



2026 State of the Nonprofit Sector  
**Funding Your Mission**

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# Your Presenters



**Dan Prater**  
Senior Manager  
Forvis Mazars



**Heather Flabiano**  
Managing Director  
Forvis Mazars



**Abby Eelsen**  
Chief Operating Officer  
The Commit Partnership

# Session Outline

1. Methodology
2. Funding Trends
3. Governance & Collaboration
4. Interview With Organization Leader
5. Wrap-Up & What's Next?



# About Dan

## Background

- Drury University
- Elevate Lives
- Harmony House
- Forvis Mazars

## Contact

- **Email:** [dan.prater@us.forvismazars.com](mailto:dan.prater@us.forvismazars.com)
- **LinkedIn:** danprater
- **X:** @Dan\_Prater

To download the 2026 State of the Nonprofit Sector: Funding Your Mission, scan the QR code or visit [www.forvismazars.us/nonprofitreport](http://www.forvismazars.us/nonprofitreport)



# About Heather

## Background

- 4+ years at Forvis Mazars
- 20+ years of strategic financial management
- Held CFO role at Girl Scouts of Northeast Texas, University of Health Sciences and Pharmacy in St. Louis, The Dallas Foundation
- CPA, MBA, and PhD in Public Affairs

## Contact

- **Email:** [heather.flabiano@us.forvismazars.com](mailto:heather.flabiano@us.forvismazars.com)
- **LinkedIn:** heather-flabiano

# Introduction & Methodology

- 5<sup>th</sup> annual nonprofit report; started in 2022
- New format in 2026
- Quarterly Reports, Four Pillars
  1. Funding Your Mission
  2. Embracing Technology
  3. Operations and People
  4. Programming and Strategy



## 2026 State of the Nonprofit Sector

### Funding Your Mission

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# The Federal Funding Landscape

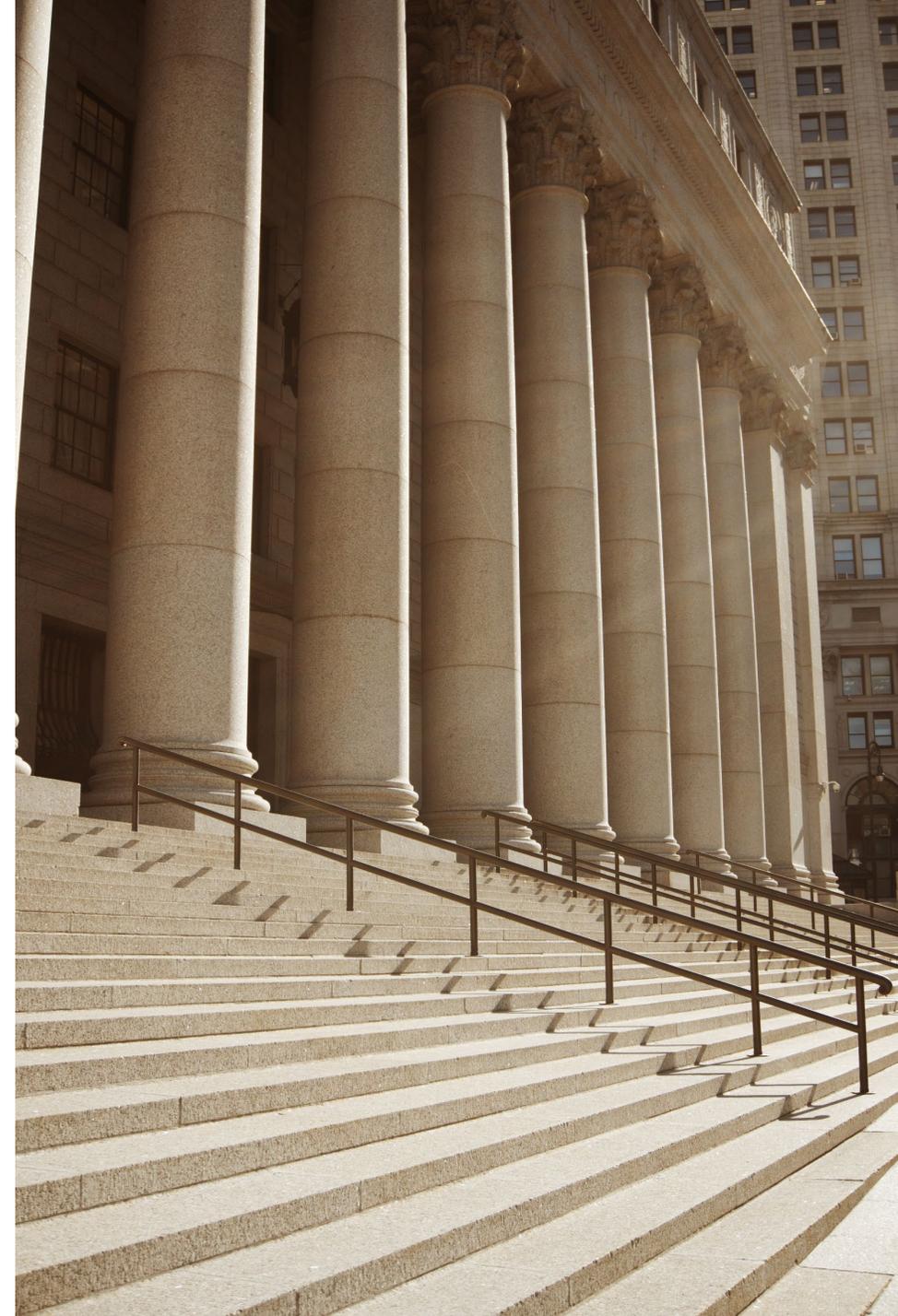
- **1/3** of U.S. nonprofits reported disruptions due to federal funding cuts.
- **2/3** of U.S. nonprofits receive funding from federal (or pass-through).
- **72.7%** of U.S. organizations are small, with annual gross receipts under \$500,000.

