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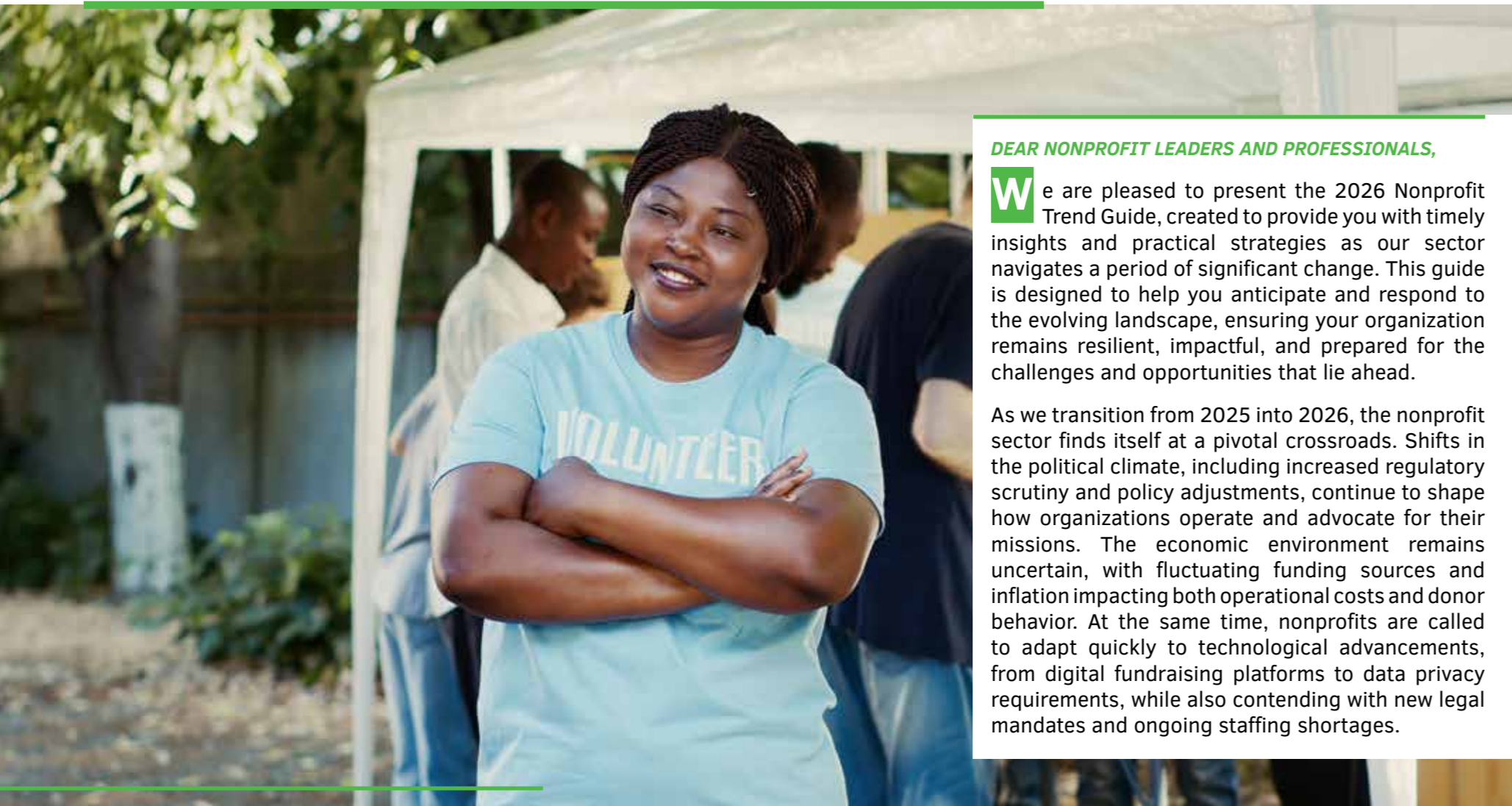
2026 NONPROFIT TRENDS REPORT

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FROM THE EDITORS

CERINI & ASSOCIATES, LLP
CERTIFIED PUBLIC ACCOUNTANTS

2026 NONPROFIT UPDATE



DEAR NONPROFIT LEADERS AND PROFESSIONALS,

We are pleased to present the 2026 Nonprofit Trend Guide, created to provide you with timely insights and practical strategies as our sector navigates a period of significant change. This guide is designed to help you anticipate and respond to the evolving landscape, ensuring your organization remains resilient, impactful, and prepared for the challenges and opportunities that lie ahead.

As we transition from 2025 into 2026, the nonprofit sector finds itself at a pivotal crossroads. Shifts in the political climate, including increased regulatory scrutiny and policy adjustments, continue to shape how organizations operate and advocate for their missions. The economic environment remains uncertain, with fluctuating funding sources and inflation impacting both operational costs and donor behavior. At the same time, nonprofits are called to adapt quickly to technological advancements, from digital fundraising platforms to data privacy requirements, while also contending with new legal mandates and ongoing staffing shortages.

This guide identifies several key trends for 2026. Politically, organizations must stay informed on legislative developments that affect funding and compliance. Economically, diversifying revenue streams and building financial reserves are more critical than ever. In fundraising, the rise of digital engagement tools and personalized donor experiences will shape successful campaigns. Technology will continue to drive innovation, but also demands robust cybersecurity and strategic investments. Legally, nonprofits must be vigilant about changing regulations, particularly around data protection and reporting. Staffing remains a major concern, with recruitment and retention strategies necessary to address burnout and talent gaps.

To succeed in 2026, we recommend prioritizing the following actionable steps: strengthen your organization’s advocacy and compliance efforts; invest in staff development and well-being; diversify fundraising approaches by leveraging technology and storytelling; and build partnerships to expand your reach and impact. Stay proactive in monitoring policy changes and economic signals and ensure your organization’s data practices meet current legal standards.

While opportunities abound, it is essential to avoid common pitfalls such as overreliance on a single funding source, neglecting staff morale, or delaying investment in necessary technology upgrades. Failing to adapt to regulatory changes or ignoring cybersecurity risks can also undermine your organization’s progress.

We hope this trend guide serves as a valuable resource, equipping you with the knowledge and tools needed to thrive in the coming year. Together, by embracing innovation and resilience, we can continue to advance our missions and strengthen the communities we serve.

With optimism for 2026,

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2026 ECONOMIC OUTLOOK: MODERATE GROWTH IN A SHIFTING LANDSCAPE



The 2026 economic outlook points to continued expansion in the U.S. and global economies, though at a slower and more uneven pace than in recent years. Economic forecasts generally anticipate moderate US GDP growth (*approximately 2.2%*), driven by sustained investment in artificial intelligence, data infrastructure, and technology-enabled productivity gains. At the same time, the economy faces ongoing challenges, including policy uncertainty, trade disruptions, and persistent cost-of-living pressures that continue to affect households and organizations alike.

While recession fears have eased, volatility remains a defining feature of the economic environment heading into 2026. Growth is expected to soften early in the year before stabilizing, reflecting a careful balancing act between innovation-driven momentum and structural economic headwinds.

KEY DRIVERS OF THE 2026 ECONOMY

TECHNOLOGY AND AI INVESTMENT

Investment in artificial intelligence, automation, and data centers remains a significant driver of economic activity. Organizations across industries are continuing to deploy capital toward technologies that improve efficiency, scalability, and long-term competitiveness. These investments are expected to support productivity growth, even as other sectors experience slower expansion.

MONETARY AND FISCAL POLICY

Inflation, which has dropped during 2025 from highs of 3.0% to 2.6% at year-end (*its lowest since March of 2021*) is expected to rise again early in 2026, before settling down at about 2.4% by the 4th quarter of 2026. Unemployment, which is hovering around 4.6% (*a healthy level*), is expected to remain flat during 2026, with some minor declines by the end of the year. The flattening labor market is attributable to a slowing labor supply (*aging population and tighter immigration policies*) offset by the impact of AI (*potential job displacement with more expected with Tesla robots to be released during 2026*) and continued economic slowdown as the Feds continue to look to curb inflation.

The current Fed interest rate is 3.5% to 3.75%. It is anticipated that the Feds will drop that rate by the end of 2026 to 3.25% to 3.5%. Any decline in interest rates could stimulate borrowing and investment, but the pace and timing remain uncertain and closely tied to labor market conditions and inflation trends. Fiscal policy decisions will also play a role, particularly in areas related to infrastructure, healthcare, and social services.

THE STOCK MARKET

The Stock Market was strong in 2025, with the S&P growing by approximately 18% for the year. For 2026, you should expect another year of gains, but most likely more modest at between 5 and 10%. Growth will rely more heavily on corporate earnings rather than inflated price earnings ratios, meaning growth will follow economic results, favoring growth industries. Anticipated drops in interest rates should spur corporate spending and push more dollars into the market, driving up stock prices.

CONSUMER SPENDING PRESSURES

Despite steady employment levels, many households continue to face rising costs in essential areas such as housing, healthcare, and food. These pressures are expected to limit discretionary spending and contribute to uneven consumer demand, which may slow growth in certain sectors of the economy. Healthcare costs are leading the charge, with anticipated increases in healthcare spending in excess of 20%. Certain ACA enhanced credits brought about by the American Rescue Plan and Inflation Reduction Act expired at the end of 2025. If Congress does not renew these many lower income individuals will see significant increases in their healthcare premiums.

POLICY AND TRADE UNCERTAINTY

Geopolitical dynamics and trade policy continue to introduce uncertainty into the market. Shifts in tariffs, regulatory changes, and global supply chain adjustments could impact pricing, investment decisions, and long-term planning for organizations operating across borders. We do anticipate a reduction in tariff impact during 2026, which should boost growth in both the United States and China.

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WHAT THE 2026 ECONOMY MEANS FOR NONPROFITS

FUNDING AND PHILANTHROPY

We are expecting continued growth in donations in 2026. Growth is expected to be driven by factors such as the strong stock market (*which impacts foundation assets*), the transfer of generational wealth, and new tax incentives brought about by the “*One Big Beautiful Bill*” (*increased number of itemizers and tax deductions for contributions made by non-itemizers*). The wealthy, with higher levels of discretionary income, will continue to drive charitable giving, with foundation giving expected to increase by 5 to 7% during 2026.

RISING DEMAND FOR SERVICES

Economic moderation often leads to increased demand for nonprofit services, particularly in areas such as food insecurity, housing assistance, healthcare access, and workforce development. As household budgets tighten, more individuals and families turn to nonprofit organizations for support, stretching resources further.

OPERATING COSTS AND FINANCIAL MANAGEMENT

Even as inflation cools, nonprofits continue to face rising costs related to staffing/benefits, program delivery, technology, and facilities. In addition, nonprofits can anticipate declines in government funding, especially in environmental, social services, health, job training, disaster relief, arts, and those covering marginalized communities and immigration related issues. Managing these pressures will require careful budgeting, scenario planning, and, in some cases, rethinking program models to ensure sustainability.

WORKFORCE AND TALENT CONSIDERATIONS

A slightly softer labor market may ease some hiring challenges, but competition for skilled talent remains strong. Nonprofits may need to continue investing in employee engagement, flexibility, communication, leadership, and professional development to retain staff.

STRATEGIC PLANNING AND RESILIENCE

The 2026 economy underscores the importance of long-term planning and financial resilience. Nonprofits need to increasingly focus on building operating reserves, diversifying revenue streams, strengthening partnerships, and leveraging technology to improve efficiency.

LOOKING AHEAD

The economic environment in 2026 is expected to be stable but cautious, marked by innovation-led growth alongside ongoing financial and policy challenges. For nonprofits, success will depend on the ability to remain agile, communicate impact clearly, and align resources with evolving community needs. Organizations that plan strategically and invest in resilience will be well positioned to continue advancing their missions in a changing economic landscape.

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PRESIDENT/CHIEF EXECUTIVE OFFICER
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OF LONG ISLAND



As a nonprofit leader convening and advocating for organizations across Long Island, I see 2026 not as a year where uncertainty lingers in the background, but as one where uncertainty defines the landscape. Financial strain, workforce shortages, and the urgent need for digital transformation remain pressing challenges. Yet the greatest threat lies in the unpredictability of federal priorities. We are already grappling with restricted healthcare access, reduced mental health funding, and weakened housing supports. Looming ahead are deeper cuts to housing subsidies and new regulations that could fundamentally reshape how assistance is delivered—changes that may destabilize nonprofits in ways we have only begun to imagine.

For smaller organizations, these shifts can be catastrophic, stripping away the single funding stream that keeps their doors open and leaving families without the safety net they rely on. Larger nonprofits, though more resilient, face the costly and complex task of adapting operations to new compliance requirements, often with little warning. Across the sector, volatility erodes our ability to plan for the long term, making it nearly impossible to commit to multi-year initiatives or invest confidently in growth.

This is why convening matters. This is why advocacy matters. We must continue to raise a unified voice to ensure that Long Island's nonprofits are not left to shoulder these burdens alone. We must build coalitions that strengthen our collective resilience. Because ultimately, our mission is not simply to endure uncertainty—it is to guarantee that every child, every family, and every neighbor has access to the supports they need to live healthy, fruitful lives.

LAUREN WAGNER

EXECUTIVE DIRECTOR
LONG ISLAND ARTS ALLIANCE (LIAA)



In the arts especially, the gap between community need and organizational capacity is widening. Rising costs, unpredictable funding streams, and increasing expectations from funders are stretching organizations thin. Larger cultural institutions may feel this as pressure on margins and programming scale, while small and mid-sized arts organizations are often just trying to keep the lights on with limited staff and dwindling reserves. At the same time, audiences and communities are turning to the arts for connection, healing, and belonging. That demand is real and growing, but many organizations are struggling to keep up with it, structurally and financially. The risk is that the sector gets asked to do more with less, again.

In 2026, arts nonprofits will be navigating an increasingly complex funding landscape. Private foundations are shifting priorities, and public funding remains inconsistent, which puts real pressure on organizations of all sizes. More funders will ask for evidence of community benefit—not just great programming, but clear outcomes tied to well-being, education, and local economic growth. While this environment will be challenging, it may also push arts nonprofits to rethink collaborations, share resources, and build stronger networks of support across the region.

For arts organizations, there is tremendous opportunity in leaning into cross-sector partnerships. Collaborating with schools, health systems, and community development agencies can bring new audiences, new funding pathways, and a deeper sense of shared purpose. There is real value in pairing storytelling with accessible data so that the arts aren't just seen as “nice to have,” but essential to community well-being and economic health. And especially for smaller organizations, shared services and joint programming can reduce pressure on staff while expanding reach. There's a real opportunity to build shared momentum in 2026 by approaching the work collaboratively and with purpose.

