

Federal Impacts on Nonprofits: San Diego County Survey of Nonprofit Leaders

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**SCHOOL OF LEADERSHIP
AND EDUCATION SCIENCES**

The Nonprofit Institute

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Introduction

For decades, nonprofits have been key partners to the government, delivering vital services on its behalf. Beyond their social impact, San Diego nonprofits are integral to the local economy—not only as major employers but also through their contributions to health and welfare, arts and culture, education, and research and innovation, among other sectors.

Research estimates that government funding accounts for 30% of nonprofit revenue. Our findings show that executive orders and other federal policy changes have a significant impact on nonprofits in our region, affecting a wide range of causes and missions including:

- Performing arts and museums
- Education and in- and after-school programs
- Health care
- Independent/nonprofit media
- Basic needs such as housing and food
- Medical research
- Local parks and outdoor spaces
- Care and protection for the elderly, children, and other vulnerable populations

San Diego County Nonprofit Sector

13,172

NONPROFITS

Registered 501(c)(3)

Public Charities in 2022

3,153

Nonprofits with Paid
Employees

\$7.0B

Total Wages

\$28.1B

REVENUE

\$25.5B

EXPENSES

\$47.6B

ASSETS

San Diegans Trust Local Nonprofits

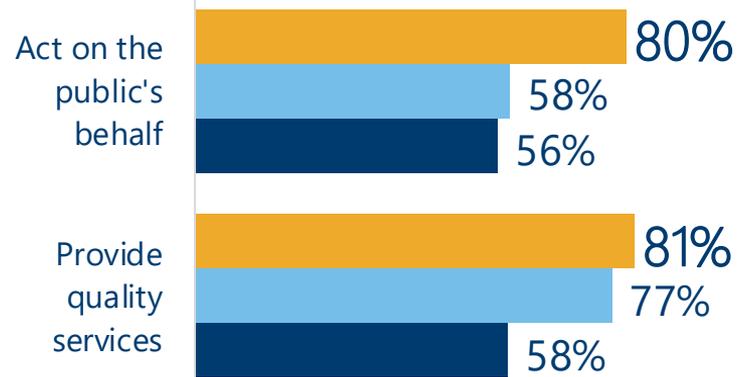
San Diego Residents'
Confidence in Local Institutions

81% NONPROFITS

67% CORPORATIONS

56% GOVERNMENT

San Diegans Rank Nonprofits Highest
at Addressing Community Needs



Key Takeaways from a Survey of San Diego Nonprofit Leaders

Widespread Awareness and Concern: Nonprofits are engaged and activated but need preparation, accessible partners, and support to address challenges

Direct Impacts on Nonprofits: 72% report direct or anticipated impacts by federal executive actions; Nearly one-third have already had to modify or end services

- Changes to programming, layoffs, financial instability, increased anxiety and fear among staff and clients

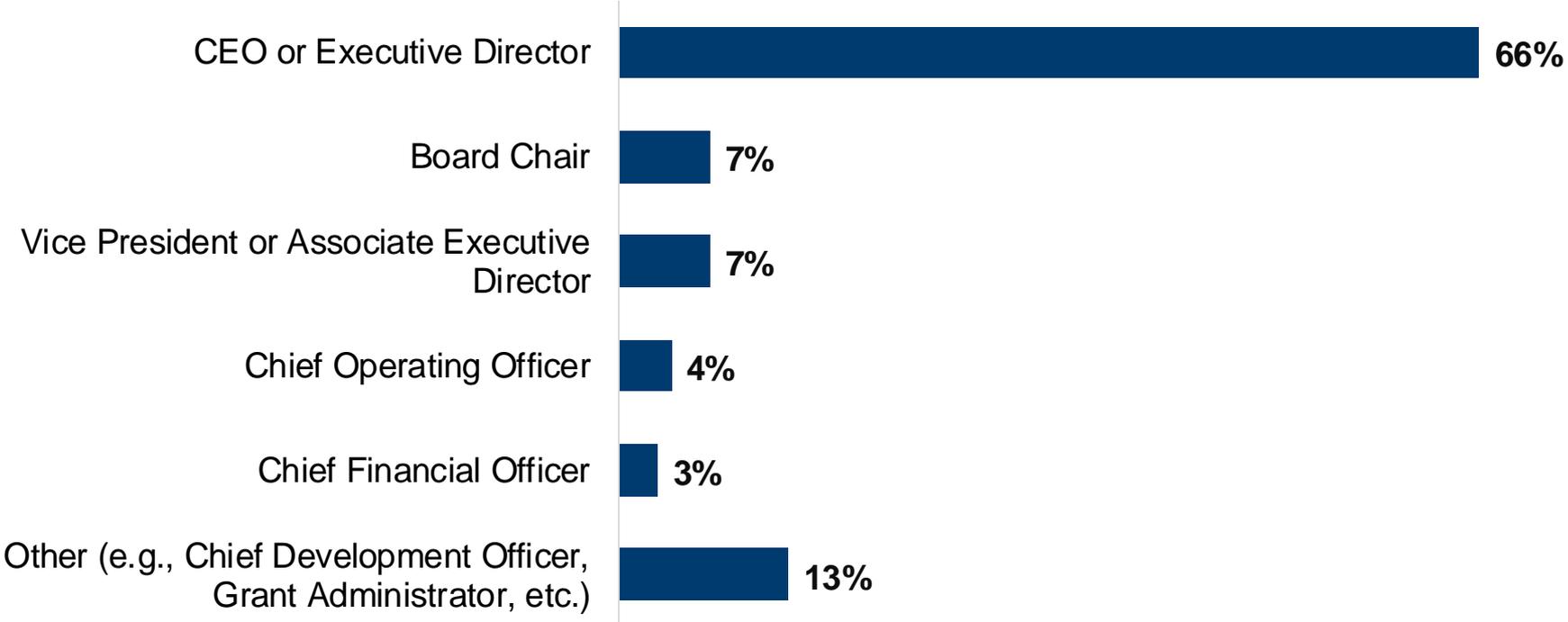
Federal Funding Freezes and Cuts: Over half of respondent organizations receive federal funding, and 40% have experienced issues accessing funds

