

Florida Nonprofits & Federal Funding: What You Need to Know

An Impact Report for Floridians

SUMMARY

Florida's nonprofit sector is a vital force in the state's economic health and community well-being. From delivering essential services like disaster relief and mental health support to driving job creation and local investment, charitable nonprofits are deeply woven into the fabric of everyday life. When federal funding becomes unreliable, however, nonprofits are not able to meet rising demand and fulfill the needs of their communities. With recent federal actions threatening nonprofit grants and contracts, it is more important than ever to understand how charitable nonprofit organizations operate, why they are trusted community anchors, and what is at stake for Floridians

CONTENTS

Highlights of the report include:

- Nonprofit Success Affects State Success
 - Economic Impact – charitable nonprofits are both an important employer and a revenue generator for their local economies
 - Vital Programs and Services – 100% of Floridians are positively impacted by Florida nonprofits
- Critical Service Delivery
 - Meeting the Need – almost half of Floridians cannot afford basic living expenses
 - Public-Private Partnerships – nonprofits leverage donors and volunteers to provide services government cannot or will not provide
 - Effects of Federal Funding Cuts – these cuts would affect 70% of the nonprofits in our state
- Nonprofit Trust, Accountability, and Transparency – 74% of Floridians trust nonprofits and the services they provide. Nonprofits comply with strict laws and reporting requirements to ensure they are nonpartisan and operating in an ethical manner.



Nonprofit Success Affects State Success

If our state was an independent country, Florida would be the 16th largest economy in the world. That tremendous economic success cannot happen without a robust and healthy nonprofit sector. The nonprofit sector supports the state's economy in two major ways – through its economic impact as an employer and revenue generator and in providing vital and wide-reaching services to all Floridians.

Economic Impact

Florida is home to more than 22,000 nonprofit organizations with revenues of at least \$50,000 annually. Charitable organizations bring in \$116.5 billion in revenue each year, much of which is invested back into the economy as wages or expenditures for programs and services.

Nonprofits employ more than 456,000 people in the state, which totals more than \$27.5 billion in total annual wages.

- (Source: <https://www.flnonprofits.org/data-dashboard>)

The nonprofit sector is comparable in employment size to the construction and manufacturing industries.

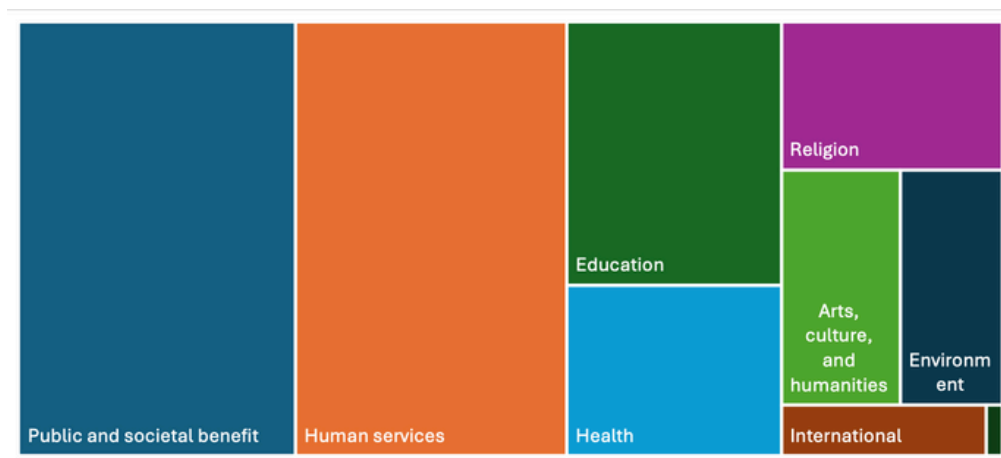
- (Source: https://assets.noviams.com/novi-file-uploads/fna/PDFs-and-Documents/Economic_Impacts/FNA_Economic_Impact_final_in-ed2e5acf.pdf)

Vital Programs and Services

If our state was an independent country, Florida would be the 16th largest economy in the world. That tremendous economic success cannot happen without a robust and healthy nonprofit sector. The nonprofit sector supports the state's economy in two major ways – through its economic impact as an employer and revenue generator and in providing vital and wide-reaching services to all Floridians.

