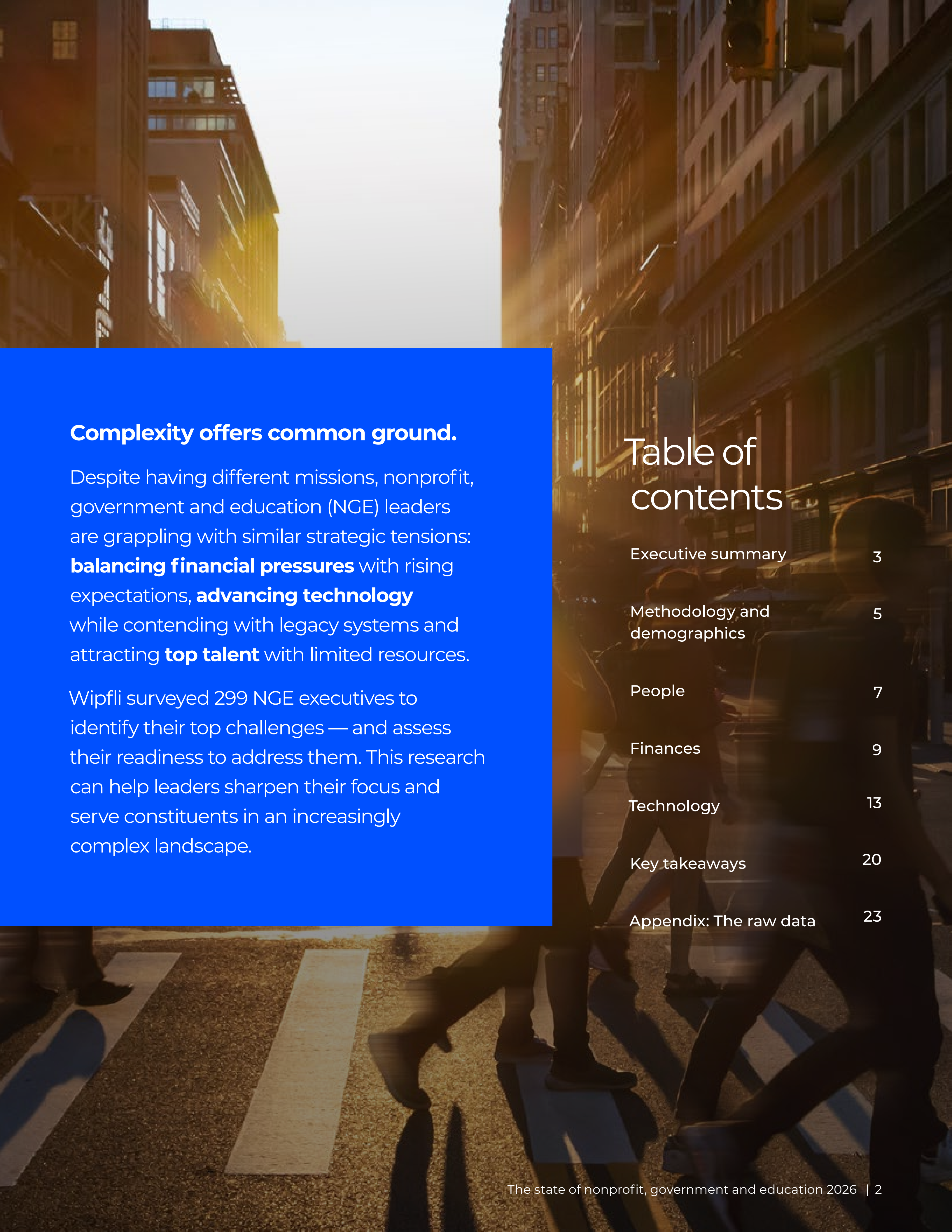
THE STATE OF NONPROFIT, GOVERNMENT AND EDUCATION

Research report

WIPFLI



Complexity offers common ground.

Despite having different missions, nonprofit, government and education (NGE) leaders are grappling with similar strategic tensions: **balancing financial pressures** with rising expectations, **advancing technology** while contending with legacy systems and attracting **top talent** with limited resources.

Wipfli surveyed 299 NGE executives to identify their top challenges — and assess their readiness to address them. This research can help leaders sharpen their focus and serve constituents in an increasingly complex landscape.

