

APCO Nonprofit and Philanthropy Post-Election Analysis

Overview

As the policy agenda of the incoming Trump administration takes shape, philanthropic and nonprofit leaders are watching closely, concerned about budget and funding implications, the potential impact on U.S. and global programs and the intensifying strain on a sector already grappling with mounting global challenges and shrinking resources. Foundations and nonprofits are bracing for significant shifts that will demand agility in their strategies and unwavering commitment to their core values. This memo seeks to provide a glimpse into the unfolding landscape and what we can expect.

Expectations and Implications

1. Successful issue-based coalitions will look (and sound) different than they do today.

As the incoming administration and allies on Capitol Hill begin to implement a new set of policy priorities, budgets are expected to shift significantly. At historical funding levels, foundation and individual giving are unlikely to fill the anticipated void in impacted areas. At the same time, the need for continued progress across a range of domestic and global issues will remain. Organizations and individuals across sectors and at all points along the political spectrum must come together, with government, to find common ground and collaborative solutions.

Recommendations:

- Build relationships wherever possible with the incoming team and elected officials. Look for common ground, identify shared priorities and clearly articulate your hopes and concerns.
- Reach out to allies, champions and peers to coordinate and collaborate. There is power in numbers.
- While some goals may become more difficult to achieve in the next four years, recognize that incremental progress still matters. Reframe success to include even small but meaningful steps forward and redefine what it means to move the needle.

2. There will be a lot of activity on Capitol Hill with potentially significant implications for philanthropy and nonprofits. Not all of it will be signed into law.

President-elect Trump, Vice President-elect JD Vance and other members of the incoming administration's anticipated leadership team have historically expressed deep skepticism toward the philanthropic sector. They have questioned the role of foundations and nonprofits in shaping national and global priorities, accusing them of advancing a "left-wing" or "radical" agenda and benefiting from preferential tax treatment. While it remains unclear how prominently this issue will feature on the administration's agenda, pending legislation has already raised concerns across the sector. Key areas of legislative focus include the future of the charitable tax deduction, previewed by the Tax Cuts and Jobs Act signed into law by President Trump in 2017, which raised the standard deduction and led to a \$20 billion drop in charitable giving within a year of President Trump's first term; proposed regulations on mandatory payouts for large foundations; and potential new payout requirements for donor-advised funds.

Most recently, bills with language focused on terminating the tax-exempt status of “terrorist supporting organizations” raised alarm bells across the philanthropic sector. Bill language drew significant push back from organizations including the ACLU, citing concerns that the language “grants the Secretary of the Treasury virtually unfettered discretion to designate a U.S. nonprofit as a ‘terrorist supporting organization...’” See Appendix A for additional details.

Distinguishing real concerns amidst tremendous background noise is important, as is using resources wisely (read: don’t panic every time). None of the stand-alone bills currently under consideration are expected to pass within the 118th Congress, although select elements could reasonably be packed within a broader, more significant and fast-moving piece of legislation when Congress resumes business in 2025.

Recommendations:

- Prioritize the development of trusted relationships with elected officials at the state and local levels. These relationships are important to both track and gauge likelihood of support and passage of key legislation, but also to register your views on bill language. As is historically the case, many bills will be introduced, debated and eventually pass the House. Far fewer will be considered, let alone passed, by the Senate, and ultimately make their way to the White House for signature. Therefore, prioritize relationships in both chambers that can help you identify significant and meaningful legislative momentum amidst the constant noise.
- Seek legal support, if merited, to help you make sense of fast-moving proposed legislation to determine potential implications for your work. Funders and membership organizations should consider providing advisory resources to partners and members with limited resources.
- Register your support or concerns about pending legislation using balanced, fact-based language. Individual communications that share your unique views and circumstances related to pending legislation are often more impactful than cut and paste communications sent by larger groups of organizations and individuals or sign-on letters that are spearheaded by one organization.

3. Already tight budgets will get tighter, though some areas may see new revenue.

As the policy and funding priorities of the U.S. government shift, the ripple effects will be significant. Multilateral funding is certain to decrease, given the historically outsized role of the U.S. government in funding major global initiatives, UN agencies, etc. Other bilateral funding will also undoubtedly shift due to global election outcomes, rightward shifts in public sentiment globally, and efforts by select governments to align their own activities around new U.S. government priorities. The philanthropic sector will be stretched to make up ground in support of refugees, global climate efforts, and historically excluded populations prioritized in DEI efforts. At the same time, we may see new funding earmarked for new priorities, such as veterans’ services, entrepreneurship, mental health and addiction.

