

CHARLOTTE REGION NONPROFIT STABILITY SURVEY PHASE 1(2025)

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Introduction

BACKGROUND AND MOTIVATION

- 2025 headwinds
 - Federal executive orders, funding cuts
 - Macro-economic uncertainty, recession fears
- Response
 - Survey wellbeing on nonprofit sector over time
 - United Way of Greater Charlotte
 - Foundation For The Carolinas
 - UNC Charlotte Urban Institute

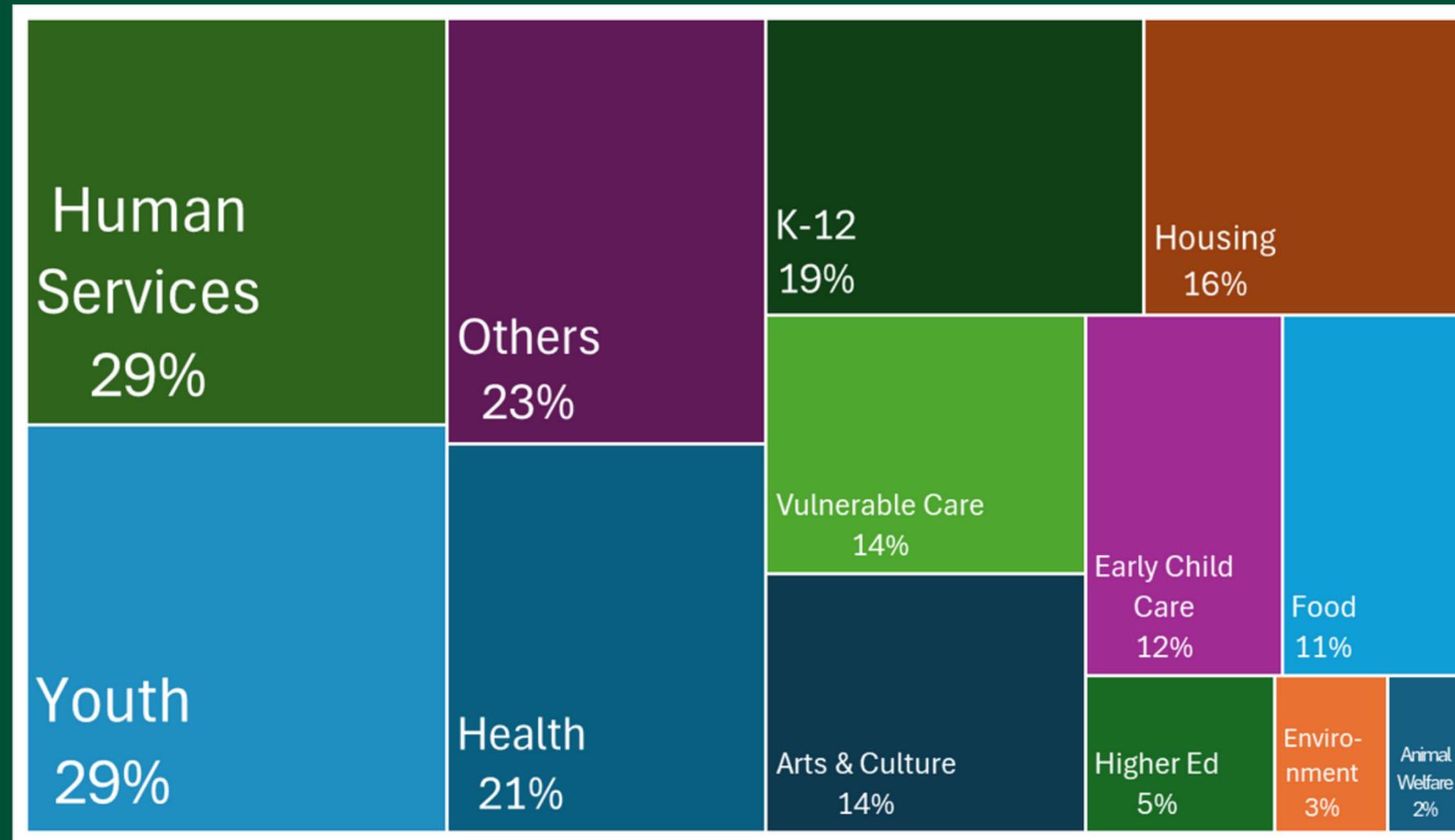
United Way
OF GREATER CHARLOTTE

FOUNDATION FOR
THE CAROLINAS



Sample Characteristics

% of Sector Representation



N = 203

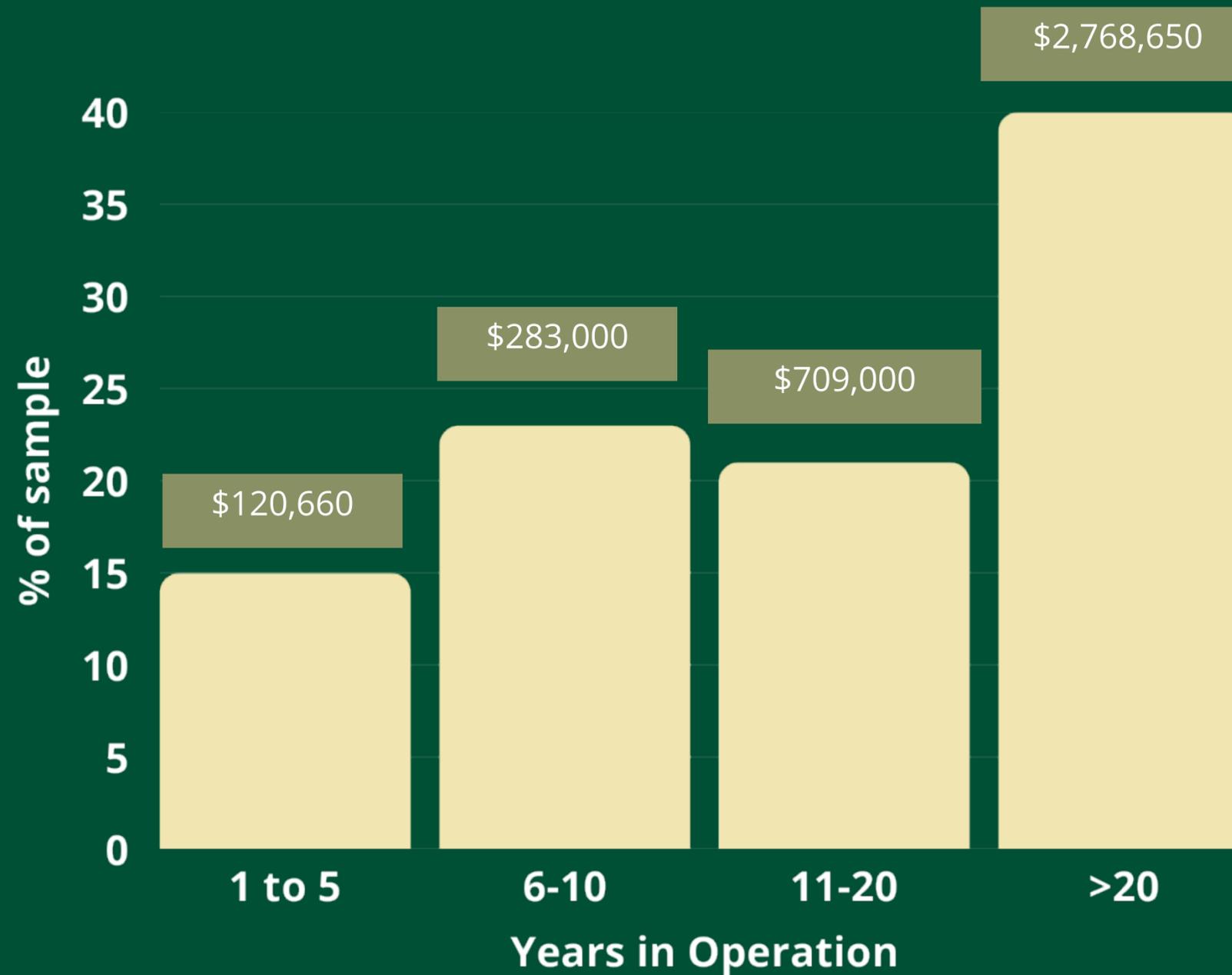
(respondents)