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Executive summary

Wipfli's survey of 299 nonprofit, government and education leaders provides a snapshot of how organizations are navigating financial pressures, workforce challenges and technological change.

The survey reveals both optimism for the future and an appetite for innovation. It also highlights gaps between aspiration and execution, particularly in artificial intelligence (AI) and technology integration. For 2026:

- **Talent remains a critical pressure point:** Across all three sectors, attracting highly skilled people ranked among the top concerns for leaders. The majority of respondents said it will be challenging over the next 12 months — and about 40% described it as "very challenging." This concern was consistent across all respondents' organizations of nearly every size and sub-sector.
- **Financial outlooks vary by sector:** Government respondents reported the strongest optimism about their organizations' financial stability. Nonprofit respondents were moderately optimistic about their own organizations but less so about the sector as a whole. Education respondents expressed the least confidence in both their current and future financial outlooks.

Feedback from

299 leaders in the nonprofit, government and education industry

Key insights

84% of education respondents report having a defined AI strategy, compared with roughly half of nonprofit and government respondents.

55% of government respondents rated their financial optimism as "very optimistic" — the highest of all sectors.

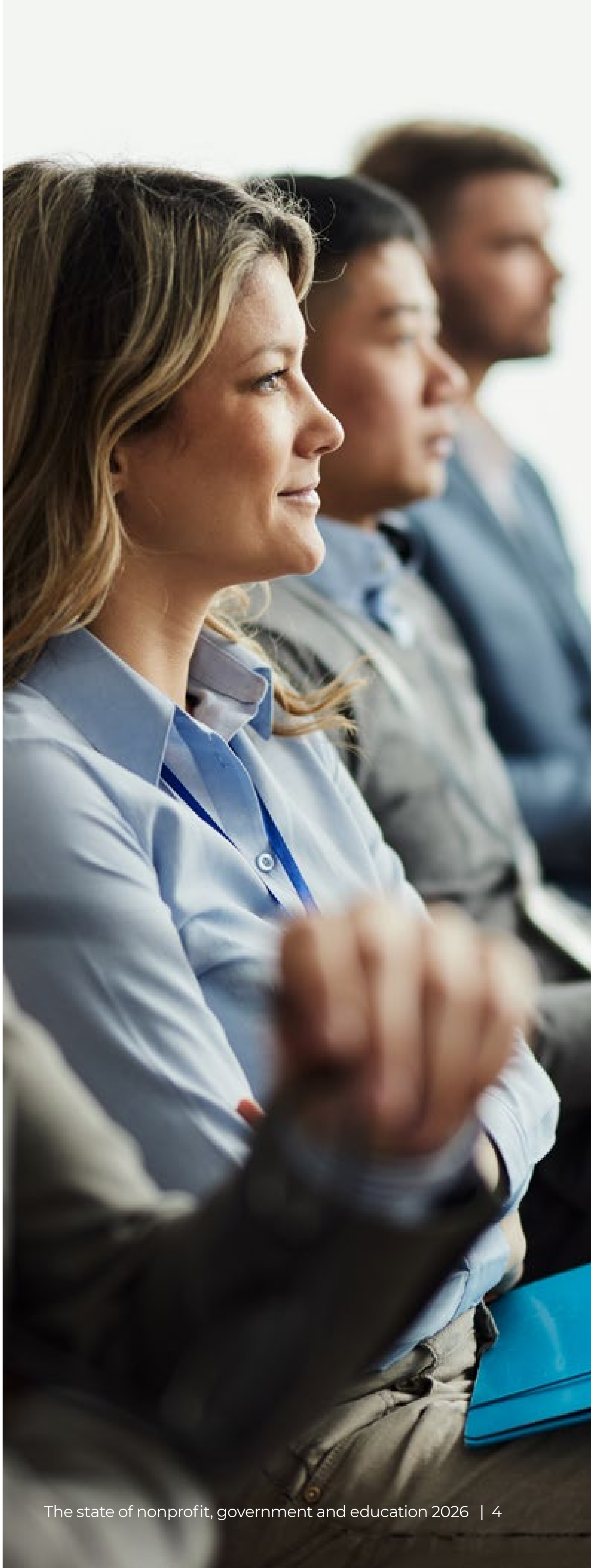
Three-quarters of education respondents and nearly half of respondents from nonprofit and government entities experienced three or more cybersecurity incidents last year.

