

Fundraising in Uncertain Times Times

Making Sense of Chaos - Federal Update and Impact

AFP Global

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Sally Schaeffer, Policy Consultant, Uncorked Advocates

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Presentation Agenda

1 Administration Actions

Funding, staffing, and policies are all changing.

2 Congressional Role

Congress's actions impact the nonprofit sector.

3 Impacts on Non-Profits

Understanding the effects on your organization.

4 AFP's Priorities

Our key focus areas for advocacy.



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Federal Freeze Status



OMB Memo

The White House sought to cut funding for programs conflicting with the President's priorities. Measures aligned with Executive Orders.



Impact

Mass confusion and delays followed. Some initial funding paused, later resumed. Many federal programs supporting vulnerable populations were jeopardized.



Current Status

The memo was rescinded, but Executive Orders stand. Courts are addressing the issue. The freeze was recently extended.

Executive Orders & Federal Staff

Legal Challenges

Administration policies face legal challenges. EOs focused on government reform, immigration, border security, and DEIA.

Lawsuits

There are 100 Federal Lawsuits against administration policies. Some rulings have temporarily blocked the moves.

Federal Staff Impact

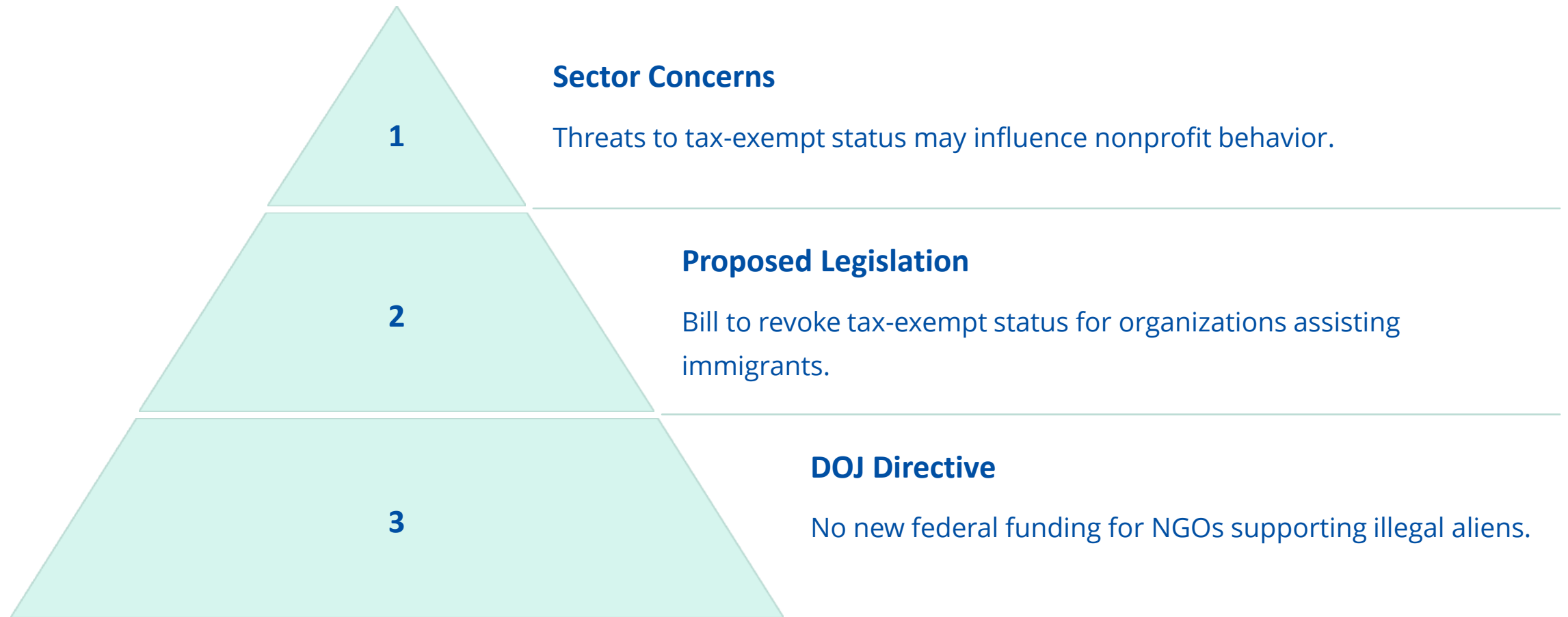
Staff are facing opportunities to resign, firing of probationary employees, and mass layoffs. Processes circumvent standard congressional roles.

