

IMPACTS ON THE LOCAL NONPROFIT COMMUNITY MAY 2025 SURVEY

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Executive Summary

As policies and funding priorities shift at the federal level, the Community Foundation for Monterey County (CFMC) conducted a survey to understand the impacts of these changes on our local community and partner nonprofit organizations. 86 nonprofits responded to the survey (>30% response rate).

Program Area	# of Organization Responses
Animal Welfare	3
Arts & Culture	13
Education/Youth	13
Environment	7
Health	12
Human Services	25
Public/Community Benefit	11

While some organizations are directly impacted now, it is likely that all local nonprofits will be impacted along a spectrum of disruption and harm through the remainder of 2025.

- Less than 5% strongly agree that current funding sources are reliable.
- 10% have discontinued some services or activities. Approximately 10% of nonprofits are experiencing a staff reduction or hiring freeze now. This comes at a time of increased demand for programs and services.
- 29% anticipate reductions in services or activities in the next six months. 27% anticipate a reduction in staff or a hiring freeze in the coming months.

Organizations providing direct services, those supporting children and families in particular, describe the harm brought by funding instability and policy changes. Environmental organizations and those with DEI-related missions are also fragile.

Executive Summary

continued

Opportunities exist to stand united as a sector and leverage collective power. 50% of organizations report at least six months of cash reserves. Respondents especially value the support of loyal donors, unrestricted funding, network connections, partnerships, and coalitions.

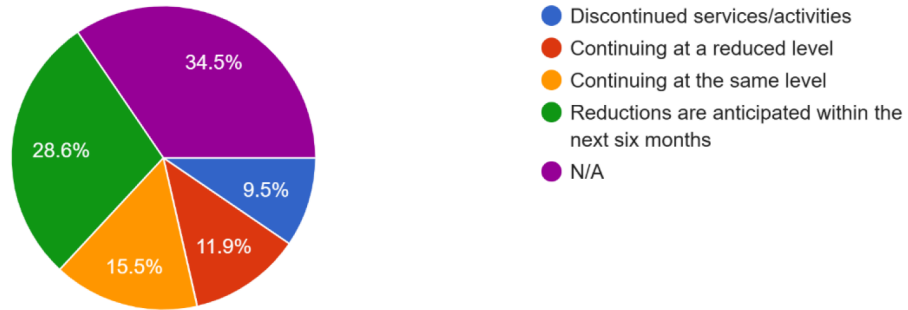
Timely technical support would be appreciated in the following areas:

- successfully navigating the changing landscape in philanthropy
- adapting revenue models and strategies
- enhancing staff capacity