Less than 10% of NGE respondents described their technology environment as "cutting-edge."

Roughly **6 in 10** NGE respondents cited "cost" as their top technology infrastructure challenge.

- **Technology maturity differs sharply:** When asked about technology integration, only about one-third of nonprofit respondents described their organizations as "advanced" or "cutting-edge." In contrast, roughly half of government respondents and nearly two-thirds of education respondents reported mature integration levels.
- **Cybersecurity concerns are widespread — and warranted:** Cyber risk emerged as an issue for all sectors. Nearly half of nonprofit and government respondents — and three-quarters of education respondents — reported detecting three or more incidents of unauthorized network access in the past year.
- **AI strategies are still emerging:** While 84% of education respondents say they have a defined AI strategy, nonprofit and government respondents are more evenly split between exploration and focused implementation. The majority of NGE respondents have not achieved strategic AI integration.
- **Cost and complexity are barriers to progress:** The cost of implementation and integration was identified as the top technology challenge across all three sectors. Respondents also identified system interoperability, employee adoption, reliance on legacy systems and data readiness as persistent obstacles.

This report unpacks how NGE leaders are navigating common pressures — and how they can strengthen their people strategies, financial resilience and technology readiness in a changing environment.



Methodology and demographics

Wipfli conducted a national online survey of 299 NGE leaders in June and July 2025.

The goal of the survey was to better understand their outlook, priorities and readiness in the face of ongoing financial pressures and technology change.

Respondents held C-suite or senior leadership roles, which helped Wipfli capture strategic-level perspectives. They represented a broad mix of organizational types and sizes across all three sectors. See the Appendix for full details.

Sector mix

- **101 nonprofit** respondents from community-based organizations, foundations, associations, and health and human services
- **99 government** respondents, representing federal, state, county and local offices
- **99 education** respondents from pre-K-12 institutions, higher education and vocational and continuing education programs

Organizational budgets

To uncover trends, respondents' organizations were categorized by annual budget, as shown in Figure 1. The groupings were described as small (<$15M), medium ($15M-$100M) and large ($100M+).