JAN FISHER

EXECUTIVE DIRECTOR
NONPROFIT WESTCHESTER



Nonprofits in New York and across the country are confronting unprecedented financial and operational strain, especially those that contract with governments. Chronic delays in State and local contracting and funding, inconsistent processes across agencies, and reimbursement timelines stretching six months or longer are jeopardizing the stability of organizations delivering government mandated and essential public services. Nonprofits in Peril highlights that one-third of nonprofits with New York State contracts are owed payment for services already delivered, totaling at least \$58 million, with potential statewide arrears exceeding \$650 million. These funds have been appropriated but are withheld due to administrative bottlenecks and outdated systems.

These challenges hit organizations through:

- increased administrative burden navigating inconsistent contracting processes; this time is often not reimbursable
- cumulative financial strain that limits capacity to innovate, invest in staff, or expand needed services
- unsustainable debt or loans
- reduced services

Meanwhile, 65% of nonprofits statewide report concern about funding basic operations in 2025 at a time when federal uncertainty is amplifying demand for services. This instability threatens the safety net millions of residents rely on.

Looking ahead, three trends stand out:

- Government contracting reform will become a defining sector priority as nonprofits continue sounding the alarm and push for legislative and administrative reforms to modernize contracting, improve consistency, and ensure timely payment
- Technology adoption will accelerate but unevenly as AI-supported tools, data automation, and digital service models expand; without adequate funding for overhead and infrastructure, many nonprofits will struggle to adopt these tools equitably
- Workforce pressures will intensify as wage disparities continue to drive recruitment and retention challenges, prompting increased advocacy for wage parity, cost-of-living adjustments, and investment in the nonprofit workforce

There is strength in numbers, and nonprofits have the opportunity to focus collaboratively to strengthen both sector and organizational stability:

- proposed policy and legislative reforms would improve consistency and transparency in contracting, streamline renewals, ensure clear payment schedules, guarantee automatic contract advances, require interest on late payments, recognize and reimburse the real cost of services including overhead, and prevent nonprofits from being penalized for minor administrative errors
- increased collaboration and coalition-building across subsectors as organizations advocate for shared priorities and build funding and programmatic partnerships
- greater focus on financial resilience through long-term financial planning, reserve strategies, and diversified funding models
- support from the business sector, as nonprofits educate the for-profit sector about current contracting challenges and inefficiencies to bring them on as advocates for an improved contracting system

YOLANDA ROBANO-GROSS

EXECUTIVE DIRECTOR
OPTIONS FOR
COMMUNITY LIVING, INC.



The nonprofit sector faces significant challenges in 2026, with grants and funding streams ending without renewal, including HUD and COC programs, alongside budget cuts and limited funding for staffing. Rising costs, from medical and operational insurance to IT platforms, will affect organizations of all sizes, but smaller nonprofits may struggle to continue operating, leading to job losses and reduced services for clients.

Major trends expected next year include further funding cuts and reallocations, donors giving less than historically, low housing inventory, increased rental property costs, and changes in the political environment on Long Island. Technology, particularly artificial intelligence, will play an increasingly central role in how nonprofits respond to these pressures, helping streamline operations and decision-making.

Emerging opportunities for nonprofits in 2026 include embracing digital tools, utilizing AI to enhance efficiency, forging stronger community partnerships, and implementing updated applicant tracking systems to recruit the most appropriate candidates. Organizations that adopt these strategies and leverage technology will be better positioned to sustain operations, strengthen their impact, and adapt to the evolving landscape.

ACTIVE, ACCOUNTABLE, AND IMPACTFUL: BOARD LEADERSHIP TRENDS FOR 2026

Strong boards are no longer just a formality—they are **strategic partners in driving mission success**. In 2026, nonprofit boards are expected to be more engaged, accountable, and forward-thinking than ever. From active oversight and committee participation to diverse recruitment that values talent alongside financial contributions, today's boards play a critical role in ensuring organizational resilience, transparency, and long-term impact.

1. ACTIVE, ACCOUNTABLE BOARDS DRIVE ORGANIZATIONAL SUCCESS

- ▶ Boards are expected to go beyond compliance check-ins to *actively monitor organizational performance, risk, and stakeholder trust*.
- ▶ Clear reporting structures such as dashboards or centralized data repositories help boards ask the right questions and follow up on progress, reinforcing accountability and transparency.

BEST PRACTICE TIP:

Introduce formal board scorecards or quarterly progress reports that measure engagement in key areas like governance, fundraising follow-through, committee activity, and strategic questioning.

2. BOARD RECRUITMENT: IT'S NOT JUST ABOUT THE MONEY

- ▶ Time, talent, and network matter just as much—if not more—than financial contributions.
- ▶ Board members bring value through technical expertise (*legal, finance, tech, marketing*), community relationships, volunteer capacity, and mission-aligned passion.
- ▶ Use a **skills matrix** to identify both current strengths and gaps, ensuring each new member fills a strategic need.

RECRUITMENT BEST PRACTICES:

- ✓ *Map board skills to identify gaps (finance, compliance, fundraising, IT, community ties).*
- ✓ *Engage existing members to identify prospects from professional and community networks.*
- ✓ *Prioritize diversity of perspective.*
- ✓ *Highlight non-monetary contributions like volunteer leadership and advocacy.*

3. UPSKILLING BOARDS & SUSTAINED ENGAGEMENT

- ▶ Emphasis on ongoing training in areas like regulatory compliance, digital risk, and ethical oversight.
- ▶ Proactive, educated boards ask meaningful questions and support strategic decisions.
- ▶ Scenario planning and tabletop exercises strengthen resilience against emerging risks.

ACTION STEP:

Schedule regular board education sessions annually, including workshops on compliance updates, fundraising strategies, or technology governance.

4. FOSTERING A CULTURE OF ACCOUNTABILITY

- ▶ **CLEAR EXPECTATIONS:** *Outlining responsibilities, attendance norms, and committee roles.*
- ▶ **REGULAR PERFORMANCE REVIEWS:** *Board self-assessments or peer feedback loops.*
- ▶ **TRANSPARENT COMMUNICATION:** *Share governance practices and oversight results with stakeholders.*
- ▶ **EFFECTIVE COMMITTEES:** *Active committees extend the board's reach and ensure accountability.*

5. SUCCESSION PLANNING & LONG-TERM RESILIENCE

- ▶ Thoughtful succession plans reduce disruption and ensure continuity of mission if key leaders transition.
- ▶ Skills matrices guide recruitment and succession planning for strategic leadership continuity.

The most effective boards combine **engagement, accountability, and strategic recruitment** to create lasting value. By prioritizing skills, diversity, and continuous learning, nonprofits can cultivate boards that do more than govern—they **lead with purpose, drive results, and strengthen community trust**. Investing in strong board leadership today sets the stage for sustainable impact tomorrow.

MATTHEW BURKE, CPA
PARTNER
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NICOLE FRISINA

MANAGER
YOUR PART-TIME
CONTROLLER, LLC

If nonprofits learned anything in 2025, it was how to be resilient and creative with their funding when their routine streams of revenue were being reduced or eliminated entirely. Heading into 2026, one of the biggest concerns for the nonprofit sector is leadership turnover. Many organizations are seeing a wave of retirements and departures of leadership roles, which can have a major impact. For larger nonprofits, losing key leaders like a CFO or CEO can quickly disrupt funding, compliance, and strategic direction. Smaller organizations may find that even a single departure can stall programs or, in some cases, halt operations entirely. That's why succession planning is more important than ever. Nonprofits and their boards should be proactive by defining interim authorities, documenting essential processes, and considering external support to help navigate these transitions. Think of succession planning as a having a playbook – when change happens, everyone knows their role and the steps to take, which helps the organization stay focused and resilient.

Another trend to watch is the growing role of artificial intelligence. In 2025, AI proved its value by streamlining routine tasks and boosting efficiency across departments. Looking ahead, we're seeing AI become increasingly important in fundraising, opening up new possibilities for nonprofits to strengthen their impact. For example, nonprofits are leveraging AI-powered tools to analyze donor data and identify patterns that help predict giving behaviors. This allows organizations to personalize outreach, tailor campaigns to specific audiences, and ultimately increase donor engagement. AI can also automate the drafting of fundraising emails, segment donor lists, and recommend optimal times for outreach, making campaigns more effective and less labor-intensive. Beyond communications, AI is being used to streamline event planning, manage online giving platforms, and even forecast fundraising outcomes based on historical data. These innovations enable nonprofits to allocate resources more strategically and respond quickly to changing circumstances. By embracing AI, nonprofits can strengthen their fundraising efforts, reach new supporters, and maximize their impact in an increasingly competitive landscape.

Ultimately, nonprofits should continue to build resilience, embrace scenario planning, and stay open to new technologies. By preparing for workforce changes and leveraging innovative tools, organizations can position themselves to thrive in the rapidly evolving landscape.



JUDY SIEGEL

SENIOR STAFF ATTORNEY
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The nonprofit sector is facing significant challenges, including an increasing need for services and growing uncertainty about future funding. These challenges are impacting smaller organizations initially, as we have unfortunately begun to see an increase in the number of dissolutions in the nonprofit sector. Given the shrinking (or elimination) of federal funding to larger institutions, we may soon see larger nonprofits either significantly reducing programming or dissolving. Nonprofits that do not receive federal funding must also anticipate a reduction in state and local funding, as these funding sources are already receiving less federal funding than in years past. Lack of funding to the states and local governments will undoubtedly trickle down to the nonprofit sector.

A decrease in funding and an increase in needed services has highlighted the need for nonprofits to operate more strategically. Nonprofits need to analyze the cost of providing services as a function of the impact those services are having on the community being served. As a result of this analysis, a growing number of nonprofits have recognized the need to either: 1) reduce costs – often through a shared service/space model with other nonprofits; or 2) eliminate programs that are not a cost-effective method of combatting a need. These organizations are entering into shared service agreements, space-sharing agreements, reducing staff and eliminating programming (with a corresponding reduction in workforce), and/or focusing more on serving as a provider of resources rather than services. This reduction in programming, or decision to cease operations entirely, has also led to an increase in mergers. These mergers are causing boards of directors to step back, assess how their boards are operating, and commit to reviewing and revising core governance documents. By strengthening these documents, and their organization's structural underpinnings, boards of directors have increasingly been focused on their oversight role.

Nonprofits must be forward thinking and have multiple iterations of their budgets. In addition to a projected budget, it is critical that an organization have a "worst case" or multiple "bad case" scenarios thought through in advance. This means identifying and preparing for reductions in programming and staffing. In addition, thoughtful leaders are re-examining the deployment of resources (can employees' time be staggered or more effectively utilized, is a shared service agreement a possibility, can it sub-let some space it no longer utilizes).



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This is a particularly difficult moment for nonprofit leadership and for the sector. Our nonprofit clients face new political, legislative, regulatory, and judicial challenges, and we have been inundated with an unprecedented volume of internal disputes at nonprofits, often involving governance matters. This is compounded by the challenges already facing nonprofits, including pressures from funders, a shifting fundraising environment, a shifting workforce and workplace, and the continuing need to upgrade information technology infrastructure and protect against cybersecurity threats.

In the face of this array of challenges, nonprofit leaders cannot and must not take their eyes off the proverbial governance ball. I often point out to my clients that nonprofit governance is not rocket science. While this reality is comforting, and good governance is readily attainable, it is not easy. It requires a continual commitment to systematically implementing governance requirements and best practices. This commitment must be consistently maintained, even in times such as these, where nonprofits face so many competing demands. Quite simply, nonprofit leaders cannot afford to divert their attention from governance requirements. Governance requirements are, quite literally, the law. Failure to comply, regardless of extenuating circumstances, creates a crescendo of risks that jeopardize operations, funding, and reputation, and can ultimately compromise a nonprofit's ability to fulfill its mission.

Moreover, governance failures can, and far too frequently do, lead to breach of fiduciary duty claims against officers and Board members, which in turn can result in personal liability. Nonprofits are well advised to avoid a descent down these slippery slopes and to renew and maintain their commitment to good and sound governance, particularly in these highly charged and challenging times.

It starts with the basics, such as properly electing the Board and delivering the required annual financial report at the mandatory annual meeting. Organizations must ensure that all corporate actions are properly authorized and that activities fall squarely within the purposes set forth in the Certificate of Incorporation. Bylaws must comply with the requirements of the Not-for-Profit Corporation Law, and policies and committees must meet all applicable legal standards.

Succession planning and strategic planning for long-term sustainability are also essential, along with maintaining engagement with the Board, staff, supporters, and donors. Layered on top of this is the fundamental importance of internal financial controls and compliance with an ever-expanding raft of governance requirements, all while protecting both the organization and individual leaders from liability.

Nonprofits will need to continue to evolve and adapt at an unparalleled pace, all while keeping their eyes trained on the governance ball that is always in the air.



SOPHIA SHAW

CO-FOUNDER
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Nonprofits are facing increasing pressure to integrate strategy, leadership, and risk into a single, ongoing management practice. Too often, strategic planning is treated as a one-time exercise and succession as an emergency response, even though both are core elements of risk management. Smaller organizations struggle to sustain this integration due to limited capacity, while larger ones may have the tools but lack the discipline to keep them active and aligned.

Boards are starting to recognize succession planning as a critical part of enterprise risk management, rather than just an HR or governance issue. Audit committees and board chairs should be asking the same questions about leadership continuity that they ask about financial controls. This shift is driving the creation of "living plans" that combine strategy, risk monitoring, and leadership development into a single, cohesive framework—made possible with technology and simple data dashboards.

By positioning planning as a continuous process that connects goals, risks, and accountability, nonprofits can embed succession planning into the same rhythm. When leadership risk is reviewed alongside strategic and financial risk, organizations become steadier during transitions and better equipped to adapt to change.

NAVIGATING THE FUTURE OF NONPROFIT HR: STRATEGIC PRIORITIES FOR 2026



As nonprofit leaders develop their 2026 strategic plans, the changing business culture presents both significant challenges and transformative opportunities. The organizations that will thrive are those that proactively align their HR strategies with emerging trends, positioning people practices as a driver of mission impact rather than a reactive function. Here's how to prepare your organization for the year ahead.

THE BIGGEST HR CHALLENGES FACING NONPROFITS IN 2026

The fundamental challenge facing nonprofit HR in 2026 is responding to and planning for a rapidly evolving business culture, one shaped by technological disruption, shifting workforce expectations, and new models of organizational leadership. These challenges manifest differently across organizations, but the underlying pressures are universal:

TALENT COMPETITION IN A TRANSFORMED MARKET

Nonprofits compete not only with each other, but with for-profit companies offering remote flexibility, skills-based career paths, and purpose-driven missions. The traditional *"mission premium"* that once compensated for lower salaries is no longer sufficient to attract and retain top talent, particularly among younger workers who expect both purpose and competitive compensation.

