



The Evolving Relationship Between Nonprofits and Government: Past, Present, and Future



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Understanding the Impacts of Government Funding Disruptions in 2025

March 24, 2026

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Understanding the Impacts of Government Funding Disruptions in 2025



What Is the Financial Risk of Nonprofits Losing Government Grants?



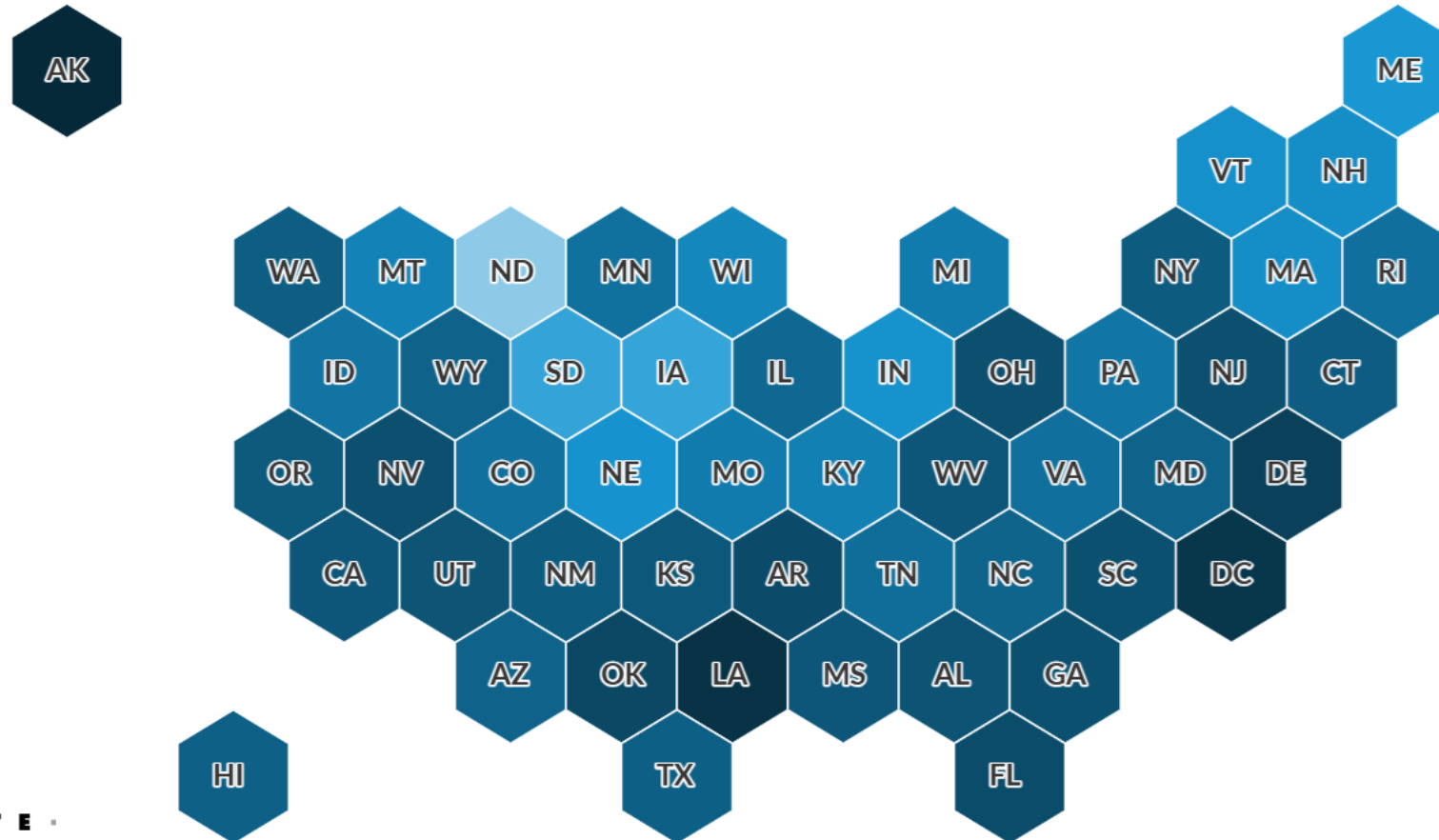
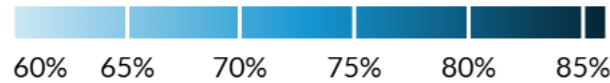
How Government Funding Disruptions Affected Nonprofits in Early 2025



2026 National Survey of Nonprofit Trends and Impacts

What Is the Financial Risk of Nonprofits Losing Government Grants?

Share of at-risk nonprofits



Data source: Form 990



501(c)(3) public charities



in the United States



that electronically filed a full IRS Form 990 for tax year 2021, 2022, and/or 2023



that typically have annual gross receipts of \$200,000 or more or total assets of \$500,000 or more



and reported receiving government grants

Nonprofits across the country report receiving government grants.

Nonprofits in

- All **437** Congressional districts*
- **> 95%** of counties

reported receiving government grants in 2023.

