

Leaders Face Disruption With Resilience and Resolve, Poll Finds

A survey takes the pulse of nonprofit and foundation leaders,
including their outlook for the future.

By [George Anders](#)
Contributor



Rachel Scott, Thoi Nguyen, Jeanette Pai-Espinosa, Julie Capaldi, Richard Besser

February 3, 2026 | Read Time: 13 minutes

For Jeanette Pai-Espinosa, the biggest crisis of her 45-year nonprofit career arrived via email on April 22, 2025. That's when she learned that new leadership in Washington had abruptly canceled a federal grant agreement totaling \$3 million. It was one of the biggest funding sources for her organization, Justice & Joy, which supports girls, young women, and gender-expansive young people of color. The government's stated reason: Her organization's work "no longer effectuates the program goals or agency priorities."

With the loss of an expected philanthropic award as well, "we just had to make cuts," Pai-Espinosa recalled. Payroll at her Portland, Ore., organization shrank to 12 employees, down from 24. She moved some employees to part-time and cut executive salaries, including hers. "It was such a dire time," Pai-Espinosa says. "For me, it was all making sure this 141-year-old organization could survive and ensuring that the young people we work with get the support that they need."

Now Justice & Joy is slowly rebuilding, which Pai-Espinosa calls an uphill struggle. "It takes a long time to come back from losing multiyear funding," she observed. With rapid-response awards from several foundations, she was able to return everyone to full-time, full-salaried work by October. "We knew we had to hold tight and stay on track," she says.

Thousands of other nonprofits have been confronting similar stresses. A new survey of more than 350 nonprofit and foundation leaders — conducted by communications firm Mission Partners and the Chronicle of Philanthropy — finds that 97 percent of nonprofit leaders and 87 percent of foundation leaders say their environment is becoming more challenging.

Rising Challenges

Compared with a year ago, nearly all nonprofit leaders and a large majority of foundation leaders find the environment more challenging for their organizations.



Source: INSIGHTS ON PURPOSE REPORT

Made with Flourish • Create a chart

What's more, 36 percent of nonprofit leaders surveyed said they were somewhat or very concerned that their organizations may not exist or may be diminished in scope over the next five years.

Among the other key findings:

- Demand for nonprofits' services keeps growing, but organizations' funding and staffing aren't keeping pace. More than three-quarters of leaders report increased demand during the past year, but fewer than half say their operating budgets have grown at all. Fewer than a third have been able to add employees.
- Fully 70 percent of nonprofit leaders and 60 percent of foundation leaders say they are concerned about the likelihood of increased burnout, retirement, and voluntary departures of staff members in the

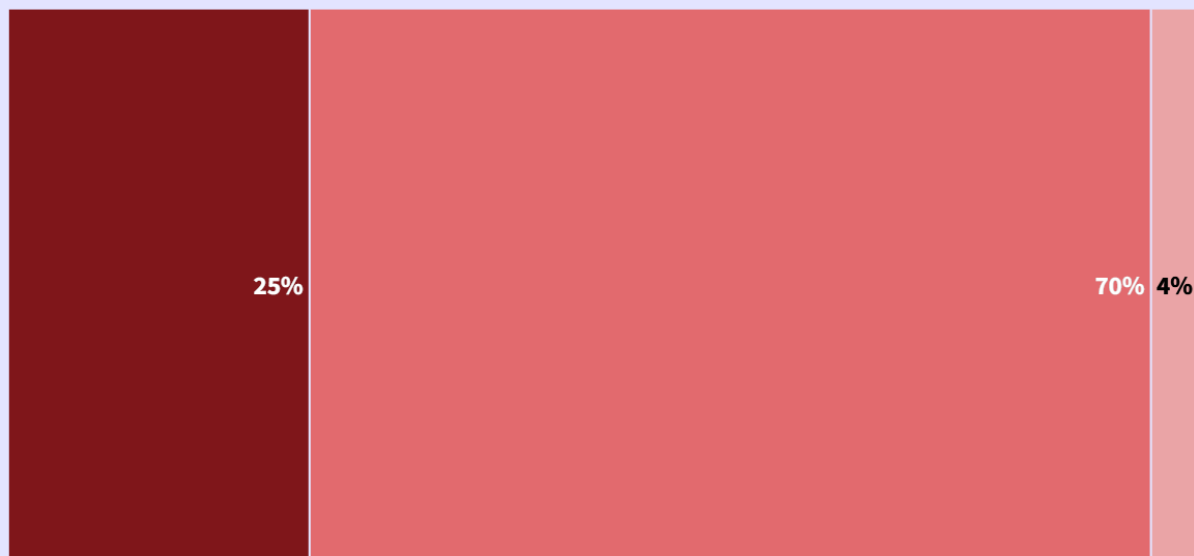
next year. Already, 43 percent of nonprofit leaders say they have seen an increase in such staff losses in the past year.

