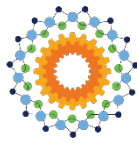




Grand Traverse Regional  
**COMMUNITY**  
FOUNDATION



**ROTARY**  
**CHARITIES**  
*Resources for change.*

## Federal Funding Shocks – Fall 2025 Update

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During September and October 2025, funder partners, including the Grand Traverse Regional Community Foundation and Rotary Charities of Traverse City, collaborated on a follow-up funding impacts survey of our nonprofit partners as they head into the final quarter of the year.

Overall, the follow-up survey shows the intensifying concerns identified in previous surveys about the fallout from funding cuts and policy moves: rising housing and food insecurity and increasing demand for basic needs alongside reduced access to services for clients. At the same time, organizations are straining to serve our communities despite staffing cuts and mounting administrative burdens necessary to access the funds previously committed to them – funds that oftentimes were already spent in good faith. Unsurprisingly, organizations are tapping into emergency and reserve funds.

What is different this time is the grim reality surfacing in nonprofits' narratives – particularly around impacts on the people and communities they serve. These impacts are not all directly related to organizations' diminished funding to provide services. Many are the result of cuts to other safety net programs. Our nonprofit partners are reporting unprecedented economic and social strains on our most vulnerable neighbors and what they are witnessing is taking a toll.

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### How we listened (and why quotes, not charts)

- 12 nonprofit leaders completed the follow-up survey in September–October 2025 (28 did so in June–July; 51 did so in Jan–Feb).
- Respondents span human services, housing and homelessness, environmental conservation, ecology, and the arts.
- Annual budgets range from less than \$350K to \$75M for one statewide organization.
- Direct or pass-through federal funding as a percentage of annual budget ranges from 0% to more than 60%.

To protect respondents – especially as fewer were willing to be named than in previous surveys – organization identities are redacted, and quotes are anonymized. Given the small sample, we center verbatim comments over aggregate statistics to honor the data's limits and convey the tone and specificity of front-line conditions. As varied as the organizations are in terms of service domains, budgets, and funding sources, those experiences echo with each other in profound and concerning ways.

## Signals from the frontlines – what nonprofits are witnessing

### Risks to children and families:

“Right now we are seeing incredible amounts of physical violence against children. I can't speak to the correlation to each of our cases, but I know that the more secure people are socially, emotionally and physically--the better they treat the vulnerable people in their lives. We have not been hearing that people feel secure.”

“Families are increasingly stressed about the cost of living. Kids seem to be, anecdotally, unusually physically disruptive this year.”

### Safety net whiplash:

“[Our organization] has seen a twenty-five percent increase in families over the past two years. This increase accounts for 250 more people being served by our services every month.”

“In order to accommodate the proposed HUD funding cuts...[our organization] would need to reduce the number of households served by 65%...a drop from 105 households housed to just 36, displacing nearly 70 vulnerable individuals and families.”

“Clients are receiving reductions in food and health benefits and being required to provide proof of employment. These clients are disabled and receive supplemental security income (SSI). Clients who have historically had Medicaid cover their rides for health appointments have not been able to utilize this service.”

### Rural program pullbacks:

“[Local] farmers and forest landowners have been severely impacted by staffing and grant funding cuts at the US Department of Agriculture. These programs are designed to support our farmers in adapting to climate change, improving sustainability of farm practices, and adapting to future challenges of growing our food and timber products for our growing population. Funding and staff have been cut by 50%, severely impacting farmers and families while slowing progress toward a more sustainable future.”

“Through the big beautiful bill, it eliminated federal funding for the SNAP-Ed - the educational arm within all 50 states for SNAP-Ed recipients. This program has been in existence for 30 years...Local food-insecure residents will lose the education that accompanies programs to help them use their limited food dollars on healthy foods that support their limited food resource budget.”

## Operational consequences – what nonprofits are doing

### Shifting resources and focus:

“Our food pantry has decreased the amount of food given to families in order to meet the need in our communities. We have had to cut some items normally distributed to families in order to keep meeting the increased demand of individuals in need of our services.”

“Case managers are working to reschedule medical appointments with clients for days/times that case managers can provide the rides. [Our organization] is either authorizing that case managers provide the rides or utilizing bus passes that [our organization] is purchasing to offer some resolve.”

### **Increasing burden meets constricting capacity**

“We had to eliminate 6 regional jobs and 100 statewide.”

“There is at least \$500k in federal grants that we would be applying for right now that are either frozen or cancelled. We also lost our AmeriCorps member.”

**Considering what lies ahead, our partners are clear:** The people they serve are suffering deepening impacts while nonprofits shoulder increasing burdens and decreasing resources to do the critical work our communities need to thrive.

### **Bottom line – beyond funding limitations, human capacity is the constraint**

Even with a small sample, the through-line is unmistakable: What has surfaced here is more than strained budgets, delayed reimbursements, or staffing shortages. It is the steady erosion of human capacity in organizations asked to hold more with less. **The bottom line is that there is a very real risk to nonprofits’ ability to deliver on their missions because their people are burned out, exhausted, and at their limits.**