Recommendations:

- Where not already in place, funders should speed the implementation of changes designed to make it easier for nonprofits to operate, including more flexible funding, the elimination of burdensome applications and reporting requirements, and overall, a more co-creative approach to grantmaking and project design.
- Philanthropic and nonprofit membership associations, where possible, should prioritize relationship-building and track and share new government funding and partnership opportunities with their communities. Amidst massive changes, it will be hard for small, resource-constrained organizations to keep up.

4. New philanthropic funding streams present an opportunity.

While individual giving in the U.S. has been down in recent years, donor-advised funds (DAFs) present a growth opportunity. There are approximately two million DAF owners in the U.S. representing approximately \$251 billion in total charitable assets. These funds have been earmarked for philanthropic contributions but have not yet been deployed to charitable organizations. Moreover, individuals across the political spectrum are now mobilizing in support of the issues they care about most and are ripe to be tapped for engagement.

Recommendations:

- Nonprofits should talk to all stakeholders about DAF giving; identify, track and cultivate DAF donors, where possible; share DAF giving opportunities in fundraising materials and reports; and make DAF contributions easy by adding a DAF widget to their fundraising website.
- Funders should consider working with partners, e.g. [#HalfMyDAF](#), to create matching opportunities that leverage ongoing grantmaking to spur additional individual giving around key priorities, particularly in areas facing U.S. government funding rollbacks.
- DAF providers, no doubt wary of potential legislative mandates, would be well-served to encourage clients to increase their pace of giving.

5. Philanthropic organizations working on issues that have become highly politicized face increasing pressure in the form of intense media attention, legislative initiatives, and heightened rhetoric.

As has been true for some time, nonprofits must navigate a dynamic policy and media landscape shaped by shifting public sentiment, corporate risk aversion, and growing domestic and global challenges. Debates and conversation around reproductive health, immigration, refugees, climate, racial and gender equity, LGBTQ+ rights and a host of other issues were front and center during the U.S. 2024 election and will not soon fade from the spotlight. See Appendix B for deep dives on key issue areas.

Recommendations:

- This moment demands focus, agility, and knowing when engagement in the public conversation will be beneficial and when quiet work behind the scenes will produce better results.
- Think carefully about your funders and partners to determine your tolerance for risk, then consider your role and responsibility within your ecosystem.
- Community needs will continue, and in some cases grow. Organizations, wherever possible, should keep focused and continue to do the work their communities depend on them to do.

The four steps outlined in our January 2024 article, [*Smooth & Steady: Foundations and Non-Profits Must Resolve to Focus on What Matters Most*](#), still hold true today.

- Strengthen your partnerships and broader community networks to share information, coordinate responses (where necessary), and bring a powerful collective voice to the conversation. Funders should be proactive in providing funds and holding spaces for connection and collaboration.

6. Communicating outside of sectoral or issue-based echo chambers requires a new approach.

Words, phrases, and even acronyms have become lightning rods in our civic discourse. From “woke” and “snowflake” to “DEI” and “ESG,” the words we choose, fairly or unfairly, create perceptions of who we are and what we believe. A vitriolic election season only exacerbated this dynamic.

Recommendations:

- Assess your current communications approach – how you show up, where you show up, and the words you choose – to determine if changes are needed to effectively reach your target audience(s). Is now the time to stay quiet or go loud? To protect your base, do you adapt your language to manage risk, or double down with even bigger, bolder commitments and alliances? If an outside perspective is helpful in working through these questions, APCO offers a workshop focused on *Adapting communications to navigate complex times*.
- Recognize that employee engagement is more important than ever. The way you communicate externally may be required to stay funded, build partnerships, and continue serving your communities, but your employees and key stakeholders are also listening closely, and big shifts may be perceived as inconsistent or an indication that you are straying away from your mission or core values. Frequent and transparent communications to internal audiences must clearly explain the changes you are making – to programs, partners, or messaging – and the reasons for any public shifts.
- Reframe communications on the solutions and what progress looks like, rather than dwelling on the challenges and how we got here. Positive, aspirational messaging is less divisive.
- Note that the media, and the way organizations need to communicate to reach key audiences, is rapidly changing. For additional information, please see APCO’s post-election analysis on the [*Shifting Media Landscape*](#).

7. The mental health of nonprofit leaders and staff has been, and will continue to be, an important issue.

Burnout has long plagued nonprofit leaders and staff, many of whom work on small teams with long hours and low pay. In a more challenging funding landscape, budget cuts and layoffs are inevitable, particularly for larger, more complex organizations – a major stressor on those affected by layoffs as well as those who remain. And especially for those working on issues at odds with the new administration’s agenda who stand to see greater resistance and lower funding for their work, protecting mental health is more important than ever.

Recommendations:

- Funders should implement grantmaking processes and timelines that allow organizations to focus on the work they love and the communities they serve. Reducing the constant churn of

grant applications, program shifts and never-ending uncertainty will ease concerns around staffing and staff burnout, the top concern for nonprofit leaders.