*435 voting districts + DC and Puerto Rico

79% of nonprofits that reported receiving government grants in 2023 would be at risk of not meeting their operating expenses without their government grants.

CENTER ON NONPROFITS AND PHILANTHROPY

How Government Funding Disruptions Affected Nonprofits in Early 2025

*Nationally Representative Findings from the Nonprofit Trends and
Impacts Study*

Data source: 2024 and 2025 National Survey of Nonprofit Trends and Impacts



501(c)(3) public charities



in the United States

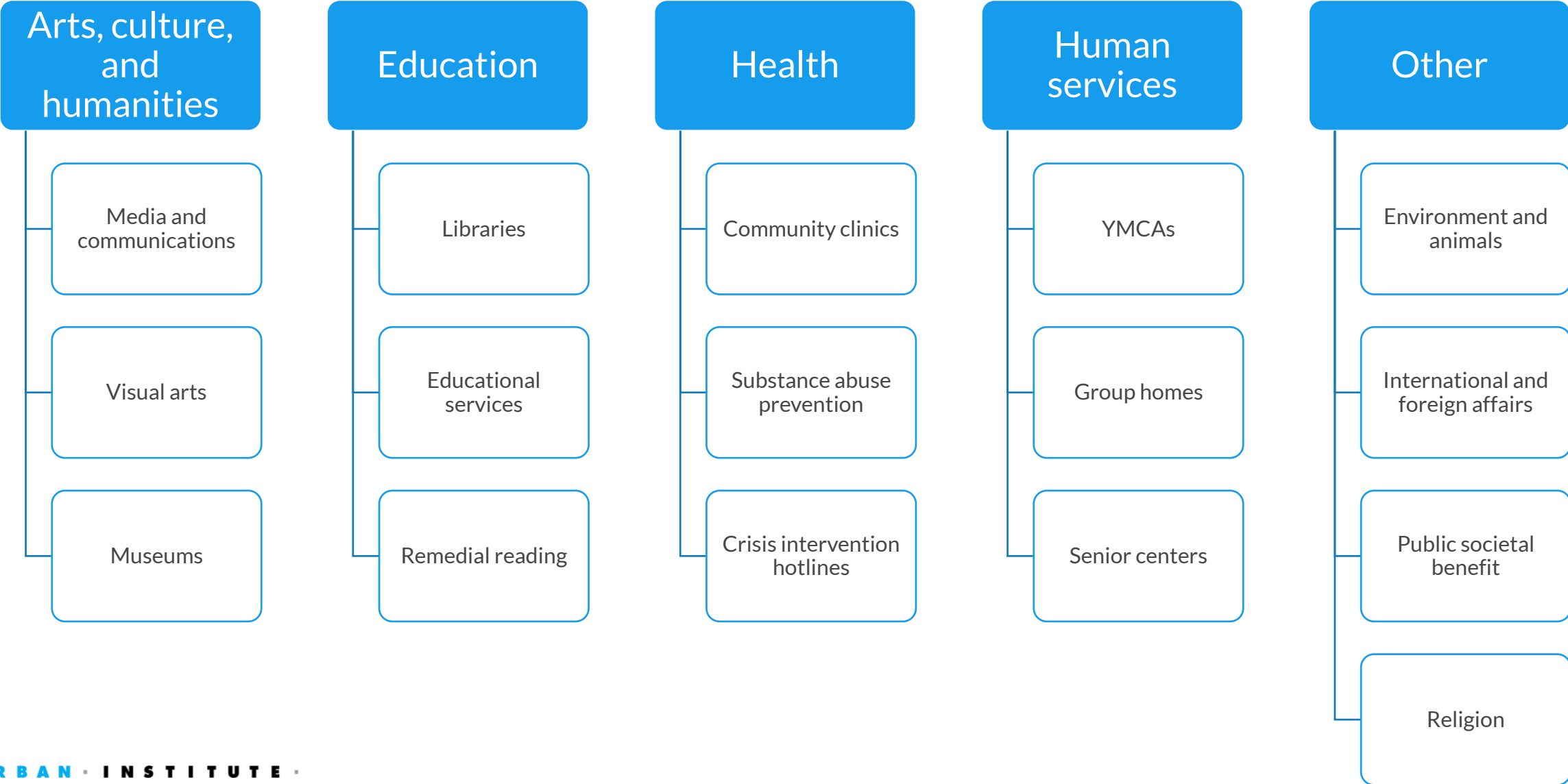


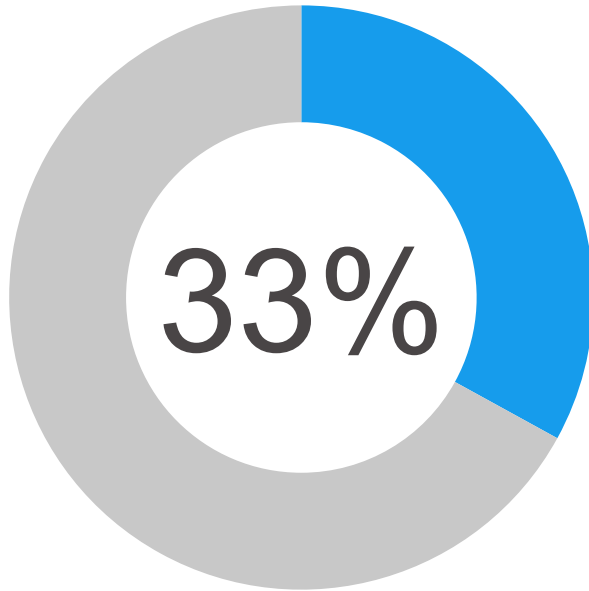
with annual expenses and revenues of \$50,000 or more