Median number
full time staff: 5

Median number
part time staff: 3

YEARS IN OPERATION & MEDIAN OPERATING BUDGETS

Older NPOs had significantly higher operating budgets





Funding

PUBLIC AND UNRESTRICTED FUNDING

54% currently receive public funding

- Sectors with the **highest %** of respondents receiving **public funding**: Health (67%), Vulnerable Care (65%), Early Childhood Education (63%), and Housing (61%).
- Sectors with the **lowest %** noting public funding: Environmental and Animal Welfare

(chi-square, $p = 0.029$, note: only 11 NPOs represented animal welfare & environmental sectors)

60% of annual funding (on average) was unrestricted

- The sectors with the highest % of their annual funding **“unrestricted”** : Animal Welfare (71%), Arts & Culture (69%), and Environmental (63%)

Receiving public funding associated with **higher operational budgets**
(linear regression, $p = 0.002$)

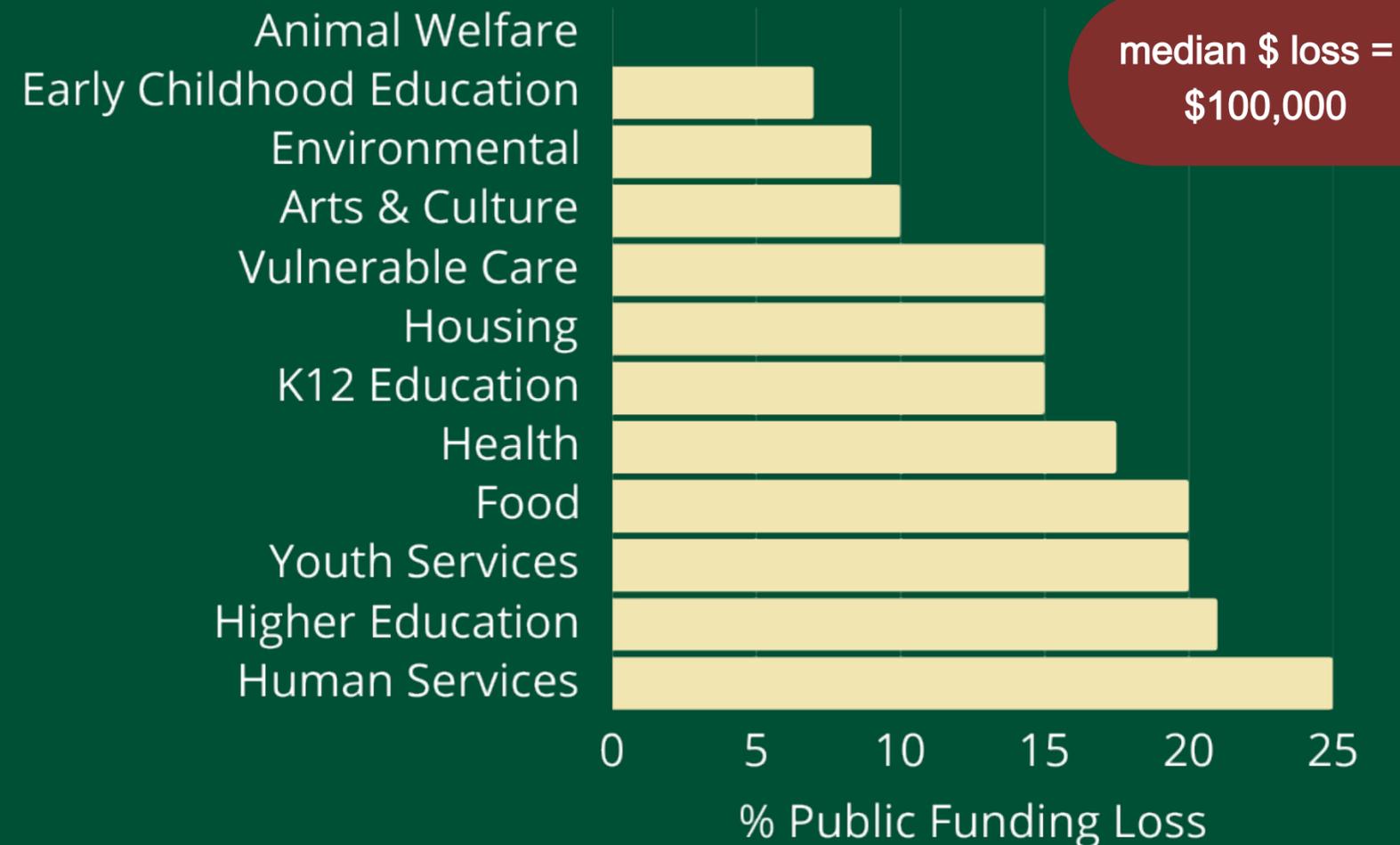
FUNDING LOSS

30%

HAD PUBLIC FUNDING CUTS IN 2025

mean = 29% of annual funding

- Environmental, Health, and Housing NPOs had the most respondents reporting public funding cuts
- Human Services, Higher Education, Food, and Youth NPOs lost the greatest % of their public funding
- 47% reported losses from **other funding sources**
- A loss of public funding significantly associated with reduced unrestricted funding
- 44% have decreased operating budgets; 38% unchanged



Perceived Impacts

of executive orders and shifting funding climate

PERCEIVED IMPACTS

86% PERCEIVED NEGATIVE IMPACTS ON THEIR ORGANIZATIONS' FINANCIAL HEALTH, OPERATIONS, AND/OR SERVICE DELIVERY

Financial health was the most negatively impacted, followed by operational stability

48% perceive *forthcoming* negative impacts

PERCEIVED IMPACTS

31% of NPOs were serving fewer clients, independent of operating budget. However, most reported an increased need in their services and resources.

A growing barrier to community access of NPO services and resources was **fear**, particularly among marginalized communities.

Strategies and Adaptations

RESPONSE TO FUNDING AND OPERATIONAL CHANGES

181 positions were eliminated or redefined

~60% submitted new grant applications, expanded fundraising efforts, and changed or reduced their services or programs

31% changed the language of their services or programs (3x more likely for those with public funding loss)

NPOs with the smallest budgets were more likely to begin charging fees and increase reliance on volunteers

RESOURCES AND RESILIENCE

47% and 44% of NPOs felt prepared or knowledgeable

- about addressing challenges related to executive orders

More established (20+ years) and high-budget NPOs