- Nonprofits should proactively plan for how to maintain staff and streamline operations where possible in advance of financial pressures. This can include proactive financial management, implementing strategies like diversifying funding sources, exploring cost-cutting measures, prioritizing employee development and recognition, fostering a positive work culture, and openly communicating financial challenges with staff to encourage understanding and collaboration.
- For individuals, build out your personal support structure with counselors and cheerleaders who can support you during this time of uncertainty and transition. Also, remember to take the time you need, maintaining personal boundaries even as the work feels more urgent.

Conclusion

The coming year will no doubt be a whirlwind as nonprofit and foundation leaders steer their organizations through a rapidly evolving landscape. APCO is at the forefront of helping organizations navigate these changing dynamics, prepare for what's ahead, and create lasting impact. We will continue to monitor the ongoing impact of the Trump administration for nonprofits and philanthropy and share updates as available. In the meantime, if you have any questions or would like to share any additional information relevant to this brief, please reach out to Kika Chatterjee at kchatterjee@apcoworldwide.com or Jen Butte-Dahl at jbuttedahl@apcoworldwide.com.

For more of APCO's analysis of 2024 elections, visit apcoworldwide.com/agenda24.

Appendix A: Pending Legislation

In the wake of Hamas' attack on Israel on October 7, 2023, resulting in the capture of multiple hostages in Israel, various bills were introduced that could materially affect the tax-exempt status of nonprofits.

[H.R. 9495](#): The Stop Terror-Financing and Tax Penalties on American Hostages Act, which passed the House in November 2024, postpones certain tax filing deadlines for U.S. nationals and their spouses who are unlawfully or wrongfully detained or held hostage abroad. It also allows for a refund and abatement of tax penalties and fines paid by detained individuals.

Also included within the bill is the termination of the tax-exempt status of "terrorist supporting organizations." The term 'terrorist supporting organization' outlined within the bill means any organization which is designated by the Secretary as having provided, during the three-year period ending on the date of such designation, material support or resources to a terrorist organization in excess of a de minimis amount.

[H.R. 6408](#) and [S. 4136](#) (House and Senate companion bills) focus solely on the termination of the tax-exempt status of "terrorist supporting organizations" and would amend the Internal Revenue Code of 1986 to terminate the tax-exempt status of "terrorist supporting organizations."

Civil liberties organizations, including the ACLU, are concerned that the breadth of these bills' language used for "terrorist supporting organization" would pose a threat to nonprofits that support communities or issues in opposition to the incoming administration, e.g., organizations supporting Palestinian relief, LGBTQ+ communities, and undocumented immigrants. They assert that the passage of H.R. 9495 would

grant the Secretary of Treasury the unilateral power to investigate and effectively shut down any tax-exempt organization — including news outlets, universities, and civil society groups — by stripping them of their tax-exempt status based on a unilateral accusation of wrongdoing.

Appendix B: Deep Dives

LGBTQ+ Community

The Trump administration's proposed policies could substantially alter the legal and social landscape for LGBTQ+ individuals. Key issues include restrictions on gender-affirming care, transgender participation in sports, and federal protections against discrimination. These changes will require LGBTQ+ organizations and their allies to mobilize resources and advocacy to protect vulnerable populations. Proposed measures include:

- **Gender-affirming care:** A proposed nationwide ban on gender-affirming care for minors, which would limit medical interventions like hormone therapy and surgeries, following the precedent set by several states. Nonprofits are preparing by building coalitions to challenge these laws in court, expanding mental health and crisis services, and developing educational campaigns to raise awareness about the importance of gender-affirming care in improving health outcomes. Organizations like the Human Rights Campaign and the National Center for Transgender Equality are ramping up advocacy efforts to protect these services and provide direct support to affected families.
- **Participation in sports:** Policies restricting transgender women from participating in women's sports, which would result in exclusionary practices within schools and sports organizations, further isolating transgender people. Nonprofits are working to develop inclusive policies at the local level, partnering with schools and sports organizations to foster safe environments for transgender youth and athletes. Advocacy groups are also preparing public education campaigns to dispel myths about transgender participation in sports and ensure compliance with existing anti-discrimination laws.
- **Discrimination protections:** Plans to roll back federal protections against discrimination based on sexual orientation and gender identity, which would create vulnerabilities in employment, housing and health care. Nonprofits are responding by strengthening legal aid networks to assist individuals facing discrimination and working to expand state-level protections where federal rollbacks occur. Organizations are also advocating for corporate allies to maintain internal non-discrimination policies and provide funding for LGBTQ+ rights efforts.