that are not foundations, hospitals, higher education institutions, schools, churches and other houses of worship, and other nonprofits with unique business models and contexts

Examples of types of organizations that are included



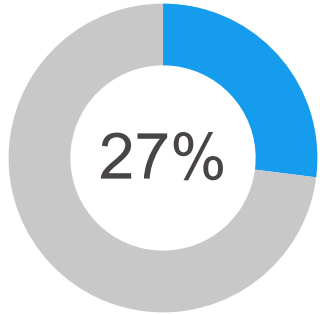


of nonprofits reported experiencing at least one type of **government funding disruption** in early 2025.

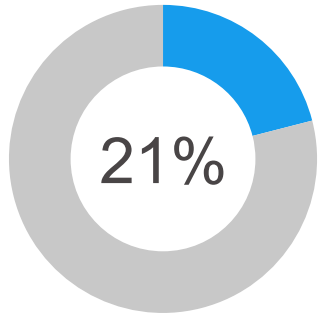
We refer to these as “disrupted nonprofits” throughout the rest of the slide deck.

Note: Respondents completed the survey between April 16 and June 27, 2025.

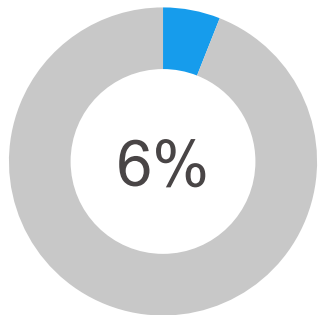
Types of government funding disruptions



reported experiencing a **delay, pause, or freeze** in government funding.



reported **losing** at least some government funding.

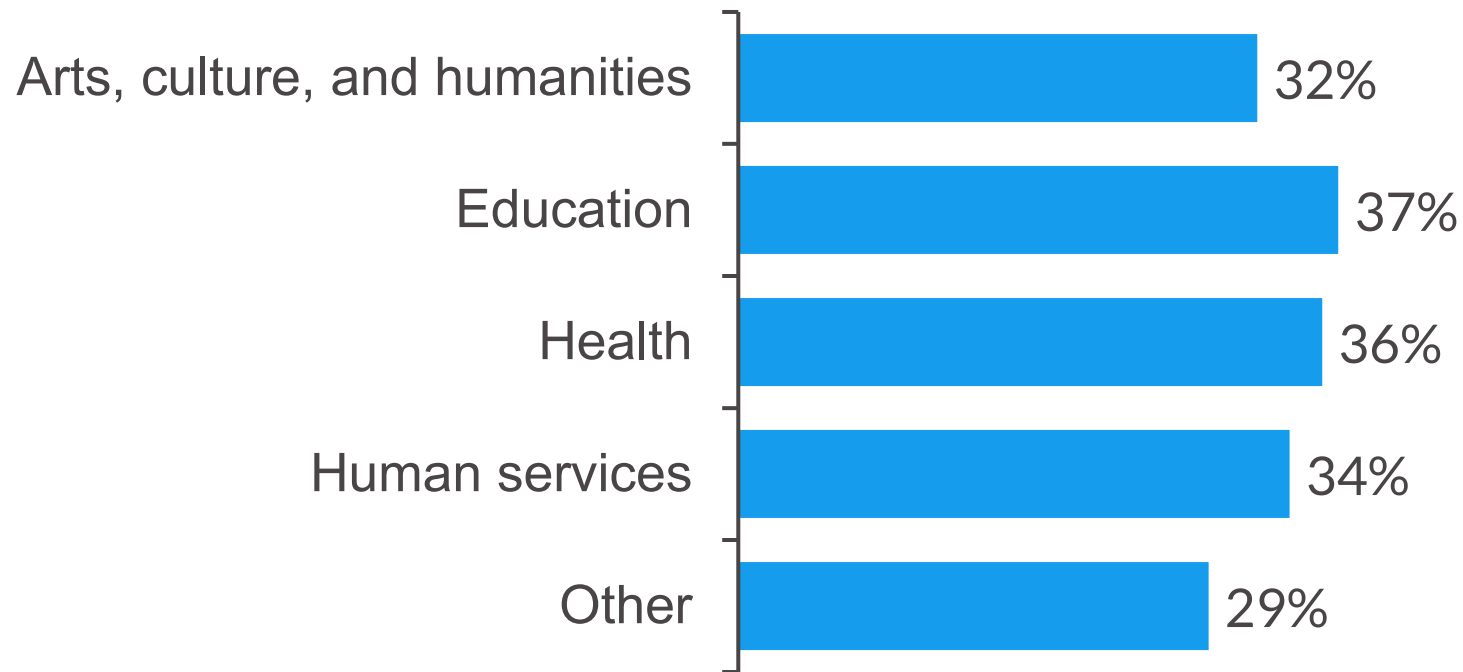


reported receiving a **stop work order**.