Agency Review

Presidential memo directs review of all NGO funding decisions and contracts.



Impact on Migrant-Serving Nonprofits



Budget Resolution and Reconciliation

1

House Approval

The House approved a budget resolution, including \$4.5B for tax cuts.

2

Spending Cuts

\$2B cuts are possible to Medicaid, SNAP, TANF, and Social Services Block Grant.

3

Legislative Process

The framework needs specific programs and spending cuts named before final votes.

4

Advocacy Response

Thousands of groups are advocating to protect key programs serving children and families.



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Federal Appropriations

1

Continuing Resolution (CR)

The Continuing Resolution for FY25 expires on March 14, 2025.

2

CR Discussion

There are discussions to extend the CR through Sept. 30th.

3

GOP vs. Democrats

GOP doesn't want to codify DOGE cuts, but Democrats want program protections.

4

Possible Shutdown

A government shutdown is possible.



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Broad Impact on Nonprofit Sector

The new administration presents significant challenges for nonprofits. Funding freezes and policy shifts create a complex landscape. Nonprofits must adapt to maintain their critical services. Careful financial planning is now essential for stability.



Partisan Red Flags – Board Members

1

Potential Impact

May affect nonprofit partnerships and public perception.

2

Nonprofit Database

Website created to expose officials "driving America into a ditch".

3

Inside Biden's Basement

Lists over 1,300 nonprofits with board members from Democratic administrations.

Nonprofit Sector Response



Legal Action

National Council of Nonprofits part of case to unfreeze funding.



Advocacy

Letter to Hill signed by nearly 5,000 organizations.



Public Support

Polling on support for nonprofit federal funding. There is strong public support.

Bipartisan Agreement: 83% of Republicans & 88% of Democrats agree nonprofits are vital. **Gov. Funding Support:** 58% of Americans believe the federal government should fund nonprofits.

Polling available by Independent Sector and The Nonprofit Alliance



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Individual Organizational Challenges

Language

Uncertainty about using certain terms in grant applications.

Communication

Impact of EOs on website and communication strategies.

Policy Shifts

New guidance on gender identity affecting programs and anti-DEI EOs

Funding

Overall cuts in funding and agency support.



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Appropriations



FY25

Illustrate what communities will look like without federal funding. Show visual impact of budget cuts on local services and infrastructure.



FY26

The process is starting. Check Member of Congress websites and deadlines and submit earmark requests to secure funding for your community.

AFP's Policy Priorities



Priority Focus

Incentivizing Charitable Giving and
Passing Bipartisan Charitable Act



Take Action

Creating opportunity for Chapters and
individual members to highlight value
of existing federal funding:

<https://afpglobal.org/policy-advocacy>



Partnerships

AFP coordinates closely with nonprofit
infrastructure groups (NCN, IS, United
Philanthropy Forum, CoF) and
coalitions to be more effective

Strategy Focus on 1-2 priority areas due to political climate.



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Questions

Join me at ICON session: "How the Tax Cuts and Jobs Act Will Impact Charitable Giving"



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Fundraising in Uncertain Times: How to Be Proactive to Secure Your Funding

**Laura Fredricks, JD, Best-Selling Author,
International Consultant, Trainer**

CEO and Founder: THE ASK®

Laura@ExpertonTheAsk.com

www.LauraFredricks.com



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Introduction



We have a lot to cover knowing that we are so lucky to have you here today representing our profession from solo to large organizations.



We realize that some of you may or may not have a large responsibility to navigate your course of action with things changing on a daily basis.



