STRETCHED THIN

Florida nonprofits are navigating a swirl of economic, political and societal pressures, and their ability to adapt may determine what comes next.

BY BRIAN HARTZ

Florida consumers aren't the only ones struggling with rising costs of essential goods and services and other economic headwinds: Nonprofits across the state have encountered a confluence of challenges that threaten their ability to deliver vital programs, jeopardizing their role as a key cog in the state's economy and a safety net for residents.

Florida's 22,710 nonprofits employ some 456,000 people, accounting for about 7% of the state's workforce and more than $27 billion in annual wages, according to the Jacksonville-based Florida Nonprofit Alliance. FNA says the nonprofit sector rivals construction and manufacturing in terms of workforce size.

"Nonprofits play an outsized role in strengthening Florida communities," FNA President and CEO Sabeen Perwaiz says. "Funders, elected officials, businesses and nonprofit leaders must work together to ensure the sector remains sustainable. If we went away, who would do the work?"

photo: MacBeth Studio

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But a quadruple-whammy of decreased government support, rising costs, consumer belt-tightening and surging demand for services has left nonprofits reeling. Nearly 60% of the 1,082 respondents to FNA's latest Florida Nonprofits Survey published in March say they faced increased costs for recurring expenses in 2025, and more than one-third saw an increased demand for services and support. At the same time, 40% of respondents reported that fundraising for program expenses had declined.

Such trends are unsustainable and have led to rising concerns among nonprofit leaders.

"I'm approaching my 20th year in this sector," says Derrick Chubbs, president and CEO of Second Harvest Food Bank of Central Florida, which serves residents of seven counties via five food bank locations and a fleet of 22 trucks, "and I can comfortably say I've never seen it like this."

In some ways, it's worse than the COVID-19 era, he says. "I'm not saying that the pandemic wasn't difficult, because it really was, but what we're struggling with now is a combination of so many factors that we can neither control nor predict. It's impacting our sector and, as a result, it's impacting those who depend on our services."

Chubbs adds that he increasingly hears from residents who'd never had to rely on food banks but now find their household budgets stretched to the breaking point — people, he says, who insist they "did everything right" by working hard, being frugal and saving money.

The rise in demand has also strained Second Harvest's budget: Its gross revenue declined by $5 million from 2024 to 2025, while expenses rose by $3 million; during that time, its net income went from more than $6.6 million to a loss of nearly $1.2 million.

Miriam Singer, the president and CEO of Jewish Community Services (JCS) of South Florida, says her organization also is experiencing a surge in people seeking help. "We are seeing situations where individuals who before never had to seek the support of nonprofits (now need it) to sustain themselves, to stay in their homes, to feed their children, to provide health care, even to go to their jobs and seek medical help," she says.

Along with that, the JCS of South Florida is experiencing an uptick in calls to the mental health and suicide prevention hotlines it operates for residents of Miami-Dade and Monroe counties. There's a domino effect: The people who staff such crisis lines are taxed physically and emotionally from the increased workload.

To wit, FNA's survey also measured staff burnout, with 21% of respondents saying staff burnout is higher than the year before — the highest rate since 2021, when nonprofits were still dealing with increased demand related to the pandemic. Eight percent of respondents say they eliminated more staff positions than the year before

Federal funding cuts are taking a toll on Florida nonprofits, and more challenges may be on the horizon. Last year's "One Big Beautiful Bill" resulted in tax code changes that are expected to reduce corporate charitable giving to the tune of a $45-billion drop over the next decade, according to Ernst & Young.

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photo: MacBeth Studio

— again, the highest rate since 2021.

Several of the nonprofits that Florida Trend spoke with are pursuing new revenue streams.

"I am not sitting around holding my breath waiting for government funding to come back," says Judith Smelser, the president and general manager of Orlando-based Central Florida Public Media, formerly known as WMFE. "If it does, great, but we need to build a self-sustaining model of support."

Central Florida Public Media suffered a $400,000 hit to its budget when the federal and state governments canceled funding for public TV and radio outlets last year. Smelser responded by suspending a fellowship program for young journalists and cutting some costly national shows. Listeners responded by donating more than $221,000 when the station held an emergency, one-day fund drive, and turning out in droves for Punk for Public Media, a benefit concert featuring local bands that raised $8,500.