Under \$100,000	39.5%
\$100,00–\$499,999	33.2%
\$500,000 and above	27.3%

# The Federal Funding Landscape

Up to 70% of U.S. nonprofits receive funding from federal, state, or local government sources.

- Unable to get reimbursed for services already performed.
- Grants were canceled before funds were received.
- Anticipating future funding losses.



# The Federal Funding Landscape

- OBBBA Impact Uncertainty
- IRA Energy Cuts Confusion
- Preparing for the Future



# The Funding Environment

## Contributions From Individuals

- DAFs (\$325 billion in delayed giving)
- Declining trust in the sector
- The economy



% Total Giving	Source
66%	Individuals
19%	Foundations
8%	Bequests & Wills
7%	Corporations

# The Funding Environment

- Fundraising dollars are up 3.5%, but donor counts are down 4.5% -Giving USA

Is philanthropy becoming an activity for the wealthy?



# The Funding Environment

- Mega-gifts are growing
- Micro-donors are declining

**63.5%** – Lower-dollar donors  
**30.0%** – Midlevel donors  
**6.50%** – Major donors



# The Funding Environment

## Why does it matter if we lose small & medium donors?

- **Community issues are best solved by a community.**
- **Local donors understand the history, people, culture.**
- Reliance on a few donors creates vulnerability.
- Philanthropy becomes an exclusive club for the elite.
- Affiliations – mega donors may have unfavorable ties.

# The Funding Environment

## Generational Giving

Age Group	Preferences
<b>Boomers</b> 60–78	Loyal, planned giving, print, events
<b>Gen X</b> 44–59	Monthly giving, data driven impact
<b>Millennials</b> 28–43	Social media, peer-2-peer
<b>Gen Z</b> 18–27	Activism, mobile first, engagement

# What's Next?

## Generational Giving

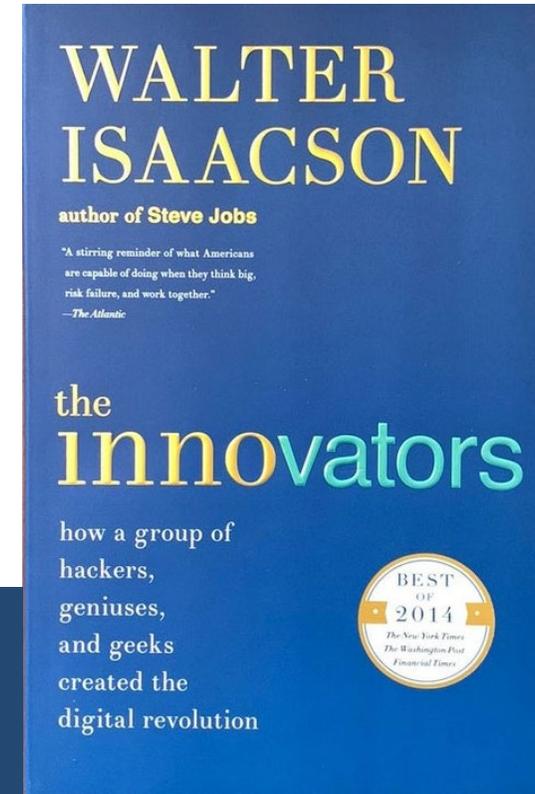
Group	Total Yearly Giving	Funding Preferences
<b>Boomers</b> 60–78	\$3,256	Religion, education, health
<b>Gen X</b> 44–59	\$1,371	Children, human rights, local causes
<b>Millennials</b> 28–43	\$1,616	Children, human rights, employment
<b>Gen Z</b> 18–27	\$867	Health, disaster relief, social causes