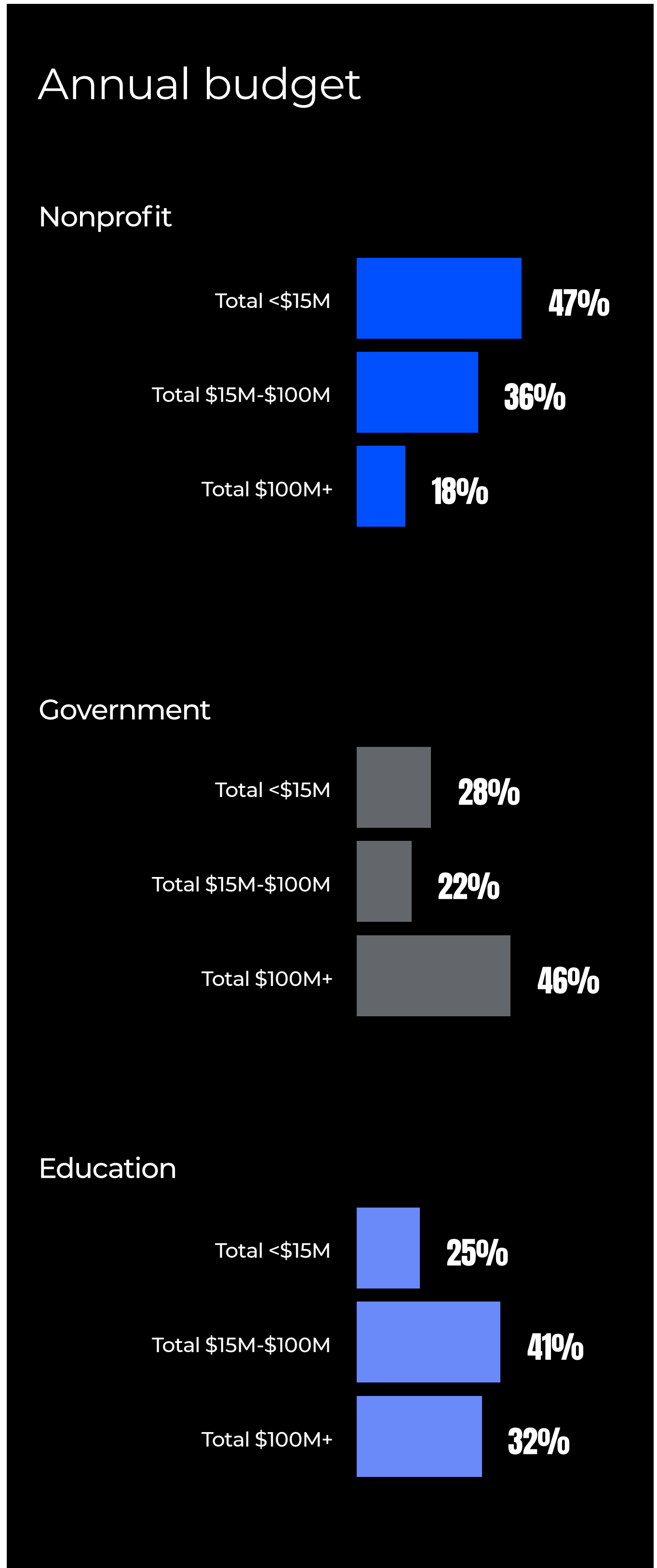


Figure 1. Respondents by annual budget levels

Workforce size

Organizations of all sizes were represented in the survey, from small institutions with fewer than 100 employees to large employers with headcounts of 1,000 or more. Government and education organizations skewed "large," consistent with the sector makeup.

Geographic distribution

Respondents were located across the United States, as shown in Figure 2.

