

Arizona nonprofits eager for guidance to address changing federal policies, ASU report finds

Lodestar Center survey received dozens of responses from state's nonprofit community

By Mark J. Scarp, ASU News
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In the weeks following a series of executive orders reducing federal funding, including grants to nonprofits, Arizona State University's [Lodestar Center for Philanthropy and Nonprofit Innovation](#) gauged the reactions of the state's nonprofit community with a comprehensive survey.

The Lodestar Center then [hosted more than 150 people](#) with ties to a wide range of Arizona nonprofit organizations, including grantmakers, to discuss the survey's findings and ways they could continue to serve their communities with fewer government dollars.

The center received 212 valid responses to its survey of 501(c)(3) organizations headquartered in Arizona. The results were compiled into a March 19 report, "[Uncertainty in a Time of Rapid Federal Changes](#)."

Lodestar Executive Director and Saguaro Professor of Civic Enterprise [Robert Ashcraft](#) announced the results at a gathering of nonprofit leaders held the same day at the [Thunderbird School of Global Management](#) on the Downtown Phoenix campus.

Ashcraft said Lodestar, based in the [School of Community Resources and Development](#), convened the assembly, in collaboration with the Arizona Community Foundation, AZ Impact for Good and Valley of the Sun United Way. He said the event was designed to give the Arizona nonprofit community the chance to talk about the quickly changing environment, hear from experts in law, policy and advocacy, and provide guidance for solutions-oriented collaboration.

Ashcraft said the report offered key insights from Arizona nonprofit groups, including:

Nonprofits are aware of the changes that may be coming, but smaller organizations and those in rural areas seem to be less attuned to the issues.

Nonprofits are concerned about the changes to federal policies and are looking for guidance on how to deal with them. They are also eager to address these issues.

Nearly half (47%) of the organizations that receive either direct federal funding or pass-through funding say they have experienced delays in payments or the cancellation of grants or contracts.

Rural nonprofit organizations are especially reliant on federal funding, as 42% of the rural organizations surveyed report that they receive more than half their funding from federal sources.

Nonprofits report that federal actions on diversity, immigration and gender policies have had the most impact on their operations so far.

Uncertainty about what the future holds is a major concern for nonprofit organizations.

The need for guidance is significant, as 45% of respondents said they are worried about the impact of funding cuts, but feel unsure about how to respond or engage, according to the survey results.

Meanwhile, 23% said they already have modified services and/or programs, and another 23% said they have had to alter the language in services or programs, while 44% say they haven't made modifications yet but anticipate having to do so. Another 20% said they do not anticipate having to alter services or programs.

Ashcraft said he was pleased with the turnout at the event, which included a panel discussion featuring representatives from a wide range of Arizona nonprofits.

"These discussions aim to explore the effects of federal directives, learn how organizations are adapting and provide valuable tools, knowledge and resources to support their effort," he said.

Attendees heard nonprofit leaders discuss surveys they conducted internally in recent weeks in which their staff and stakeholders expressed desires to collaborate with other nonprofit organizations, share resources among themselves and explore ways to find other sources of revenue.

Ashcraft closed his presentation of the report to attendees pointing out how Arizona's nonprofit sector — which is the state's sixth largest industry, according to a 2024 Lodestar report — seeks to collaborate to meet upcoming challenges and continue serving their communities.

"We are encouraged by the consensus of our partners to collaborate, share resources and advance as a sector to improve the well-being of Arizonans, despite disruptions and uncertainties," Ashcraft said after the event.

The School of Community Resources and Development is in the [Watts College of Public Service and Community Solutions](#).

This story originally appeared on [ASU News](#).

Main image



Panelists listen as Christine Thompson of Arizona Together for Impact speaks at "Federal Policies and Arizona: Nonprofits and Grantmakers Navigating the New Federal Landscape," presented March 19 by ASU's Lodestar Center for Philanthropy and Nonprofit Innovation. From left: Lodestar Executive Director and Professor Robert Ashcraft, Andre Whittington of Growth Partners Arizona, Eric Maneval of BeachFleischman PLLC, and Ellis Carter of Caritas Law Group. Photo by Mark J. Scarp/ASU

Text image(s)



Lodestar Center Executive Director Robert Ashcraft speaks to attendees March 19 at a Lodestar forum on federal policies and Arizona's nonprofit sector. Photo by Mark J. Scarp/ASU