- were **more likely to have resources** to support financial health, operational stability
- older organizations **were more likely to tap into their financial reserves**

Needs and Outlooks

NEEDS

- **The most common needs identified for the total sample included:**
 - Flexible and unrestricted funding (96%)
 - Increased funding (95%)
 - Diverse funding (90%)
- **NPOs with the smallest budgets indicated greater and more specific needs:**
 - Rapid response funding
 - Accounting services
 - Financial literacy support
 - Lobbying

Public funding loss was not a key indicator of needs.

NEEDS

From funders, NPO leaders want:

- Unrestricted funding (84%)
- Central database of funding opportunities (64%)
- More transparency (62%)

“

“I would like to see funders go back to trust-based philanthropy. Even those who say they do it now do not; they impose many requirements that make it impossible to manage the other 10+ funders that we need to sustain. Give unrestricted and trust the organization to know how to manage the project”

”



Takeaways

SECTORS MOST IMPACTED

Vulnerable care, food, health, and housing sectors had the most respondents reporting **decreases in funding and reduced operating budgets**

For those who documented a change in their operating budgets, 79% believed changes in public funding and/or stop-work orders were fully or partially responsible

Human services, higher education, food, and youth NPOs lost the **greatest % of their public funding**

Respondents from the aforementioned sectors also had negative outlooks regarding the future of their organizations.

CONCLUSION AND DISCUSSION

- Most NPOs feel the negative impacts of federal decisions and the changing funding climate
 - public funding loss is significantly associated with perceived negative impacts on one's organization.
- NPOs perceived downward trend in all funding sources and opportunities
 - link downward trends to shifts in sociopolitical climate and priorities
 - expressed increased need for immediate and unrestricted financial support
- Older, more established NPOs are more resilient
 - higher operating budgets, alternative funding sources, financial reserves
- All NPOs express substantial concern for the future
- Longer-term impacts may not yet be apparent as NPOs leverage existing funding and contracts.

NEXT STEPS

1. **Survey #2** : January and February 2026
2. **Focus groups** with leaders: March 2026
3. **Comparative analysis** of survey #1 and #2
4. **Survey #3**: July 2026

For full details on data analysis (e.g., hypothesis tests used) and significant findings, contact **Mecca Howe** at mhowebur@charlotte.edu

THANK YOU



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