RESOURCE CONSTRAINTS MEET TECHNOLOGY IMPERATIVES

While AI and advanced HR technologies promise efficiency gains, many nonprofits lack the infrastructure, expertise, or budget to implement them effectively. This creates a widening gap between organizations that can leverage technology for strategic advantage and those falling behind.

CULTURAL ADAPTATION AND CHANGE FATIGUE

After years of pandemic-related disruption, economic uncertainty, and organizational pivots, nonprofit employees and leaders are experiencing change fatigue. Yet the pace of transformation is accelerating, not slowing, requiring renewed approaches to change management and organizational resilience.

MAJOR TRENDS RESHAPING NONPROFIT HR IN 2026

Four critical trends will define nonprofit HR strategy in the coming year:

1. RESPONDING TO AI AND TECHNOLOGY INTEGRATION

Artificial intelligence is moving from experimental to essential. In 2026, nonprofits will increasingly adopt AI to automate administrative tasks, enhance donor engagement, and inform program delivery. For HR specifically, this means:

- ▶ **Strategic AI adoption** that frees HR teams from transactional, administrative work to focus on strategic workforce planning, organizational development, and culture-building.
- ▶ **Upgraded HR technology systems** that integrate payroll, performance management, learning, and analytics into cohesive platforms providing real-time workforce insights.
- ▶ **Predictive analytics capabilities** that help anticipate turnover risks, identify skill gaps, and forecast future talent needs before they become critical.

The key is ensuring technology serves people, not the reverse. HR leaders must champion human-centered AI implementation that enhances rather than replaces the relational aspects of people management.

2. PREPARING FOR AI'S IMPACT ON THE WORKFORCE

Technology adoption creates workforce implications that extend far beyond the HR department:

- ▶ **Skills-based hiring and workforce planning** will replace traditional credential-focused recruitment. Nonprofits will assess candidates based on demonstrated capabilities, learning agility, and cultural alignment rather than degrees or years of experience.
- ▶ **Continuous upskilling and reskilling** will become core business priorities, not optional professional development. Organizations must build learning cultures where employees regularly acquire new competencies to work alongside AI tools and meet evolving program needs.
- ▶ **Hyper-personalized employee experiences** enabled by AI will allow nonprofits to tailor learning paths, career development, and recognition to individual employee preferences and goals, creating engagement even with limited resources.

3. MOBILIZING LEADERS FOR CHANGE IN TALENT STRATEGIES

The complexity of modern talent challenges demands a fundamental shift in how HR operates:

- ▶ **HR as strategic partner:** HR leaders must move from supporting roles to collaborative partners in organizational strategy, bringing workforce insights to program planning, technology decisions, and mission delivery discussions.
- ▶ **Skills-based leadership development:** Identifying and developing future leaders based on competencies and potential rather than tenure or credentials opens pathways for diverse talent and strengthens succession planning.
- ▶ **Global talent strategies:** As remote work expands geographic reach, organizations must balance standardized global approaches with local compliance requirements, cultural nuances, and market conditions.

This transition requires executive leaders to actively position HR at the strategic table and invest in HR capabilities that go beyond traditional personnel administration.

4. ADDRESSING ORGANIZATIONAL CULTURE IN TIMES OF CHANGE

Culture is both a challenge and an opportunity in 2026:

- ▶ **Performance management evolution:** Moving from annual reviews to continuous feedback models with clear expectations, meaningful recognition, and structured growth paths helps combat nonprofit burnout and mission fatigue.
- ▶ **Enhanced employee experience and well-being:** Creating positive, engaging workplaces through robust well-being programs, flexible work arrangements, and inclusive practices is essential for retention.
- ▶ **Change leadership and resilience:** Chief HR Officers must lead organizational change management, helping teams navigate AI adoption, new work models, and strategic shifts while fostering cultures where change is normalized rather than feared.
- ▶ **Fluid workforce ecosystems:** Successfully managing hybrid, remote, and in-office employees requires intentional practices that create consistent and inclusive experiences regardless of work location.

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STRATEGIC PRIORITIES FOR NONPROFIT LEADERS

To align HR strategy with 2026's business realities, nonprofit leaders should prioritize:

IMMEDIATE ACTIONS:

- ▶ *Conduct an honest assessment of current HR technology and identify critical gaps limiting strategic capability.*
- ▶ *Develop clear AI adoption roadmaps with change management plans that address employee concerns and build competency.*
- ▶ *Begin shifting recruitment practices toward skills-based approaches, revising job descriptions and interview processes accordingly.*

ONGOING FOCUS:

- ▶ *Embed continuous learning into organizational culture through accessible micro-learning, cross-functional projects, and clear career pathways.*
- ▶ *Position HR leadership as strategic contributors to mission delivery, not administrative support.*
- ▶ *Build organizational change capacity through transparent communication, employee involvement, and recognition of change efforts.*

LONG-TERM INVESTMENT:

- ▶ *Create data-driven workforce planning capabilities that anticipate (rather than react to) talent challenges.*
- ▶ *Develop flexible talent ecosystems that support various work arrangements while maintaining mission alignment and collaborative culture.*
- ▶ *Foster resilient organizational cultures where adaptability, learning, and innovation are celebrated.*

MOVING FORWARD

The nonprofits that will lead in 2026 are those that recognize workforce challenges as opportunities for transformation. By proactively aligning HR strategies with technological advancement, evolving workforce expectations, and changing business cultures, organizations can build workplaces where talented people choose to build careers in service of mission.

The future of nonprofit HR is not about managing change; it's about leading it. As you craft your 2026 strategy, consider how these trends intersect with your organizational context and where targeted investments in people practices can drive the greatest mission impact.

JILL KRUMHOLZ
FOUNDER & CEO
TALENT MANAGEMENT SOLUTIONS



EDWARD PROBST
PRESIDENT
VANGUARD BENEFITS

The biggest challenges facing the nonprofit sector in 2026 center around rising costs, workforce pressures, and increasing administrative complexity. Healthcare and employee benefits costs continue to escalate faster than budgets, putting the greatest strain on small and mid-sized nonprofits that rely heavily on fully insured plans. Larger organizations may be better positioned to adopt self-funded strategies, direct-to-employer networks, or alternative funding models, but even they will feel pressure to control spending while maintaining competitive benefits.

At the same time, talent shortages and wage competition are intensifying. Nonprofits are competing with private-sector employers that can offer higher salaries, greater flexibility, and more robust benefits and wellness resources. This gap is especially pronounced among smaller nonprofits that lack dedicated HR departments and struggle to offer desirable benefits like flexible work arrangements or comprehensive mental health support. Larger organizations may have access to more tools, but still face rising employee expectations around culture, workload, and well-being. Small nonprofits need to be creative and think outside the box when designing their benefit packages to remain competitive in the labor market.

These pressures are compounded by growing regulatory and compliance demands, along with increased funding uncertainty and donor scrutiny. Small nonprofits are particularly vulnerable as they juggle complex HR and reporting requirements with limited staff, which is part of why PEO adoption continues to rise in the sector. Larger nonprofits face their own administrative burdens as grant reporting and pay transparency requirements expand. Across the board, organizations that embrace strategic partnerships, explore alternative benefits funding models, invest in mental health support, and streamline operations through technology will be best positioned to navigate the challenges of 2026.



DOUGLAS ROWE
PARTNER OF LABOR AND EMPLOYMENT
PRACTICE GROUP
CERTILMAN BALIN, ADLER, & HYMAN, LLP

For 2026, big employment law challenges for nonprofits involve keeping pace with rising wages & inflation, navigating complex NY/NYC minimum wage hikes, managing staffing shortages amid fierce competition, adapting to new federal tax/withholding rules, and balancing flexible work (hybrid/remote) with funding shortfalls for competitive salaries, all while addressing potential issues like unpaid work & burnout. In addition, using innovation and new strategies through the use of AI will help efficiency throughout the organization. And, as always, it is crucial to stay ahead of state and federal employment law changes to remain compliant.

In 2026, nonprofits will face intensified focus on diversity, equity, and inclusion (DEI) enforcement (especially under Executive Order 14173), evolving benefits (like paid leave/mental health), stricter data privacy, and state-specific rules. Key trends involve aggressive anti-discrimination enforcement, demands for greater transparency, adapting to AI's impact, managing hybrid work legalities, and updating policies for new leave/safety laws, all while balancing mission with increasing compliance burdens.

Nonprofits can turn potential compliance challenges into opportunities for recruitment, retention, and operational efficiency. A proactive approach to evolving regulations will minimize legal risk and build trust with employees. Conducting comprehensive internal audits, updating employee handbooks and training, and strengthening documentation to demonstrate compliance is key.

2026 NYC SALARY REPORT



ABOUT PNP:

Since 1996, PNP STAFFING GROUP, also known as Professionals for NonProfits, has been providing talent exclusively to the nonprofit sector. Specializing in Executive Search and Direct Hire, Interim Professionals, Consultants, and Contract/Temporary Staff – we offer every staffing solution a nonprofit may need in your organization or remotely.

With a deep understanding of the nonprofit sector, local expertise with a national reach, and 25 years of experience, PNP helps organizations make smart hiring decisions to advance their mission, and build diversity, sustainability, and capacity.



STABILIZATION AND GROWTH

79% of nonprofits maintained or grew staff in 2025, signaling a return to stability after several volatile years.

85% of nonprofits plan to maintain or grow their teams, with **38% planning to add staff** and only **7% expecting reductions**. This reflects renewed sector confidence and a shift from survival to strategic growth.

PERSISTENT CHALLENGES

TOP CHALLENGES FOR 2026:

81% Budget constraints

55% Burnout and workload

38% Lack of qualified candidates

Turnover: While turnover has normalized for many, it remains elevated in fundraising, finance, and technology roles. About **15% of organizations** still report high churn, especially in mission-critical positions.

COMPENSATION AND RETENTION

- **78% of organizations increased salaries** to keep pace with market rates, but some froze pay to protect programs.
- Pay transparency, structured salary ranges, and equity reviews are becoming standard, especially in larger organizations.
- Retention is now prioritized over recruitment, with investments in market pay, flexible work, and professional development seen as the best defense against turnover.

HIRING MARKET REALITIES

HIRING REMAINS DIFFICULT DUE TO:

- **Salary competition** (especially from hybrid/remote employers)
- **Shortage of mission-ready skills** (e.g., fund accounting, major gifts, bilingual services)
- **Flexibility misalignment** (many candidates want remote work, but many nonprofits require on-site roles)

The hiring process is often slow, leading to lost candidates. Faster, more transparent processes and clear salary bands are winning strategies.

According to the 2026 PNP Nonprofit Report

BACK-OFFICE AUTOMATION: DRIVING EFFICIENCY AND IMPACT IN 2026

Nonprofits are facing an unprecedented challenge in 2026 with opposing factors putting a squeeze on nonprofit resources and capabilities. 2026 is expected to see a **soaring demand for services (90%)** with **shrinking resources (81% struggling with funding)**, coupled with rising operational costs (86%) and widespread staff burnout to resulting in the need to do more with less. Organizations must deliver on their missions while navigating economic uncertainty, making **internal efficiency and back-office automation** more critical than ever.

Behind every successful nonprofit is a strong operational backbone: human resources, IT, accounting, compliance, and reporting. These back-office functions often go unnoticed but are essential to **support the programs and services that drive donor engagement and community impact**.

Yet many nonprofits face a significant digital hurdle: outdated systems, manual processes, and limited resources drain time and energy that could otherwise be spent on mission-critical work. Automation offers a solution. By streamlining workflows, reducing errors, and improving data visibility, nonprofits can optimize operations, enhance reporting, and free staff to focus on what matters most—the mission.

THE CHALLENGES OF BACK-OFFICE AUTOMATION

LEGACY SYSTEMS

Many nonprofits rely on outdated software that does not integrate well or provide real-time insights. Legacy accounting or ERP systems may have been adequate when first implemented, but they often fail to meet the reporting and operational demands of today's donors, grantors, and regulatory bodies.

LIMITED BUDGETS

While automation promises efficiency, upfront costs can be daunting. Nonprofits must prioritize solutions aligned with organizational needs rather than chasing the latest products or trends. **Building a blueprint**—mapping workflows, identifying pain points, and defining desired outcomes—is essential before investing in technology.

CAPACITY AND CHANGE MANAGEMENT

Implementing automation requires staff training, process standardization, and culture change. Without preparation and ongoing support, even the best tools can fail to deliver their potential. Staff adoption and buy-in are critical; the most advanced systems are ineffective if teams do not embrace new ways of working.

BUILDING A STRONGER, SMARTER BACK OFFICE

A smarter back office starts with a structured approach that combines **process optimization, emerging technologies, and practical strategies** to maximize efficiency, reduce costs, and increase impact.

1. BUILD YOUR BLUEPRINT

Map out existing processes, define priorities, and establish measurable outcomes. This ensures technology investments align with organizational needs and allows leaders to communicate impact clearly to boards and donors. A thoughtful blueprint also demonstrates the **cost-benefit of automation**, showing how much staff time and resources can be saved, and the potential return on investment.

2. STREAMLINE DONOR, GRANT, AND VOLUNTEER MANAGEMENT

Integrated platforms give nonprofits a **single source of truth** for tracking donations, grants, and volunteer activity. Real-time reporting enables accurate impact measurement and strengthens relationships with stakeholders. Efficient systems also make it easier for donors to see tangible results, connecting **back-office improvements to public-facing mission impact**.

3. AUTOMATE ROUTINE TASKS

Repetitive tasks like data entry, payroll, scheduling, and reporting can be automated, freeing staff to focus on strategic initiatives. Emerging tools, including AI and **robotic process automation (RPA)**, can handle these tasks efficiently, reduce errors, and enhance productivity.

PRACTICAL TIPS TO MAKE AUTOMATION WORK:

- ▶ **Start Small:** Focus on high-impact processes first.
- ▶ **Provide Training:** Initial and ongoing staff education ensures everyone can use the tools effectively.
- ▶ **Measure Success:** Track KPIs aligned with mission outcomes, such as donation growth, volunteer engagement, or event attendance.
- ▶ **Communicate Progress:** Share back-office improvements with donors and stakeholders to demonstrate efficiency and accountability.

4. PRIORITIZE COMPLIANCE AND FINANCIAL STEWARDSHIP

Automation improves accuracy in accounts payable and receivable, ensures adherence to regulations, and simplifies audit preparation. Cloud-based ERPs make compliance less burdensome while enabling timely reporting.

5. CONSOLIDATE DATA ACROSS PROGRAMS

Disparate systems make reporting and analysis difficult. Modern ERPs and cloud solutions consolidate data from volunteers, donors, grants, and financial systems, enabling smarter decision-making, more timely and accurate reporting, and operational visibility.