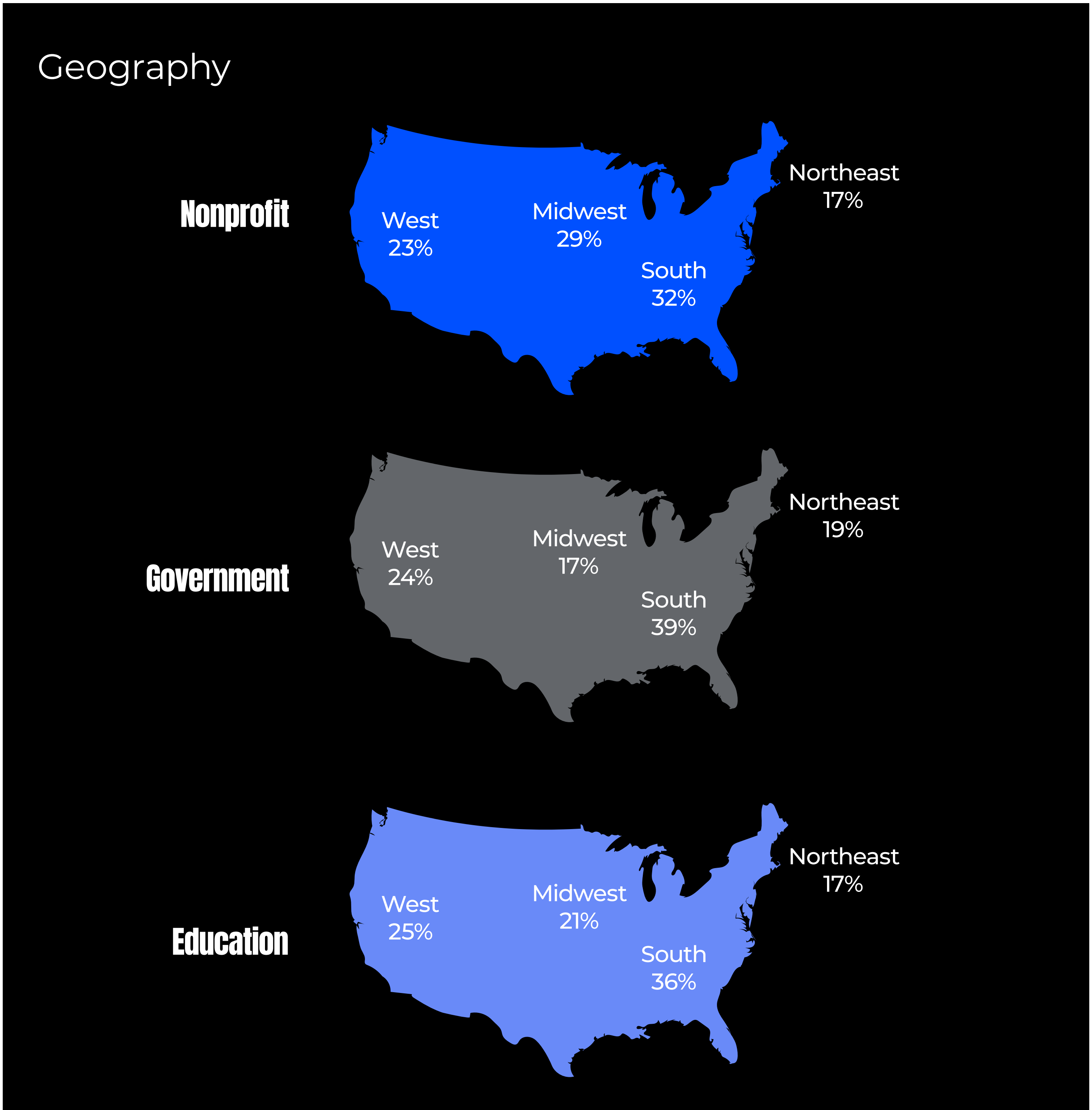


Figure 2. Geographic distribution of respondents

People

Workforce challenges

Workforce challenges were a defining theme across NGE respondents.

Respondents were asked to rate the challenges they anticipate over the next 12 months, using a scale of "not challenging at all" to "extremely challenging." As shown in Figure 3, respondents in all three sectors ranked talent-related concerns among the most difficult issues they expect to face.

"Attracting and hiring highly talented and skilled people" was the most challenging concern cited by education respondents. It was second among government respondents and tied for second among nonprofits (along with lack of funding and reducing expenses without compromising quality).

Employee turnover and retention came in second for government respondents. While not a top-three concern in terms of intensity, "preserving and nurturing culture" was cited by roughly a third of respondents across all sectors (30% nonprofit, 33% government, 34% education).

Anticipated challenges in the next 12 months

1 **Nonprofit**
- Finding resources for new grants
- Lack of government funding (*tie*)
  Reducing expenses without compromising quality of services (*tie*)
  Attracting and hiring highly talented and skilled people (*tie*)
- Fundraising and developing new revenue streams

2 **Government**
- Reducing expenses without compromising quality of services
- **Attracting and hiring highly talented and skilled people**
- Employee turnover/retention

3 **Education**
- **Attracting and hiring highly talented and skilled people**
- Managing reserves and investments to ensure stability and growth
- Regulatory compliance

Figure 3. Attracting and retaining skilled talent is a top challenge across all three sectors

Funding uncertainty is a key factor

According to Wipfli Partner Brian Gaumont, funding uncertainty is a key factor shaping today's workforce environment.

"When people aren't sure whether their organization will be able to sustain operations or programs, they start asking themselves if they'd be better off somewhere more stable," he said. "That uncertainty can push talented people out of the sector entirely."

Turnover is particularly acute in program-focused nonprofit roles, where work is demanding and often resource-constrained. Specialized roles can also be difficult to retain, as individuals with transferable expertise may be drawn to more stable or better-compensated positions in the private sector.

Some organizations are finding practical ways to manage persistent turnover and fill skill gaps. "We're seeing more organizations look to outsourcing or fractional leadership models to stabilize staffing," Gaumont said. "That can create predictable costs and help reduce the revolving door effect."

"Outsourcing also shifts some of the responsibility for hiring, training and retention off NGEs' shoulders and onto partners," he said. "That can be a huge tradeoff in terms of time and effort, especially for hard-to-fill roles."

Finances

Financial outlook and funding

Respondents were asked to rate their level of optimism about their own organization's financial stability and their sector overall, using a scale of 0 to 10, ranging from "not at all optimistic" to "extremely optimistic." Outlooks varied across the three sectors.