- Over all, 45 percent of nonprofits said some of their federal funding in 2025 had been canceled or not renewed. Within this group of affected nonprofits, one-quarter said this loss of support had a major impact. Another 70 percent said it had a moderate or mild impact. Only 4 percent dismissed their loss of federal funding as having “no real impact.”

Loss of Federal Funding

For 45 percent of nonprofits, 2025 federal funding was canceled or not renewed. Of those, only 4% felt no impact.

■ Major impact ■ Moderate or mild impact ■ No real impact



Source: INSIGHTS ON PURPOSE REPORT

Made with Flourish • Create a chart

How Funders React to a Crisis

In the face of 2025's turmoil, many — but not all — foundation leaders in the survey say they have picked up the pace. Among the most rapid movers has been Richard Besser, head of the health care-focused Robert Wood Johnson Foundation.

“Last year we hit historic highs in terms of the amount of grants we put out,” Besser says. “Our mantra was to try and ensure that we were meeting the moment.” The foundation increased the share of assets it distributed to nearly 7 percent, up from a plateau of about 6 percent in previous years.

Over all, 38 percent of foundation leaders said they had increased their volume of unrestricted or multiyear grants in the previous year. Separately, 22 percent said they had made significant changes to their grant-making strategy in the previous year.

In addition to boosting their overall giving rate, some funders accelerated their review cycles, making rapid-response grants to nonprofits in crisis. “Moments like this reveal something essential: conviction, courage, and clarity of purpose,” Boston Foundation President Lee Pelton recently wrote in a summary of the funder’s 2025 activities. “We have chosen to move forward with resolve.”

In the same spirit, Eleanor Savage, president and CEO of the Jerome Foundation, says that “2025 felt like a fast and furious year.” Her St. Paul, Minn.-based organization has supported the arts for more than 60 years, often via multiyear grants that support original works by early-career artists. But with the federal government’s abrupt clampdown on grant making in the arts, Savage and her board switched to a much more urgent tempo.

“We became deeply involved in helping organize emergency funds for artists,” Savage recalls. That meant immediate payments of \$500, \$1,000, or \$3,000 so that panicked artists could pay their rent, cover medical bills, and keep working on their artistic projects even though federal funds were no longer available.

Savage and her board also inched up the share of assets it distributed in grants, albeit by a modest amount. The Jerome Foundation had been at 6 percent for a while. Once it became clear how much funding from the National Endowment for the Arts and the National Endowment for the Humanities had been canceled, the Jerome Foundation boosted its giving rate to 6.25 percent.

36 percent of nonprofit leaders surveyed said they were somewhat or very concerned that their organizations may not exist or may be diminished in scope over the next five years.

Even so, foundations and nonprofits often aren't on the same page. What grant makers see as decisive action may seem too small or hesitant to some nonprofits operating under stress. Only about a third of nonprofit leaders feel that their challenges are extremely or very well understood by their funders. Meanwhile, only a quarter of foundation leaders feel that nonprofits truly grasp funders' challenges.