6. OUTSOURCE STRATEGICALLY

Outsourcing functions such as accounting, IT, and HR can reduce costs, provide specialized expertise, and improve operational consistency. Smaller nonprofits benefit particularly from access to skills they could not afford full-time.

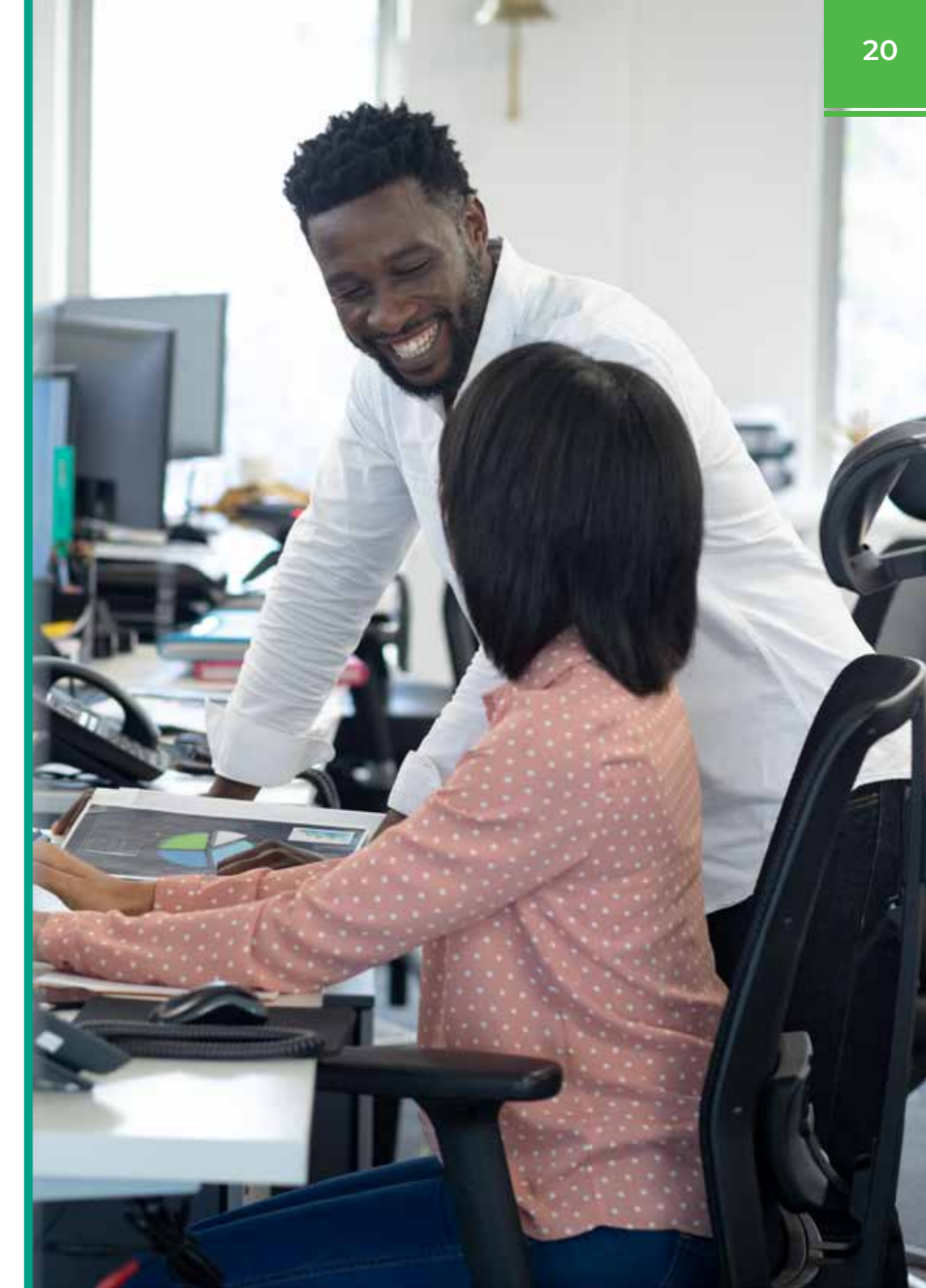
7. LEVERAGE EMERGING TRENDS AND TECHNOLOGY

- ▶ **Cloud-Based ERPs:** Scalability, integration, and accessibility drive adoption.
- ▶ **AI and Predictive Analytics:** Forecast funding needs, analyze donor behavior, and inform strategic decisions.
- ▶ **Robotic Process Automation:** Streamline internal workflows and enhance donor interactions.
- ▶ **Cybersecurity Focus:** Protect sensitive donor and client data to maintain trust.
- ▶ **Data-Driven Decision Making:** Use KPIs and dashboards to guide operations, fundraising, and program delivery.

Back-office automation is no longer optional. By modernizing systems, standardizing processes, leveraging emerging technologies, and strategically outsourcing, nonprofits **can reduce costs, improve transparency, and focus resources on mission-critical work**.

Investing in staff adoption, showing measurable cost-benefit, and connecting operational efficiency to visible program impact ensures nonprofits thrive despite economic pressures. Streamlined back-office operations enable organizations to **do more with less, maximize mission impact, and demonstrate real results to donors and communities**.

ALBERT BORGHESE, CPA
PARTNER
CERINI & ASSOCIATES, LLP



INSURANCE OUTLOOK FOR THE NON-PROFIT SECTOR IN 2026



The insurance marketplace for the non-profit sector is expected to experience several significant trends and changes in 2026. Here are some major trends for the Non-Profit sector:

- ▶ **CYBER LIABILITY INSURANCE DEMAND:** Growing reliance on digital platforms is driving increased need for cyber coverage to protect against data breaches and cyber-attacks.
- ▶ **DIRECTORS & OFFICERS (D&O) INSURANCE:** Heightened focus due to increased governance scrutiny and financial management regulations.
- ▶ **RISK MANAGEMENT EMPHASIS:** Insurers may incentivize non-profits to adopt robust risk management practices, including safety programs for property, casualty, and auto exposures.
- ▶ **PREMIUM ADJUSTMENTS:** Economic factors and claims history will influence rates. Proactive risk management can lead to more favorable premiums.
- ▶ **KEY CHALLENGES:** Rising insurance costs increased natural disasters (climate change) and cybersecurity threats pose significant risks.

One of the key issues facing the non-profit sector in 2026 will be the continued rising cost of insurance premiums. These organizations often operate on limited budgets, and higher premiums can strain their financial resources. Additionally, the increased frequency and severity of natural disasters due to climate change poses a greater risk, leading to higher claims and potentially less availability of affordable coverage.

Non-profit organizations will need to adopt more robust risk management strategies to navigate the complex regulatory and economic landscape. These include strategies to offset property, casualty, and cybersecurity exposures.

RECOMMENDED RISK MANAGEMENT STRATEGIES

- ▶ Implement risk transfer procedures (contracts, indemnifications, additional insured provisions).
- ▶ Conduct regular cybersecurity audits and invest in advanced security technologies.
- ▶ Develop comprehensive disaster recovery and business continuity plans.
- ▶ Establish safety programs for property and casualty exposures.
- ▶ For larger, complex risks: Consider alternative risk financing (captive insurance, risk retention groups).

PRICING & COVERAGE EXPECTATIONS & AVAILABILITY OF COVERAGE		
COVERAGE TYPE	EXPECTED RATE CHANGE (2026)	FACTORS DRIVING EXPECTED CHANGES
PROPERTY (AVERAGE RISK)	+10% TO +25%	Driven by natural disaster risk and ongoing loss trends.
AUTO	+5% TO +25%	Frequent/severe claims, medical cost inflation.
GENERAL LIABILITY	+3% TO +25%	Ongoing claim trends.
ABUSE & PROFESSIONAL	+15% TO +20%	Legislative changes, claims reporting increases and reinsurance reductions resulting in lower limits being offered on renewal.
UMBRELLA	+20%	Massive jury awards, settlements, and reductions in reinsurance limits resulting in lower limits being offered on many renewals.
CYBER LIABILITY	FLAT	Stable rates, but coverage remains crucial.

CONTINUED ON NEXT PAGE

KEY CLAIMS ISSUES FOR THE NON-PROFIT SECTOR

- ▶ **ABUSE & MOLESTATION:** Highest severity and reputational impact; retroactive claims and increased reporting.
- ▶ **EMPLOYMENT PRACTICES LIABILITY (EPL):** Wrongful termination, discrimination, and harassment claims remain elevated.
- ▶ **AUTO LIABILITY:** Frequent/severe claims due to client transportation, distracted driving, and rising medical costs.
- ▶ **WORKERS' COMPENSATION:** Workplace violence, client aggression, and stress-related injuries.
- ▶ **MENTAL HEALTH & SUBSTANCE ABUSE COVERAGE:** Increased demand and higher group health claims.
- ▶ **UMBRELLA LIABILITY:** Rapidly rising rates due to large settlements and jury awards.

SOCIAL SERVICE SECTOR: UNIQUE ISSUES

- ▶ Serving vulnerable populations (children, elderly, disabled) increases severity and regulatory scrutiny.
- ▶ Complex regulatory environment (federal, state, local).
- ▶ Staffing challenges such as high turnover and reliance on volunteers/part-time staff.
- ▶ Funding constraints limiting investments in safety and risk management.
- ▶ Reputational risk from negative publicity.

BENEFITS OF ROBUST RISK MANAGEMENT STRATEGIES

- ▶ **IMPROVED INSURABILITY** (better pricing, broader coverage and possible standard market access).
- ▶ **CLAIMS MITIGATION** (background checks, staff training, incident reporting, abuse prevention).
- ▶ **REGULATORY COMPLIANCE** (reduced risk of fines/legal actions).
- ▶ **OPERATIONAL CONTINUITY** (minimized disruptions).
- ▶ **EMPLOYEE WELLBEING** (retention, reduced workers' comp/EPL claims).
- ▶ **REPUTATION PROTECTION** (organizational responsibility, funding support).

Another significant factor that could impact the non-profit sector is the evolving landscape of donor expectations and the need for greater transparency and accountability. Donors are increasingly looking for organizations that demonstrate measurable impact and efficient use of funds. Non-profits must therefore invest in technologies and processes that enhance transparency and reporting capabilities. Additionally, the potential for regulatory changes related to data privacy laws could require non-profits to update their data handling practices, adding another layer of complexity to their operations.



MICHAEL FLEISCHER
SENIOR VICE PRESIDENT
STERLINGRISK INSURANCE



JESSICA PUTNAM PESKAY
SOLUTIONS CONSULTANT
ROUNDTABLE TECHNOLOGY

As we look ahead to 2026, the sector is being shaped by three major forces: the rapid spread of AI tools, escalating cyber risk, and a growing need for stronger data and technology governance.

AI has moved from something to experiment with to something nearly every nonprofit is already using. Tools that once felt optional now appear in writing assistants, CRM features, and productivity platforms. Because adoption has come so quickly, the work in 2026 will be less about trying AI and more about using it safely and consistently. Nonprofit staff aren't struggling with enthusiasm for AI; but nonprofit organizations are struggling with the governance to manage it well.

Cyber threats, meanwhile, continue to grow in scale and sophistication. A 2025 analysis found a sharp rise in attacks on nonprofits, with some breaches costing up to \$2 million. (MGO CPA) Attackers are also taking advantage of AI to craft more convincing phishing and impersonation attempts. These trends make it clear that cybersecurity must be treated as a core operational priority.

AI is also becoming deeply embedded across the nonprofit technology ecosystem. We're seeing it built directly into productivity suites, donor databases, and case management tools. New AI-native platforms are emerging to support grant drafting, donor segmentation, and program analysis. This evolution will widen the gap between organizations with strong data practices and those without, because the quality of AI outcomes relies heavily on clean, well-organized data.

Given these realities, there are several practical steps nonprofits can take to strengthen their resilience in 2026. The first is making MFA, reliable backups, and ongoing cybersecurity training non-negotiable. Every organization should have: **MFA on email, major SaaS platforms, remote access, and finance systems; Daily or frequent backups of critical data; Annual cybersecurity training and periodic tabletop exercises.**

A second priority is creating a lightweight AI policy. Many nonprofits are experimenting with AI, but far fewer have guidance on safe use. A simple policy should address: **What data should not be placed into public AI tools; Which tools are approved; How AI-generated content should be reviewed; What staff should disclose in donor or client interactions.** Pairing the policy with short, scenario-based training helps ensure it's actually used.

Finally, investing in a strong data foundation is essential for both AI readiness and security. This includes cleaning and duplicating CRM data, standardizing program outcomes, documenting where sensitive data lives and who has access, and moving critical systems into secure cloud environments.

The nonprofits that thrive in 2026 won't be the ones with the biggest technology budgets. They'll be the organizations that get the cybersecurity basics right, put clear guardrails around AI, and build the data foundations needed to support the tools they rely on. In doing so, they'll allow their technology to strengthen their mission and deepen their impact.



SIMON LEWIS
OWNER
SUFFOLK COUNTY WEBMASTERS

In 2026, the nonprofit sector will be navigating an environment shaped less by any single technology and more by the sheer **pace** of technological change. For organizations already stretched thin, the biggest challenge is no longer "keeping up" - it's **knowing what to focus on**. The flood of new acronyms (SEO, GEO, AEO, EEAT, LLMs, RAG, and whatever arrives next quarter) creates a kind of ambient pressure that will lead organizations to feel like they're behind even when they're not. The real risk for nonprofits isn't missing the latest trend; it's losing sight of the fundamentals that actually drive engagement, trust, and donations.

The continued ascendancy of AI - in search engines, donor tools, productivity suites and content platforms - will amplify this pressure in 2026. But AI isn't the threat many fear; the threat is **distraction**. Search is undergoing the largest shift in its history, moving from a traditional "10 blue links" model toward an **answer-engine ecosystem** driven by generative AI. This means nonprofits need to think in terms of **GEO (Generative Engine Optimization)** and **AEO (Answer Engine Optimization)** while still grounding themselves in durable **SEO (Search Engine Optimization)** principles. Organizations that chase shortcuts, automate everything, or depend on AI to generate volume instead of clarity will see diminishing returns. The winners will be those who use AI to streamline operations — and then reinvest that time into more human storytelling, mission-focused content, and donor relationships.

The biggest trend I see for 2026 is the demand for **authenticity clarified by technology**, not replaced by it. AI can help nonprofits write faster, research deeper, and create more variations of content. But the content that earns trust will still be the content rooted in the lived experience of the organization: real impact, real programs, real people. AI can scale output but it cannot manufacture sincerity. Nonprofits that adopt AI thoughtfully - as a tool, not a crutch - will see their digital presence become stronger, more consistent, and more aligned with what their users and their donors now expect.

The emerging opportunity is this: as search becomes more conversational and more context-aware, nonprofits with **clear messaging and well-structured websites** will outperform larger organizations that rely on brand strength alone. In this sense, generative search levels the playing field. What matters is not who shouts the loudest, but who communicates most clearly.