Nonprofits Need Support: Nonprofits are looking for champions in philanthropy, government, universities, and local businesses to raise awareness about their important role in upholding our region's quality of life

Survey Design and Distribution Overview

- Administered for six days, closed Feb 16th, 2025
- Distributed online with seven nonprofit and funder partners
- Designed with these considerations:
 - To be taken by an executive leader
 - San Diego or Imperial County-based nonprofits only
 - Focused questions for nonprofits receiving federal funding
- n = 411 responses

Leadership Positions of Survey Respondents



Survey Sample: Sector Representation

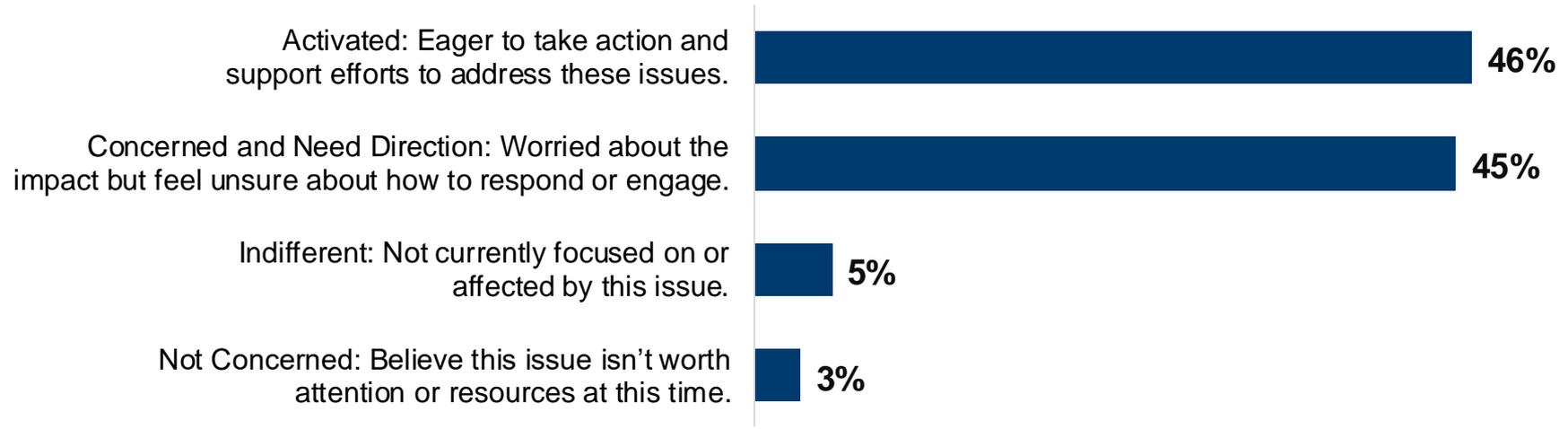
	Survey Respondents	San Diego Nonprofit Sector*
Arts, culture, and humanities	21%	10%
Education	13%	18%
Environment	7%	3%
Health	11%	10%
Higher education	2%	0.4%
Hospitals	0.2%	0.3%
Human services	28%	31%
International	2%	3%
Mutual public benefit	14%	13%
Religion	0.2%	7%

*Sources: 990 and 990-EZ data (2022)

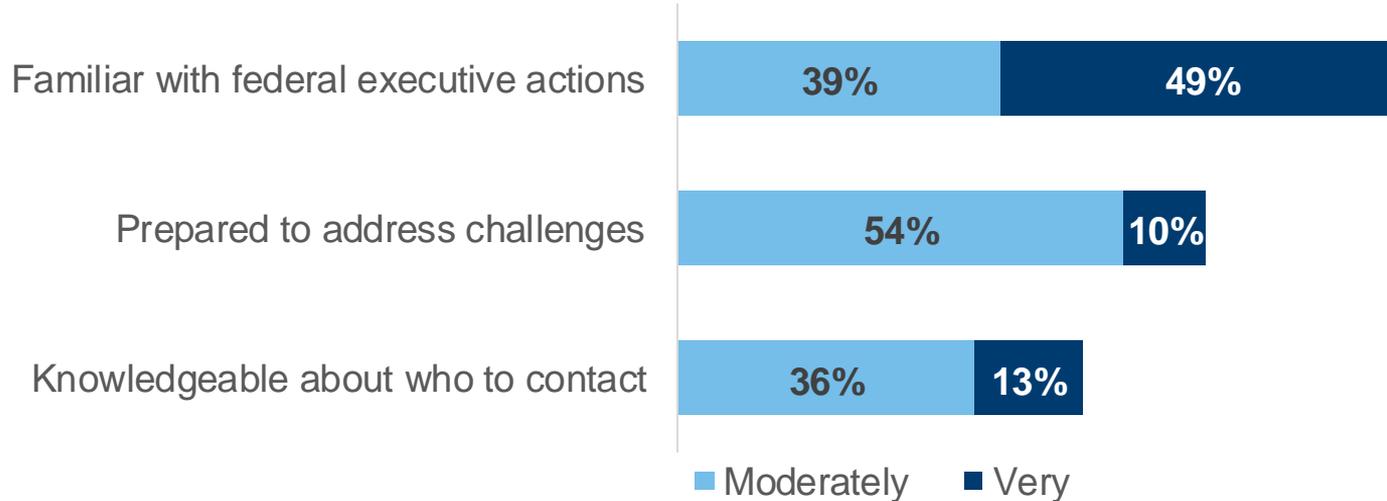
Awareness, Perception, and Immediate Impact

46% of Nonprofit Leaders Reported Feeling Activated and Eager to Take Action

Q: How do you currently feel about the impact of recent federal executive orders and shifting policies on the nonprofit sector?