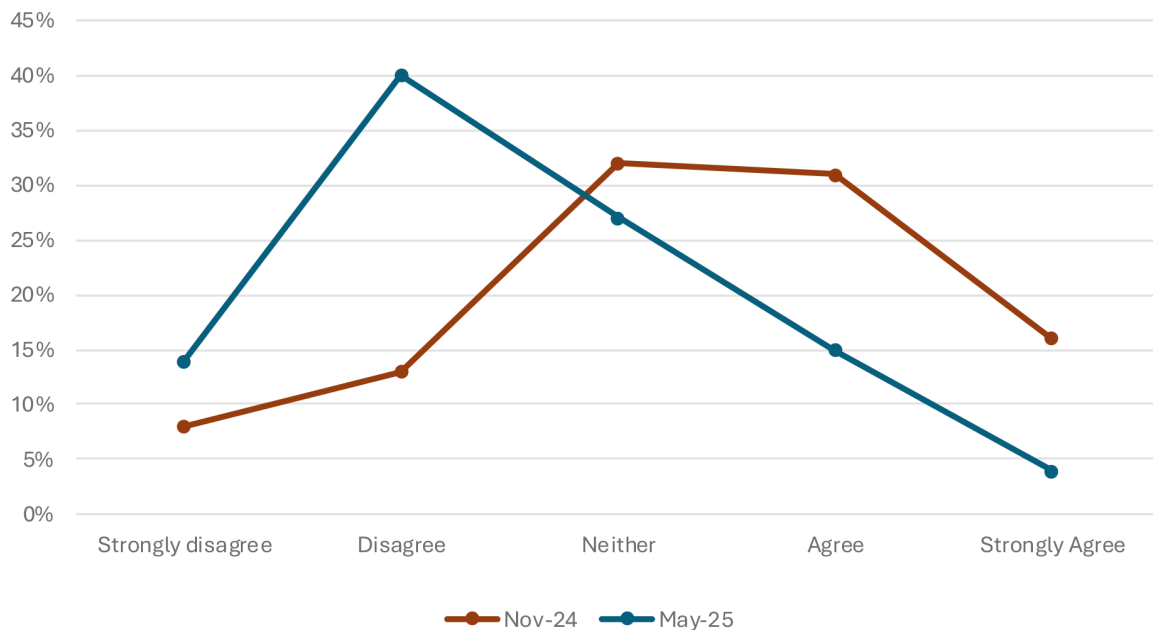
Data Snapshot

If federal sources (either direct or indirect) are part of your organization's funding makeup, how have cuts or freezes impacted your work? Choose one:

84 responses



OUR EXISTING FUNDING SOURCES ARE RELIABLE

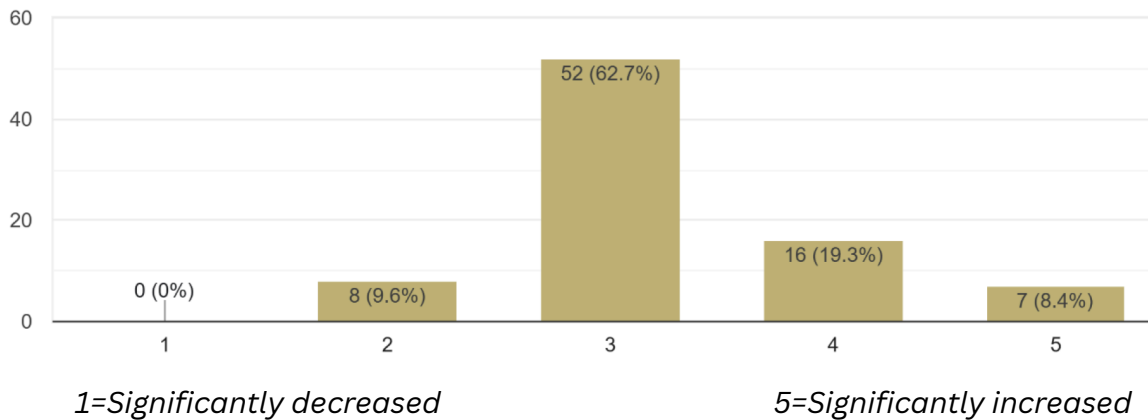


Data Snapshot

continued

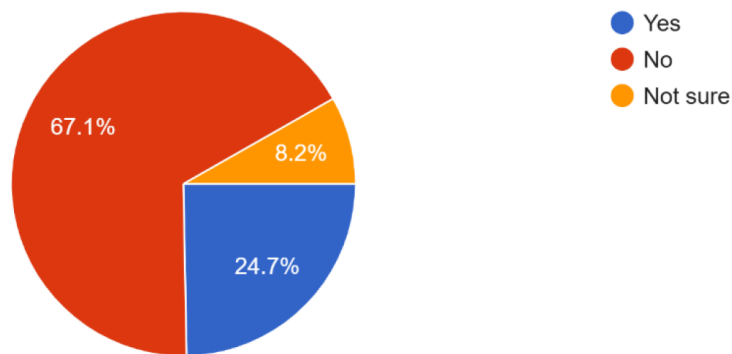
To what degree has program participation or attendance at your nonprofit changed since January 1, 2025 due to increased demand, for example, or because of fears related to immigration status, etc.?

83 responses



Have your priorities or programs shifted to address immigration-related issues?

85 responses



IMPACT DESCRIPTIONS BY PROGRAM AREA

Arts and Culture

1) Reductions are anticipated in the next six months. – ***Large performing arts organization on the Monterey Peninsula***

2) “I believe we will all feel the consequences of bigger organizations (E.g., San Francisco Symphony, Cabrillo Music Festival, etc.) having to ramp up their efforts to get more funding from private donors to make up for the loss in federal funding from the NEA. This will trickle down to us not being as supported by private donors. Philanthropists will try hard to sustain the “big institutions” of culture first.” – ***Small performing arts organization on the Monterey Peninsula***

Education/Youth

1) ***Bright Beginnings’*** program, Walk for Maternal Mental Health, was postponed due to the recent ICE detention of a Greenfield community member.