Note: Respondents completed the survey between April 16 and June 27, 2025.

Nonprofits across a range of subsectors experienced government funding disruptions.

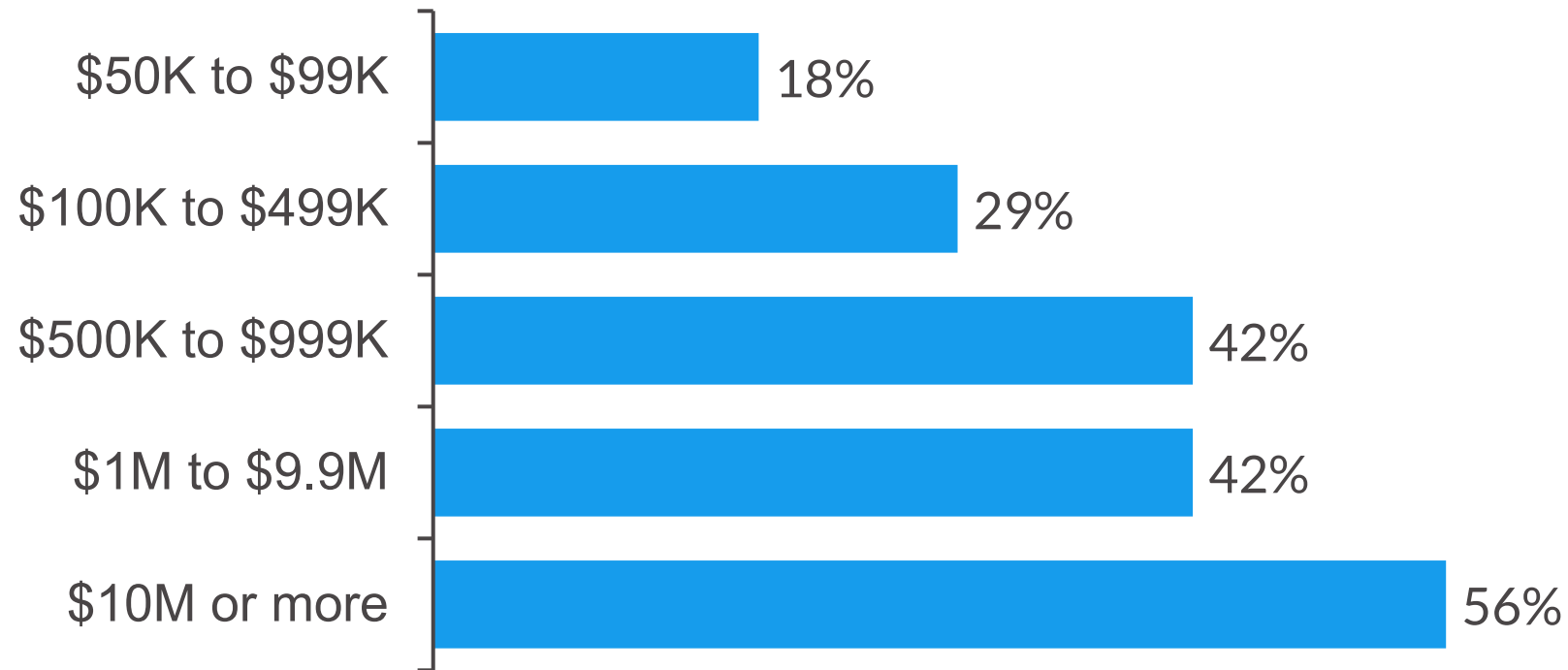
Share of nonprofits that reported experiencing at least one type of government funding disruption in early 2025, by subsector



“Other” includes organizations focusing on the environment and animals, international and foreign affairs, public societal benefit, and religion.

Larger organizations were more likely to experience government funding disruptions.

Share of nonprofits that reported experiencing at least one type of government funding disruption in early 2025, by size (annual expenses)



Even nonprofits that did not directly experience government funding disruptions are feeling the impacts.