In 2026, focus is a strategy. The nonprofits that succeed will be the ones that simplify - using AI to reduce noise, not create more of it - and double down on telling the story only they can tell.

AI IS ALREADY HERE

Not future. Not optional.

Nearly 2/3 of nonprofits are already using AI
90% plan to deepen adoption

- Most common uses:
- Communications: **67%**
 - Automating routine tasks: **44%**
 - Data analysis & reporting: **30%**

CULTURE DETERMINES SUCCESS

Tools don't create impact. People do.

- AI-open cultures are **2.6x more likely to use AI strategically**
- **Only 46% of staff** say their org provides clear AI guidance
- **75% of strategic AI users** have time to experiment
- Leaders who visibly use AI **increase trust and adoption**

TRUST & STAFF HESITATION

Healthy skepticism is a strength.

Top barriers to trusting AI:

- Not knowing how data is used: **29%**
- Bias and ethical concerns: **16%**
- Automating decisions that need humans: **13%**

Nonprofit staff are **1.4x more likely** to double-check AI outputs than other professionals.

THE BIGGEST RISKS NONPROFITS MUST MANAGE

This is where boards should focus.

- Data privacy & security: **59%**
- Ethical & regulatory concerns: **43%**
- Integration with existing systems: **39%**
- Resistance to change: **35%**

Only 37% of nonprofits have formal AI policies in place

REAL IMPACT ON FUNDRAISING & ENGAGEMENT

AI strengthens human connection, it doesn't replace it.

- **48%** use AI for donor engagement
- **55%** say AI will significantly impact fundraising

The Biggest Benefit: Efficiency
Time back = mission forward

- **70%** say operational efficiency is the top benefit
- Admin tasks reduced by **30%** on average
- Staff save **~1 hour per day** using AI



By 2026, artificial intelligence is no longer emerging in the nonprofit sector — it is embedded. Sector research shows that more than **80% of nonprofits are already using some form of AI**, yet adoption remains uneven and often informal. The result is a landscape where AI is widely used, but not always strategically governed. The conversation has shifted from whether nonprofits should use AI to how they can use it responsibly, ethically, and in ways that preserve trust and human connection.

Across organizations of all sizes, nonprofit AI adoption in 2026 is focused on practical, mission-supporting use. AI is not replacing staff. Instead, it is extending organizational capacity by automating administrative tasks, analyzing data, and supporting strategic planning so teams can focus on mission delivery and relationship-building. At the same time, studies indicate that **more than 90% of nonprofit professionals still feel unprepared to fully leverage AI**, underscoring the gap between usage and confidence.

HOW NONPROFITS ARE USING AI IN 2026

Most nonprofits are using AI as a virtual support layer across departments. Common applications include prospect research, donor segmentation, workflow management, meeting summaries, and internal reporting. AI increasingly functions like a digital team member, helping staff work more efficiently without compromising nonprofit values.

However, resource disparities remain. Larger nonprofits with budgets over \$1 million are adopting AI at nearly **twice the rate of smaller organizations**, highlighting a growing digital divide. For smaller nonprofits, AI's greatest value often lies in automating time-intensive tasks that previously consumed limited staff capacity.

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AI IN NONPROFIT FUNDRAISING AND DONOR ENGAGEMENT

Fundraising continues to be one of the most impactful areas for AI adoption. Nonprofits are using AI to analyze donor behavior, identify giving patterns, and personalize outreach. Predictive analytics help organizations forecast fundraising outcomes and determine next-best actions, while sentiment analysis provides insight into how donors respond to campaigns.

These tools are delivering measurable results. Organizations that have integrated AI into fundraising strategies report **20–30% increases in donations** through personalized outreach and improved targeting. At the same time, many fundraisers remain cautious. While more than **80% are comfortable using AI for donor research**, a majority hesitate to use generative AI for direct donor communications, reinforcing the importance of human-led engagement.

AI FOR NONPROFIT MARKETING AND COMMUNICATIONS

AI has become a core component of nonprofit marketing and communications strategies. Teams use AI to draft content, summarize impact data, analyze engagement, and support campaign planning. AI rarely replaces an organization's voice, but instead it accelerates early-stage work, allowing staff to refine messaging, elevate storytelling, and ensure mission alignment. This balance is critical.

As digital channels grow more crowded, nonprofits must communicate more frequently and more effectively, without sounding generic. AI helps meet volume demands, but authenticity remains a human responsibility.

AI IN NONPROFIT FINANCE, OPERATIONS, AND GOVERNANCE

Operational efficiency is another major driver of AI adoption. Finance teams are using AI to support reconciliation, forecasting, and reporting, while executive teams rely on automated summaries and insights to inform decision-making. On average, AI-driven automation is saving nonprofits an estimated **15–20 hours per week** in administrative time.

Boards are also benefiting. AI-supported tools are commonly used for meeting minutes, document summaries, and preparation materials, improving governance efficiency and clarity. For organizations with lean administrative teams, these gains are transformative.

FROM STATIC REPORTING TO REAL-TIME STRATEGY

One of the defining nonprofit technology trends for 2026 will be the move from static, backward-looking reports to real-time, AI-powered insights. Integrated systems allow AI to connect data across fundraising, marketing, and engagement platforms, creating a unified, up-to-date view of supporter behavior.

This shift enables nonprofit leaders to move from reactive decision-making to proactive strategy, adjusting campaigns, outreach, and resource allocation based on live data rather than historical snapshots.

AI GOVERNANCE, ETHICS, AND BOARD OVERSIGHT

Despite widespread adoption, governance remains a critical gap. While more than **80% of nonprofits report using AI**, only **10–24% have formal AI policies or governance frameworks** in place. In 2026, this gap will become increasingly visible to boards, funders, and regulators.

AI is no longer just a staff-level tool. It is a governance issue. Boards are being asked to understand how AI is used, how data is protected, and how risks such as bias, misinformation, and privacy breaches are managed. Ethical AI use now sits alongside cybersecurity and financial oversight as a core leadership responsibility.

Equity and representation are also central concerns. AI systems reflect the data they are trained on, which can unintentionally reinforce existing inequities. Nonprofits need to respond by ensuring human review remains part of decision-making, particularly in fundraising, communications, and service delivery.

WORKFORCE IMPACT AND AI SKILLS IN NONPROFITS

AI is reshaping nonprofit roles, not eliminating them. Routine and repetitive tasks are increasingly automated, while staff focus shifts towards strategy, interpretation, relationship management, and creative problem-solving. However, readiness remains a challenge. Approximately **40% of nonprofits report having no staff formally trained in AI**, highlighting the need for investment in digital literacy and leadership development.

Organizations that prioritize training and change management are better positioned to use AI effectively and responsibly.

FUNDERS' EXPECTATIONS AND DONOR TRUST

Funders are paying close attention to how nonprofits approach AI. Foundations increasingly ask how organizations use data, measure outcomes, and plan for long-term sustainability. AI is becoming part of broader conversations around efficiency, transparency, and impact.

Donor trust remains critical. While **43% of donors report that AI use would have a neutral or positive effect on their giving**, a significant portion express concern if automation appears to replace personal connection. Transparency and intentional use are essential to maintaining confidence and credibility.

WHAT THIS MEANS FOR NONPROFIT LEADERS IN 2026

Artificial intelligence is no longer a future trend for nonprofits. It is part of the operating environment. The organizations that succeed in 2026 will be those that move beyond experimentation and adopt AI with clarity, purpose, and strong governance.

Used thoughtfully, AI strengthens nonprofit capacity, sharpens strategy, and supports sustainability — while protecting what matters most: trust, relationships, and meaningful human impact.

ADAM BRIGANDI, CPA, MBA
SUPERVISOR
CERINI & ASSOCIATES, LLP





GLEN LANDOW

PARTNER
LANDOW AND
LANDOW ARCHITECTS

As nonprofit organizations face major economic uncertainties, many are looking inward at their ongoing operating expenses to see where there may be opportunities to reduce costs and improve efficiencies without effecting programming or service delivery. After personnel and insurance costs, physical plant is one of the top expense categories in any budget regardless of a nonprofit's size. In fact, the smaller the organization, the greater the impact this line item has. While larger nonprofits are generally in a position to absorb more of these costs over a greater period of time, those whose missions still require a physical presence, but do not have the capital reserves to weather a significant reduction in reimbursement, need to amplify income generation from their buildings and spaces while reducing their operating expenses.

To do so requires a detailed Facility Analysis to measure how they are using their existing space, whether they have the right space to match their current and predictable future needs, whether they have too much or too little space to operate effectively, and whether the layout of their space is such that it maximizes efficiency while providing sufficient flexibility for change. Items such as square footage, spatial utilization, optimization of adjacencies, code compliance, energy efficiency, infrastructure maintenance, and geographical location are all components of a complete Facility Analysis. Many nonprofits have already begun this analysis in an effort to both fortify their own financial position and to stay ahead of their competition who are engaged in similar studies and upgrades. Nonprofits need to take a creative approach as to how buildings and spaces can be reimaged and reconfigured to increase program offerings and thereby income, and appeal to donors' affinities in a pitch for naming opportunities. By maximizing program space utilization through improved flexibility and expansion, it is possible to increase income generation by smartly balancing that growth against any additional operating costs.

Likewise, facility layout improvements invariably lead to lower operating costs when resulting from a thoughtful master planning exercise. Additionally, a creative review of all physical spaces and amenities can also be used to generate a list of giving opportunities for donors who wish for their commitment to the organization to receive visible recognition.

Where appropriate, nonprofits should remain vigilant for NOFO (Notice of Funding Opportunity) announcements as well as for RFAs (Requests for Applications). These opportunities for new facilities or expansions are still becoming available, albeit scarcer and the competition more stringent. It is important that documentation be up to date and thorough, and the appropriate team members be in place when applying so as not to be weeded out unnecessarily. Additionally, as energy efficiency and sustainability draw greater attention not just for their environmental benefits, but as a way to mitigate against rising operating costs, programs to assist with their purchase and implementation remain available. The appropriateness of the technology and materials however must be factored together with the facility's usage and the population being served in order to be beneficial and enhance the organization's impact.



ALEX LIPSKY

CO-OWNER & PRESIDENT
LIPSKY CONSTRUCTION

2025 was a year of uncertainty. Across the nonprofit sector, we watched mission-driven capital projects and critical programs put on pause or go on indefinite hold—not because of lack of need, but because organizations were grappling with constant changes from the Federal level down to local levels.

As we enter 2026, from a construction and facilities standpoint, the challenges ahead are real, but they are far more predictable. This predictability allows nonprofits to plan strategically for what lays ahead.

Both existing facilities and new development will be hit with new building code shifts, the largest of which come from updated Federal ADA (American Disabilities Act) mandates as well as new Energy Code requirements. This affects tenants, landlords, developers, business owners—every organization that has a physical location.

If addressed immediately, the cost of these upgrades can be minimal for some facilities. If you wait to address these issues, you are subjecting your organization and your facility to potential lawsuits, violations, and untimely emergency renovations that could cost your organization millions of dollars at emergency-premium pricing.

"I thought my building was grandfathered in" does not work against equal-access ADA code updates. It also does not work in New York City against Local Law 97 energy emissions requirements. If you are not addressing these issues today, you could be facing financial penalties shortly.

To navigate this correctly, nonprofit organizations should bring in a qualified Construction Management firm to identify risks as the critical first step. Your Construction Management partner will operate as an Owner's Representative to ensure your facility and your organization are set up for success.



DARREN PORT

CEO
POWERED BY PROFESSIONALS

While the cost of hosting in-person events continues to rise, events remain one of the most impactful tools nonprofits have to build relationships and advance their mission. Rising venue fees, catering minimums, staffing, security, and production costs have prompted organizations to rethink scale, format, and timing rather than step away from events.

Nonprofits are having strategic conversations earlier about both financial goals and overall impact. Beyond net revenue, events introduce new supporters, engage volunteers, strengthen board involvement, and build community. Success is increasingly defined holistically, recognizing that long-term donor relationships and engagement often begin at an event.

This mindset has led to more intentional event design. Nonprofits are tailoring events to align with goals, audience, and capacity. Clear objectives, thoughtful budgeting, and early planning allow events to remain energizing and effective. Corporate support plays a key role, with early honorees providing financial foundation, credibility, and additional sponsors. Corporate partners often become collaborators, offsetting costs while expanding reach.

Organizations are becoming more strategic about expenses. Rising costs of supplies and materials are met with creative budgeting that prioritizes audience needs. Impactful events rely on clarity of purpose and thoughtful execution, not the largest budgets.

In 2026, many nonprofits will reevaluate funding. Heavy reliance on grants is increasingly risky as competition grows and availability tightens. Organizations submit more applications for fewer opportunities, sometimes facing structural limitations. Private fundraising and event-driven revenue will play a larger role in sustaining operations.

Leadership transitions are rising, with interim executives creating gaps in knowledge and long-term planning. Fundraising and event programs may face inconsistencies in donor relationships, messaging, and execution, challenging year-over-year momentum.

Storytelling is central to engaging supporters, shifting from transactional fundraising to values-driven narratives emphasizing connection, impact, and authenticity. Short-form and teaser videos highlight staff, program participants, alumni, and community members, creating emotional investment and strengthening engagement across channels.

Nonprofits that remain adaptable will succeed. Strategic AI adoption can streamline administrative work, donor research, data cleanup, and content preparation, freeing staff to build meaningful donor and sponsor connections.

The giving landscape is evolving, with donor-advised funds, stock donations, and cryptocurrency becoming more common, particularly among higher net worth and younger donors. Facilitating these methods and educating staff and supporters positions organizations to meet donors where they are.

The ongoing wealth transfer to younger generations presents both opportunities and challenges. Younger donors prioritize transparency, flexibility, and alignment with values. Organizations that plan now to engage and steward these donors will be better positioned for sustainable, long-term support.



MELISSA GREENBERGER

PROGRAM DIRECTOR
THE NEW YORK COMMUNITY TRUST,
LONG ISLAND OFFICE

As we look toward 2026, we continue to face an environment where federal, state, and local funding are uncertain and inconsistent. In addition, we continue to see an increasing need for services, including food, housing, health care, and workforce development. This is a moment for philanthropy to expand the types of support it provides so that nonprofits can continue to lead with vision and courage.

A shortage of reliable funding, including delayed payments from local and state governments, makes it harder for nonprofits to plan for the future or invest in the staff and technology needed to carry out their missions and serve local communities. And, of course, when resources are stretched thin, it becomes much more difficult to fundraise. Funding cuts and delays can be especially challenging for smaller organizations, which typically have fewer resources, smaller budgets and financial reserves, and smaller donor networks.

