



Current Conditions of Minnesota's Nonprofit Sector

Pulse Check Report

December 2025

2025 Pulse Check Report Overview

2025 was a year of great upheaval for many nonprofits, with a torrent of Executive Orders, federal funding cuts, and increase in demand for services. Because of this, the Minnesota Council of Nonprofits (MCN) decided to take a quick pulse check of the sector. After we published our *2025 Current Conditions of Minnesota's Nonprofit Sector* report in May, we wanted to know how the sector had been impacted in light of these rapid changes. In such a tumultuous time for nonprofits, can we capture a clearer and more responsive picture of 2025?

The Pulse Check Report is here to offer a snapshot of the Minnesota nonprofit sector as it stands at the end of the year. Between October 3 and October 31, 150 nonprofit respondents completed the survey administered by MCN.

This survey builds on findings from MCN's Current Conditions survey series (last conducted in May 2025), exploring operational and management changes and impacts since January 1st, 2025, and future planning for the upcoming year.

Since 2020, MCN has conducted nine surveys and produced subsequent reports on the impacts of current conditions on the nonprofit sector. All prior reports are available at <https://minnesotanonprofits.org/resources-tools/sector-research>.

Key Takeaway #1: Nonprofits continue to struggle with increasing expenses and decreasing funding.

83% of respondents reported an **increase in expenses** since January 1, 2025.

32% reported a **decrease in donations** from individuals.

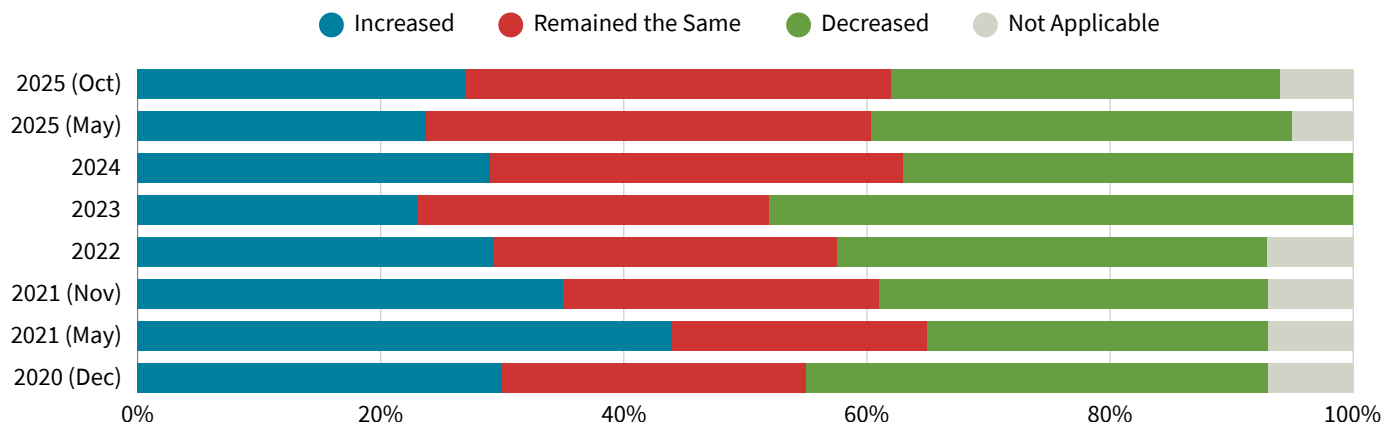
59% reported a **decrease in grants from foundations or corporate giving**.

54% reported a **decrease in government funds**.

Nonprofits are reporting that they are impacted by **grants being cut at the federal and state levels, grants becoming more competitive, and foundations, corporations, and/or individuals donating less.**