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photo: Florida Nonprofit Alliance

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Smelser says she's felt the funding axe hanging over the station's head for years now, and that's part of the reason why the organization rebranded. Central Florida Public Media, she says, better reflects the station's wide range of programming, from terrestrial and internet radio to email newsletters, informative social media posts and streaming video and audio podcasts.

"We've increased our video work by about 75%, year over year," Smelser says, adding that she and her team are well aware that social media users prefer to consume short bursts of news and information via video. To that end, it has rolled out "Florida Minute," a quick video newscast that appears on Instagram, YouTube and TikTok.

"We're recognizing social media platforms not just as ways to promote what we're doing on the radio or our website," Smelser says, "but as platforms in their own right, and we see a real opportunity in converting those audience members into donors, because they're not always the same as our radio audience."

Second Harvest Food Bank of Central Florida, likewise, has taken creative steps to improve its long-term financial health amid economic uncertainty. Chubbs, the president and CEO, says sustainable revenue streams, including a full-service, professional catering business, are already up and running.

"That's one piece of social entrepreneurship that we're actively trying to grow," he says.

Donor Perspective

St. Petersburg philanthropist Beth Morean, an ardent supporter of arts and medical causes, believes many nonprofits will fold if they don't change the way they operate. Sustainable revenue streams, she says, are essential because previously reliable sources of philanthropic dollars dried up after the 2008 global financial crisis, and wealthy baby boomers like her are getting to the age where they'd rather spend their money on "fun things" instead of charitable causes.

"I'm a businessperson. I don't believe the nonprofit model works, and it hasn't worked in a long time," Morean says. "A nonprofit operates by sticking its hand out and hoping somebody fills it with money. Those days are long gone."

Morean made her fortune in real estate and was instrumental in establishing St. Petersburg's Morean Arts Center, Morean Glass Studio, Morean Center for Clay and the city's stunning collection of Dale Chihuly's glass art. She also donates to the Tampa Bay Research Institute, founded in 1981 to study viruses, cancer and the immune system. She established the Chihuly Collection, a permanent display of the renowned Seattle artist's work, to fund her other arts endeavors. And she insisted on buying the artwork, as opposed to having it loaned, so it will stay in the city in perpetuity.

Conventional nonprofit models, she argues, are unsustainable. "I've never operated anything that I've been involved with as a nonprofit," Morean says. "It just doesn't work. You're constantly begging, begging, begging all the time. And it depends on what you're doing: If you have a nonprofit that's curing cancer and you have a nonprofit that's giving art classes, whose palm do you think is going to get filled?"

The Tampa Bay Research Institute isn't self-sustaining in the same way as Morean's arts facilities, but she supports its work because of the high stakes — "viruses are going to be the thing in the future that will kill us all," she says — and because its funding requests are tied to specific projects, and she can see progress and results at her meetings with its leadership.

"Medicine is pretty cut and dried," she says, "but my thing is, don't ask me for some open-ended amount. I want a very specific, detailed plan, and I want to know how much (you want). You come to me, we put a plan together, I give you the money, but don't come back to me six months later saying the program is failing because we need another $100,000. Well, you know what? Too bad. I'm not going to do that. It's just throwing good money after bad."

photo: Morean Arts Center

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The food bank also has event spaces that can be rented for occasions such as weddings, corporate meetings, birthday parties and family gatherings, and it's developed a spinoff of its catering business that will produce medically tailored meals and sell them to AdventHealth and Orlando Health. That initiative grew out of a pilot project — funded by the DaVita Giving Foundation, the charitable arm of Davita, a Denver-based health care company that specializes in the treatment of kidney disease — that created healthy, low-sugar meals for patients suffering from renal failure.

"We're providing healthy meals for prenatal care, so expectant mothers get a balanced meal for their children," Chubbs says. "We're in the food business. We know how to do this."

In addition to meals for pregnant women, Second Harvest also cooks for patients with heart issues who've been discharged and must adhere to a special diet lest they wind up back in the hospital.

