

Federal Pulse Poll Case Study

#AlliesForGood

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Survey Conducted May 2025
in collaboration with the SC Grantmakers Network

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Introduction

Evolving federal policy, funding delays/pauses, and administrative ambiguity are disrupting nonprofit operations across South Carolina. As a follow-up to the Federal Pulse Poll sent out in May, this Case Study aims to provide a deeper understanding of how recent federal changes are affecting the sector. These shifts have disrupted day-to-day operations, stretched leadership capacity, and reshaped strategic decision-making.

Two South Carolina-based nonprofits, both of which completed the Federal Pulse Poll, were selected to be interviewed to better understand the range of impacts of recent federal policy on mission delivery, staffing, and program planning. The names of the organizations have not been included in this Case Study intentionally to protect their information and operations.

Organization A is multi-county land preservation nonprofit. Organization B provides various services to victims of sexual assault and rape.

Background

TogetherSC conducted a federal pulse poll May 7-21, 2025, with 319 nonprofit responses. The purpose of this poll was to gauge how federal policy was impacting SC nonprofits. All South Carolina counties were represented in survey responses through either service area or physical office location.

Survey Findings

Funding Impact

63% of respondents have no federal grants, while 30% have active grants. Though most nonprofits do not hold active federal grants, those who do experience funding disruptions are deeply affected. Of those with active grants, 70% stated their funding has not been paused or canceled, while 30% reported lost or frozen funding ranging from \$7,500 to over \$1 million. Those affected rely more heavily on public funding at around 52% of total income.

Background (continued)

Operational Shifts Are Widespread

Most nonprofits, regardless of whether or not they receive federal funding, are still having to adapt their services and staffing due to federal policy changes. 30% of organizations experienced paused or canceled programs, 29% experienced loss of funding, 23% had to adjust program language, 23% had to reduce services, 23% had to serve fewer individuals, and 14% had to terminate positions.

Planning with Caution

The nonprofit sector is bracing for more challenges in the future. 49% of nonprofits are planning for or expecting negative impacts in the next 6 months, whereas 33% anticipate neutral outcomes. This cautious outlook reflects growing concerns about reductions in federal funding and the broader political and economic uncertainty affecting the sector.

Support Needs Go Beyond Funding

Nonprofits are looking for help, beyond funding, to strengthen their operations. Leading areas of desired support include grant management (38%), scenario planning (34%), financial management (30%), public policy training (30%), program evaluation (25%), internship programs (21%), and board governance (18%). These needs reflect a growing emphasis on sustainability, strategic planning, and advocacy in a shifting landscape.

Key Findings

Based on interviews conducted with two participating organizations, Together SC has identified critical impacts to nonprofits as a result of changing federal policy which are resulting in material shifts in operations, planning, and financing strategies.

Funding delays and changes to timelines can erode planning capacity

Nonprofits are experiencing delays in the disbursement of critical grant funding, hindering project timelines and eroding trust among key stakeholders. Additionally, shortened application windows, sometimes as short as a couple of weeks, create barriers for smaller organizations to apply, straining their capacity to pursue necessary funding.

- Organization A is experiencing a 2+ month delay in critical grant programs (Neighborhood Assistance Corporation of America, Natural Resources Conservation Service, U.S. Fish & Wildlife Service) impacting landowner trust and project timelines.
- Organization B reports federal grants arriving late and application timelines shortened to unmanageable windows (as little as 3 weeks).

Policy uncertainty alters missions and messaging

Federal policy proposals, even when not widely adopted, are prompting nonprofits to shift their strategies and messaging. Some are having to defend long-standing program models in response to proposed legislative changes. Others are restructuring public communications to better align with politically palatable narratives, framing their work in terms of economic impact, public health, or community safety rather than values-based storytelling.

- Organization A is navigating federal proposals (e.g. easement time limits) that threaten the permanence of conservation. These are often tied to individual legislator initiatives, not broad mandates, but require sustained response.
- Organization B has had to restructure its public communications, moving from trauma-centered storytelling to economic, public health, and safety framing to align with political realities.

Compliance burden is rising

Nonprofits report increasing confusion and administrative strain due to evolving federal requirements, particularly those tied to executive orders or immigration-related stipulations. These changes are not always clearly communicated and raise concerns about potential conflicts with organizational missions, especially in service areas involving vulnerable populations.

- Both organizations cite conflicting or vague new federal funding guidelines, particularly related to executive orders and immigration.
- Organization B notes that new required certifications are potentially in conflict with the federal statutes that govern their work.

Key Findings

Donor and partner confidence is shifting

Economic instability and political polarization are impacting donor sentiment and philanthropic giving. Some organizations note a potential decline in contributions if inflation persists or if funders become wary of aligning with politically sensitive causes. Others are seeing decreased service engagement, not from a lack of need, but from fear or mistrust among their communities, particularly among marginalized groups.

- Organization A warns of potential philanthropic contraction if inflation persists or donor sentiment sours amid ongoing political and market instability.
- Organization B's call volume has dropped, not from decreased need, but fear among survivors, especially immigrant, LGBTQ+, and undocumented, driven by federal rhetoric and enforcement concerns.

Nonprofits are self-funding stability

In response to uncertainty, nonprofits are building larger cash reserves and seeking more stable state or private funding sources to buffer against delayed or unpredictable federal support. These efforts reflect a growing need to maintain operational continuity amid a precarious funding and policy environment.

- Organization A increased cash reserves from 6 to 9 months of operating expenses.
- Organization B's coalition is requesting greater state appropriations to backfill federal unpredictability.

Recommendations

In response, Together SC has developed the following recommendations for the sector to support each other, including how Together SC can strengthen its support for nonprofits:

1. Continue to distribute digestible policy updates

- a. Share timely, plain-language summaries of policy shifts to help nonprofits stay informed without needing legal expertise.

2. Offer grant compliance support

- a. Provide resources or shared compliance navigators to help nonprofits interpret and meet evolving federal and state grant requirements.

3. Facilitate advocacy trainings

- a. Equip nonprofit leaders with the tools to engage in cross-sector advocacy, particularly around localizing responses to national threats.

4. Regular surveys

- a. Implement biannual "pulse check" surveys to track shifting nonprofit sentiment, needs, and policy impacts over time.

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