By engaging in scenario and contingency planning, nonprofits can position themselves to respond strategically, seek innovative and creative solutions, and discover new opportunities to collaborate and expand their networks of support. This work can spark new partnerships, unlock shared resources, and strengthen the entire nonprofit sector. And while there will always be "unknowns," nonprofits can hopefully eliminate some of the stress by planning ahead.

As a grantmaker at a community foundation, I've seen the power of collaboration when addressing tough problems. Community foundations sit at the intersection of donors and nonprofits, helping donors fulfill their charitable goals while providing nonprofits with the resources they need to achieve their missions. When an emergency or crisis occurs, community foundations can engage donors and mobilize resources from their networks to address urgent needs and help bolster the sector against the challenges ahead. Whether we're bringing together groups of funders to pool resources and expertise or helping smaller nonprofits partner with larger ones, we can accomplish more when we work together.

In 2026, nonprofits should make donors aware of their needs and challenges, continue to build relationships, and explore opportunities for collaboration. Funders have an important role to play, in addition to the obvious. While private philanthropy and community foundations can't make up for large gaps created by government funding cuts, we can help in other ways—including connecting nonprofits with each other and with other funders, as well as providing technical assistance resources to grantees to help build their capacity and strengthen their operations. Together, we can build a future where nonprofits don't just survive change—they shape it.

GIVING TUESDAY STATISTICS

\$ 4 billion donated in the U.S. on GivingTuesday, a **13 % increase from 2024**
 38.1 million Americans participated a **6 % increase from 2024**

Participation breakdown:



65% of 2024 GivingTuesday donors gave again in 2025


DONOR RETENTION


Average donor retention: 46%




Repeat donors provide over 60% of total fundraising dollars

RECURRING GIVING STATISTICS

 **57% of donors** are enrolled in a recurring giving program, **up from 46% in 2024**

Monthly donors give **\$24/month** that is **\$288 a year—\$173 more** than the average one-time gift of \$115. 

 **73% of recurring gifts** are on cards, but **1 in 4 fails**—choose a processor that recovers lost donations

KEY DONOR INSIGHTS

 **DONORS -1.9%**
YOY CHANGE

 **DOLLARS +2.9%**
YOY CHANGE

 **RETENTION -.1%**
YOY CHANGE

DONOR MAKE UP

MICRO (UNDER \$100)	SMALL (\$101-\$500)	MIDSIZE (\$500-\$5k)	MAJOR (\$5K-\$50K)	SUPERSIZE (\$50K+)
-10.4% YOY CHANGE	-5.4% YOY CHANGE	-4.4% YOY CHANGE	-3.4% YOY CHANGE	-4.5% YOY CHANGE
51.9% % OF TOTAL DONORS	30.9% % OF TOTAL DONORS	13.6% % OF TOTAL DONORS	2.3% % OF TOTAL DONORS	0.3% % OF TOTAL DONORS

THE MAJORITY OF CHARITABLE DOLLARS WENT TO

- 23% TO RELIGION (\$136B)**
- 14% TO HUMAN SERVICES (\$83B)**
- 14% TO EDUCATION (83B)**
- 11% TO PUBLIC SOCIETY BENEFIT (\$65B)**
- 10% TO HEALTH (\$59B)**
- 6% TO INTERNATIONAL AFFAIRS (\$36B)**
- 4% TO ARTS AND CULTURE (\$24B)**
- 4% TO ENVIRONMENT & ANIMALS (\$18B)**

- Education and health hit record highs
- Arts and environment grew double digits
- Religion continues to decline, now just 23% of total giving in the 1980s it was 56%

OVERALL GIVING & TRENDS

\$590B RECORD TOTAL GIVING IN 2024
(ADJUSTED FOR INFLATION: +3%)

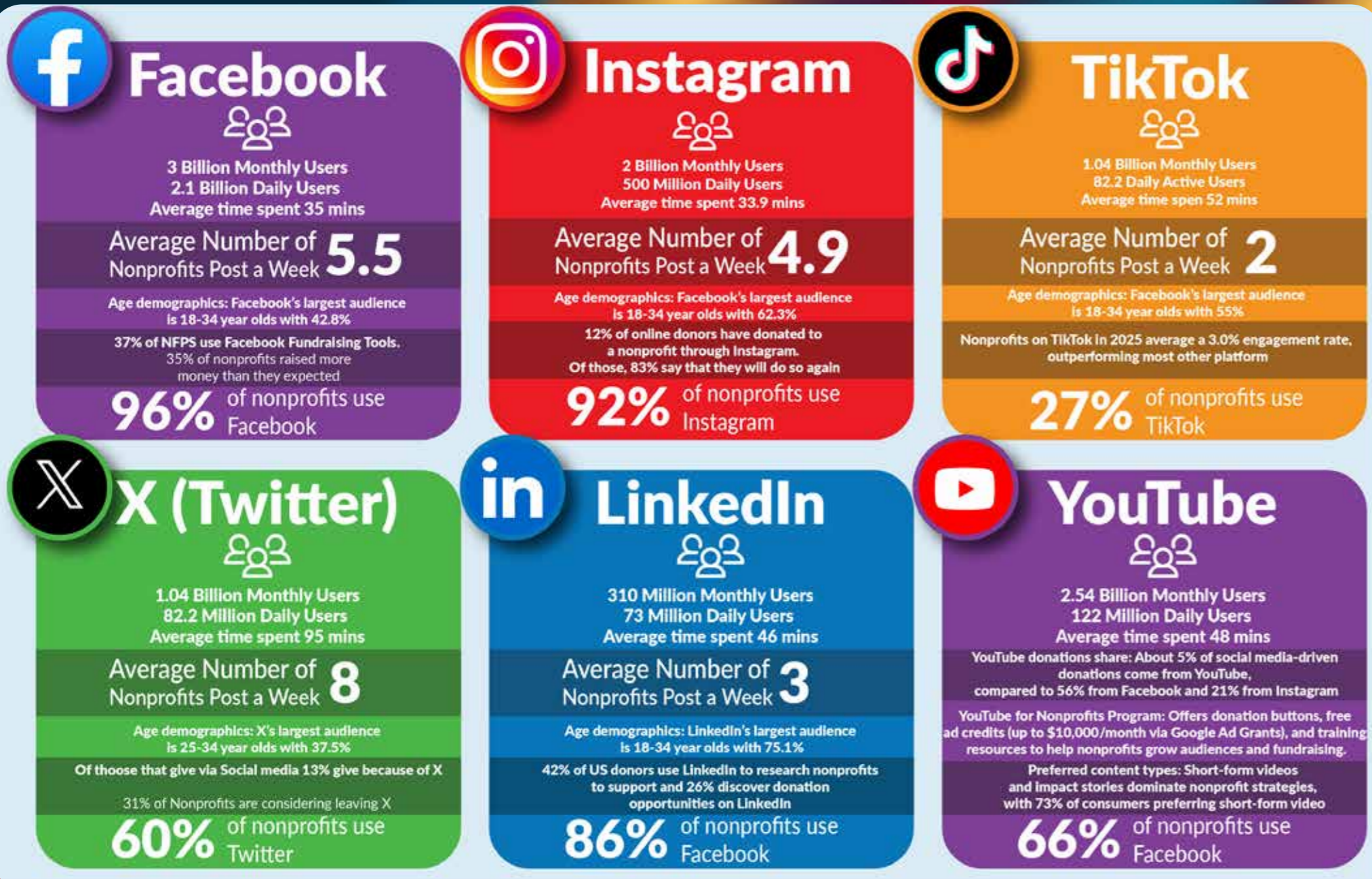
AS OF Q2 2025, TOTAL DOLLARS RAISED ROSE 2.9% YOY DESPITE A SLIGHT DROP IN DONORS

IMPACT OF STEWARDSHIP:

- THANK-YOU NOTES WITHIN **48 HOURS** INCREASE SECOND-GIFT LIKELIHOOD **4X**.
- PERSONAL PHONE CALLS WITHIN **24 HOURS** BOOST REPEAT GIVING BY **39%**

47% OF FUNDRAISERS PRIORITIZE AI FOR HYPER-PERSONALIZED OUTREACH

SOCIAL MEDIA STATISTICS



BIANCA BELLO
STRATEGY DIRECTOR
HELPGOOD

Unpredictable grant funding cuts and the loss of funding for public benefit programs like SNAP will place more pressure on nonprofits to support a larger population with fewer resources. Nonprofits of any size that rely on federal funding should consider ramping up individual giving and corporate sponsorships as a safety net. Social media is an excellent tool to find new donors and grow your individual giving program at any budget level. Influencer marketing can quickly grow awareness with new donor audiences, and with a small paid media investment in a lead generation campaign, you can remarket these audiences and funnel them to your email list to keep them engaged long term and convert them into repeat donors. Many nonprofits feel intimidated by social media, but the results can be transformative even with a small budget.

With the influx of AI-generated content, social media feeds are filled with misinformation that looks very real. To ensure your community is getting the truth on issues that matter, nonprofits should be active on social media with content that addresses misinformation on a regular basis. With a small paid media investment, you can also target your audience with a campaign that encourages them to move from social media to your newsletter, where deeper education can happen.

To weather any funding cut or policy change, nonprofits need a strong community that fights for them. In 2026, nonprofits should think about what happens after their fundraising campaign is over and how to give donors a more active role in the organization. Social media is an excellent way to turn donors into advocates. You can gather feedback from your community to learn what volunteer opportunities they are interested in, what skills they bring, and their capacity to support your organization. With a simple social toolkit, donors can create their own content to amplify your work, start peer-to-peer fundraisers, host house parties and teach-ins, and help fight misinformation.



THEODORE MASSILLON
FOUNDER & CEO
NOM MEDIA

From a video storytelling perspective, the biggest challenge facing nonprofits in 2026 is the widening visibility gap between organizations that can produce professional-quality video content and those that cannot.

We are in an era where donors do not just want to read about impact—they want to see and feel it. Video content generates 1,200% more shares than text and images combined, and platforms like TikTok, Instagram Reels, YouTube Shorts, and connected TV have fundamentally changed how supporters discover and connect with causes. Yet the organizations doing the most critical community work often lack the resources, expertise, or time to create compelling video content.

For smaller nonprofits (under \$1 million budgets), this challenge is acute. These organizations often operate with skeleton crews wearing multiple hats. They understand the need for video but face an “expertise gap”—staff who are excellent program managers but have never held a camera or edited footage. Many resort to inconsistent, DIY content that fails to convey the true power of their work. The irony is stark: the most impactful grassroots organizations often have the weakest digital presence.

Mid-sized nonprofits (\$1–\$10 million) face a different challenge: the consistency trap. These organizations may produce a strong annual appeal video but lack systems for ongoing storytelling. In 2026, sporadic video content is no longer sufficient. Donors expect regular engagement, and algorithms reward consistent posting. Video can no longer be treated as an occasional project; it must function as an ongoing communications infrastructure.

For larger nonprofits (\$10 million and above), the challenge is differentiation and authenticity. While these organizations can afford professional production, their content often feels overly polished and corporate. In 2026, donors—particularly younger generations—will reward authenticity over production value. The organizations that thrive will balance professional quality with genuine human stories, rather than relying on scale or budget alone.

Across all nonprofit sizes, a universal challenge remains: competing for attention in an increasingly crowded digital landscape while respecting the dignity of the people served. Ethical storytelling—showing impact without exploitation—will be the defining skill that separates effective nonprofit communicators from the rest.

In response, nonprofits must rethink how they approach video. The most effective organizations will build systems, not one-off campaigns. This includes creating “story banks” through ongoing content capture, leveraging short-form video for donor acquisition and long-form video for stewardship, and investing in evergreen video assets that can be reused across appeals, reporting, and education.

These shifts reflect a broader operational reality. Video in 2026 is no longer a marketing add-on; it is core infrastructure. Organizations that build internal capacity—through training, partnerships, or ongoing production support—will be better positioned to sustain visibility and donor engagement. The nonprofits that thrive in 2026 will not necessarily be those with the largest budgets or flashiest productions. They will be the organizations that consistently capture authentic stories, build sustainable systems for content creation, and connect donors emotionally to the human impact behind their mission.



RANDY MOLLAND

OG FRACTIONAL
CHIEF GIVING OFFICER
IMPACT CIRCLE NETWORK

Nonprofits who are heavily reliant on grants are feeling nervous about their future because they are dependent on government or foundation funding. Many are asking, “How do we diversify our fundraising efforts?” and are left wondering where to start.

We expect more long-term grants to end abruptly, creating gaps that nonprofits will need to fill. This will spark conversations about how to secure more unrestricted funding, allowing them to hire fundraisers and development directors, not just program staff.

The first place you can start is to build some relationships with business owners and corporate sponsors. But where do you find them?

LinkedIn.

There are over 250 million active CEO’s, founders, and high level executives on the platform, but there is only 43% of non-profits who have a profile, let alone the small fraction that are actually active.

“But LinkedIn is for business owners and people looking for jobs”

Not anymore...

LinkedIn is no longer just a job board. It’s the only platform where you can search for aligned companies, connect directly with decision-makers, and start real conversations with potential corporate partners. You don’t need to go viral or build a huge following. You just need to show up consistently and position your mission in a way that speaks to business leaders. There is no other platform like it.

When used correctly, LinkedIn becomes a low-cost, high-impact fundraising channel helping you attract values-aligned companies that want to do good and are actively looking for ways to partner.

The nonprofits that learn how to use LinkedIn today will be the ones leading tomorrow with stronger relationships, better funding, and more resilient missions.

If you are looking to diversify your fundraising, I would get on LinkedIn, build relationships with corporate partners, and start looking to raise some unrestricted funds.



DAN DRUCKER

FOUNDER
PHILANTHROPY FUEL

Corporations are becoming far more selective. ESG and DEI scrutiny, brand-risk concerns, and tighter internal approvals are slowing partnership decisions and raising the bar for proof of impact. Smaller nonprofits will feel this most, **facing** longer sales cycles, more compliance requests, and greater pressure to articulate clear value. Mid-sized and larger organizations must tighten measurement, unify messaging, and align programs directly to business needs such as workforce engagement, regional impact, and trust-building.

Impact reporting is moving toward greater standardization. Corporations want fewer metrics, but clearer ones, simple KPIs that tie community outcomes to business relevance. Employee engagement will remain a dominant driver, with companies investing in experiences that support culture, retention, and connection. AI will play a larger role in nonprofit outreach, research, and reporting, but partners will increasingly ask for transparency around data use, privacy, and attribution. Governance and due-diligence reviews will also expand, especially around brand safety and political neutrality.

2026 will reward partnership-ready organizations, those that can clearly communicate what problems they solve for a company and how the impact will be measured. Nonprofits should develop a concise Partnership Readiness Pack, **including** a program menu, KPIs, employee engagement options, and a one-page brand-safety overview. They should also shift from “sponsorship” language to a business-collaboration mindset, showing how their mission advances workforce, community, or trust priorities. Finally, co-creating a shared quarterly scorecard with corporate partners will strengthen alignment and keep collaborations focused on measurable, mutual value.