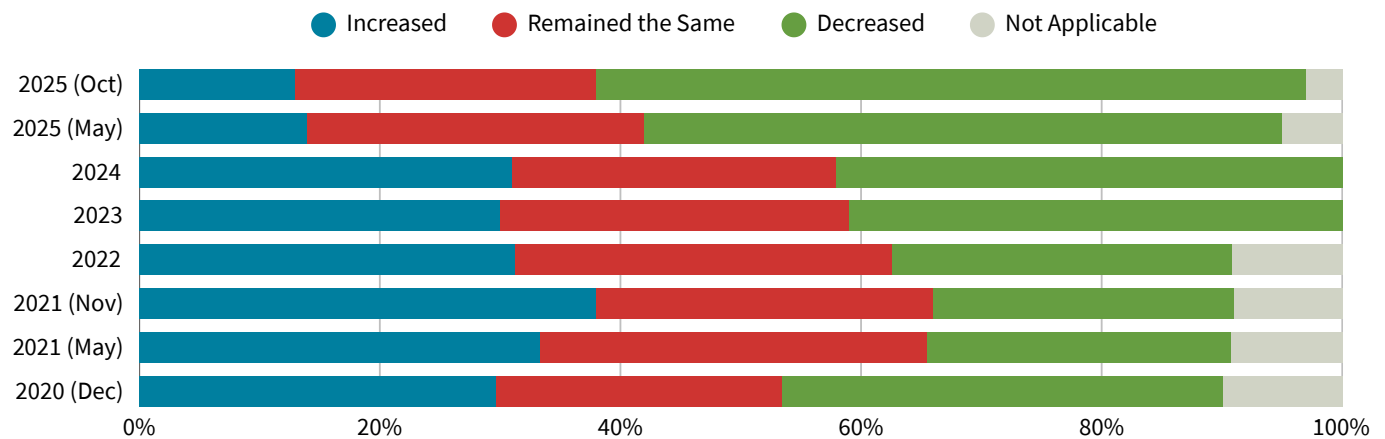
5 Year Trends in Donations from Individuals

Respondents to MCN's 2025 Pulse Check Survey and previous Current Condition Surveys



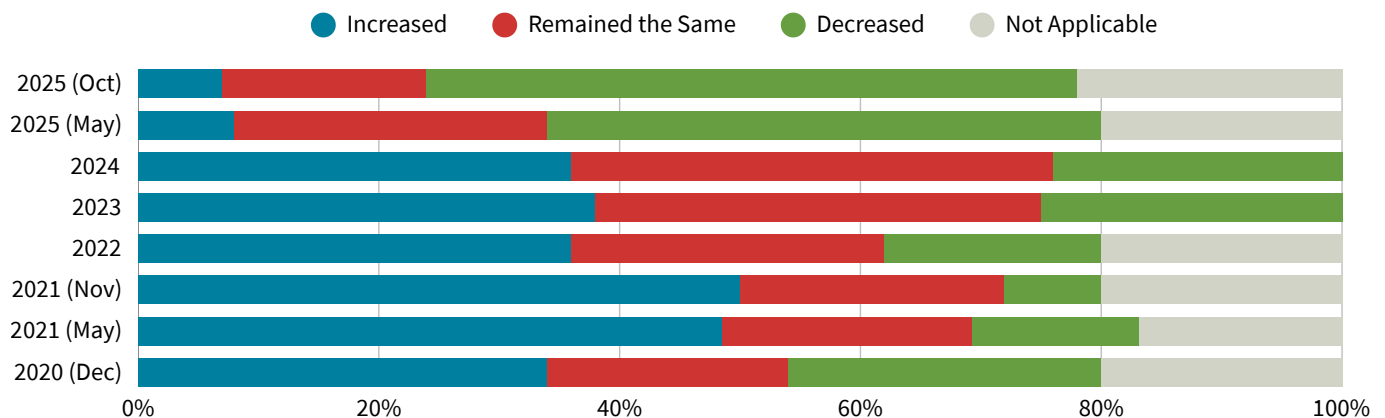
5 Year Trends in Grants from Foundations or Corporate Giving

Respondents to MCN's 2025 Pulse Check Survey and previous Current Condition Surveys



5 Year Trends in Grants and/or Funding from Government

Respondents to MCN's 2025 Pulse Check Survey and previous Current Condition Surveys



With nonprofits facing financial hardships, some may wonder if more nonprofits will sunset or cease operations. At least for now, **0 percent of survey respondents reported that they are very likely to sunset or cease operations in the next 12 months**, a continuation of a similar trend found in MCN's May 2025 Current Conditions Report. Instead, nonprofits that are facing financial challenges report utilizing other means to avoid sunsetting or ceasing operations like eliminating staff positions, putting an expansion plan on hold, or scaling back programming.