We are in this together and I have some thoughts and ideas to help you AND we welcome YOUR questions at the end of the session.

What We Will Be Covering Today



The steps you can take to be **Proactive** – **own your numbers**.



The reactions from foundations and corporations and what you can do to maintain those strong relationships and \$\$\$\$.



The conversations you need to be having with individuals who have varying reactions to these changes.

Your Action Steps

The biggest and most important thing you and your team can do is:

Own Your Numbers

- How much in either calendar/fiscal year 2025 were you to receive in federal, state, foundation, corporation, individual money?
- What do you project *on a monthly basis* that you will be receiving/not receiving.
- **Everyone** on your team needs to know this.

Your Action Steps

- Once you have this down, you need open and honest communications with all your supporters (that includes corporations and foundations).
- Don't "assume" people do /do not know you receive federal or state funding.
- I recommend your CEO/ED with the Board Chair schedule now a series of Town Hall meetings, live or on zoom, to make everyone aware.
- If you have/project a funding gap, let them know from what sources; and the exact amount; how you can address it; and if you need their help.

Your Action Steps

- ▶ If you have outstanding multi-year pledges, have the conversation *if the person/entity will continue to honor them on time.*
- ▶ If you have or project a funding gap, you may want to consider *asking the person/entity if they would consider accelerating the pledge payments.*
- ▶ Focus on your “wealthy donors.” If the current budget passes the Senate, they will benefit from additional tax cuts, as well as key corporations. *If you have good relations with them, now is the time to ask them for “significant support.”*
- ▶ Focus on your current/potential planned givers – none of this will stop the estimated **\$105 Trillion “Great Wealth Transfer.”**

Your Action Steps

- ▶ DAF – The money MUST go to a charity!
- ▶ Are you able to “collaborate” with another organization to pool/conservе resources?
- ▶ Can you ask your “endowment” donors to release restrictions so that you can use a portion for operations and programming? Talk openly about ways to bridge your short-term needs, and present plans for long-term reinstatement of any endowments that are altered in this way.
- ▶ **Bottom Line: Own Your Numbers – Have contingency plans – Communicate clearly and honestly with ALL your supporters.**

Corporations

- ▶ Many are shifting away from DEI to “*economic opportunity and education.*” Companies will be doing an in-depth evaluation of their policies, practices and programs, and assessing their risk tolerance.
- ▶ Corporations may start to target certain zip codes, instead of explicitly focusing on race or ethnicity to accomplish a company’s goals.
- ▶ Be aware that the companies’ employee “*matching gifts program*” maybe monitored as well if the selected charities support DEI.
- ▶ Now is the time to get meetings with each corporate supporter – even if it is for your event. Get clear on what THEIR new policies may be and how you can continue your partnership.

Foundations

- ▶ The reactions are so mixed from SILENT – DEFIANT- PRIVATE as the Chronicle of Philanthropy states. Gates, Ford, Wallace, Kellogg , Melon have yet to put out formal statements.
- ▶ MacArthur Foundation is giving out 6% (not 5%) over the next 2 years. Will other Foundations follow?
- ▶ Freedom Together Foundation, formerly called the JPB Foundation, will double its grantmaking to 10% of its endowment in response to the current administration's policies.
- ▶ Get proactive and ask to speak with your contact at each foundation. Ask them how /when/if it will affect your current funding or grant application.

Communications with Individuals

- ▶ Start with your top donors and ask to have a meeting/zoom call.
- ▶ This is a delicate conversation, but one that is on everyone's minds. After catching up with them and when you feel comfortable say:

We at x organization just wanted to keep you apprised of what we are doing in light of recent administration's executive orders.

Then you can share if you have or anticipate a gap, from what sources, and what you will be doing to course correct (meet with corp/foundation supporters; shore-up multi-year pledges; make a concerted effort to market your DAF program, etc)

Communications with Individuals

- ▶ Keep in mind people's own feelings about the current changes fall into 3 buckets:
 1. Totally fine with the new government direction;
 2. Strongly oppose or oppose parts of it; or
 3. Are neutral and taking a "wait and see" approach.
- ▶ See where it goes then say:

Reiterate that your sole purpose was reach out to personally and share that you will do everything to keep your projects and programs going strong. Thank them for their support and pledge to keep them apprised as things go forward.