NONPROFIT MARKETING TRENDS IN 2026: ENGAGING DONORS WITH IMPACT AND AUTHENTICITY

Nonprofit marketing in 2026 is moving beyond simple appeals. Donors and supporters want real connections, measurable impact, and personalized experiences. Organizations that leverage AI, storytelling, video, collaboration, and transparency will engage supporters more effectively and boost retention.

1. SOCIAL MEDIA: BUILDING COMMUNITY AND DRIVING ACTION

Social media remains a powerful tool for nonprofits:

- ▶ 55% of social media engagers take some action
- ▶ 59% donate, 53% volunteer, 52% donate items
- ▶ 43% attend events, 40% purchase cause-related products, 25% contact political representatives

2026 SOCIAL MEDIA TRENDS

- ▶ **AI-ASSISTED PERSONALIZATION:** Segment audiences, draft content, and automate supporter journeys while maintaining authentic storytelling.
- ▶ **COMMUNITY AND BELONGING:** Create spaces where supporters feel seen and part of something larger.
- ▶ **USER-GENERATED CONTENT:** Volunteers, clients, and donors sharing stories builds trust and amplifies reach.
- ▶ **MICRO-INFLUENCERS AND CREATOR MARKETING:** Partner with niche influencers and creators to reach new audiences authentically.
- ▶ **MOBILE-FIRST INTEGRATION:** Optimize content and donations for mobile devices.

CONTINUED ON NEXT PAGE

2. EMAIL MARKETING: PRECISION, PERSONALIZATION, AND RETENTION

Email is still the top channel for motivating donations:

- ▶ 33% of donors cite email as the tool that inspires giving
- ▶ Average open rates: 28.6%, click-through rates: 3.29%
- ▶ Welcome emails see 202% higher open rates

KEY TRENDS

- ▶ **HYPER-PERSONALIZED ENGAGEMENT:** Target messages based on behavior, motivations, and giving history.
- ▶ **AUTOMATED DONOR JOURNEYS:** Welcome series, lapsed donor re-engagement, and monthly giving campaigns.
- ▶ **CROSS-CHANNEL INTEGRATION:** Connect email campaigns with social media, SMS, and website experiences.
- ▶ **VIDEO AND USER-GENERATED CONTENT:** Including video boosts engagement and click-through rates.
- ▶ **PRIVACY AND TRUST:** Focus on first-party data and transparent communication to retain donors.

3. STORYTELLING: DATA MEETS EMOTION

Donors want to see how their contributions make an impact. Combining data with human stories strengthens engagement:

- ▶ **EXAMPLE:** "Our wraparound program helped 100 students stay in school and enter the workforce."
- ▶ **EXAMPLE:** "Our food bank reduced child hunger in our region by 30%."

Use digital systems to present data-driven stories in meetings, donor presentations, or social media. Younger generations especially give based on measurable outcomes, so combining numbers with narrative is key.

4. VIDEO: SHORT-FORM VIRALITY VS LONG-FORM DEPTH

Videos are essential for nonprofit engagement.

- ▶ **SHORT-FORM VIDEO:** Ideal for social media virality, immediate attention, and awareness.
- ▶ **LONG-FORM VIDEO:** Supports deeper storytelling, education, and authority building.

Video humanizes causes, evokes empathy, and performs better on social algorithms, making it a cornerstone of nonprofit campaigns in 2026.

5. COLLABORATION: PARTNERSHIPS AND PURPOSE-DRIVEN ALLIANCES

Nonprofits are increasingly collaborating to amplify impact:

- ▶ **AUTHENTIC PARTNERSHIPS AND MERGERS:** Share resources or merge programs to achieve measurable outcomes.
- ▶ **PURPOSE-DRIVEN CORPORATE COLLABORATIONS:** Align sponsorships with shared values and employee engagement initiatives.
- ▶ **COMMUNITY-BASED STORYTELLING:** First-person volunteer and client narratives increase credibility.
- ▶ **BELONGING OVER BRANDING:** Campaigns focus on inclusion and shared ownership.

Collaboration strengthens the sector while reaching audiences with trust and authenticity.

6. AI: EFFICIENCY WITHOUT LOSING HUMANITY

Artificial intelligence supports nonprofit marketing by:

- ▶ **ADVANCED DONOR SEGMENTATION:** Tailored appeals based on motivations and behavior
- ▶ **AUTOMATED JOURNEYS:** Welcome series, donation reminders, and re-engagement campaigns
- ▶ **CONTENT DRAFTING:** Summaries, social posts, and reporting to free staff for human connection

The best results combine AI efficiency with authentic human storytelling.

7. RADICAL TRANSPARENCY & REAL-TIME IMPACT

Donors now expect continuous updates instead of annual reports:

- ▶ **REAL-TIME IMPACT REPORTS:** Show donors exactly how their contributions are making a difference
- ▶ **DATA-DRIVEN STORYTELLING:** Use clear outcomes to demonstrate program effectiveness
- ▶ **TRUST AND ACCOUNTABILITY:** Honest, consistent communication builds confidence and loyalty

8. SEARCH AND DIGITAL OPTIMIZATION

Digital discovery is changing with AI-generated search results:

- ▶ Content must be credible, authoritative, and precise
- ▶ Geo-Optimization is critical for local outreach and donor acquisition
- ▶ Well-structured content with expert commentary improves visibility in AI-driven search results

9. ACTIONABLE STRATEGIES FOR 2026

- ▶ Leverage AI for personalization and operational efficiency
- ▶ Prioritize short-form video for engagement and long-form for storytelling depth
- ▶ Build digital communities and interactive donor experiences
- ▶ Focus on retention through consistent touchpoints and hyper-personalized updates
- ▶ Ensure your website is mobile-friendly, optimized for SEO, and geo-targeted
- ▶ Use data-driven storytelling to demonstrate measurable outcomes to donors

Nonprofits that integrate AI, personalization, storytelling, video, collaboration, and radical transparency will be well-positioned to engage supporters, boost donations, and build trust in 2026. By focusing on community, impact, and authentic communication, organizations can move beyond marketing messages to create lasting donor relationships.

KELLI-ANNE CERINI
MARKETING MANAGER
CERINI & ASSOCIATES, LLP





GREGORY LAVINE

VICE PRESIDENT
GOVERNMENT
AFFAIRS
MCBRIDE CONSULTING

The grant rescission and overall funding instability that dominated 2025 will continue in 2026, inundating funders with unmanageable numbers of requests, putting new pressure on already overburdened development professionals to magic more money into budgets, and pitting organizations that normally would not compete against each other for fewer awards. Private and municipal funders will face both compassion and financial fatigue, making them less able to take risks on fantastic ideas with limited documented performance.

Non-profits and fundraisers who anticipate funder overwhelm and adapt their approach will fare better than those relying on recycled grant content or standard donor appeals. Pivoting away from high-overhead fundraising events—like annual galas—and reallocating funds to priorities such as improving program metrics tracking, developing stronger strategic partnerships, and innovating donor relationship building will be a wise investment. Supporting development staff with supplemental assistance, like contract grant writers or government relations consultants, rather than adding demands to already overworked teams, increases the likelihood of hitting funding goals without fueling burnout and disruptive turnover.



ALISON LA FERLITA

EXECUTIVE DIRECTOR
NONPROFIT RESOURCE HUB

I see the nonprofit sector facing a major threat from an intensifying financial squeeze combined with a deep workforce crisis. As such, I project the following major shifts will affect how the sector operates:

- **The Impact Funding Gap:** Funders are demanding more detailed data and reporting on impact but are not providing the extra funding needed for technology or staff. Nonprofits must find efficient ways to streamline systems and reporting processes.
- **AI Becomes Essential for Efficiency:** AI and automation are moving from optional tools to essential cost-saving measures. Organizations will use AI strategically to optimize back-office functions, donor management, routine reporting, and content creation.
- **A Push for Consolidation:** Boards and funders may increasingly encourage organizational consolidation or the sharing of administrative services, especially for smaller nonprofits struggling with sustainability and high administrative costs.
- **Permanent Hybrid Service Models:** Nonprofits that invested in technology during the pandemic, such as telehealth or virtual case management, now have a competitive edge. These hybrid models are here to stay and require continued strategy and investment in adaptive delivery.

Despite these challenges, there are clear opportunities for nonprofits to strengthen their impact:

- **Shared Staffing and Services:** Partnering to share specialized staff, such as HR, finance, or development directors, allows organizations to expand capacity and expertise without incurring full-time individual salaries.
- **Strategic Earned Revenue:** Nonprofits are increasing financial stability by exploring small-scale, mission-aligned ventures, including training programs, fee-for-service consulting, or running social enterprises to reduce reliance on unpredictable grants.
- **Leveraging Collective Advocacy:** Facing pressure on public funding, nonprofits are recognizing the power of coalition building and coordinated advocacy to influence policy and secure resources.
- **Prioritizing Staff Well-being and Retention:** Organizations that invest in their teams through flexible hours, wellness programs, internal career development, and realistic workloads experience less turnover. Making culture and staff support a priority is a high-impact operational strategy.

Overall, while the sector is stretched thin, the creativity and collaboration emerging from these challenges give me hope that nonprofits providing critical services and support to communities will continue to thrive in this evolving landscape.



BUU-LINH TRAN

SVP FINANCIAL SOLUTIONS
JMT CONSULTING

The nonprofit sector's main challenges in 2026 center on strategic evolution and financial sustainability. Organizations must adapt quickly to a complex environment of shifting funding sources, rising costs, and tighter government budgets. Those reliant on federal or state grants face volatility, increased competition, delayed disbursements, and heightened compliance requirements—straining cash flow and administrative capacity, especially for smaller nonprofits. Staffing remains a critical concern. Many organizations struggle to find affordable candidates with nonprofit experience, fund accounting knowledge, and strong technical skills. Rapid technology advances widen skill gaps, affecting workflow, compliance, and data-driven decision-making. Smaller nonprofits feel these pressures most, lacking infrastructure and resources to pivot quickly, invest in systems, or absorb funding shocks. Without planning and investment in talent, systems, and partnerships, the gap between organizational needs and capacity will widen.

Nonprofits are shifting from seeking “silver bullet” software solutions to using existing technology more strategically—optimizing workflows, improving cross-department adoption, and integrating systems. Spreadsheets alone are insufficient for complex operations; forecasting tools that support scenario planning, real-time insights, and collaboration are becoming standard. Operationally, strategic use of outsourced support—technology, data management, cybersecurity, and accounting—is growing. Outsourcing extends limited resources, reduces risk, and provides expertise that may be cost-prohibitive in-house.

Looking ahead, nonprofits should focus on resilience and mission alignment. Strategic collaborations with mission-aligned organizations can expand impact while reducing costs through shared staff, technology, or programs. Strengthening funder relationships through clear communication about outcomes, budgets, compliance, and program costs is vital for long-term stability. Diversifying revenue—through grants, earned income, or cross-sector partnerships—reduces reliance on single funding streams. Investing in internal capacity via smarter technology use, targeted outsourcing, and improved data visibility keeps organizations agile and ready to seize new opportunities.



TED TRAVER

SENIOR VICE PRESIDENT OF DEVELOPMENT
THE CENTER FOR FAMILY SUPPORT (CFS)

As we expected heading into 2025, the federal government has become an unpredictable partner for organizations supporting communities and families. When the single biggest funder of social and human services in the world becomes unreliable, it has ripple effects on State and Local Government and the entire non-profit sector.

For non-profits to succeed in 2026, they will have to be adaptive and prepared to act fast on opportunities and challenges. To be a nimble organization, they must understand their mission and values deeply, and consciously use them to guide their decisions. This will help them react quickly as news of potential Government funding cuts or other policies unfavorable to those supported by non-profits becomes part of the public conversation. The organizations that can quickly message to their communities the newest challenge to arise from the latest news from Washington, Albany, or City Hall will be the ones that rally the most additional support. For example, news of funding cuts – or even proposed cuts – provide an opportunity for quick fundraising calls to action to help ensure the most vulnerable in our communities can continue to receive the support they need.

With Federal, State, and Local Governments poised to spend much of 2026 disagreeing with one another on the best way to deliver support to those in need and where the funds should come from, non-profits who have relied on their steady partnership will have to diversify their funding and expand their partnerships. Greater emphasis will be placed on individual and foundation support. As the funding community reacts to the environment and pours support into the biggest issue of day, non-profits will also have to turn to one another to be successful in the immediate future. We are seeing many in the foundation community already preferring to fund projects involving multiple organizations. Now, more organizations will have to ask themselves “are we really the right organization to do this project” and if that answer is “no”, choose to work with an existing organization already doing the work at a high level rather than try to stand up a new program.

The final piece all non-profits should be thinking about in 2026 is how can they increase their advocacy and boldly state the needs of the entire community. With potentially less Government support available for those who need it, we will have to partner together to convince funders that now is the time to step up their support to meet the moment.

STRATEGIC PLANNING

It has never been more important to have strong trusted leadership – both on your executive team and board – that can communicate with clarity, compassion and consistency – around your organization’s path forward.

This is the essence of effective strategic planning – gaining clarity and buy-in from all stakeholders on priority initiatives, how we define success, and how each of our roles plays a part.

This can only be achieved through consistent and effective communication. When in doubt, overcommunicate! Show up authentically and tap team members’ expertise as needed.

In a time when it has never been harder to make the time for planning – in the midst of crises and uncertainty – is the time when it is essential for your organization’s sustainability.

The nonprofit sector’s governance — especially around boards — is under intensifying pressure in 2026. Here are some of the biggest challenges nonprofit boards are likely to face — and in many cases already are:

? CAPACITY, BUDGETING & FUNDING VOLATILITY

At a time when the demand for services is surging – especially in public services, social services, and housing – many nonprofits are grappling with shrinking core revenue. The expiration of certain tax incentives and decreasing small donor giving have eroded the traditional donor base. This combination strains budgets, pushes boards to make difficult trade-offs, and puts pressure on governance: from approving budgets and pivoting strategy, to rethinking priorities and reserves.

More than ever, financial oversight isn’t a back-office function — it’s central. Boards may need to adopt more rigorous financial review practices, diversify revenue strategies, and ensure transparency, especially when budgets become tight.

💡 THE TAKEAWAY

Many boards will be challenged to act as true strategic stewards rather than passive overseers — needing more financial acumen, strategic foresight, and adaptability.



!! BOARD COMPOSITION & ENGAGEMENT

It will likely grow even more difficult to recruit, engage and retain quality board members. Nonprofit Tech for Good already reports that about 36% of board members are viewed as ineffective. This epidemic of low engagement often stems from competing personal and professional commitments, unclear expectations, and/or inadequate onboarding/training.