2) ***Community Partnership for Youth*** has discontinued some services or activities due to funding cuts or freezes.

3) “In the face of cuts affecting school partners, our programs have been sustained by adjusting our revenue model.” – ***Read to Me Project***

4) “[We have seen] a 15-20% decrease in participation per class because parents do not want their child to be away from the safety of their school campus.” – ***Youth outdoor experience program***

5) “[We need to address] participant identity protection regarding internal databases and data collection within our organization; [we] need to maintain legal counsel in case of any unexpected entry or attempts by ICE agents to accost one of our youth members or staff.” – ***Large regional youth serving organization***

IMPACT DESCRIPTIONS BY PROGRAM AREA

continued

Education/Youth continued

6) “MCBH (Monterey County Behavioral Health) funds are becoming more limited due to Prop 1.” – **Youth development organization**

Environment

1) The **Resource Conservation District of Monterey County** has discontinued some services or activities with a current 10% staff reduction.

2) A regional environmental organization’s funding sources are extremely unreliable, and work is continuing at a reduced level.

3) “We submitted a federal grant proposal, and we were advised by our connections within the federal government to remove any reference to ‘underserved,’ ‘underrepresented,’ and even ‘environmental.’ We do not plan to change any of our programs, and in fact, may lean in harder, but it's disturbing.” – **Environmental education nonprofit**

Health

Reductions in services or activities are anticipated within the next six months for nearly all of the health nonprofits responding.

1) “Concerns regarding immigrant status have had a significant impact on the mental health of our clients. We are seeing increases in overt racism in all communities among peers, specifically children...We are bracing for changes to Medicare and Medicaid which is our primary source of funding.” – **The Equine Healing Collaborative**

2) There are concerns for the mental health of trans people: “this month there was one youth suicide and one attempted youth suicide in our community.” – **LGBTQ agency**

IMPACT DESCRIPTIONS BY PROGRAM AREA

continued

Human Services

- 1) Reductions are anticipated in the next 6 months due to funding cuts or freezes. – ***Alliance on Aging***
- 2) “The Governor's May Revision has placed a freeze on new undocumented adult Medi-Cal enrollments effective January 2026. IHHS benefits have been eliminated for undocumented adults. We foresee an increase in demand as all these budget cuts go into effect in 2026.” – ***Central Coast Center for Independent Living***
- 3) “We are already seeing cracks in the safety net—and we know more gaps are coming that we simply cannot yet foresee.” – ***Community Bridges***
- 4) “Many have felt unsafe due to raids in East Salinas where [one of] our program facilities is located.” – ***Dorothy's Place***
- 5) “The impending cuts to HUD and Medicaid will undoubtedly affect our funding, directly and indirectly (impact in November 2025), when our HUD contract is due to renew and expand.” – ***Dorothy's Place***
- 6) “Increasing food costs are affecting our budget in a big way. We continue to receive more requests for our Home-Delivered Meal program and our two congregate meal sites in South County. The funding received does not cover the cost of the increase in requests. Approximately 1/3 of our budget comes from the Federal government and a portion is currently on hold.” – ***Meals on Wheels of the Salinas Valley***
- 7) “The biggest risk we face is related to rental income from multiple Section 8 rentals we operate. We use the rents generated in these units to fund program operations (12% of our total funding). With the threat of deep cuts to HUD's budget for next year, we are very concerned for our ability to continue our current staffing if those programs are cut...[which] will be a disaster for low-income families and the landlords that rent to them in our community.” – ***Pajaro Valley Shelter Services (PVSS)***

IMPACT DESCRIPTIONS BY PROGRAM AREA

continued

Human Services continued

8) “[We see] fear among our mostly Latina population related to school attendance, accessing services from government providers and accessing benefits, even for people with legal status.” – **PVSS**

9) A 20% staff reduction at a local food pantry is anticipated. “We have witnessed an increase in the number of households/seniors seeking basic subsistence.” – **Food pantry**