# Governance & Collaboration

## Why Collaborate or Merge?

1. Expanded Mission Impact – greater reach/people served
2. Greater Advocacy Voice
3. Improved Efficiency (shared resources/staff/knowledge)
4. Increased Visibility
5. Increased Fundraising Potential

The greatest innovations were a result of deep thinkers who regularly shared their ideas with others—as opposed to some geniuses who worked alone and resisted sharing concepts with others.

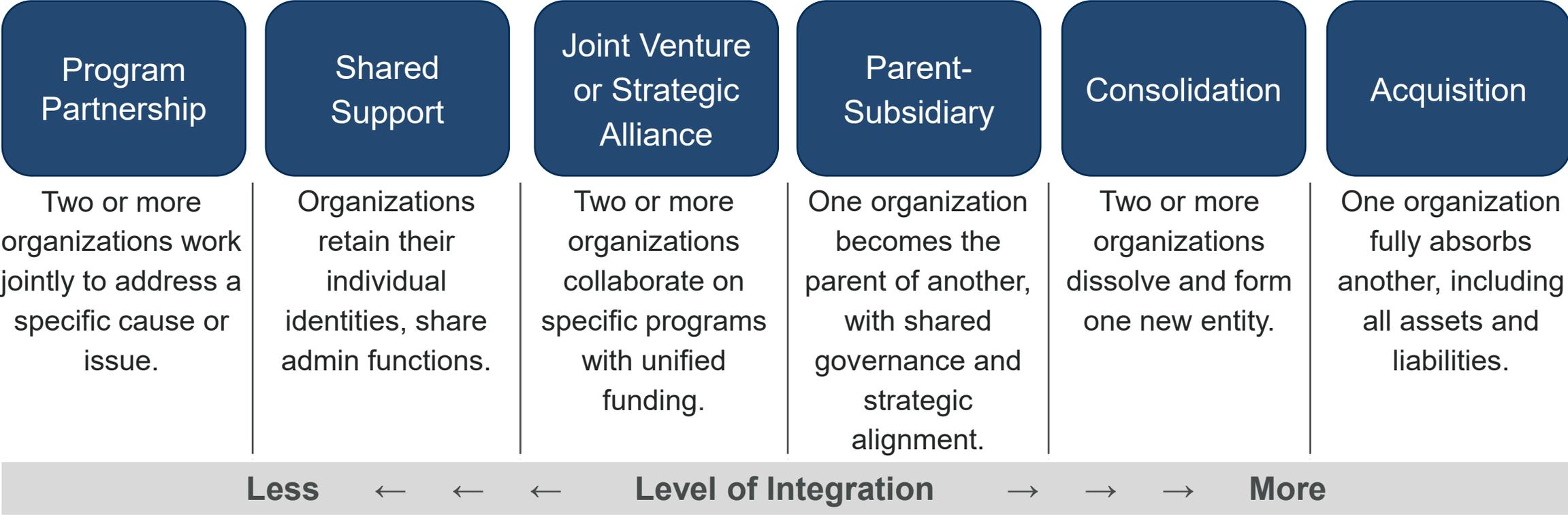


# Indicators a Collaboration or Merger May Be Needed

1. Recent changes in leadership
2. Financial changes (decline, instability, expenses)
3. Funder expectations
4. Strategic positioning (lack differentiation)
5. Programmatic needs for holistic approach
6. Evolving community demographics and needs
7. Programmatic evaluation and programmatic gaps



# Degrees of Collaborations & Mergers



**The higher the level of integration, the more involved the board will be.**

# Roadblocks to Successful Collaborations & Mergers

## Personal & Emotional Barriers

- Fear of job loss
- Fear of loss of power and control
- Identity loss

## Organizational Barriers

- Lack of champion
- Identifying potential partners
- Organizational/brand Identity loss
- Mismatching
- Costs
- Low Support
- Defining and measuring success
- Financial distress

# Collaboration

## Interview With Leader



**Abby Eelsen**  
Chief Operating Officer  
The Commit Partnership

# What's Next?

Funding the Mission continues to be one of the leading issues facing nonprofit organizations.

Why?



Sister Irene Kraus

**“No Margin, No Mission”**

“To serve the poor effectively, we must be run as financially solid businesses.”