Immigration

Proposed immigration policies under Agenda47 include heightened border security measures, challenges to birthright citizenship and mass deportations. These initiatives could strain communities and amplify the need for immigrant advocacy organizations and legal aid groups to address legal, social and humanitarian impacts with urgency and precision. Proposed measures include:

- **Border security:** Plans to build large detention facilities and carry out mass deportations, which would significantly affect immigrant communities. Nonprofits are preparing by training additional legal advocates to represent detained immigrants, mobilizing community networks to provide emergency aid and increasing their capacity to monitor and report on detention

conditions. Organizations like the American Immigration Council and RAICES are scaling up resources to meet the expected surge in demand for legal and humanitarian support.

- **Birthright citizenship:** Efforts to end automatic citizenship for children born to non-citizen parents, challenging the 14th Amendment's interpretation. Nonprofits are preparing by developing legal strategies to counteract these measures, including filing preemptive lawsuits and advocating in Congress to uphold birthright citizenship. Community organizations are also planning public awareness campaigns to highlight the social and economic impacts of stripping citizenship rights from children.
- **Deportations:** Anticipated large-scale deportations, targeting undocumented immigrants and potentially utilizing military resources, leading to widespread family separations and destabilizing communities. Nonprofits are expanding their networks of pro bono legal support, setting up rapid response teams to assist individuals during deportation actions and increasing resources for family reunification programs. Advocacy groups are also lobbying Congress to restrict the administration's use of military resources for immigration enforcement.

Reproductive Rights

The incoming administration has outlined plans to restrict access to reproductive health services, with potential policy shifts targeting abortion access, funding and international aid. Women's health organizations and reproductive justice advocates are already preparing to mitigate the risks and ensure access to essential health care for women and marginalized groups. Proposed measures include:

- **Abortion access:** Enforcing a restrictive interpretation of the Comstock Act could limit access to abortion services by classifying them under obscenity laws. Nonprofits are preparing by increasing resources for clinics operating in restrictive environments, building networks for safe access to abortion medications and initiating litigation to challenge the reinterpretation of the Comstock Act. Organizations such as the Center for Reproductive Rights and Planned Parenthood are also ramping up public education campaigns to inform individuals of their rights under state laws.
- **Global and domestic gag rules:** Reinstating and expanding these rules would restrict funding for organizations that provide or refer for abortion services, both domestically and internationally. Nonprofits are already diversifying their funding sources, establishing partnerships with private donors and foundations and advocating for state-level protections to mitigate the loss of federal support. Advocacy groups are also mobilizing international allies to challenge the global gag rule's impact on reproductive health access worldwide.
- **Federal funding:** Reviewing and potentially cutting federal funding for reproductive health services could affect programs like Title X, which supports family planning and preventive health services. Nonprofits are responding by bolstering state and local funding streams, expanding telehealth services to maintain access in underserved regions and advocating for public support to preserve essential health programs. Organizations are also forming coalitions to amplify the voices of individuals and communities who would be most affected by funding cuts, emphasizing the broader societal benefits of accessible reproductive health care.

DEI

The Fearless Fund ruling and the Trump administration's stance on Diversity, Equity and Inclusion (DEI) have heightened legal, reputational and safety risks for partnerships focused on racial equity. As scrutiny

of race-conscious initiatives grows and legal challenges mount, funders are reevaluating how best to pursue equity-driven goals in this evolving landscape.

One emerging response is a pivot toward place-based strategies. These approaches allow funders to address systemic inequities by focusing on geographic or socioeconomic factors, reducing legal exposure while continuing to support underserved communities. Place-based efforts also foster localized collaboration, strengthen community engagement and deliver measurable, region-specific outcomes, aligning with broader trends in philanthropy.

The incoming Trump administration can be expected to take swift action in its first 100 days via executive order to reinstate Trump-era policies related to DEI and rescind Biden administration executive actions. Immediate impacts can be expected to federal programs for diversity and bias training, funding for diversity and inclusion programs and removal of discrimination protections beyond the basis of sex. Longer-term policy impacts can be expected via appropriations, hearings and other regulatory changes. [For the full APCO Post-Election DEI Analysis, see here.](#)

ESG & Sustainability

The incoming administration has been consistently critical of ESG initiatives and climate regulations, emphasizing deregulation and withdrawal from international climate agreements and commitments. While there are immediate changes we can predict with some certainty and trends we expect to continue from the first Trump administration e.g., a patchwork of state-by-state sustainability regulations and laws as opposed to an overarching national position on sustainability – President-elect Trump’s focus on issues like immigration, trade and DEI means it is still unclear how high of a priority ESG, climate and sustainability will be for the administration and Congress. [For the full APCO Post-Election ESG and Sustainability Analysis, see here.](#)