



Leadership Lighthouse Presents: *Geopolitical Influences on Nonprofits*

The table below provides source information as well as additional details and context to supplement the Leadership Lighthouse presentation. Research and findings were conducted and prepared by Colemon & Associates.

There are a variety of nonprofits, including public charities, private and public foundations, and other types of 501(c) organizations. Geopolitics studies the influence of factors such as:

Geography meaning the advantages of geographical position

Economy being abundant resources with easily accessible services e.g., proximity

Demography meaning the size of population and representation

and their impact on politics and especially the policies of a government. With this in mind, we are offering some data to illuminate how recent shifts at the federal level (e.g., job cuts by DOGE, funding cuts/freezes, executive orders) are sending shockwaves through the nonprofit sector, affecting funding streams, grant opportunities, and critical partnerships.

Economy: Where are the Resources?			
Factor	Impact	Question	Source
•Nonprofit organizations are the third-largest U.S. employer of the private sector. •Of the 3700 nonprofits in Pierce County, nearly 70% w/government grants are at risk of funding losses totaling \$573,667,961 (impacting 200+ orgs). •Nonprofits depend on government grants and contracts for 32% of their overall revenue (second only to fees for services). •62% of respondents in the Pre-Summit survey have experienced some loss in	Loss or reduction of federal, state, and local funding. Anticipated budget shortfalls and contingency planning. Impact on staffing, program closures, and service reductions.	Whether you receive government funding directly or not – how are you responding to these shifting trends?	Urban Institute; National Center for Charitable Statistics 2021 501(c)(3) Charities E-file Data. <i>Nonprofits: Vital to Recovery</i>, Nonprofit Association of Washington WA State Budget & Policy Center

funding; another 44% have seen decreases in contractual partnerships. •The State of Washington expects a \$12B shortfall. <i>In this data set, government grants are from governments at the local, state, federal, and territory levels, as well as foreign governments.</i> •Between 2022-2023, individual donations, the largest revenue source for nonprofits, dropped by 3.4%; a multi-year trend since 2020. Donor retention fell by 2.5%, signaling a shift in donor behaviors and economic pressures. •Shifts in corporate philanthropy and the need to adapt.	Emotional exhaustion from constant changes and uncertainty.		Pre-Summit Survey and Key Informant Interviews, Colemon & Associates The Chronicle of Philanthropy
•Nationally nonprofits bring in \$3T, in Pierce County \$7.2B annually; locally 9/10 are small with revenues of up to \$1M. •Nonprofits employ more than 12.7 million people, representing about 10% of private-sector employees. Nonprofits spend on goods and services, with a combined gross value added in 2023 of 5.2% of the country's gross domestic product, equal to \$1.4T. •The ongoing trade war with China, Mexico, and Canada threatens economic stability, increasing demand for nonprofit services amid financial strain. •Many nonprofits rely on goods that are now subject to tariffs, such as construction materials for affordable housing, medical equipment for healthcare, and technology for	As businesses adjust to higher operating costs, job losses could rise. This shift could lead to greater demand for nonprofit services. With economic uncertainty, both corporate and individual donors may reduce their philanthropic giving. Concerns about job security and political targeting.	When you hear and understand the economic footprint of nonprofits, how does this influence your messaging and the way in which you navigate philanthropy and policymakers? Where is the economy thriving and how is the nonprofit community connected to it?	<i>Nonprofit Landscape: Pierce County, WA</i>, X4Impact George Mason University, <i>Nonprofit Works; Annual Health Report</i>, Independentsector.org Giving USA

