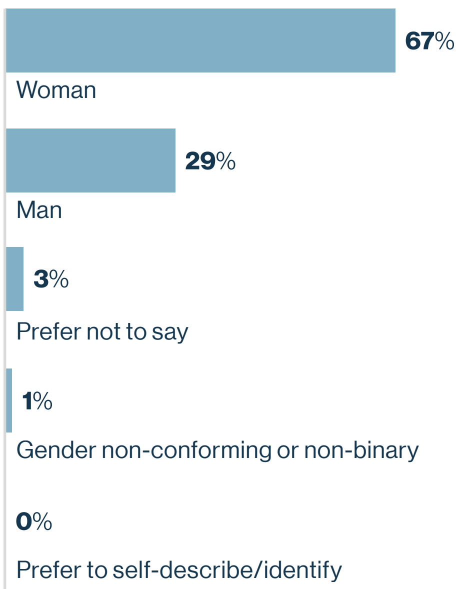
Note: Percentages do not add up to 100 because of rounding.

Do you identify as a person of color? (N=322)

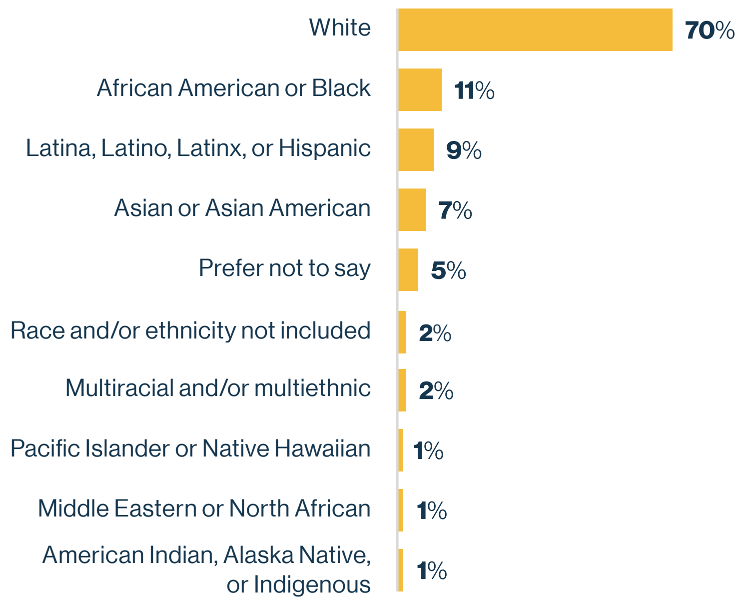


APPENDIX C: FOUNDATION SURVEY RESPONDENT DEMOGRAPHICS

How do you describe yourself? (N=177)



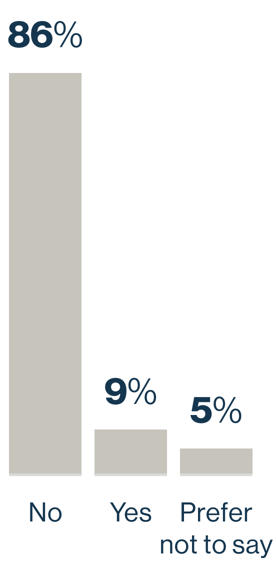
How would you describe your race and/or ethnicity? (N=176)



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

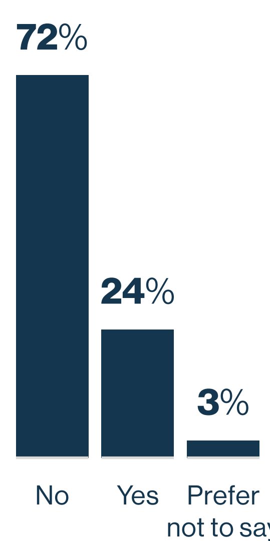
Are you transgender? (N=176)

Do you identify as a member of the LGBTQ+ community? (N=173)



Do you have a disability? (N=174)

Do you identify as a person of color? (N=177)



Note: Percentages do not add up to 100 because of rounding.

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