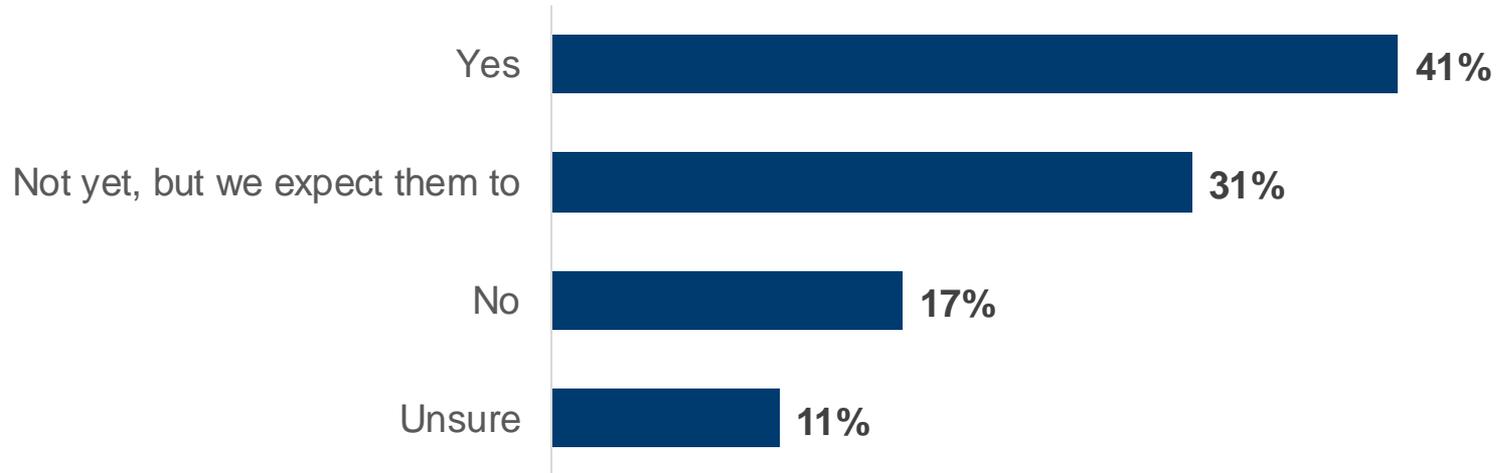
Nonprofits are Familiar with Recent Federal Executive Actions, but Few Feel Well-prepared or Know Who to Contact to Address Challenges



Programmatic and Strategic Shifts

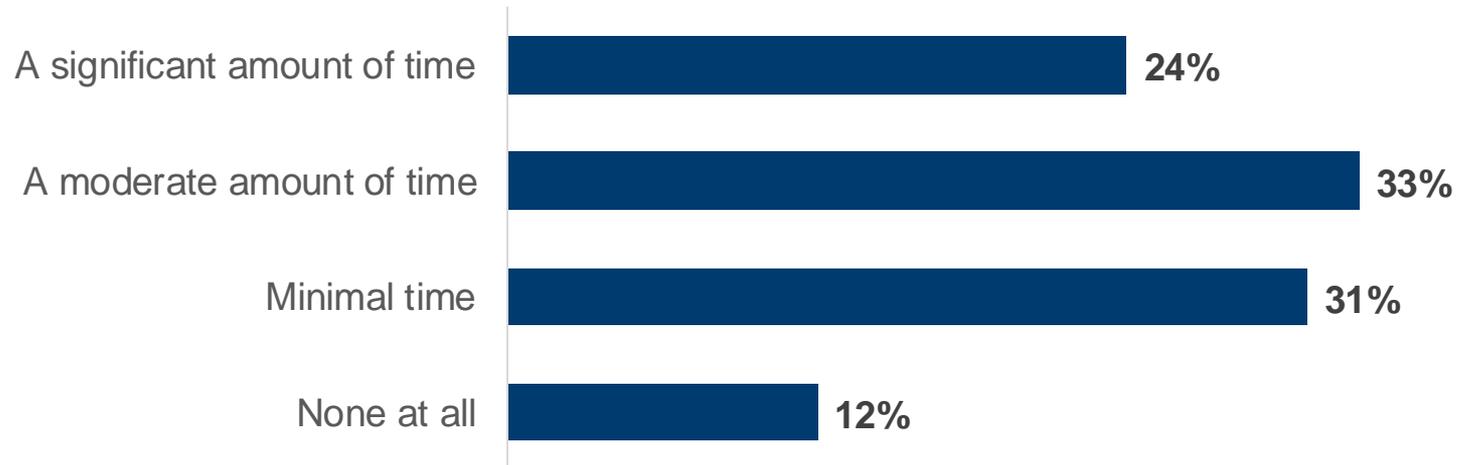
41% of Nonprofit Leaders Reported Being Directly Impacted by Federal Executive Orders or Policy Shifts

Q: Have any recent federal executive orders or policy shifts directly impacted your organization's work?



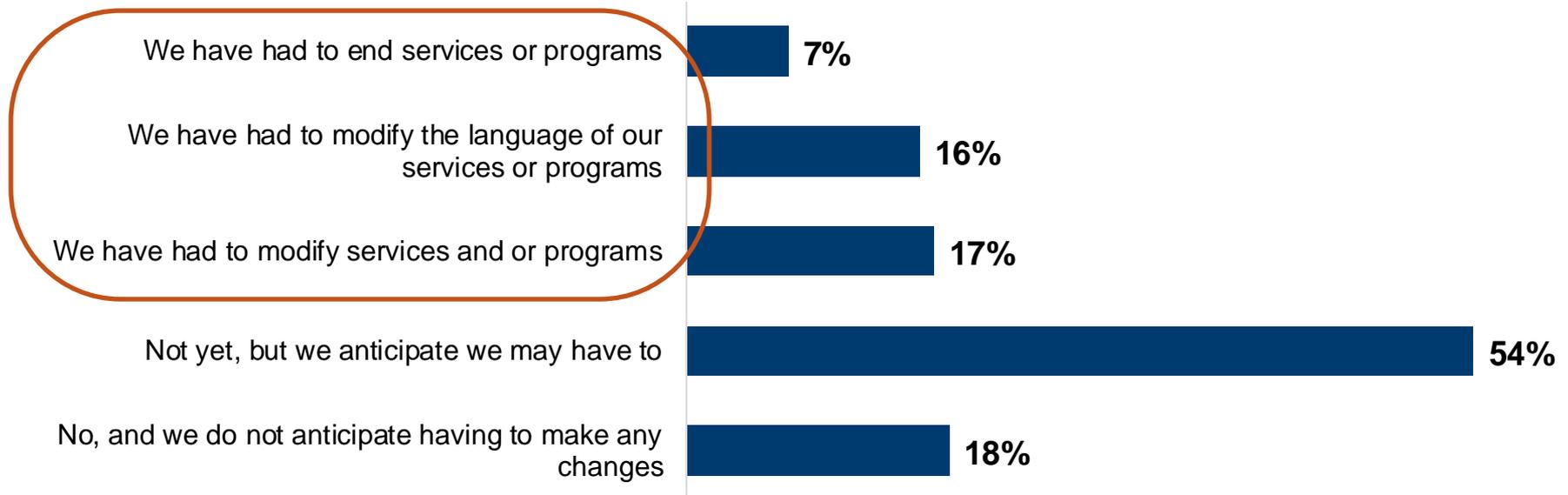
57% of Nonprofit Leaders Have Devoted a Moderate/ Significant Amount of Time to Address Impacts of Federal Executive Orders