Mission Types of Nonprofits in Florida

All of Florida's nonprofits are represented across the following categories.



Critical Service Delivery

Meeting the Need: Uplifting All Floridians

The reality is that more than 1.1 million Floridians live in poverty. In addition, one third of Floridians are ALICE - Asset Limited, Income Constrained, Employed — earning more than the federal poverty level, but not enough to afford the basic life expenses where they live. Together, 46% of households in our state are below the ALICE threshold and the federal poverty line.

- (Source: <https://data.census.gov/profile/Florida?g=040XX00US12>)
- (Source: <https://www.unitedforalice.org/state-overview/florida>)

At the same time, nonprofits are seeing an increase in demand for their services - one quarter of all Florida nonprofits experienced increased demand for their services, and 44% served more clients in 2024 than in the previous year.

- (Source: <https://www.flnonprofits.org/florida-nonprofits-survey-2024>)

Hundreds of thousands of Floridians are able to work as a result of the supports they receive from charitable nonprofits - child care, transportation, after-school programs, mental health services, job training, housing assistance, and more. These supports help increase Florida's workforce participation, which is currently 45th in the nation.

- (Source: <https://www.jec.senate.gov/public/index.cfm/republicans/fl/#:~:text=Florida%20Labor%20Force,to%2062.5%20percent%20in%20Marc>)

Public-Private Partnerships

Government often partners with charitable nonprofits to provide essential services to residents and communities on its behalf through grants and contracts. These grants and contracts include things like providing food security for hungry children, housing assistance for veterans, affordable access to the arts and cultural activities, disaster relief, child care, elder care, transportation, and mental health care. Nonprofits are a valued government partner because they can provide these services more effectively and more efficiently than government can while leveraging other partners, including donors and volunteers, to accomplish their missions. When government, nonprofits, and community work together, we meet our most complex, vital needs with agility, urgency, and innovation.



Northwest Florida Area Agency on Aging



"The biggest impact to federal funding cuts will be to the 15,000 seniors, along with their caregivers and families, in the four counties we serve, who rely on services like Meals on Wheels, home care, respite for caregivers, and assistance navigating the Medicare system. We also have a waitlist of individuals needing services."

Effects of Federal Funding Cuts

- Nonprofits in 64 out of 67 counties in Florida receive federal funding
- 70% of Florida nonprofits face potential loss of government funding because of recent federal orders – putting Floridians at risk
 - (Source: <https://www.urban.org/research/publication/what-financial-risk-nonprofits-losing-government-grants>)
- In FY2024, Florida nonprofits received 2,622 federal grants and contracts totaling \$3 billion.
 - (Source: <https://www.usaspending.gov/>)

Federal funding cuts to nonprofits mean a decline in critical services provided to Floridians. These cuts not only impact charitable nonprofits; they impact people, families, and communities, creating a ripple effect across our entire economy. Funding interruptions for charitable nonprofits increase pressure on community resources, strain public assistance programs, negatively impact for-profit vendors and their employees, and ultimately, create significant challenges and risks for you and your neighbors.

While government sources account for only 24% of annual revenue for Florida nonprofits, that 24% will be difficult to make up with other sources of revenue. Private foundations currently contribute around \$107 billion annually to U.S. charitable nonprofits. To replace lost government funding, they would need to increase their giving by a staggering 282% per year, which is not feasible.

- (Source: <https://www.urban.org/research/publication/government-grants-and-contracts-nonprofits-2023>)
- (Source: Falldin, Kate. "How Many Nonprofits Rely on Government Grants? Data from Candid." Candid Blog, 23 May 2023, blog.candid.org)



Trust in Nonprofits

Nonprofits are the most trusted sector in American society, with public trust at 57% and rising. Trust in other sectors, including government, business, and media, has declined.