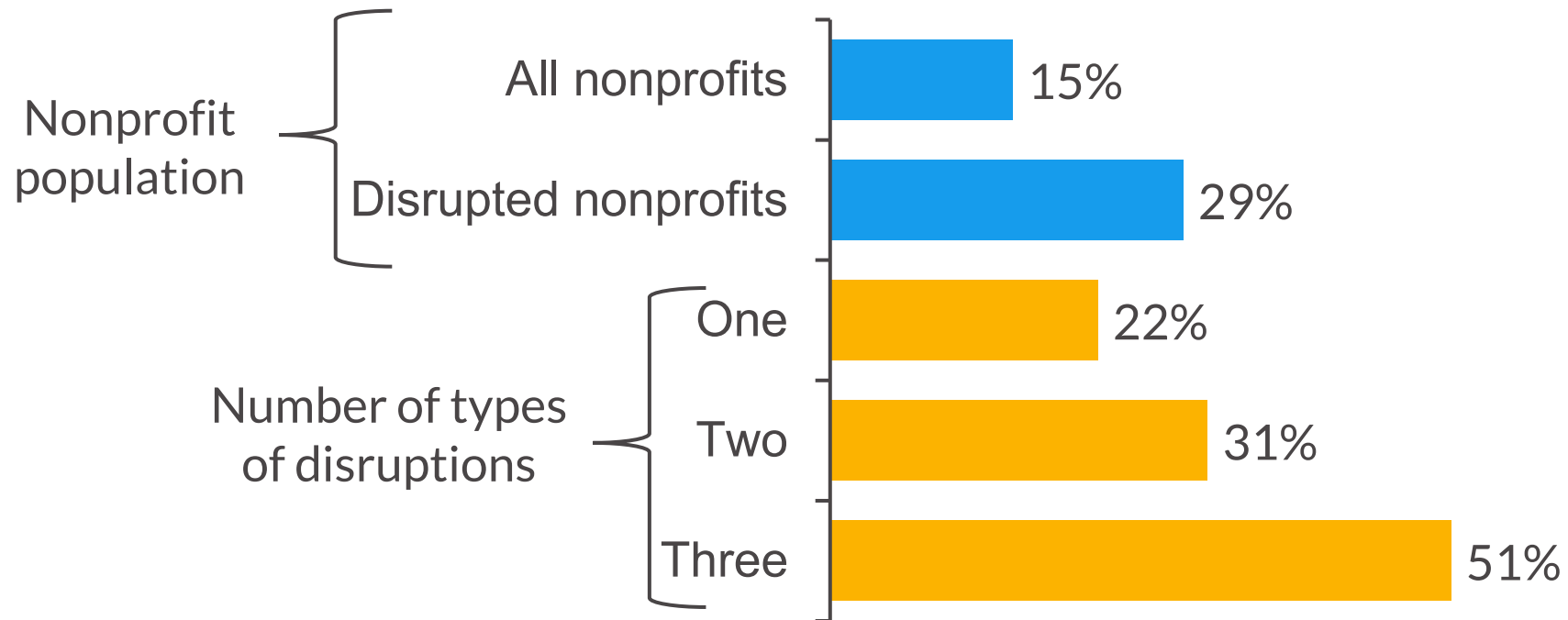
The challenge for us and other small nonprofits who did not rely on federal grants is now we are in competition with larger nonprofits that did rely on them and lost funding.



Staffing

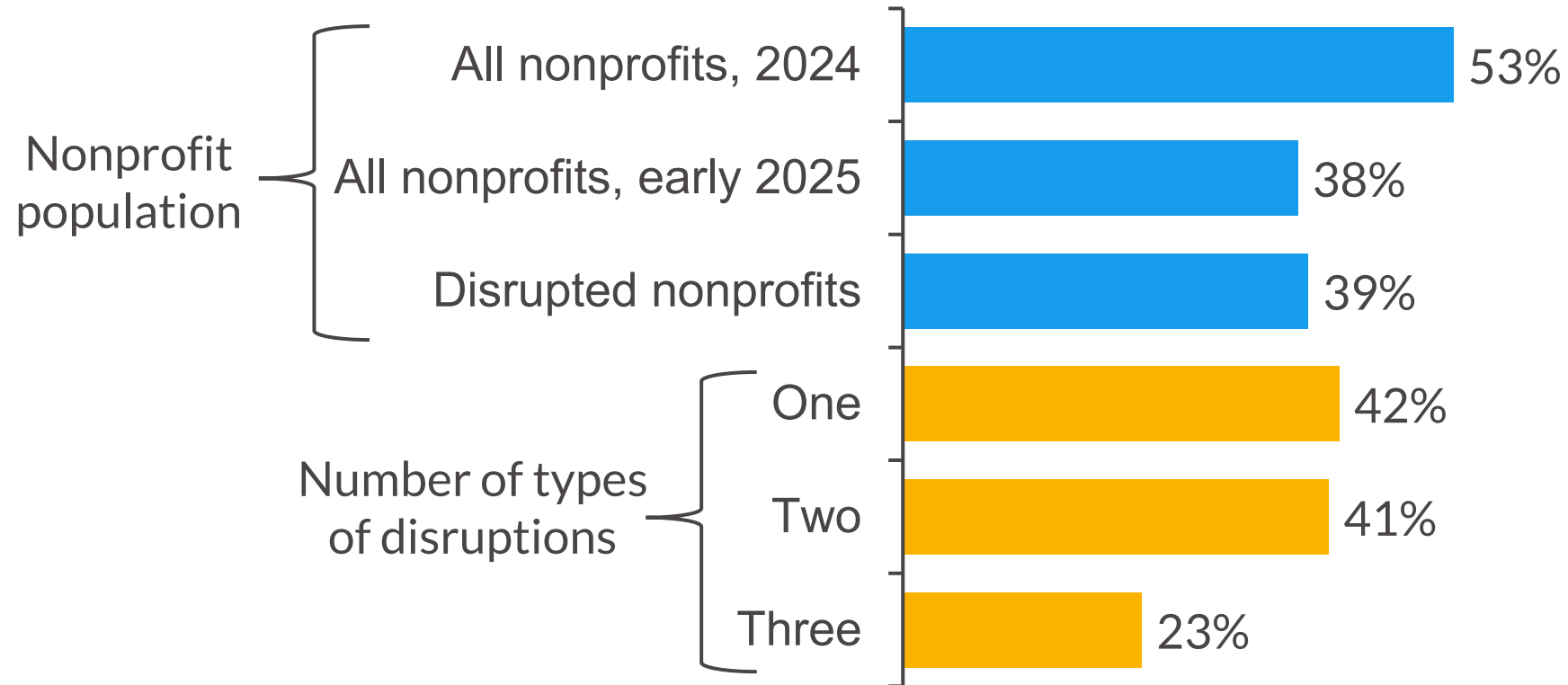
Disrupted nonprofits were more likely to report reducing their total number of employees.