Q: Since the change in administration on January 20th, 2025, how much time has your organization spent addressing the impacts of the federal executive orders/ policy changes?



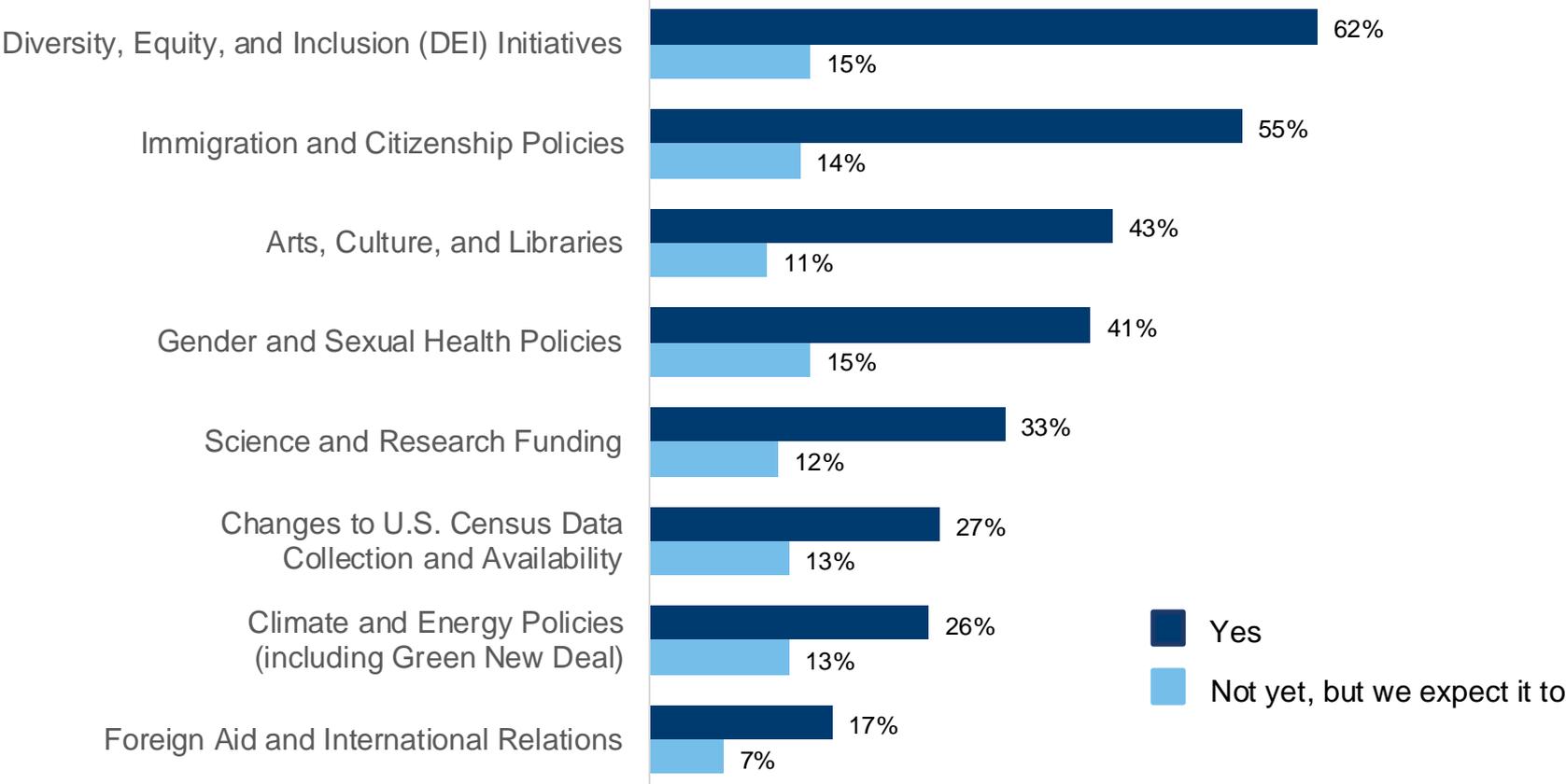
Nearly One-Third of Nonprofits Have Modified Services Due to Federal Executive Actions; Majority Anticipate Future Changes

Q: Have you had to modify any programs or services due to changes in federal executive actions in any of the following ways?*