education programs. Increased costs mean reduced capacity.			
ADDITIONAL DATA ON THE SECTOR •The top-ranking service areas for nonprofits based on annual income are: education, workforce & employment, utilities and transportation, and youth development. •Employment in Washington is driven by large organizations like Providence Health and Services, Providence Health and Services Oregon, MultiCare HealthSystem, PeaceHealth, and Swedish Medical Center. The largest employers tend to be hospital systems, general hospitals, multiservice human service organizations, community clinics, and specialty hospitals •Education-focused nonprofits, which rely on government funding for after-school programs, literacy initiatives, and college access programs have been significantly impacted as well as domestic violence shelters, which receive federal support through the Violence Against Women Act (VAWA) and other government assistance programs. •Organizations with less than \$1 million in revenue account for 2.4% of combined nonprofit revenues, whereas organizations in Washington with more than \$100 million account for 74.6% of nonprofit earnings.	If state and local budgets are cut due to decreased revenue, many community services provided by nonprofits could be at risk. Clients experiencing fear, stress, and reluctance to engage. Lower enrollment and participation in services and events.		Directory, Causeiq.com <i>Nonprofits: Vital to Recovery</i>, Nonprofit Association of Washington Giving USA

•During recessions, charitable giving by individuals and foundations decreases. During the 2008 recession, giving dropped by 5.8%. Smaller, grassroots groups are particularly dependent on contributions from individuals and fundraising events.			
Demography: Who is Feeling What?			
Factor	Impact	Question	Source
•40% of respondents in the Pre-Summit survey have experienced shifts in their client base due to recent executive orders. •45% of Tacomans are non-White (Black, Asian, Two-Races, Hispanic, API, Native) •13.4% of dwellers are foreign born; 19% speak a language other than English •15% of Tacomans live with disabilities •In 2025, Pierce County homelessness increased by 11% •Averaged data between July 2021-May 2023, 17% adults identify as LGBTQ+ in the Seattle MSA (Seattle-Tacoma-Bellevue, WA Metropolitan Statistical Area = Seattle MSA). •36% of respondents in the Pre-Summit survey have been impacted by recent executive orders related to DEI and critical race theory.	Organizations based in and serving communities of color, immigrants and refugees, non-English speaking people and other marginalized groups are often less resourced and more vulnerable to cuts. Concerns about censorship and the sustainability of DEI work. Leaders are considering how to shift their focus and priorities, potentially deprioritizing diversity and equity work in the short term to focus on core mission and survival. There are moral and ethical implications of the current policies and their impact on the most vulnerable	Are you and if so, how are you helping those you serve understand the potential for service reductions? How is your agency impacted by the closure of other service providers?	<i>Sounding the Alarm: Nonprofits on the Frontlines of a Political Climate</i>, Building Movement Project Census Pulse Survey, Census Profile City of Tacoma Resolution 39116 <i>Puget Sound Trends</i>, Puget Sound Regional Council Key Informant Interviews and Pre-Summit Surveys, Colemon & Associates

•73% of nonprofits working on: Diversity, Equity, and Inclusion; Education/Racial Equity; Reproductive Rights/Abortion Access; Immigrant Rights; and LGBTQIA+ Rights are facing negative consequences like threats to their reputation, to their offices or personnel, or reductions in funding.	members of society, including the poor, the elderly, the disabled, and immigrants.		
•Nearly 2 million Washingtonians (850,000 children) are on Apple Health e.g., Medicaid. That's about 25% of the state's population. •It covers three in eight people with disabilities and three in five nursing home residents. •In the next 10 years, WA could lose one-fifth of the federal dollars it receives to run Apple Health, amounting to \$3-5 billion per year. Washington spends \$21 billion on Medicaid annually, with \$13 billion of that coming from the feds. It's the biggest chunk of federal funding the state receives. •250,000 could lose Medicaid coverage and another 150,000 wouldn't be able to afford insurance on the WA health care exchange (12.5%)		What are the implications of Medicaid cuts for those who are most marginalized e.g., those w/disabilities, seniors, those in rural areas, etc.?	The Columbian, July 2025 KFF
ADDITIONAL DEMOGRAPHY DATA •Housing, income, and race are highly linked in Tacoma. The median income of Tacoma's Black-headed households is nearly \$20,000 less annually. •Black households are the only racial or ethnic group in Tacoma to experience	High levels of anxiety and fear among staff, especially among BIPOC and LGBTQ+ employees. Shifts in demographics and accessibility.		<i>One Tacoma 2050</i>, City of Tacoma Office of Strategy Pre-Summit Survey, Colemon & Associates