💡 THE TAKEAWAY

For boards to be effective and relevant, nonprofits must be more deliberate in recruiting for diversity — not just demographically, but in skills (finance, fundraising, technology, equity, community insight), commitment, and capacity.

🏗️ STRUCTURAL GOVERNANCE & LEADERSHIP

I started off this article reinforcing where it all starts – at the top. With many nonprofits lacking clarity in roles/responsibilities, or without explicit charters, up-to-date bylaws, or orientation/training, board members may not understand their fiduciary duties or boundaries.

This weak alignment or trust between board and staff/leadership can damage organizational culture, hamper decision-making, and contribute to turnover or burnout.

Without proactive planning (*e.g., term limits, leadership pipelines, mentoring of new board members*), organizations risk instability or loss of institutional memory — especially problematic in turbulent times.

💡 THE TAKEAWAY

Institutionalizing good governance — with clear roles, charters, leadership pipelines, orientation/training, and regular evaluation — is more urgent than ever for long-term sustainability.

📱 TECHNOLOGY, RISK & REGULATORY ENVIRONMENT

Many nonprofits still rely on outdated technology, manual processes, or generic tools (*e.g., PDFs, email attachments*) for governance — which slows decision-making and hampers board effectiveness.

As cyber threats rise and continue to disproportionately impact under-resourced nonprofits, Boards will have to be vigilant about tech risk management and data protection.

In addition, as laws and government funding streams shift, compliance and transparency become both more important and more challenging. Failure to maintain compliance can lead to fines, loss of tax-exempt status, reputational damage, and/or erosion of donor trust.

💡 THE TAKEAWAY

Governance should be managed in a board portal and boards need to include tech- and compliance-savvy oversight; boards must evolve to have a comprehensive understanding of modern risks.

👤 ADDRESSING LEADERSHIP BURNOUT & GOVERNANCE FATIGUE

As nonprofits face rising service demand with shrinking capacity and resources, staff and volunteer burnout is a growing concern.

This fatigue extends to boards: engaged, committed board members may feel overwhelmed, while under-engaged ones may disengage further or resign.

Maintaining energy and commitment over time — especially without compensation — is harder than ever.

💡 THE TAKEAWAY

Boards must prioritize organizations’ human capital and sustainability — not just for its mission, but for the well-being and long-term engagement of staff and volunteer leadership.

🏡 LEAN ON YOUR VILLAGE

The 2026 environment is dynamic — economic uncertainty, shifting donor behavior, policy changes – all while there is heightened demand.

Overall, nonprofit boards need to professionalize governance: adopt an intuitive nonprofit board portal that fosters engagement -- securely stores clear charters, codified roles, onboarding and training information, and benchmark performance.

Boards need to evolve from oversight committees to strategic partners who help steer organizations through volatility.

Nonprofits are going to need more support than ever as 2026 kicks off – I strongly encourage nonprofit leaders to join like-minded resource and advocacy groups such as the [Nonprofit Resource Hub \(which is free for nonprofits to join!\)](#) in order to have a diverse, strong support system in place to collectively tackle and overcome these challenges.

CHRISTINE DESKA
PRESIDENT & CO-FOUNDER
BELLESBOARD &
NONPROFIT SECTOR STRATEGIES



As we look ahead to 2026, small and mid-sized nonprofits face a pivotal moment—balancing rising pressures with opportunities to modernize. These organizations continue to deliver essential community impact while navigating the challenge of doing more with less.

Key Challenges

Funding stability remains the top concern. Many small nonprofits rely on a few grants or reimbursements, creating unpredictable cash flow, while mid-sized organizations face growing compliance and reporting demands. Advocacy for unrestricted funding and fair cost recovery is essential.

Workforce pressures persist, with small organizations relying on multi-role generalists and mid-sized ones experiencing burnout among mid-level leaders. Competitive labor markets, DEI expectations, and pay equity require structured HR strategies.

“Digital debt” is a growing obstacle. Reliance on spreadsheets or fragmented systems hampers data collection, analysis, and reporting. Cybersecurity is now a universal concern, with insurers demanding multi-factor authentication, access controls, and backups.

Finally, funders increasingly demand measurable outcomes. Without robust data systems, small and mid-sized nonprofits risk missing next-generation funding opportunities.

Emerging Trends

- 1. Funding diversification** – Mixed public, private, and earned income streams are becoming standard. Organizations must manage multiple funder expectations.
- 2. Practical AI and automation** – Affordable AI tools can streamline grants, reporting, and data analysis, but must include human oversight and ethical safeguards.
- 3. Board and governance evolution** – Boards want real-time data and risk visibility. Strengthen governance through skills-based recruitment, risk registers, and KPI dashboards.
- 4. Partnership models** – Shared services for finance, HR, or IT can create efficiency and resilience without sacrificing independence.

Opportunities to Strengthen Impact

- Build outcome-readiness with a lightweight logic model, measurable outcomes, and quarterly targets.
- Invest in digital infrastructure for a single source of truth to support decision-making.
- Adopt selective AI tools responsibly, paired with human validation.
- Formalize financial resilience with operating reserves, cash forecasting, and strategic budgeting.
- Reinforce governance with clear delegation, board skills matrices, and consistent oversight.

In 2026, small and mid-sized nonprofits must transform structure and mindset. Embracing digital tools, prioritizing outcomes, and reinforcing financial discipline will enable them to thrive, becoming leaders in transparency, efficiency, and community trust.

HOSSAM MAKSOUD

FOUNDER & CEO
COMMUNITY CARE RX



MATTHEW THOMPSON

SENIOR VICE PRESIDENT
MORGAN STANLEY
WEALTH MANAGEMENT



Funding continues to be a recurring challenge for nonprofits. Organizations need to focus on funding differently. Government funding is increasingly challenging, requiring more efficiency and effectiveness with shrinking dollars. Corporate funding seeks greater impact and alignment, while foundation and donor funding faces more requests for the same amounts. Unsolicited requests are less likely to be considered and will continue to be overlooked.

This backdrop requires agencies to revisit operations to optimize effectiveness and establish internal metrics to communicate with funders. Significant corporate employee engagement should be part of a nonprofit’s mission, as corporate funds without engagement are increasingly unlikely. Historical foundation and donor support is aging, and the next generation is directing resources to organizations aligned with their priorities. Nonprofits should have leadership and board-level conversations to determine what can be implemented and what future funding is at risk.

Technology also needs focus, particularly utilization rates. Many organizations do not track the use of services, programs, and benefits offered. Understanding utilization rates leads to better cost management and resource allocation. Organizations should challenge the premise of “we’ve always done it this way” and focus on offering services and programs that reach the most people and create the greatest impact. Communicating these metrics can grow future funding opportunities, as few organizations provide this level of insight. Utilization tracking should extend beyond programs to the entire organization.

Board engagement remains critical. Reengaging board members is often overlooked but essential. Boards generally set the benchmark for organizational support: sourcing new members, attending meetings, and providing financial contributions. Organizations with low engagement often see limited donor support. Everything starts with the board—changing how the board functions can transform how the organization functions. Stepping back to evaluate board roles can enable greater progress moving forward.



SUZETTE GORDON

PRESIDENT & CEO
SCO FAMILY OF SERVICES

From our perspective as a human services agency, our biggest challenges include the impending cuts to Medicaid as a result of federal legislation, escalating insurance costs, and the ongoing challenge of underfunded programs and how that impacts our ability to pay human services workers competitively. These changes will impact organizations of every size, forcing them to be agile and engage in scenario planning to mitigate the changes in the external landscape on the organization.

Because many nonprofits face the same challenges, it will be important to collaborate and advocate for policies that mitigate some of the challenges we see on the horizon. New York State has an opportunity to soften the impact of federal Medicaid changes to ensure that the most vulnerable among us are not left without healthcare. Nonprofits should prepare to advocate for their clients, make decisions driven by data, and actively engage in strategic contingency planning so they are prepared for any changes in the landscape.



MICHELLE JACKSON

EXECUTIVE DIRECTOR
HUMAN SERVICES COUNCIL

There are real and perceived threats out of the Federal government right now, challenging DEI initiatives, restricting federal funding, and executive memos targeting nonprofit lobbying efforts. These memos and restrictions can create a silencing effect on organizations of all sizes, who wonder if they should sign contracts with these restrictions and worry that speaking out will jeopardize the funding that communities desperately need. This also comes at a time when communities need more services, not less, and nonprofits have stepped up to feed people during the government shutdown and will continue to help individuals impacted by federal budget cuts that affect health insurance and other social programs. There is no way around it, as this has been a tough year for the sector and it will continue into next year. The bright side is that this is a connected community, and nonprofits always meet the challenge to ensure communities have what they need.

Given the challenges of the Federal budget and government shutdown, a trend that I hope we continue to embrace is better connecting to national movements. Nonprofits work at the local level, and I have seen us, HSC, other coalitions, and individual providers, really turn to the national space because we have to be coordinated. With SNAP, for example, the sector was able to connect with partners from many localities and national groups to push a unified message and also figure out how to help people get food while SNAP was unavailable. Sharing information, strategies, and joining advocacy efforts on a national scale is a great trend, aside from the unfortunate circumstances, that should continue into 2026.

New York City will have a new mayor, and with that always comes new opportunities. In this case, Mayor-Elect Mamdani's focus on affordability is something that is resonating, and that provides opportunities for nonprofits not just in NYC but for everyone to press on the need for community programs and services as ways to advance affordability. Child care, food access, eviction prevention, supportive housing, the list goes on, are all part of an affordability agenda, and that agenda is gaining traction everywhere. That is an opportunity and a strategy that nonprofits should be embracing.



DONALD M. RUFF, JR.

PRESIDENT & CEO
THE EAGLE
ACADEMY FOUNDATION

Looking ahead to 2026, the nonprofit sector faces several challenges that will impact organizations of all sizes. One of the most significant is the volatility of government funding, which can create uncertainty for both large and small nonprofits. At the same time, economic pressures may lead individuals and corporations to tighten their budgets, making fundraising more competitive and increasing the need for organizations to diversify their revenue sources.

Nonprofits will also continue to navigate the complexities of diversity, equity, and inclusion. Organizations will need to balance affirming the identities of the communities they serve with maintaining broad appeal to attract the resources necessary to continue their work. Additionally, the integration of artificial intelligence into daily operations and service delivery will present both opportunities and challenges. Nonprofits that can leverage AI strategically may improve efficiency and impact, while those that fall behind risk losing ground.

In terms of emerging trends, AI and health initiatives are likely to receive increased attention, as both are critical areas of need and are generally less politically charged. Private philanthropy is expected to become more competitive due to fluctuations in government support, while individual giving is likely to grow in importance as a reliable funding source.

To strengthen their impact in 2026, nonprofits should prepare for potential political shifts in 2027 that could influence public funding and priorities. Strategies that highlight the economic as well as social value of their work, collaborative fundraising efforts among organizations, and engagement of program alumni as potential supporters can all help build resilience. By proactively addressing these challenges and exploring new strategies, nonprofits can navigate uncertainty while continuing to make a meaningful difference in the communities they serve.



JIHOON KIM

PRESIDENT & CEO
INUNITY ALLIANCE

One of the most pressing challenges that nonprofit behavioral health providers face is the widening funding deficit driven by federal policy shifts. As the federal government scales back core benefits like Medicaid and SNAP through funding cuts, stringent work requirements, and intensified immigration enforcement, the downstream impact on communities is immediate as providers will need to reduce services. Organizations are being asked to do more with less, serve higher-acuity individuals with fewer resources, and stabilize a system under political and fiscal strain.

To respond to these pressures, a major trend accelerating across the behavioral health sector is the adoption of AI tools. Providers navigating chronic workforce shortages are turning to AI to streamline documentation, reduce administrative burden, support clinical workflows, and improve data transparency. The urgency of workforce burnout, turnover, and compliance pressures is pushing organizations to see AI not as a "nice to have," but as a core infrastructure investment. Over the next few years, significant growth is expected in AI-enabled scheduling, case management, decision support, and quality monitoring tools that help organizations operate more efficiently without compromising person-centered care. Organizations will also need state governments to respond by allowing reimbursement through existing contracts and providing additional capital funding.

Even with operational improvements like AI, many nonprofits will need to explore broader structural strategies to remain sustainable. Given financial pressures and growing demand, organizations are increasingly evaluating mergers, affiliations, and other forms of consolidation. For some, this will be a proactive strategy to expand capacity, diversify revenue, and strengthen back-office infrastructure; for others, it will be necessary for survival. More organizations are expected to focus on shared services, joint ventures, and full mergers as ways to build stability, maintain quality, and remain competitive in an environment where reimbursement and workforce challenges are likely to worsen.



DAVID KILMNICK

PRESIDENT & FOUNDER
LGBT NETWORK

One of the most pressing challenges facing the nonprofit sector in 2026 is the growing mismatch between rising community need and unstable, delayed, or restricted funding. Government contracts are increasingly complex, slow to pay, and often do not fully cover the cost of delivering high-quality services. While larger institutions may absorb these delays, small and mid-sized nonprofits can face cash-flow crises from a single late payment, directly impacting staff and programs.

Another challenge is the escalating politicization of nonprofit work. Organizations serving LGBTQ+ communities, immigrants, communities of color, and other marginalized groups are often at the center of cultural and political debates. This affects safety, fundraising, partnerships, and staff morale. Nonprofits must remain vigilant about staying true to their mission. When external pressures intensify, the need to double down on clarity, purpose, and impact has never been more urgent.

Workforce strain continues to pose operational threats. Nonprofits compete with the private sector for staff while offering fewer resources. Employees face heavier workloads, increasing vicarious trauma, and rising cost-of-living pressures. Burnout and turnover are strategic risks that can undermine organizational stability.

Funding models are shifting toward outcomes-focused and performance-based expectations, requiring investment in data systems, evaluation, and staff training. Technology and AI will shape operations, from donor engagement to program management, but these tools must be implemented with careful attention to privacy, ethics, and equity. Governance expectations are evolving as boards are asked to focus on resilience, risk, and sustainability, while staff and communities expect principled public positions on pressing issues.

To navigate these challenges, nonprofits should invest in organizational resilience by building reserves, strengthening infrastructure, diversifying revenue, and planning for uncertainty. Collaboration—through shared services, joint advocacy, co-located programming, and cross-sector partnerships—offers a powerful way to stretch resources and increase impact. Intentional adoption of technology can free staff time, enhance storytelling, and improve data use, provided it is guided by ethics and equity.

Above all, nonprofits must remain anchored in mission. In a polarized environment, resisting pressures that pull organizations away from core purpose is critical. Those that succeed in 2026 will pair immediate support with long-term movement-building, balancing resilience with unwavering values and accountability to the communities they serve.



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