

How Nonprofits Can Adapt to a Shifting Funding Landscape

Nonprofits across the country are navigating a dramatically changing environment. In a recent briefing from the United Way of Central Indiana (UWCI), local nonprofit leaders painted a clear picture of rising challenges that threaten not only their future growth plans, but even the long-term viability of essential services.

Nonprofits Under Pressure

Funding policy shifts across the country risk reducing access to critical resources for many nonprofits, both large and small. Further compounding the challenge, many nonprofits invested in staff, training, and infrastructure in anticipation of receiving federal contracts, such as AmeriCorps grants, that have failed to materialize. Many nonprofits are now scaling back.

UWCI panelists stressed that diversifying funding sources is critical. In a report delivered on June 24th, the Giving USA Foundation and the Indiana University Lilly Family School of Philanthropy at IU Indianapolis reported charitable giving in the United States rose by 6.3% in 2024 over the prior year. Adjusting for inflation, total giving was still up by 3.3%.¹ This growth demonstrates that donors remain committed to supporting meaningful causes. Thus, there is cause for optimism. Yet, while philanthropy plays an essential role in nonprofit sustainability, it still seems unlikely to fully compensate for reductions in government support from federal, state, and local sources.

Today, nonprofit leaders must diversify funding sources by increasing individual giving and private foundation support, attracting corporate sponsorships, considering earned income models, and growing invested assets all as part of a long-term financial strategy.

The Power of Collaboration

One of the most promising takeaways from UWCI's recent discussion was the shared understanding that nonprofits cannot solve these challenges alone. Advocacy and collaboration are essential. Indeed, some nonprofit leaders are actively educating policymakers and working with organizations like UWCI and the Lilly Endowment as strategic partners. These efforts aim to increase awareness among decision-makers and to shape funding policies that better reflect the different needs across our communities.

Connecting with peers to share best practices, exploring operational efficiencies, and collaborating on funding opportunities are more important than ever before. And nonprofits are doing more to explore a variety of options, including:

- Sharing best practices in fundraising, governance, and service delivery.
- Exploring shared services, such as joint back-office operations.
- Developing shared grant proposals to demonstrate collective impact and increase funder confidence.



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Goelzer is uniquely positioned to help facilitate those kinds of conversations. Through decades of experience serving mission-driven institutions, we understand both the strategic and practical considerations that make such collaborations effective. We help organizations connect with like-minded peers, explore opportunities for efficiency, and co-develop strategies that extend impact while conserving resources.

How Goelzer Supports Resilience & Growth

As we work with nonprofits to help them through these challenging realities and explore new opportunities, our Institutional Advisory Services team is always working with our clients to strengthen long-term financial decision-making. Our approach with foundations, endowments, and other nonprofits goes well beyond investment management—we help organizations think strategically, plan holistically, and act with purpose.

Here are examples of the different types of services we are providing to our nonprofit clients to help them plan for long-term success:

1. **Investment Policy Development:** We collaborate with leadership, board members, and finance committees to define investment objectives, time horizons, risk tolerances, and spending needs, all within a structured policy framework.
2. **Capital Markets Research:** We provide forward-looking insights on global markets and asset class trends, supporting strategic portfolio decisions that reflect both risk and opportunity.
3. **Asset Allocation Modeling:** We model trade-offs between risk and return while preparing for multiple financial scenarios to help boards make more informed, confident decisions.
4. **Portfolio Construction:** We identify investment strategies suited to your organization's specific goals through Goelzer's rigorous due diligence process. Portfolios are built to be resilient and mission-aligned.
5. **Investment Manager Due Diligence:** We employ both quantitative and qualitative analysis to select investment managers who meet strict criteria for performance, discipline, and integrity.
6. **Access to Non-Traditional Assets:** We offer access to diversified, non-correlated asset classes that may enhance returns and help reduce overall portfolio risk.
7. **Review, Monitoring, & Fiduciary Oversight:** We offer regular performance reviews, compliance monitoring, and education—delivered in accordance with Goelzer's fiduciary standard of care.

A Trusted Partner in a Time of Change

Today's nonprofit leaders are not only managing financial uncertainty, they are navigating a broader transformation in how social impact work is funded, measured, and sustained. At Goelzer, we are committed to serving nonprofit institutions in this journey—not only through investment expertise, but by helping build bridges between organizations, facilitate strategic collaboration, and promote long-term thinking.

Whether your organization is seeking to strengthen its financial footing, explore strategic partnerships, or develop a more resilient operating model, Goelzer's Institutional Advisory Services team is ready to support your mission. Together, we can rise to meet today's challenges and build a stronger, more connected nonprofit community for the future.

¹ "Giving USA 2025: U.S. Charitable Giving Grew to \$592.50 Billion in 2024, Lifted by Stock Market Gains," Giving USA, June 24, 2025, givingusa.org/giving-usa-2025-u-s-charitable-giving-grew-to-592-50-billion-in-2024-lifted-by-stock-market-gains/.

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