Nonprofits continue to proactively navigate the operational, programmatic, and financial challenges facing them; the most common management actions they have taken and plan to take moving forward are to **increase their level of fundraising efforts** (87 percent), **increase consultation with their board of directors** (46 percent), and **increase their level of programming or services delivered** (49 percent).

“A reduction, pause, or uncertainty in programming, funds, or access to staff creates disruptions at our agency. All energy used on these disruptions reduces our ability to help residents and fulfill our mission.”

- Human Services Nonprofit from Greater Minnesota

Key Takeaway #2: Overall demand for services remains high, with nuance depending on activity area.

68% of nonprofits reported an **increase in demand for services** since January 1, 2025.

Many nonprofits reported that **community needs are greater**, specifically for social assistance programming like housing, food access, and health care.

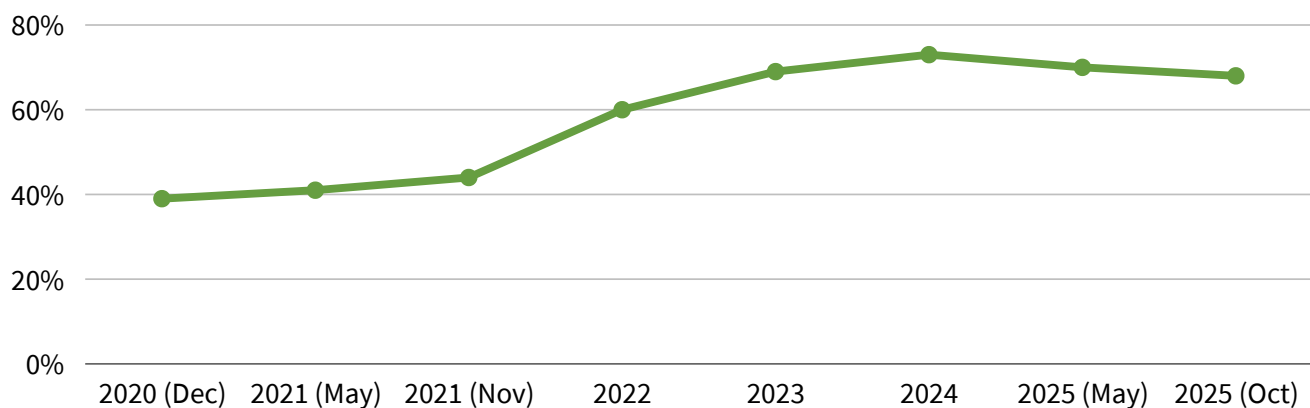
Since funding has been disrupted, decreased, or altogether cancelled since January 1, 2025, **many nonprofits are struggling to maintain current operations**, let alone expand staff and programming. There are many reasons for these funding cuts, including state and federal decisions, individuals tightening their pockets, and foundations changing their funding priorities.

“We are a basic needs agency so all cuts/shifts that impact the stability of families trickles down to organizations like ours as the safety nets. It's become a much heavier lift.”

- Human Services Nonprofit from Dakota County

5 Year Trends in Percentage of Respondents Reporting Increased Demand for Services

Respondents to MCN's 2025 Pulse Check Survey and previous Current Condition Surveys



In contrast, 21 percent of **arts, culture, and humanities nonprofits** that completed this survey reported a **decrease** in demand for services. From a museum welcoming fewer visitors through their doors, to an arts nonprofit selling their art merchandise at fewer locations, these nonprofits reported that individuals are less likely to spend their money on their services or programming.

Arts, culture, and humanities nonprofits are also reporting a **decrease in funding from state and federal grants**. This decrease in overall revenue impacts programming, services offered, and ability to keep their doors open.