Share of nonprofits that reported decreasing their total number of employees in early 2025



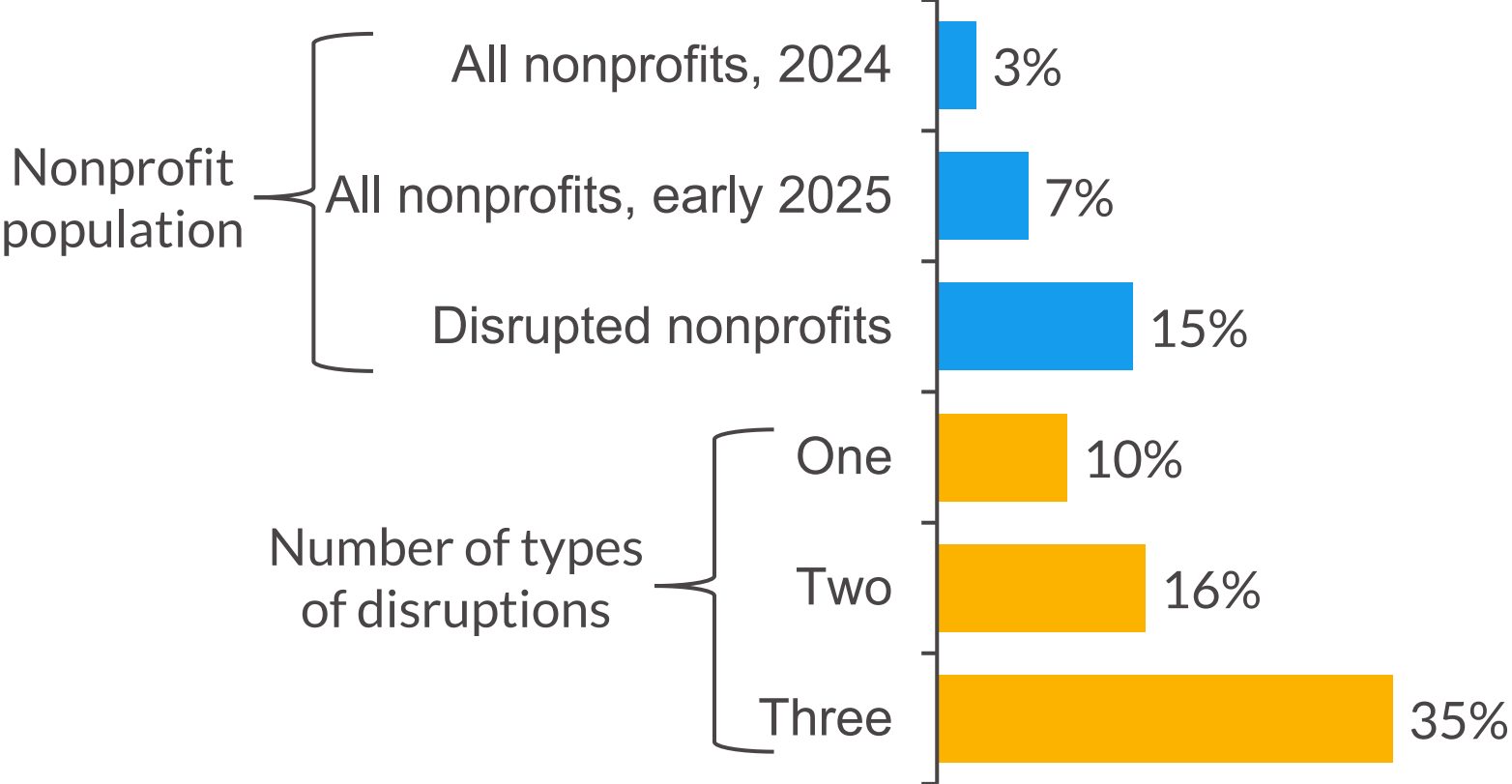
Nonprofits' hiring outlook was less positive in early 2025 than at the end of 2024 regardless of whether the organization experienced a disruption.