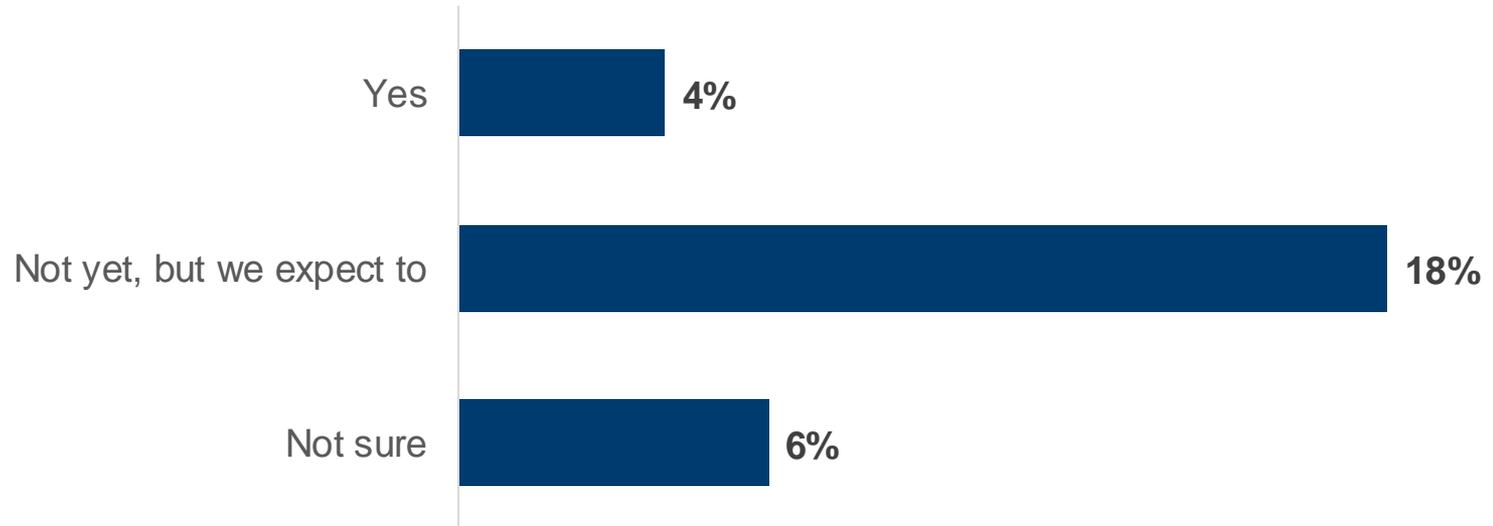
* Participants could select more than one response

Q: Which, if any, of the current administration's executive actions impact the people and causes your organization serves?



1 out of 5 Nonprofits Reported Expecting to Lay Off or Furlough Staff

Q: Have you had to lay off or furlough staff as a result of changes in federal executive actions?



15 Organizations Reported Laying Off Staff as of February 16, 2025

498

employees
have been laid off
or furloughed

Most of these organizations conduct work related to immigrant and refugee services

Q: How and to what degree have recent enacted federal policies have or will impact your programs and your organization?

(Open-ended Question. n=128. Top five themes are presented in order of the most significant or commonly reported findings)

1. **Widespread Funding Cuts and Financial Instability:** Federal grant freezes and termination, instability and uncertainty for future funding, significant impact on research and scientific development
2. **Impact on Nonprofit Services and Operations:** Layoffs and program reduction, disruption in community services

Continued...

- 3. Targeting of Marginalized Communities and Increased Social Exclusion:** Escalating fear among immigrant and refugee communities, threats to LGBTQ+ and DEI centered organizations, legal and advocacy efforts to counteract repressive policies, decrease in program participation due to fear
- 4. Dismantling of Diversity, Equity, and Inclusion Initiatives:** Defunding of DEI programs across sectors, self-censorship and program redesign, political attacks on nonprofit legitimacy
- 5. Nonprofit Leadership Under Pressure-Adaptation, advocacy, and resistance:** policy advocacy and coalition mobilization, shifting organizational strategies for survival commitment to justice despite financial risks

*“If the cuts at NIH stand as written it will **put us out of business**. It is that serious and will be the same for most independent research organizations.”*

– Research Organization

*“The federal funding for two of our core programs supporting refugees and immigrants in San Diego was cut with no advanced notice. We have had to **cover those positions with private funds** but will soon need to lay off staff in those programs and cease those services. We are concerned that other federal funding will also be cut. Also, **staff and clients are in fear of ICE raids** both at their homes and workplaces. We have spent a significant amount of time on Know Your Rights information for both staff and clients.”* –

Human Services

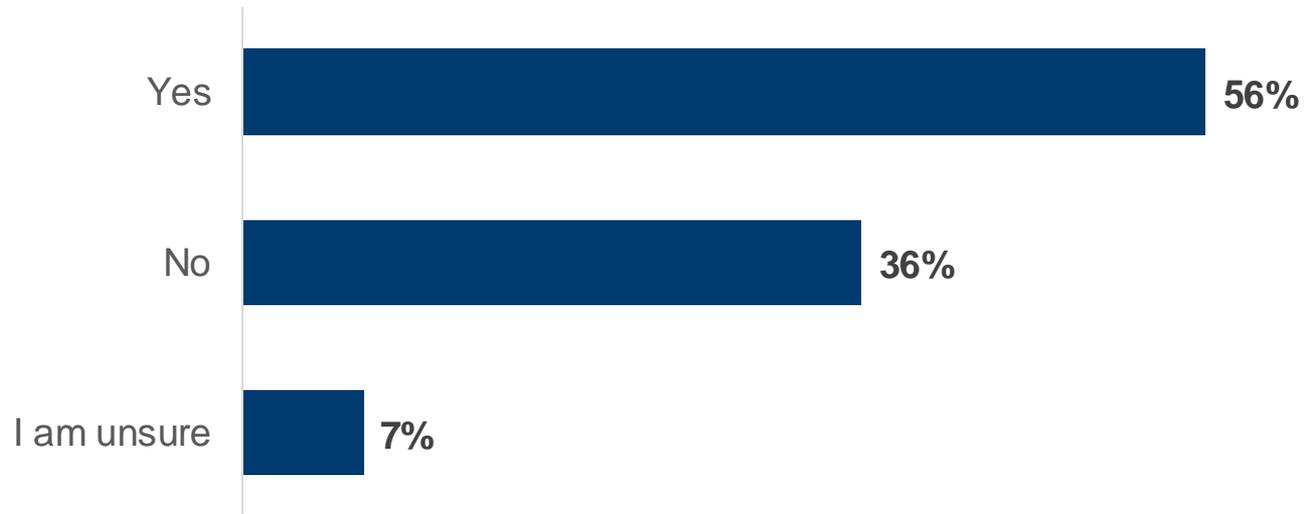
*“[Federally Qualified Health Centers] (FQHCs) are the cornerstone of America's primary care / prevention system, and disrupting them could **easily create a public health disaster or pandemic.**”*