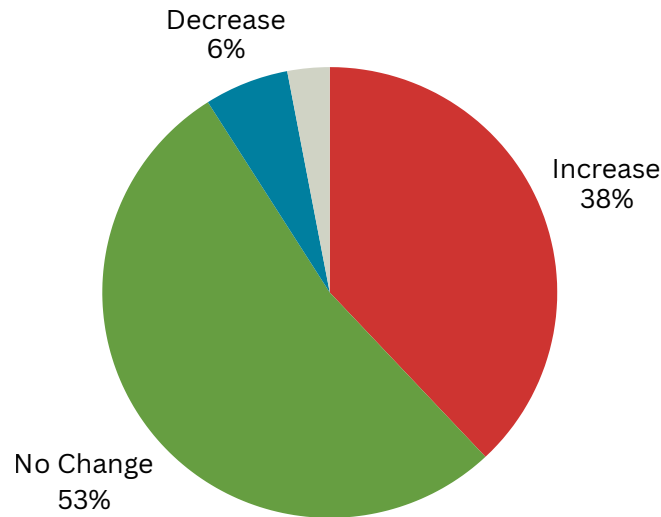
Key Takeaway #3: Shifting priorities as nonprofits adapt to the moment.

In MCN's 2025 Current Conditions survey collected in April and May of this year, almost every single respondent mentioned “uncertainty” and feeling unsure of what will happen in the future. **In contrast, respondents used the word “uncertainty” very little throughout responses in this October survey.** Instead, respondents stated that they were dealing with the *impacts* of funding cuts or grant cancellations, changes in demand for services, navigating Executive Orders from the federal administration, and more. Rather than feelings of future uncertainty regarding federal and state government actions that were previously reported, nonprofits are now dealing with the present impact of these actions.

The Trump Administration continues to push harmful narratives about diversity, equity, and inclusion (DEI), and an increase in national media attention to ICE raids and harmful narratives of immigrants leave many nonprofits worried about the impact on their communities. Some nonprofits reported fearing that their work may make them a target of the Administration and are shifting their work around DEI. Most respondents discussed minimizing the use of DEI language on their websites or public resources. Two respondents discussed how their work with DEI has impacted external partners’ willingness to work with them. Twelve percent of respondents reported that they have decreased this work since January 1, 2025, a jump from 6 percent who reported a decrease in April/May. Overall, the vast majority of nonprofit respondents report they have increased or maintained their work in diversity, equity, and inclusion (86 percent).

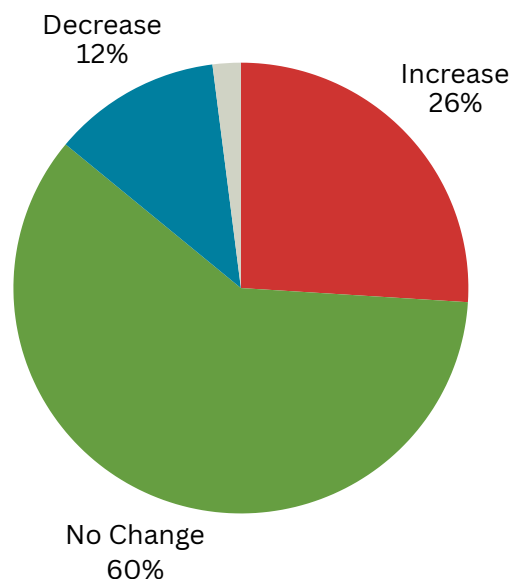
Looking **forward**, what changes (if any) is your organization considering or planning on making in the coming year? (May 2025)

Working towards diversity, equity, and inclusion



Looking **backward**, what changes have resulted from operational or management decisions you made since January 1, 2025?

Working towards diversity, equity, and inclusion



Key Takeaway #4: Nonprofits continue to report low organizational morale.

Over half of respondents to both this current survey and the April/May survey reported a decrease in organizational morale. Of those that reported a decrease, **43 percent reported that the decrease on organizational morale is a result of the federal administration and 39 percent reported that the impact is a result from both the federal administration and state government.**

91% of respondents report they have experienced some level of disruption because of the **federal administration.**

79% of respondents report they have experienced some level of disruption because of the **state government.**

In survey responses, **federal administration** disruptions that were mentioned were broad, ranging from ICE raids, federal grant funding, increase in expenses because of tariffs, and cuts to programs like SNAP and Medicaid. This survey was collected during the federal government shutdown that extended from October 1 through November 12, 2025. Therefore, many respondents were impacted by federally-funded grants or programs that were suspended, paused, or cancelled while this survey was collecting responses.