declining homeownership rate over recent years and the most likely to be renting. •Tacoma had over 1,099 shelter beds in January 2025. Since June 30th that number has been reduced to 860 beds - standing down Brotherhood RISE, Freedom Project and Forging Paths Community.	Reduced capacity to serve clients optimally.		Tacoma News Tribune, June 2025
Organizations that depend on federal grants—including housing, healthcare, and international aid groups—face existential challenges. Agencies assisting immigrants and refugees; fair housing; domestic violence shelters; and international aid	Reduced capacity to serve clients optimally. Compliance requirements will force organizations to compromise their values and missions in order to maintain critical funding Increased demand for services with fewer resources.	.	Pre-Summit Survey, Colemon & Associates <i>The Nonprofit Sector at a Crossroads</i>, Foundation List

Geography: What are the Advantages of Place?

Factor	Impact	Question	Source
•68% of respondents in the Pre-Summit survey say staff morale and attitudes have been impacted (moderately-a great deal) by the political climate. •Must now navigate political sensitivities around diversity, equity and inclusion. •Tacoma Worker’s Bill of Rights – also known as Initiative 2, aimed to enhance worker protections, including raising the minimum wage and ensuring predictable schedules.	Local policies (e.g., tenant rights) are affecting operations. There are regional differences in DEI acceptance and ICE impacts.	Where is the political tide headed and how is the nonprofit community connected to it or not?	Key Informant Interviews Pre-Summit Survey, Colemon and Associates Axios Seattle SGN, February 2025 City of Tacoma, Resolution 39116

•Tacoma is a Sanctuary City for LGBTQIA+ people and a Welcoming City for immigrants and refugees. •Washington state voters shifted toward Donald Trump less than any state in last year's election.			
Opportunities			
Acknowledge the Nonprofit Ecosystem and Strengthen all Parts •Organizations cannot do the hard work of addressing pressing issues in today's climate without a strong ecosystem of support and solidarity. Funders need to support ecosystem development as an explicit and consistent priority so groups can build their capacity to: be part of coalitions and networks with similar values and goals; build solidarity strategies and partnerships to ensure that vulnerable groups are not doing work in isolation; share their experiences publicly without fear of reprisal; and coordinate and convene as needed. • Acknowledge and leverage the collective power of the nonprofit sector and its impact. •Seek more communication from philanthropy about the implications of the political context. Those surveyed indicate that most of their funders have not communicated with them and there is a lack of "proactive engagement" from foundations. •Address through collective inquiry, the trend of private foundations becoming more hesitant to provide funding, citing an inability to "save everyone" and a sense of "creative destruction". •Create "safe space" to process and discuss the challenges with peers and with support (not participation) from funders.	How can nonprofits demonstrate solidarity by determining the primary points/issues that require targeted pressure on policymakers and philanthropy?	<i>Sounding the Alarm: Nonprofits on the Frontlines of a Political Climate</i> , Building Movement Project Pre-Summit Survey and Key Informant Interviews, Colemon & Associates	
Make the Hard Choices BOLDLY		Pre-Summit Survey and Key Informant	

•Consider mergers, closures and other strategic changes for nonprofits, given limited resources. •Adapt fundraising approaches to tap into younger donors who give in alternative ways e.g., mutual aid versus annual campaigns. •Modify DEI-related language in grants - consider alternative language, while sustaining efforts OR refuse to compromise on DEI values despite funding risks.		Interviews, Coleman & Associates <i>Snapshots</i>, Center for Effective Philanthropy
•Because mission-driven nonprofits have priority service areas such as immigrant rights, access to healthy food, affordable housing and reproductive rights; nonprofits should assist in the prioritization of national interests by advocating for those issues and offering policy advice.		<i>Poverty to Power</i>, Duncan Green