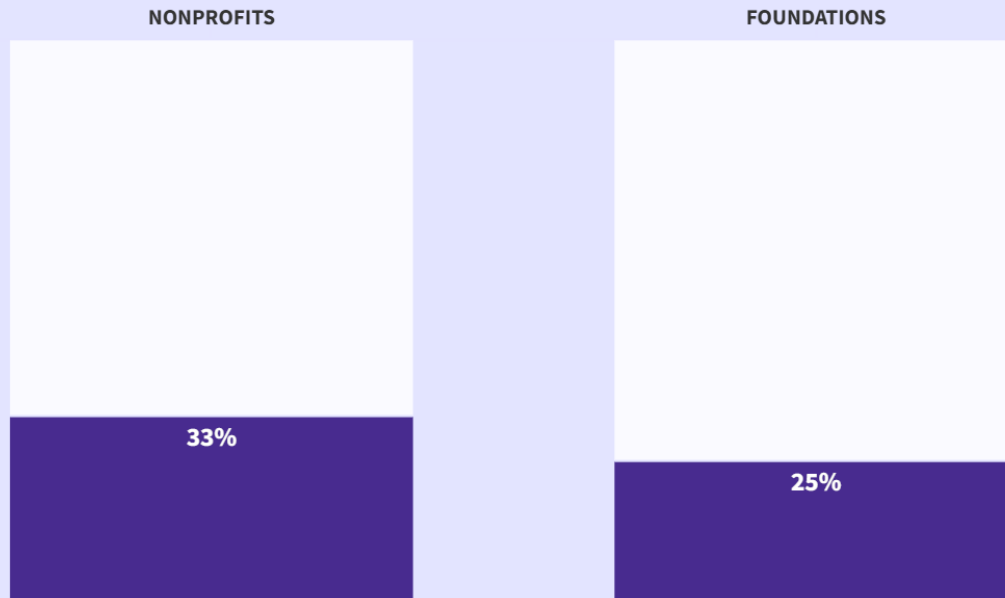
In Philadelphia, Thoai Nguyen, CEO of SEAMAAC, a nonprofit that provides education, health care, and immigrant services, says some local foundations were disappointingly cautious when he approached them last year for possible funding. His organization's biggest fundraising successes involved individual donors, whose contributions more than doubled in 2025.

Better rapport between funders and grantees is within reach, Besser says. During his eight-year tenure as RWJ's leader, grantees' time spent on applications and reporting has been cut to just 30 hours, down from 75. Foundations such as his

also can use their well-resourced position to speak out boldly on issues that matter to their grantees.

An Understanding Gap

Only about a third of nonprofit leaders feel their challenges are extremely or very well understood by funders. Meanwhile, only a quarter of foundation leaders feel nonprofits truly grasp funders' challenges.



Source: INSIGHTS ON PURPOSE REPORT

Made with Flourish • Create a chart

“We’ve been very vocal in regard to the destruction of our public health system,” Besser says. “What we heard from grantees is that they feel we have an increasing understanding of the challenges and threats that they face.”

Plowing Through Adversity

SEAMAAC was hard-hit early in 2025 when federal support for three key program areas — hunger relief, civic engagement, and digital literacy – was abruptly cut off. “But in this industry, grieving is a luxury,” says SEAMAAC executive director Thi Lam. “We made our own cutbacks in a very direct way,” CEO Nguyen added. “We knew which programs needed to be more robust.”

In Indianapolis, nonprofit leader Rachel Scott has championed an equally gritty, determined approach in the face of adversity. She is president of Coburn Place, a nonprofit that supports women affected by domestic violence; she also encountered an abrupt cutoff in federal funding.



SEAMAAC

For SEAMAAC, a nonprofit that provides education, health care, and immigrant services, some local foundations were disappointingly cautious. It had better success raising money from individuals

“Typically, government grants are your most stable source of funding,” Scott observed. “So it was a shocker when the federal freeze was announced. Many of our program officers within the federal government just disappeared. We did a lot of deep planning on what would happen if we lost various grants. And we have never thought about cash flow as much as we did this year.”