Impacts from the Minnesota **state government** mostly included impacts to state funding and social assistance programs. Some nonprofits stated that they will be impacted by the Paid Family and Medical Leave program when it becomes effective in 2026, and a few respondents discussed seeing an increase in oversight from state departments on grant applications and review.

Since most nonprofits are impacted by a number of factors from state and federal government, **nonprofits are reporting that their staff are feeling worn down, burned out, and scared**. Nonprofit staff continue to worry about the future of their organization, the ability to meet growing needs of their community, and potential targeting because of their own marginalized identities.

“I think the emotional toll is greatest—the fear among staff and communities served of being targeted due to identity and/or commitment to (and speaking freely on behalf of) personal and organizational values; fear of financial repercussions; and general fear for our country.”

- Human Services Nonprofit from St. Louis County

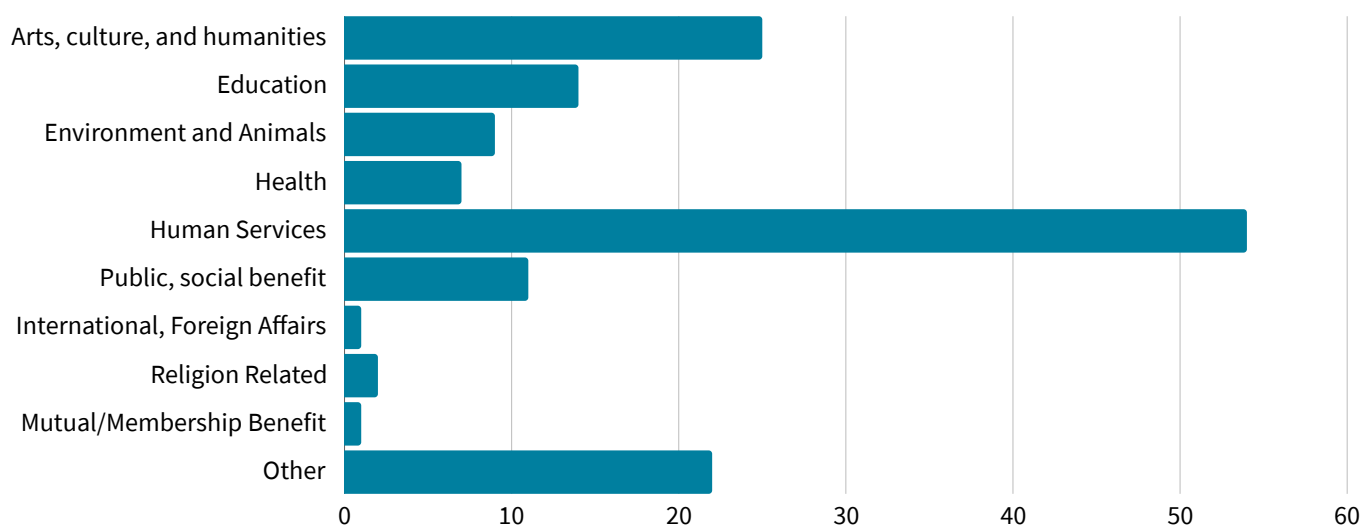
Resources for Navigating the Current Moment

- **MCN recommends that organizations focus on key levers of organizational stability:** strong internal controls; legal compliance; sustainable revenue mix; strategic human resources; and ethical leadership. Learn more here: <https://minnesotanonprofits.org/resources-to-navigate-uncertainty>
- **MN Nonprofit Legal Services Initiative:** MCN and LegalCORPS have partnered and launched a free Nonprofit Legal Services Initiative. Learn more here: <https://minnesotanonprofits.org/minnesota-nonprofit-legal-services-initiative>
- **Understanding the Impacts of Federal Decisions:** MCN is actively monitoring and responding to a rapidly evolving federal landscape. Learn more here: <https://minnesotanonprofits.org/public-policy/impact-of-federal-decisions>
- **Fundraising support:** There are a variety of resources, publications, and trainings available to support fundraising efforts, including but not limited to:
 - **Minnesota Grants Directory:** An annual directory featuring 100+ of the largest Minnesota foundations.
 - **GrantStation:** A searchable online database of funding opportunities. MCN members can purchase a subscription at a significant discount.
 - **MCN Workshops:** MCN offers a variety of levels of training around grantwriting and individual fundraising.
 - **GiveMN** has a variety of free fundraising resources for nonprofits.