"The health care organizations will tell you it's not necessarily the initial trip to the doctor; it's usually the second, third or fourth trip that costs them money," Chubbs says. "So, if we can provide healthy, balanced meals for these patients, then the health care organizations or maybe even the insurance industry might be willing to fund us to do this work."

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Florida Epilepsy Services, a nonprofit health care provider based in the Tampa suburb of Brandon, has been anything but passive in its confrontation with funding cuts. Executive Director Lenore Brinson says she's "applying for every grant I can possibly find." A mix of billboards, radio ads and social media campaigns have been effective in raising much-needed awareness and funds. FES, she adds, was "a dying agency" just a few years ago, and that was before recent Florida Department of Health funding cuts.

FES hasn't gone to the same entrepreneurial lengths as Second Harvest, but it did recently merge with the Epilepsy Foundation of America, increasing its flow of charitable donations. Brinson also takes heart in the fact that FES has existed since 1973 — when it was founded by the parent of a child with epilepsy — and survived numerous up-and-down economic cycles during that time. She thinks of her organization as a lighthouse, a beacon of hope for struggling Floridians and their families, and she is "very optimistic" about its future.

"I see us growing," she says. "Yes, we will face challenges, but you just have to be creative when it comes to funding. You can't depend on one funding source. The goal is to keep the lighthouse lit."

photo: Florida Epilepsy Services

AI Lifeline?

Anil Menon, dean of the Crummer Graduate School of Business at Rollins College in Winter Park, uses the term "permacrisis" to describe the onslaught of challenges the sector must confront.

"We are living through permacrisis — not a temporary disruption but a permanent condition of compounding instability: fracturing political orders, collapsing alliances and technology eliminating entire categories of certainty," he says. "The permacrisis facing nonprofits isn't one problem — it's four converging ones: surging demand for services, staffing shortfalls, government funding cuts and a fundraising environment that keeps tightening."

Thanks to its Edyth Bush Institute, Rollins has been involved in nonprofit and philanthropic thought leadership for more than 25 years. In February, it launched a complementary initiative, the Rick Goings Institute for Management and Executive Leadership, which will welcome leaders from both the nonprofit and for-profit sectors. Menon will serve as its CEO, and he believes technology can play a bigger role in the nonprofit world.

"Here's the irony: Nonprofits tend to view technology and artificial intelligence as antithetical to their human-first mission," he says. "But that gets it backwards. AI handles the operational burden so that leaders and staff can focus their full energy on what only humans can do — the mission itself. AI doesn't replace the human center of a nonprofit. It protects it."

But technology isn't a miracle drug for what ails nonprofits. Menon urges them to rethink their business model, organizational design and leadership structure. Technology, he says, is merely "the architecture" that makes institutional change possible.

Some nonprofit leaders are already jumping on the AI bandwagon.

"All of our executive business managers have accounts with one or more of the platforms that allow us take advantage of AI tools," says Miriam Singer, the president and CEO of Jewish Community Services of South Florida. "Whether it's to prepare proposals for grants, look for smart ways to fundraise, share stories about client cases or for development purposes, we're always looking at opportunities in terms of agility and efficiency for back-office functions. We're very much focused on a path to fully utilizing AI — where it makes sense and where it's responsible."

Sabeen Perwaiz, of the Florida Nonprofit Alliance, agrees that nonprofits can improve their systems and processes with technology. "We can't keep doing the same things the same way we have been doing for decades — that's a given," she says. "Think about database management; think about drafting PowerPoint presentations — the mundane work that takes hours and hours but that's not necessarily (related to) strategy or providing services."

A technological overhaul, however, comes with a price — one that small nonprofits might not be able to absorb. AI also introduces privacy risks that must be mitigated.

"The sector needs capacity to create AI policies, build their infrastructure and get subscriptions for all of these new tools that are available," Perwaiz says. "They're not all free. (Nonprofits) need to make sure that all staff are trained and are using these tools appropriately, because they have confidential client information that they can't put into a free system and share externally. There are compliance measures that come into play." FT

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photo: Scott Cook/Rollins College