The Trump administration's flurry of executive orders in early 2025 seeking to rein in federal support for program areas such as diversity, immigration, and gender-affirming care were "a whirlwind of change," Scott recalled. She explained that Coburn Place has always predominantly served Black women, "and suddenly you're not allowed to talk about Black women. Our staffers who provide direct services to survivors are called 'advocates,' and that suddenly became one of the words you're not supposed to use."

But by summertime, Scott recalled, she and her colleagues largely put those frustrations aside. "We said: 'Let's see if we can plow through.' And we did plow through."

"We did a lot of deep planning on what would happen if we lost various grants. And we have never thought about cash flow as much as we did this year."

— Rachel Scott, Coburn Place

Such can-do optimism is common but not universal. While 25 percent of nonprofit leaders strongly believe their organization is well-positioned to advance its mission over the next five years — and 48 percent somewhat agree — that still leaves 27 percent of leaders with moderate or strong doubts about finding a path forward.

When it comes to organizational resilience, leaders' attitudes are a bit of everything, too. Using a scale of 1 (lowest) to 10 (highest), slightly more than half of the leaders see resilience as a core strength, scoring their organizations at 8, 9, or 10. About two-fifths of leaders see a mixed picture, rating their organizations

at 5, 6, or 7. For the final 7 percent, frustrations run deep; they score their organizations at 4 or lower.

Existential Threats, Rising Demand

For most of the past decade, the risk of organizational death has seemed very remote for U.S. nonprofits. In 2023, only 2.7 percent of the public charities tracked by the Internal Revenue Service submitted going-out-of-business notices, according to tallies kept by DataLake LLC of Oceanside, Calif. Practically an entire generation of nonprofit leaders has enjoyed this sense of durability. Sharply higher insolvencies haven't been seen since the aftermath of the Great Recession of 2008-10, when economic strains plus some one-time adjustments in the IRS's methodology caused the dissolution rate to peak at 11.3 percent in 2011. (The dissolution rate was just 3.6 percent in 2004, when comprehensive records started being kept.)

Foundations and nonprofits often aren't on the same page. What grant makers see as decisive action may seem too small or hesitant to nonprofits under stress.

In the past few years, however, dissolutions have been inching back up, even before the Trump administration's executive orders, which slashed federal funding in a wide range of program areas. For the past two years, the overall liquidation rate has exceeded 4 percent, DataLake reports. In 2025, more than 64,000 nonprofits, among more than 1.5 million charities, shut down.

The current operating climate reflects the dual pressures of increased community needs and fewer resources, says Carrie Fox, founder and CEO of Mission Partners. “As leaders across sectors grapple with their strategy, technology, and resourcing, their future impact — and even their existence — is at stake,” she observes.



Planning in a Chaotic World

For 30 years, Julie Capaldi has served as president of South Carolina’s United Way of Pickens County. The organization’s strategic plan includes carefully mapped-out support for three key areas: early education, financial security, and mental well-being among children. But even with that orderly segmentation in place, surprises keep coming her way.



UNITED WAY OF PICKENS COUNTY

South Carolina's United Way of Pickens County had a carefully mapped-out strategic plan, but after Hurricane Helene, disaster preparedness became an additional program area.

Last year "was a challenge," she says. "We had Hurricane Helene, and regardless of whether I wanted to be the Queen of Disaster, I was. And that diverted us away from our normal work." She has been regrouping since then, treating disaster-preparedness as a key program area, too. In particular, her organization is helping other agencies throughout the county build their own disaster-preparedness plans.

"Strategic planning has become harder for many nonprofits," and that can jeopardize future impact and readiness, says Fox of Mission Partners. Given the current environment's financial uncertainties, less than a third of nonprofit

leaders find strategic planning to be even somewhat easy, let alone “very easy.” Meanwhile, 69 percent say strategic planning is somewhat or very difficult.