Share of nonprofits planning to hire new staff in the next 12 months



Layoff plans more than doubled for all nonprofits and quintupled for disrupted nonprofits.

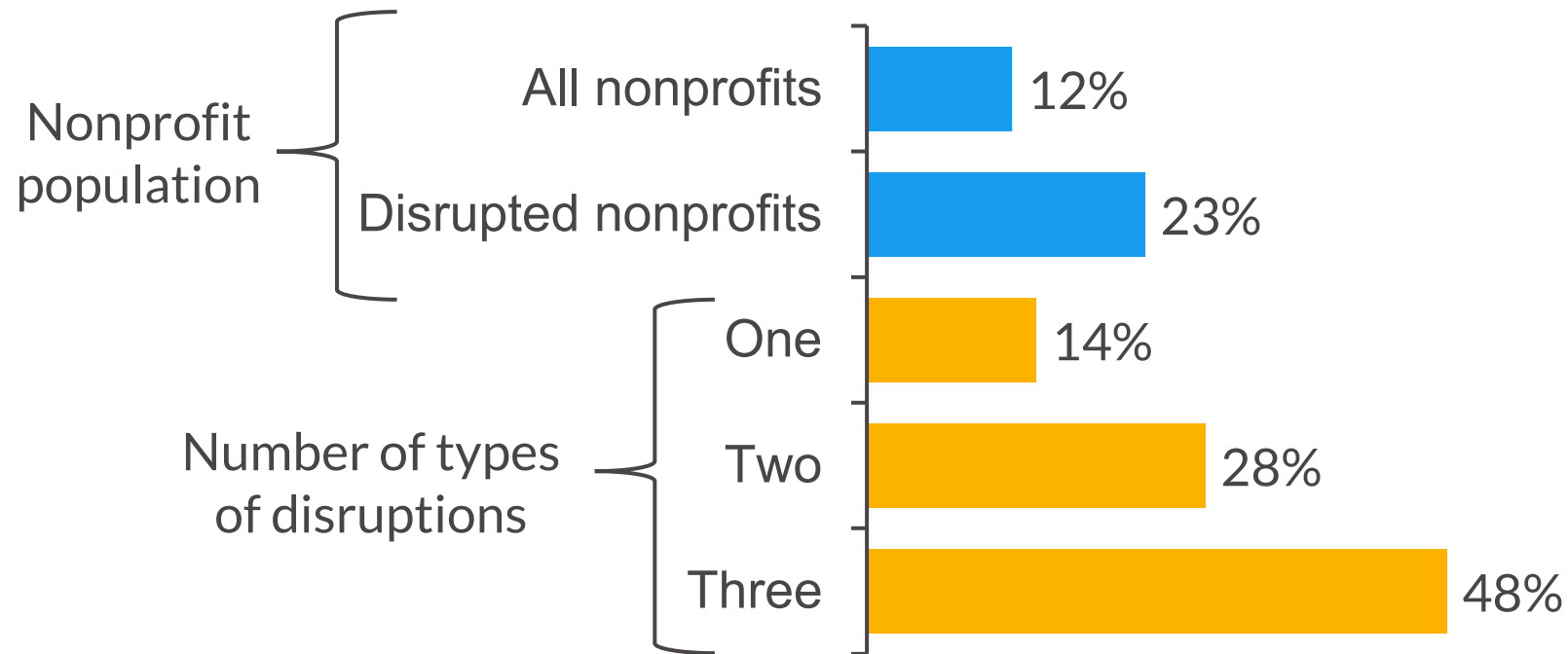
Share of nonprofits planning to lay off staff in the next 12 months

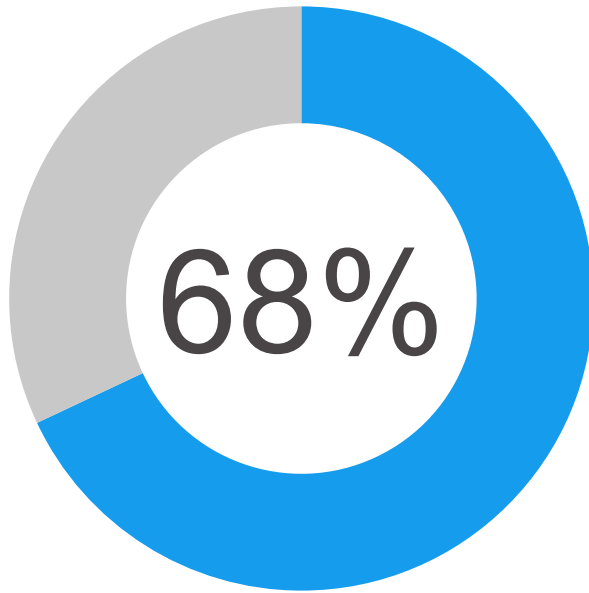


Programming

Almost twice as many disrupted nonprofits reported reducing their total number of programs compared to all nonprofits.