– Health

Federal Funding Flow

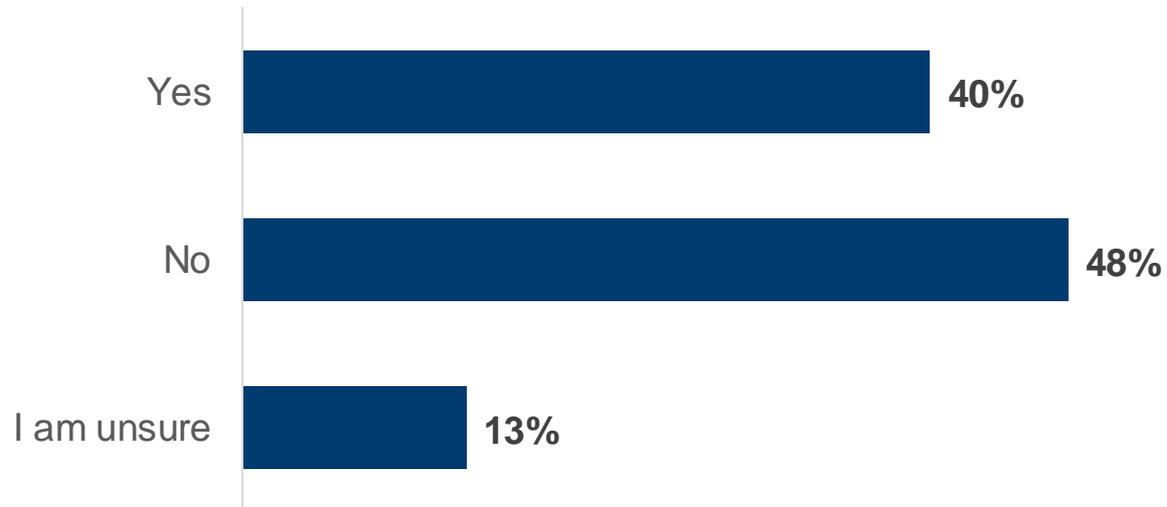
56% of Nonprofit Leaders Reported Having Programs or Services that are Federally Funded

Q: Does your organization have programs or services funded by federal or federal pass-through grants or contracts?



40% of Nonprofit Leaders Reported Experiencing Issues Accessing Federal Funding to Operate Services

Q: As a result of recent federal executive actions, has your organization experienced any issues accessing federal funding to operate your services?



**Of the Federally-Funded Organizations Who
Responded to the Survey...**

31%

**of Their Budgets, on Average, are Made Up of
Federal Funding**

Federal Funding Changes Have Led to Financial Uncertainty for Nonprofits

52

Organizations report
at least $\frac{1}{4}$ of their
budget is currently
in limbo

Q: Please provide details about how, if at all, engaging with federal entities has changed since January 20, 2025.

(Open-ended Question. n=139. Top four themes are presented in order of the most significant or commonly reported findings)

1. Engagement Stopped or Frozen:

“Funding under an ongoing grant has been paused until a final decision has been made, and the program officer for the grant has been placed on leave. This makes it impossible for us to engage with our sponsor, and the flow of funding has stopped.”

2. No Changes in Engagement Yet:

“We are still able to speak with them, but they are as confused as us.”

Continued...

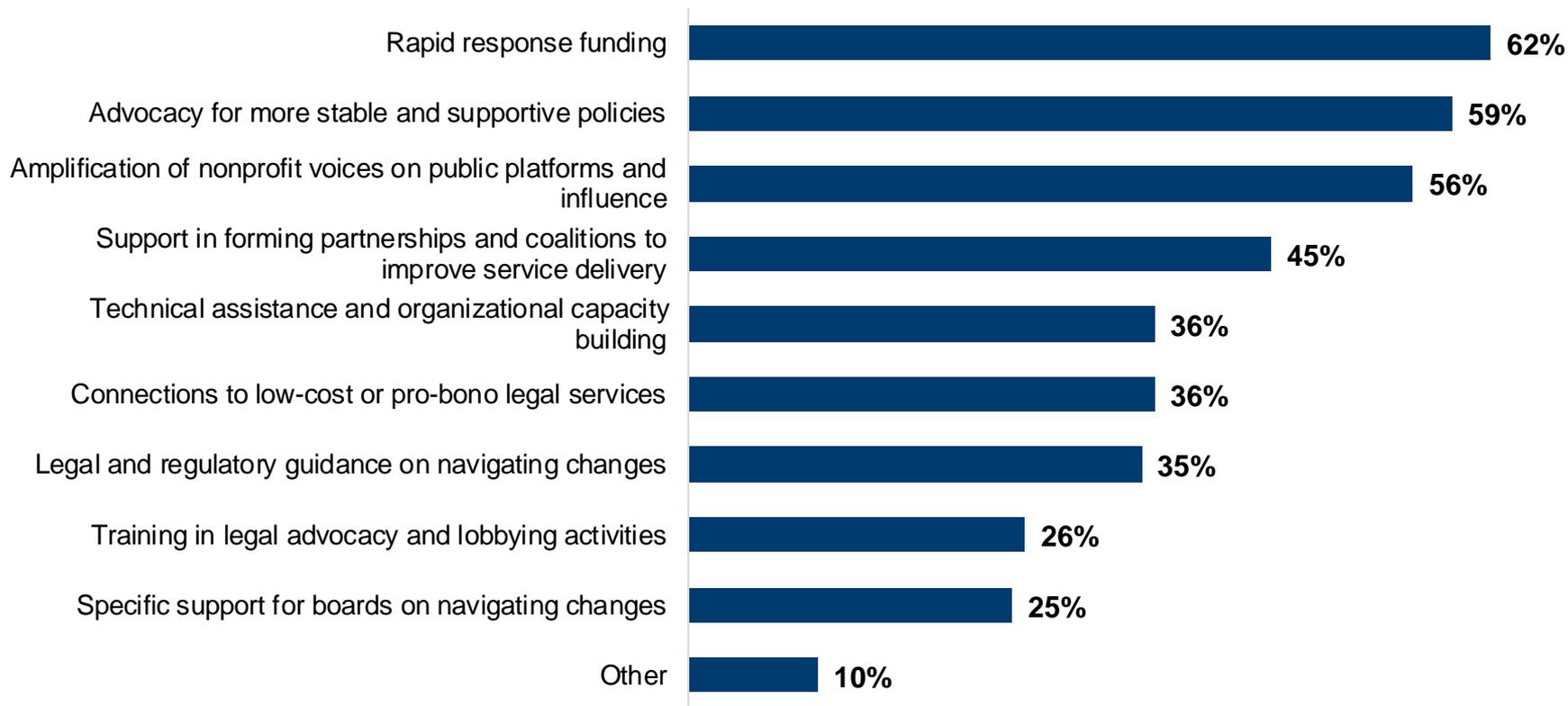
3. Minimal Engagement and Communication:

*“Federal agencies are unresponsive to our contract leads. We also believe that we will not receive renewals for future funding. Websites are down. **It is a wall of silence.**”*

4. In a State of Uncertainty/Fear:

*“The **level of uncertainty has never been higher** in my career. From the seemingly random acts, DOGE, and an unclear path ahead for continuing resolution, **it is difficult to operate** not knowing when the axe may fall with federal funding (and with no warning to prepare or transition).”*

When asked to suggest types of support from foundations and donors, nonprofits responded with:



“Other” Responses n=40

Flexible and Unrestricted Funding: Provide more general operating support; Shift from program-specific funding to flexible funding; Offer long-term funding to ensure stability; Minimize bureaucratic processes for grant applications and reporting; Cover indirect costs and operational expenses.

Mental Health and Well-being: Fund mental health support for nonprofit staff; Support team well-being initiatives.

Community and Mutual Aid Support: Support the creation of mutual aid networks; Provide direct funding to services and families impacted by policy changes.

Summary of Top 5 Suggestions for Supporting Nonprofits

1. Rapid response funding
2. Advocacy for more stable and supportive policies for nonprofits
3. Amplification of nonprofit voices using public platforms and influence
4. Support for forming partnerships and coalitions to improve service delivery
5. Technical assistance and organizational capacity building

Q: If you could communicate one challenge or opportunity to policymakers, funders and other stakeholders regarding recent executive orders and policy shifts, what would it be?

(Open-ended Question. n=247. Top four themes are presented in order of the most significant or commonly reported findings)

1. Lack of Funding Stability:

*“Federal funding is foundational to the work of most non-profits even if it doesn't represent the largest piece of the pie. The **damage done by even temporarily halting federal funding will be hard to come back from** and some agencies and programs may not survive.”*

2. Advocacy from Those in Power:

*“I am astonished by the lack of leadership and strategy to oppose these blatantly illegal actions of the Trump regime. **We grassroots orgs need people in positions of power at all levels to step up, speak out, and help organize collective action.**”*

Continued...

3. Collective Action/Networking:

“Network with one another. I would love to have space to share ideas and solutions to issues we are facing.”

4. Vulnerable Communities:

*“We are asking our community not to step away or shy away from openly supporting the **most marginalized**, especially now. We see funders and service providers trying to fly under the radar not to be targeted but what this does is the opposite. It marginalizes, isolates and targets people even more.”*

Findings by Budget Size and Subsector: Key Differences

The following slides present findings from the 411 organizations that reported their subsector and the 323 responses with a verified budget, which was used as a proxy for organizational size.

Findings by Budget Size

Organizations with Budgets Over \$1Million
Organizations with Budgets Under \$1Million

- The following slides provide a breakdown by budget size.
- Data is only reported where notable distinctions exist; if not mentioned, findings are consistent across organizational size.
- When comparing organizations by budget size, organizations with larger budgets (>\$1M) were more likely to:
 - receive federal funding
 - be familiar with federal actions
 - have spent more time addressing the impacts
 - feel more prepared to respond to related challenges

Differences by Budget Size

Organizations w/ budget over \$1M

Financial Impacts

73%

of respondents reported receiving federal funding

Median proportion of the budget comprised of federal funding.

24%

Federal Actions with the Greatest Impacts:

1. Immigration and citizenship policies
2. Diversity, equity and inclusion policies

Organizations w/ budget under \$1M

Financial Impacts

38%

of respondents reported receiving federal funding

Median proportion of the budget comprised of federal funding.

20%

Federal Actions with the Greatest Impacts:

1. Diversity, equity and inclusion policies
2. Cuts to arts, culture, and museums
3. Gender and sexual health policies

Differences by Budget Size

Organizations w/ budget over \$1M

Level of Activation:

Activated

Concerned and Need Direction

Indifferent

Not Concerned

Help Needed to Respond

Rapid Response Funding

Amplify nonprofit voices using public platforms and influence

Advocate for stable and supportive policies for nonprofits

Organizations w/ budget under \$1M

Level of Activation:

Activated

Concerned and Need Direction

Indifferent

Not Concerned

Help Needed to Respond

Rapid Response Funding

Amplify nonprofit voices using public platforms and influence

Advocate for stable and supportive policies for nonprofits

Connect to low-cost or pro bono services (legal, HR, etc.)

Findings by Subsector

Arts and Culture

Education

Environment

Health

Human Services

Mutual and Public Benefit

- The following slides provide a breakdown by major nonprofit subsector (for subsectors with 30 or more respondents).
- Data is only reported where notable distinctions exist; if not mentioned, findings are consistent across sectors.

Arts and Culture Organizations (n=84)

Financial Impacts

45%

of arts and culture
respondents reported
receiving federal funding

Median proportion of
the budget comprised
of federal funding

10%

Federal Actions with the Greatest Impacts:

1. Diversity, equity and inclusion policies
2. Funding cuts to arts, culture, and museums

Level of Activation:

Activated

Concerned and Need Direction

Indifferent

Not Concerned

Help Needed to Respond

Advocate for stable and supportive policies for nonprofits

Other Distinctions

Arts and culture organizations reported feeling less prepared and less knowledgeable about who to contact than other subsectors

Quote from an Arts and Culture Organization

*“As an arts organization that employs many queer and trans people, most of the current policies are negatively affecting mental health and have brought up **safety concerns**. The changes at the NEA are disturbing, but haven't yet had a direct effect. We are about to work on a production with an entirely Latiné cast and team, and **many people are scared and have family directly impacted.**”*

Education Organizations (n=53)