Government respondents reported the highest levels of optimism about their organization's current financial stability, with 55% rating their optimism between 8 and 10 ("very optimistic"). Nonprofit respondents fell in the middle at 48%, while education respondents were the least optimistic, with only 34% reporting strong optimism.

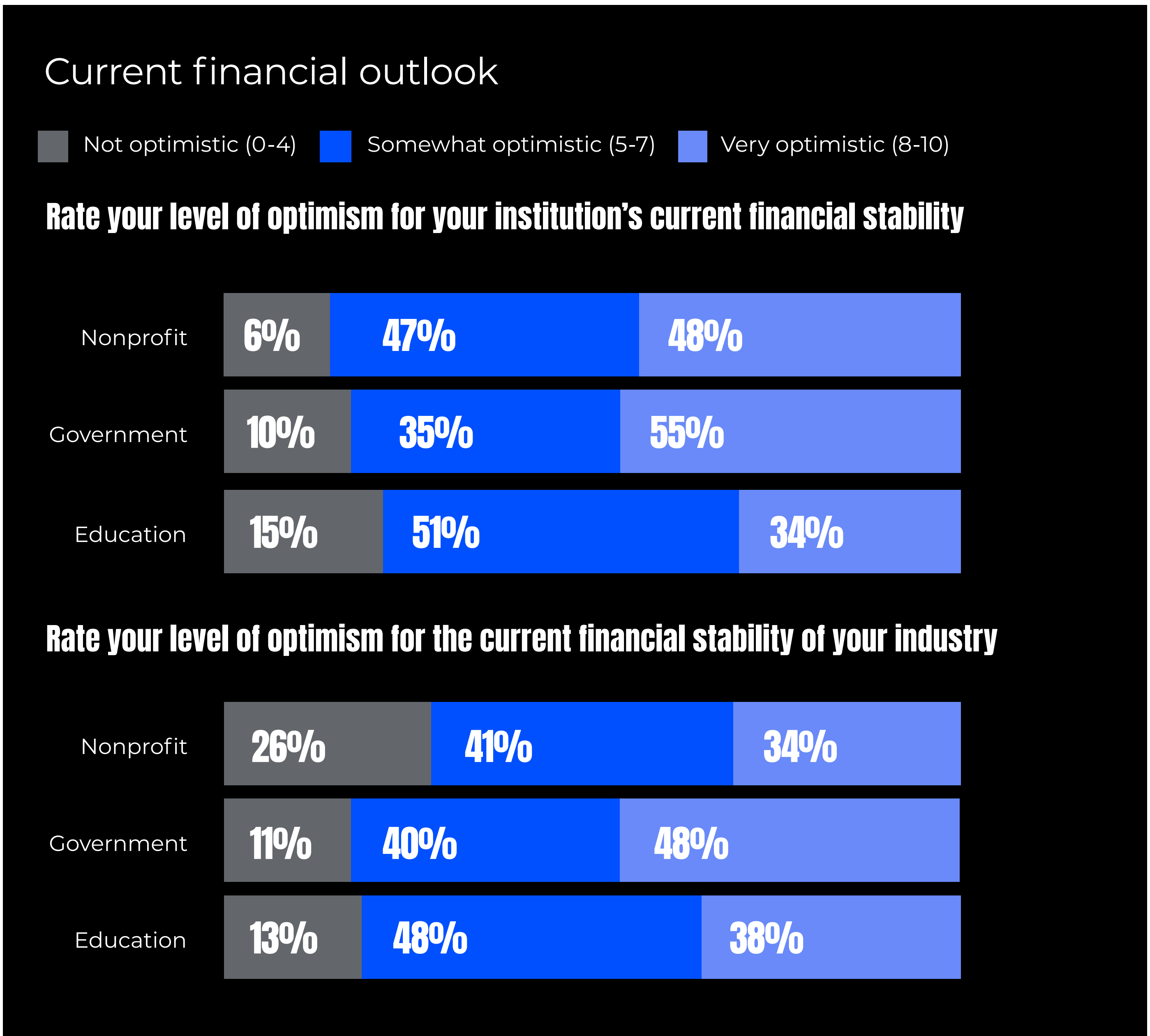


Figure 4. Government leaders are the most optimistic about their organization's financial stability

Government and nonprofit respondents generally expressed higher confidence in their own organization's financial stability than in the broader outlook for their industry. Nonprofit respondents expressed the widest confidence divide. As shown in Figure 4, 6% of nonprofit respondents said they were "not optimistic" about their own organization's financial stability, compared with 26% who were not optimistic about the stability of their industry.