Share of nonprofits that reported decreasing their total number of programs in early 2025



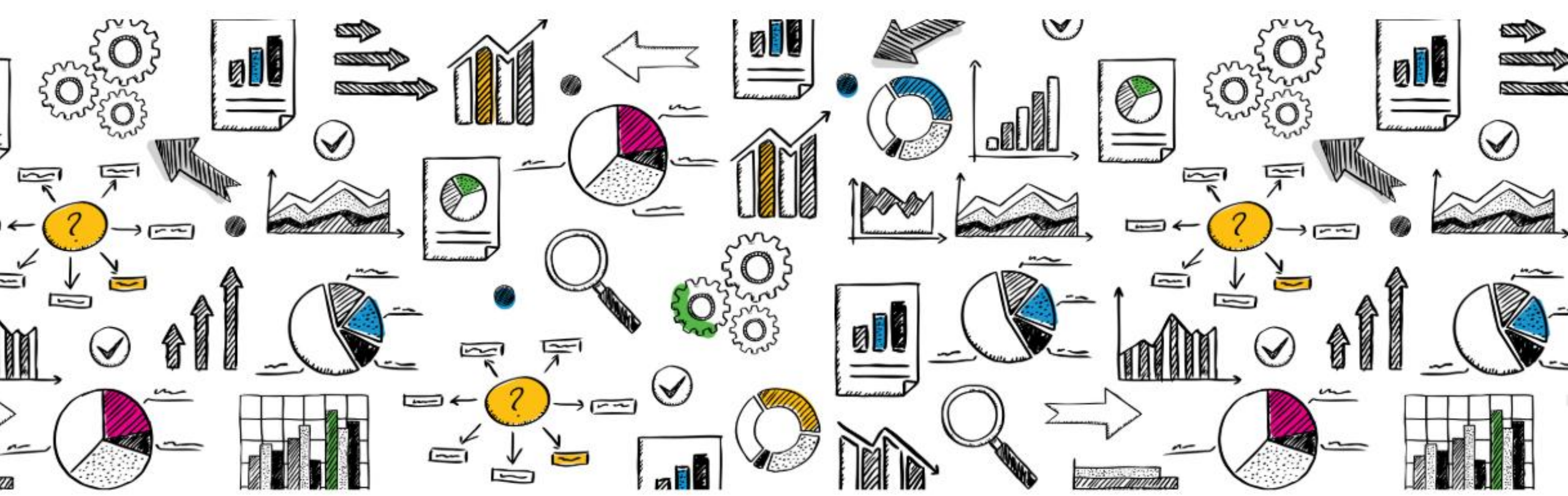


of nonprofit leaders anticipate demand for their services to increase in the next 12 months.

2026 National Survey of Nonprofit Trends and Impacts

New data points on government funding disruptions

- How much government funding did nonprofits lose?
- How long was government funding delayed/paused/frozen?
- What actions did nonprofits take in response to government funding disruptions?



DATA TOOL

Nonprofit Trends Tracker

NATIONAL



SURVEY YEAR ⓘ

CATEGORY

SUBCATEGORY

COMPARE BY ⓘ

2025 ▼

Programming ▼

Demand for services ▼

▼

- Fiscal health
- Communities served
- Programming**
- Sources of revenue
- Workers and board members

Percentage of
and meeting d

Includes nonprof
services that they

services

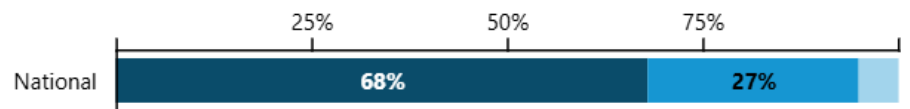
their



[Download chart](#)

Percentage of nonprofits that anticipated a change in demand for their services in the 12 months following the survey

■ Anticipated increase ■ No change ■ Anticipated decrease



[Download chart](#)

NATIONAL ▼ ⓘ

SURVEY YEAR ⓘ

CATEGORY

SUBCATEGORY

COMPARE BY ⓘ

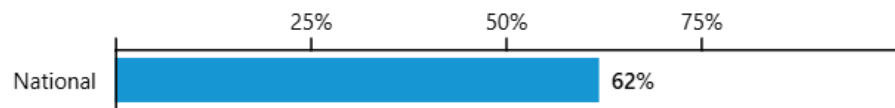
2025 ▼

Programming ▼

Demand for services ▼

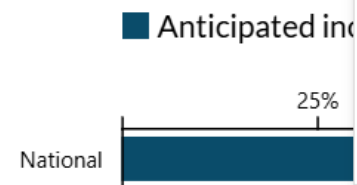
Percentage of nonprofits that reported providing services and meeting demand for their services in 2024

Includes nonprofits reporting that the number of people seeking their services that they could not serve by the end of the year was 0



[Download chart](#)

Percentage of nonprofits demand for their services survey



[Download chart](#)

- Size of annual expenses
- Nonprofit subsector
- Urban or rural designation
- All regions
- Available states
- None



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