Financial Impacts

59%

of education respondents
reported receiving federal
funding

Median proportion of
the budget comprised
of federal funding

18%

Federal Actions with the Greatest Impacts:

1. Immigration and citizenship policies
2. Diversity, equity and inclusion policies
3. Other: Cuts to education funding

Level of Activation:

Activated

Concerned and Need Direction

Indifferent

Not Concerned

Help Needed to Respond

Rapid response funding

Advocate for stable and supportive policies for nonprofits

Quote from an Education Organization

*“The **communities we serve are experiencing fear and uncertainty** which impact their ability to access services and will negatively impact them and their children, specifically with respect to school attendance and accessing health services. We have also been asked to support accessing food and immigration services which are not part of our core service delivery and we are responding to these needs.”*

Environment Organizations (n=30)

Financial Impacts

73%

of environment
respondents reported
receiving federal funding

Median proportion of
the budget comprised
of federal funding

15%

Federal Actions with the Greatest Impacts:

1. Climate and energy policies
2. Diversity, equity and inclusion policies
3. Cuts to science and research funding
4. Other: Cuts to education funding

Level of Activation:

Activated

Concerned and Need Direction

Indifferent

Not Concerned

Help Needed to Respond

Rapid response funding

Other Distinctions

Environment organizations were most likely to report that recent federal actions have directly impacted their work compared to other subsectors

Quote from an Environment Organization

*“We receive various federal funds across our portfolio of science, conservation, education, community engagement and social justice. We are concerned about non-payment of invoices for active grants. We are also concerned about cancellation of existing grants in both the short and medium term. We are concerned about the cancellation of programs we are applying to. **Loss of funds** in any of these areas (or even discontinuation of existing programs) **would require us to lay off staff and decrease programmatic impact.**”*

Health Organizations (n=45)

Financial Impacts

56%

of health respondents
reported receiving federal
funding

Median proportion of
the budget comprised
of federal funding

70%

Federal Actions with the Greatest Impacts:

1. Diversity, equity and inclusion policies
2. Science and research funding
3. Immigration and citizenship policies

Level of Activation:

Activated

Concerned and Need Direction

Indifferent

Not Concerned

Help Needed to Respond

Amplify nonprofit voices using public platforms
and influence

Advocate for stable and supportive policies for
nonprofits

Rapid response funding

Quote from a Health Organization

*“[Federally Qualified Health Centers] (FQHCs) are the cornerstone of America's primary care / prevention system, and disrupting them could **easily create a public health disaster or pandemic.**”*

Human Services Organizations (n=115)

Financial Impacts

70%

of human services
respondents reported
receiving federal funding

Median proportion of
the budget comprised
of federal funding

25%

Federal Actions with the Greatest Impacts:

1. Immigration and citizenship policies
2. Diversity, equity and inclusion policies
3. Other: Possible cuts to nutrition assistance, Medi-Cal, disability services, agriculture

Level of Activation:

Activated

Concerned and Need Direction
Indifferent
Not Concerned

Help Needed to Respond

Rapid response funding

Advocate for stable and supportive policies for nonprofits

Other Distinctions

Human Services organizations reported feeling more prepared to address challenges than other sectors

Quote from a Human Services Organization

*“We represent children in legal proceedings. The immigration policies have meant shifting our focus, partnering with community resources, and helping clients and caregivers who are scared of what happens next. **This will have a big impact on our ability to reunify families and to find relatives who are willing to step forward to care for children in foster care...** One of our selected [federal] deliverables is DEI. We have spent a huge amount of time on DEI-related projects and initiatives and this is now in question...*

*In general, I would say that the federal policies have created a **huge sense of worry, anxiety and uneasiness within our office. This reduces productivity and impacts our work considerably.**”*

Mutual and Public Benefit Organizations (n=58)

Financial Impacts

41%

of mutual public benefit respondents reported receiving federal funding

Median proportion of the budget comprised of federal funding

30%

Federal Actions with the Greatest Impacts:

1. Diversity, equity and inclusion policies
2. Immigration and citizenship policies
3. Gender and sexual health policies

Level of Activation:

Activated

Concerned and Need Direction

Indifferent

Not Concerned

Help Needed to Respond

Amplify nonprofit voices using public platforms and influence

Support in forming partnership to build coalitions and improve service delivery

Other Distinctions

Mutual Public Benefit organizations reported feeling more prepared to address challenges than other sectors

Quote from a Mutual and Public Benefit Organization

*“We have to strengthen our community education and capacity to **provide access to legal defense**. We must strengthen our physical and digital security to protect our community, clients, and members; we must increase our ability to provide direct cash **support to families who are collateral damage of deportation and immigration detention**— we already have several children and their families who have lost the sole breadwinner.”*

Recommendations

- **Immediate Financial Assistance:**
 - Establish emergency funds to help nonprofits address urgent needs and adapt to sudden changes and offer flexible funding options that allow nonprofits to allocate resources where they are most needed.
- **Advocate for Supportive Policies:**
 - Engage in policy advocacy to promote stable and supportive policies for nonprofits.
- **Elevate Nonprofit Voices:**
 - Utilize public platforms and media channels to raise awareness about the important work nonprofits do to enhance the lives of all San Diegans while also encouraging community leaders and influencers to speak out in support of these organizations.
- **Promote Collaboration and Partnerships:**
 - Identify and support existing partnerships and coalitions among nonprofits to enhance service delivery, and when needed, help establish new ones to create a stronger, more resilient sector

Recommendations

- **Offer Technical Assistance and Capacity Building:**
 - Invest in capacity-building programs that strengthen the organizational infrastructure, operations, and impact of nonprofits, enhancing their ability to respond to rapidly changing environments
- **Prioritize Vulnerable Communities:**
 - Many funders and governments have made significant progress in initiatives that support all San Diegans, and it is important to continue prioritizing efforts that aid the most marginalized and vulnerable populations served by nonprofits.
- **Enhance Communication and Engagement:**
 - Establish clear channels for nonprofits to provide feedback and share their experiences with policymakers and funders.

State of Nonprofits and Philanthropy Report



For additional data about key trends in the San Diego nonprofit sector, please refer to our recently released study.

<https://digital.sandiego.edu/npi-stateofnp/21/>