For some nonprofit leaders in turbulent times, the ability to keep regrouping may be a wise choice — even if it means not having the security of a locked-down, five-year plan.

For some nonprofit leaders facing especially turbulent times, the ability to keep regrouping may be the wisest choice of all — even if it means rolling forward without the security of a locked-down, five-year plan. “Our core mission is to help as many people as possible,” says SEAMAAC CEO Nguyen. How that gets carried out, he says, is a constantly evolving process.

During its beginnings in the 1980s, Nguyen explains, SEAMAAC mostly served refugees from Southeast Asia. Since 2005, it has expanded to serve African immigrants, the Latinx community, and African Americans. A new SEAMAAC project, titled Indivisible, will include salutes to all those with immigrant roots, including people with Polish American and Irish American heritage.

“I can’t guarantee you what we’ll look like in 2028, but I think as an organization, we will be able to weather the storm,” Nguyen says. “We want to win back the hearts and minds of people from every background.”

Big Hopes for Tech — and Culture

Bryan Neider has served as chief executive officer of AbilityPath, a California nonprofit helping people with intellectual development disabilities, since 2016.

Over time, reimbursements from the state of California — one of his largest funders — haven't kept pace with inflation or substantial increases in state minimum-wage laws. "You end up treading water for rates that are basically eight years old," Neider says.

Sentiments About AI

Nearly the same percentage of foundation leaders and nonprofit leaders are optimistic that AI will help increase efficiencies and advance their missions.

■ Strongly agree ■ Somewhat agree ■ Somewhat disagree ■ Strongly disagree ■ Don't know

NONPROFITS



FOUNDATIONS



Source: INSIGHTS ON PURPOSE REPORT

Made with Flourish • [Create a chart](#)

"Even though cost management is very important, that doesn't foster a feeling of goodness that you're thinking about people's needs," Neider says. "And I have a hard time selling cost management to potential donors. We need a fresh new approach, improving programs or creating brand new ones that are innovative."

Neider is betting that new technology — particularly artificial intelligence — can help streamline administrative costs related to recruiting paperwork, insurance billing, and grant documentation. "This is the stuff that everyone on the team

hates [doing],” he adds. “This will give us more time for our mission and more people-facing time.”

Neider, with his upbeat view of AI, is hardly alone. By a margin of more than 4:1, nonprofit leaders are expressing at least measured optimism for what AI can do to help their organizations become more efficient and better advance their missions. Nearly 75 percent somewhat or strongly agree that AI will have positive effects. That compares with just 10 percent voicing some disagreement and a mere 7 percent who strongly disagree. Sentiment among foundations is nearly identical.

Even with all the disruptions of the past year, leaders of both nonprofits and foundations say they believe better times lie ahead. About three-fifths of nonprofit leaders agree fully or somewhat with the statement that their organization has what it needs today to “make an impact for those we serve.” Meanwhile, 73 percent believe that over the next five years, their organizations are “well-positioned to move our mission forward.”

“When you see the level of dedication, compassion, and caring for each other that we experienced, that’s validation of having the right culture,” says Justice & Joy’s Pai-Espinosa. “If you’re true to your core values — and don’t waffle — you’ll end up where you need to be.”

About the Author



George Anders

Contributor

From April 2024 to late 2025, George was the *Chronicle of Philanthropy*'s editor-at-large. His journalistic career started at *The Wall Street Journal*, where he shared in a Pulitzer Prize for national reporting. Other writing homes have included *Fast Company*, *Forbes*, and *Bloomberg View*. He has been a trustee of two nonprofits — and a persistent explorer of philanthropy-related themes on a wide variety of business beats. George has written five business books, including the *New York Times* bestseller *Perfect Enough*. He also was a senior editor-at-large at LinkedIn, where he specialized in data-driven journalism and launched “The Wider Good” newsletter on the side.