For nonprofit respondents, this trend was consistent when comparing both the current and the two-to-three-year financial outlook. In government and education, respondents were slightly more optimistic about their sector's future financial stability than their own.

Subgroup responses revealed pockets of stronger optimism. More than half of association and foundation respondents (53%) reported being "very optimistic" about the industry, compared to only 38% in community-based and 20% in health and human services organizations.

In the government sector, federal and state respondents were more confident than local government respondents in every category (current and future financial stability, and organizational and industry outlook).

Within education, respondents from higher education institutions reported the strongest optimism. When asked to rate their two-to-three-year outlook, colleges and universities were about twice as likely to be "very optimistic" than their counterparts working in pre-K-12 and vocational/continued education.

Funding strategies

We asked respondents to share the key strategies they're pursuing to increase funding over the next 12 months.

Top strategies to increase funding, by sector

Nonprofit

- Soliciting private or foundational giving
- Corporate partnerships/ sponsored events
- Investing in technologies for efficiency

Government

- Intergovernmental agreements
- Regular appropriations
- Grants outside of regular appropriations

Education

- Investing in technologies for efficiency
- Revenue generation
- Cost-sharing arrangements

Nonprofit funding strategies: A majority of nonprofit respondents plan to solicit private funding, followed by a range of closely ranked approaches:

- 53% plan to solicit private or foundation-based giving.
- 41% cited corporate partnerships/sponsored events.
- 39% plan to invest in technology to improve efficiency.
- 38% will focus on member engagement and 38% on hosting fundraising events.
- 37% plan to pursue or expand grant research.

Government funding strategies: Government respondents indicate their top strategy for increasing funding is pursuing intergovernmental agreements (54%). Other priorities included regular appropriations (47%) and grants outside of regular appropriations (41%).

Among federal respondents, 43% intend to invest in technologies to gain efficiency. Forty-five percent of county/city/local respondents plan to pursue fee-based revenue options, while just over a third (36%) of midsized entities ($15-$100M) expressed interest in public-private partnerships.

Education funding strategies: Education respondents identified technology investments and revenue diversification as their top funding strategies.

- 57% plan to invest in new technologies to improve efficiency.
- 52% will pursue revenue-generation options.
- 44% cited cost-sharing agreements.

Nearly half of colleges and universities (48%) intend to solicit foundation and philanthropic grants, as well as school bonds and levies. About 45% of vocational/continued education respondents said they plan to pursue corporate sponsorships.

The importance of diversification

While each industry is pursuing different tactics to strengthen its financial footing, they all ladder up to a central idea: diversification.

"Relying on one source of income is risky for any business," said Kathleen DuBois, Wipfli partner and leader of the firm's NGE practice. "Leaders have to rethink their funding and income models to weather the ups and downs of today's shifting environment."

For some entities, particularly in government, revenue generation hasn't historically been a priority. That's beginning to change.

"Many leadership teams are realizing their business models aren't set up to accommodate or sustain multiple revenue streams — or to adapt quickly when one funding source becomes uncertain," DuBois explained. "But that doesn't mean new funding sources are out of reach. Organizations that have become overly reliant on federal funding, for example, can tap into fee-for-service models and other funding options."

She noted that different revenue streams come with different expenditure guidelines, which can create new operational complexities for organizations.

DuBois emphasized that diversifying funding is not just a financial tactic. It begins with a business and mindset shift at the leadership level — and must be supported by strong governance.

"Nonprofit board members are ultimately responsible for an organization's finances, as well as its overall direction," she said. "You need board members who can both support and guide that direction. That means your board composition needs to reflect the skills and mindset required for your new funding strategy."

For many organizations, funding diversification also involves strategic technology investments — for example, in tools that create efficiencies, open new revenue opportunities and give leaders the data they need to measure what's working.

Technology

Technology integration

Respondents were asked to rate how well technology is integrated into their daily operations, using a scale ranging from "basic" to "cutting-edge." Across all sectors, less than 10% of respondents described their technology environment as "cutting-edge" — defined as leveraging emerging technologies with fully automated processes and predictive capabilities.