- (Source: <https://independentsector.org/resource/trust-in-civil-society/>)

Nonprofits are:

- **Providing Trusted Services to Floridians:** 74% of Floridians report that they somewhat or strongly agree with the statement "I generally trust nonprofits and the services they provide."
 - (Source: <https://givingpulsehub.givingtuesday.org/>)
- **Representing Florida Communities:** 81% of all voters in the last election, regardless of party affiliation, trust charitable nonprofits to engage in policy work and serve their communities in nonpartisan ways.
 - (Source: <https://independentsector.org/resource/new-poll-voters-want-policymakers-to-support-nonprofits-in-an-uncertain-time/>)
- **Filling the Service Gap:** 81% of all voters agree that charitable nonprofits address vital needs that government either cannot or should not provide. They also believe the nonpartisan nonprofit engagement in policy work reduces government interference and makes organizations more effective in meeting community needs.
 - (Source: <https://independentsector.org/resource/new-poll-voters-want-policymakers-to-support-nonprofits-in-an-uncertain-time/>)

"Our federal grant was intended to support an intensive, trauma-informed youth mentoring initiative in partnership with the 10th Judicial Circuit Juvenile Drug Court. The Juvenile Drug Court refers more than 100 youth in Martin County each year, then PAL provides support systems to keep those youth from re-offending and ending up in the juvenile justice system. With these cuts, the youth will not receive critical mental health therapy and will have limited access to the programs and support systems included in our services. In addition, we are owed for reimbursements – money already spent on programs – of more than \$65,000."



Martin County PAL

Accountable Transparent Partners Serving You

Charitable nonprofits operate under strict government regulation and public scrutiny to ensure financial accountability. This is for good reason as 501(c)(3) nonprofits are exempt from federal corporate taxes and have access to public funding. These benefits are not typically available to for-profit businesses, so laws are in place to protect the public and guarantee nonprofits do not abuse these financial privileges.

Charitable nonprofits are required to remain nonpartisan and are not permitted to endorse candidates for public office or donate to political parties. This ensures that charitable nonprofits are acting in the best interest of their mission and the communities they work with, not politics.

Many federal grants and contracts are reimbursable - which means nonprofits must provide services first and then submit documentation to receive funds covering allowable expenditures. Nonprofits also often are not reimbursed for the full cost of programs and services, or may not be reimbursed for their charitable work at all. For example, 89% of nonprofits that assisted with hurricane response and recovery in 2024 received no additional funds of any kind to support that work.

- (Source: https://assets.noviams.com/novi-file-uploads/fna/PDFs-and-Documents/Florida_Nonprofits_Survey_2024/FNA_Nonprofits_Survey_2024_final_report.pdf)

Charitable nonprofits are also required to file annual financial reports to the IRS and are public record.

Charitable nonprofits receiving federal funds undergo rigorous applications processes and adhere to extensive regular reporting requirements. Charitable nonprofits with federal grants and/or contracts of \$1 million or more must conduct annual audits.

Federal funding uncertainty and cuts don't just affect a small number of charitable nonprofits. When the nonprofit sector's ability to provide programs and services are at risk, all Floridians and the communities in which they live are also at risk.



Florida Nonprofit Alliance

The Florida Nonprofit Alliance (FNA) is a statewide coalition of nonprofits focused on research, collaboration and advocacy. FNA's mission is to serve as the state's collective voice, respected advocate, effective connector, and powerful mobilizer for the nonprofit sector. We provide a collective voice at the state and national levels, educating elected officials and constituents, and serves as a central resource and referral center for and about Florida nonprofits. FNA also represents Florida as the state association member of the National Council of Nonprofits. Visit www.flnonprofits.org.

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We focus on five major areas:

- Advocacy and lobbying on behalf of the sector
- Education for nonprofits about advocacy and lobbying
- Research that benefits the state's nonprofits
- Resources that are important to all nonprofits
- Fostering collaborations and connections

FNA is a membership organization that both represents and draws support from nonprofits across the state.

For more information, please visit flnonprofits.org or email us at info@flnonprofits.org.