Founding CEO of the Daughters of Charity National Health System and first woman chair of the American Hospital Association

## What's Next?

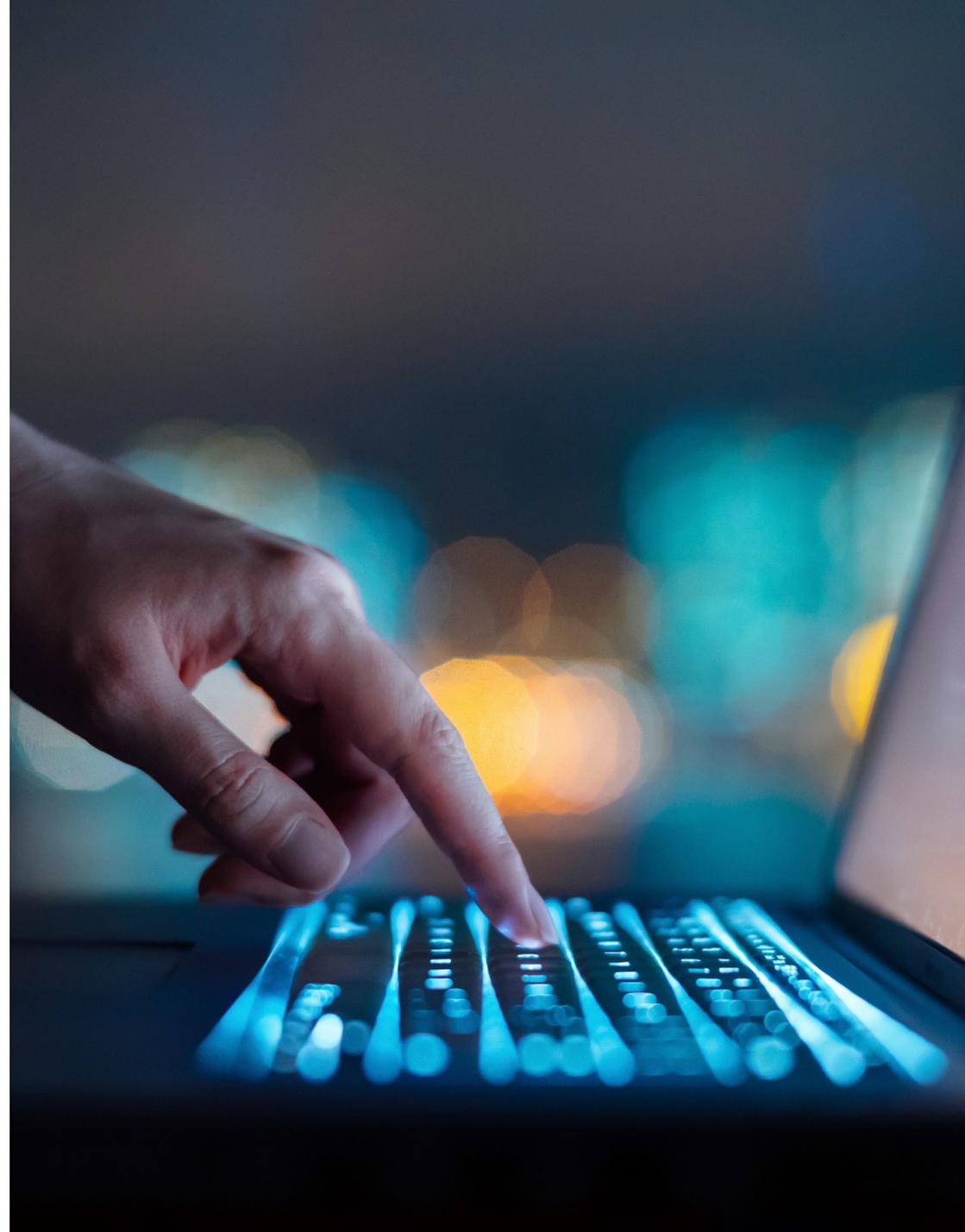
- Lock arms with other organizations to increase reach and improve efficiency.
- Creativity in fundraising approaches.
- Less dependency on grants, more entrepreneurial approaches to create revenue consistency.
- Prove what you do really works—clear ROI.



# What's Next?

2026 State of the Nonprofit Sector, Quarter 2

## Embracing Technology



**Questions?**



**Thank You!**



# Contact

## Forvis Mazars

### Dan Prater

Senior Manager

P: 417.522.0496

[dan.prater@us.forvismazars.com](mailto:dan.prater@us.forvismazars.com)

### Heather Flabiano

Managing Director

P: 972.702.8262

[heather.flabiano@us.forvismazars.com](mailto:heather.flabiano@us.forvismazars.com)

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