Communications with Individuals

- ▶ Don't leave this to "chance;" "assume" your supporters know your current financial situation; or believe that foundations and companies will cover your projected shortfall.
- ▶ If your organizations has/will be severely impacted let them know with real numbers not percentages.
- ▶ Remember what many did during COVID. They reached out to donors with an *Emergency Relief Appeal*. You may consider doing such an appeal now.

Questions?



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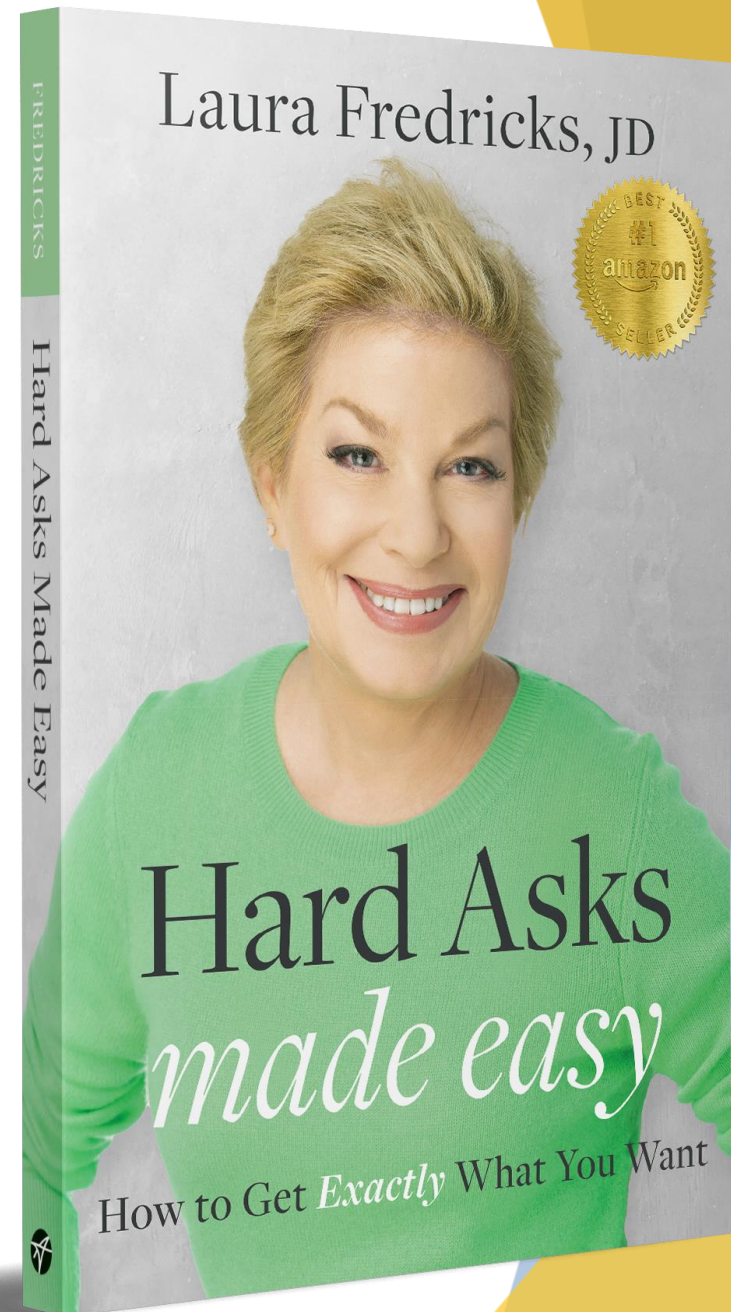


Stay in touch:

Laura@ExpertontheASK.com

www.LauraFredricks.com

(917) 796-2325



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