About the Respondents

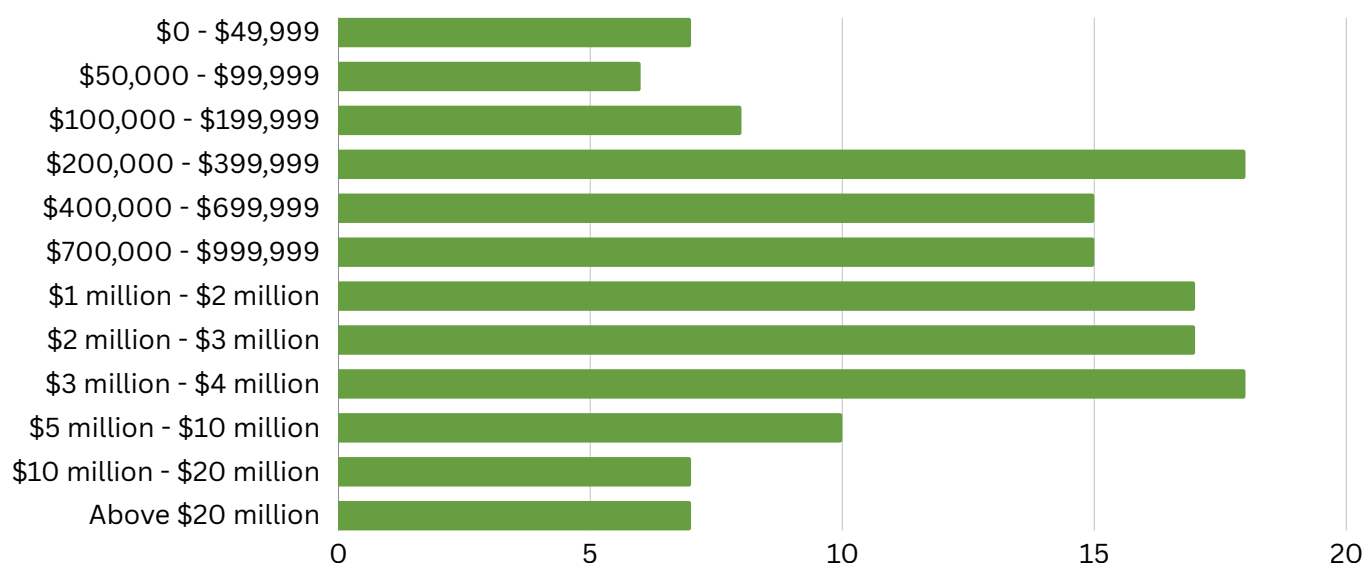
This report shares results from a pulse check survey the Minnesota Council of Nonprofits (MCN) conducted in 2025 from October 3 through October 31, 2025 (150 responses).

Which activity area best describes your organization's work?



About the Respondents Cont.

What is your organization's budget size?



Which county are you located in?

| | | | | | | | |
|-------------------|---|-----------------|----|-------------------|----|----------------------------|----|
| Anoka | 2 | Douglas | 2 | Olmsted | 11 | 7 County Metro | 17 |
| Blue Earth | 1 | Grant | 1 | Ramsey | 18 | Multiple | 4 |
| Carver | 2 | Hennepin | 32 | Rice | 1 | Multiple Greater MN | 20 |
| Cass | 2 | Isanti | 1 | St. Louis | 5 | Statewide | 14 |
| Clay | 1 | Itasca | 1 | Waseca | 1 | | |
| Cook | 1 | Martin | 1 | Washington | 3 | | |
| Dakota | 3 | Morrison | 1 | Winona | 4 | | |

MINNESOTA
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As one of the largest state associations of nonprofits in the country, the **Minnesota Council of Nonprofits (MCN)** joins **nonprofits across interest areas to advance important issues affecting the sector.**

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