10) “We've had to shift the way we operate programs to address the high demand of services, especially around immigration.” – **Large regional safety net nonprofit**

Public/Community Benefit

1) “We are considering farmworkers who do not have access to medical and mental health support.” – **Center for Community Advocacy**

2) “Families are asking for help with passport forms, emergency childcare forms, learning to read and write, emergency resource information and finding trustful and safe spaces for healthcare.” – **Raíces y Cariño**

3) “While we are proud to serve in the role [of regional expert], we currently lack the resources to fully meet community requests. Without additional support, we are forced to turn down opportunities to assist others, limiting the overall impact of our collective work.” – **Watsonville Law Center**

Note: Information and comments are attributed with permission, while others are included anonymously or omitted by request.

HOW TO SUPPORT NONPROFIT RESILIENCE

1. Funding

- Unrestricted funds: “In this environment, general operating support isn’t just helpful—it’s the cornerstone of our ability to meet people where they are and respond with compassion and agility.” – ***Community Bridges***
- “When we receive financial support, we can use the funds where they are needed the most at the time. We work in a dynamic environment that is continually changing based on the needs of our clients.” – ***Meals on Wheels of the Salinas Valley***
- Funding partnerships: “One group of donors issued a grant, which funds us if our programs are cancelled, but is reimbursable if they aren't.”
- Recurring gifts/ donor loyalty
- Local foundation grants: Harden Foundation, Monterey Peninsula Foundation, CFMC
- Community donations, including in-kind
- Bequests
- Expanded Learning Opportunity Program funding; rapid rehousing dollars house clients, freeing up shelter beds

2. Community Connection

- Community and peer gatherings, e.g., with fellow Executive Directors (EDs)
- “These are very uncertain times, so being in community with other fellow directors has been quite powerful.”

HOW TO SUPPORT NONPROFIT RESILIENCE

continued

2. Community Connection continued

- Networking to support fellow nonprofits, even during a time of increased competition.
- Expert advice from trusted partners, such as the Stanford Alumni Consulting Team
- Local community supports, friends and foundations, volunteers
- “In times like these, people's creativity and inspiration will bring about change and new solutions.”

3. Advocacy and Partnerships

- Partnerships with the School District or the Food Bank for Monterey County, for example. “Partnerships have been critical for navigating policy changes and delivering a more unified response to community needs.”
- California Association of Social Rehab Agencies (CASRA) offers information sharing across agencies and partnered discussions with local agencies (in the spirit of learning and problem-solving together).
- Media coverage of the impact of frozen and unfrozen federal funds on our organization's programming.

AREAS OF TECHNICAL SUPPORT IDENTIFIED

1. Navigating the changing landscape in philanthropy

- I want to learn more about how any policy shifts might impact Donor Advised Funds (DAFs) or UPMIFA (Uniform Prudent Management of Institutional Funds Act) calculations as we look out to the next 12-18 months.
- I want referrals to foundations that are increasing funding to build affordable housing.
- Our largest source of funding comes from our corporate partners...We also receive tremendous support both financial and through volunteerism from our banking partners as we help fulfill their CRA (Community Reinvestment Act) requirements. We understand there may be significant changes here as well.

2. Revenue model/fundraising strategy

- Our Stanford Alumni Consulting Team works with us to identify more sources of self-generating income.
- We will also need to plan changes to our fundraising model and services delivery model. This is why we are presently recruiting a strategic planning committee that will do its work this summer.
- Increase the fundraising capacity of our team
- We need to locate gap financing to build several proposed communities.
- Assistance for restructuring a development strategy away from heavy dependence on federal and state programs and grants that we anticipate will be eliminated in the next six months to a year.
- How to generate new ways of generating sales or fees for services from our extensive educational resources and workshops.

AREAS OF TECHNICAL SUPPORT IDENTIFIED

continued

3. Enhanced staff capacity

- Increased staff capacity among Community Health Workers, who have deep ties to the community.
- Staff training on "Know your Rights" equipped front line staff with the ability and tools to navigate situations in which we may be confronted by ICE agents.
- We have been avoiding the use of AI (Artificial Intelligence) and realize we need to learn how to use AI ethically and in ways that are sustainable and increase rather than reduce the quality of our services and operations.
- A dedicated server with remote access for home-based employees.