

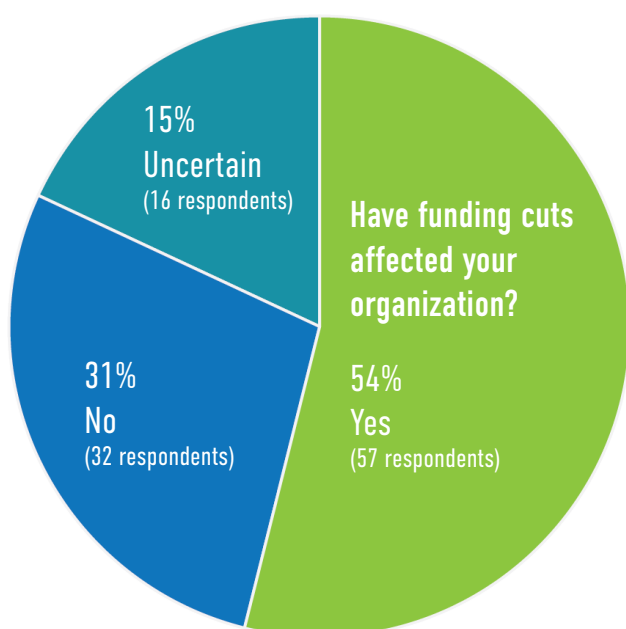
IMPACT OF FUNDING CUTS

ON SACRAMENTO AREA NONPROFITS

After a barrage of changes to federal funding in the first half of 2025, the uncertainty among leaders at local nonprofits was palpable. To better understand how funding cuts might impact the local sector — and explore ways local philanthropy can help — the Sacramento Region Community Foundation sent a pulse survey to over 800 area nonprofits. In total, 105 nonprofit leaders responded to the 15-question survey, providing critical insights. **Here's what we learned.**



SACRAMENTO REGION
**COMMUNITY
FOUNDATION**
INSPIRING PHILANTHROPY



BY THE NUMBERS

54%

of respondents were affected by funding cuts. Nonprofits affected generally had annual operating budgets above \$500,000 and had higher shares of their budgets tied to government funding. Some respondents noted the cascading impacts of the cuts on their operations, including cuts to staffing, which may ripple long into the future:

“Reduced staffing impacts volunteer support and community engagement, which ultimately impacts donations. And let’s not underestimate the toll the economy is taking on donor support!” — Respondent

BUDGET SIZE

Overall, 69% of the 36 large nonprofits (budgets over \$2 million) reported being affected, and they were the most heavily reliant on federal funding. About 63% of the 24 responding mid-sized organizations (\$500K to \$2 million) were affected, with their public funding more evenly spread across local, state, and federal sources.

In contrast, only 37% of the 45 smaller nonprofits (under \$500K) reported being affected. Generally, they had little or no federal and state funding, though some rely on local government sources.

REGIONALITY

Nonprofits serving El Dorado, Placer, Sacramento, and Yolo counties reported similar rates of being affected by funding cuts, with Yolo County slightly highest at 57%. Many organizations reported serving multiple counties. Overall, funding reductions impacted organizations consistently across the region.

MISSION

Human Services and Arts & Culture organizations were most likely to report being affected, though the sample size for each mission was small, overall.

FOR THOSE 57 ORGANIZATIONS THAT REPORT BEING AFFECTED:

HAVE YOU HAD TO SCALE BACK OPERATIONS, PROGRAMS, OR STAFF?



WHAT FUNDING WAS REDUCED?

Nonprofits reported cuts across a wide range of federal programs and funding streams, including AmeriCorps, SNAP, FEMA, HUD, Immigration Legal Services, and Mental Health Services Act.

WHAT PROGRAMS ARE SCALED BACK?

Nonprofits that have scaled back report cutting staff and internships, food programs and vouchers, mental health services, education initiatives, and putting any new programs on hold.

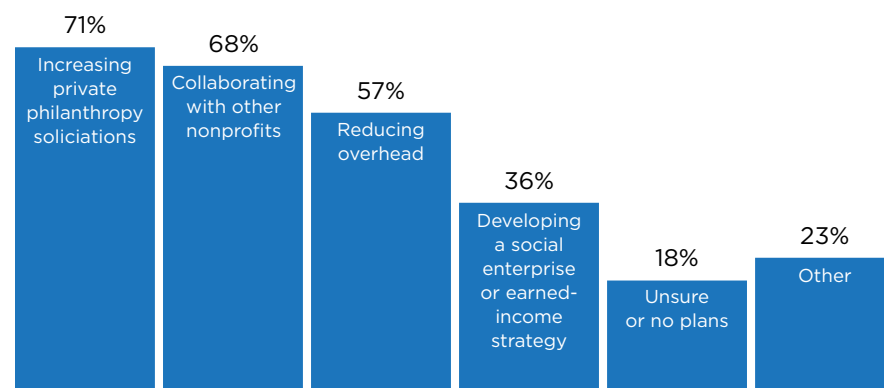
WHAT COMMUNITIES ARE IMPACTED?

Refugees, immigrants, and asylees were the most frequently cited, followed by Latino communities, Black and Indigenous people, LGBTQ+ individuals, youth, people living with or at risk for HIV, and unhoused neighbors. Rural populations and people facing mental health challenges were also noted as particularly vulnerable.

WHAT'S NEXT?

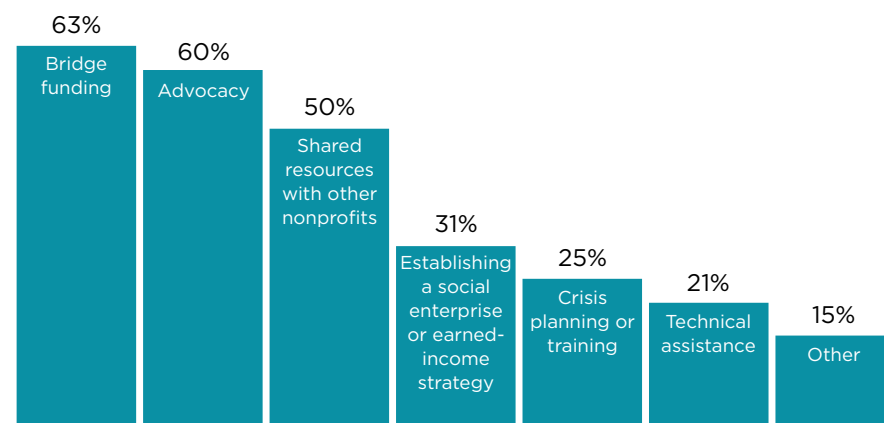
What strategies have you used, or do you anticipate using, to adapt to these funding reductions?

Smaller organizations report leaning slightly more on collaboration and cost-cutting, while the largest organizations prioritized ramping up private fundraising.



What kinds of support would help your organization most right now?

While all organizations prioritized bridge funding and shared resources, larger organizations were those that most frequently pointed to advocacy as their top immediate need.



Learn how you can help: sacregcf.org/funding-cuts.