Levels of maturity varied by sector, as shown in Figure 5. Nonprofit respondents reported the lowest levels of cutting-edge or advanced integration (35%), versus a majority of respondents from government (55%) and education (63%).

Technology integration by sector

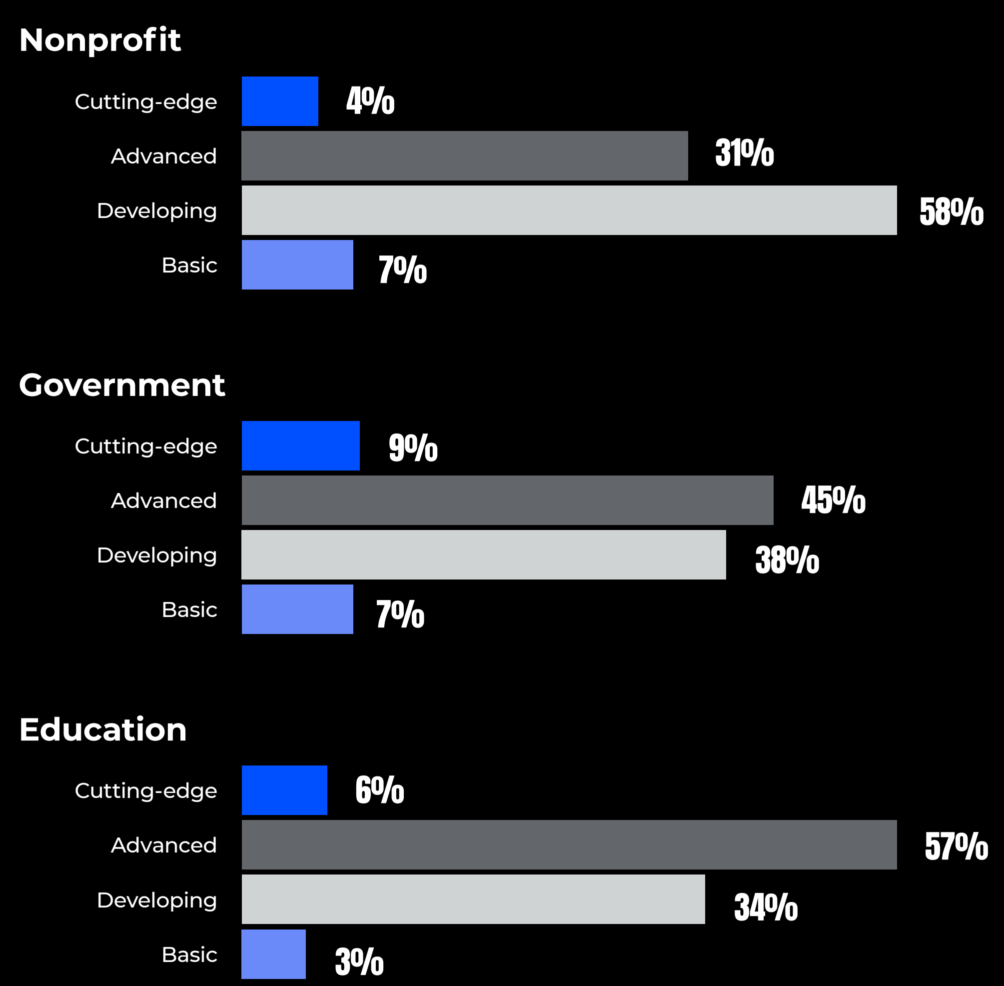


Figure 5. Education respondents reported having the most advanced technology integration

Within the nonprofit sector, respondents that are community-based organizations and organizations with smaller budgets (<$15M) were most likely to report only "basic" or "developing" levels of integration. State and federal government respondents reported being more advanced than their county and local counterparts, as did entities with larger budgets. Among education respondents, colleges and universities were the most likely to characterize their technology integration as "advanced."

When asked where technology is most fully integrated in their organizations, financial and accounting management and data and analytics were cited most often across all three sectors, as shown in Figure 6. Nonprofits also reported having significant integration with fundraising, grant and donor management systems. Government respondents cited internal and external communications systems, and education respondents highlighted human capital management.

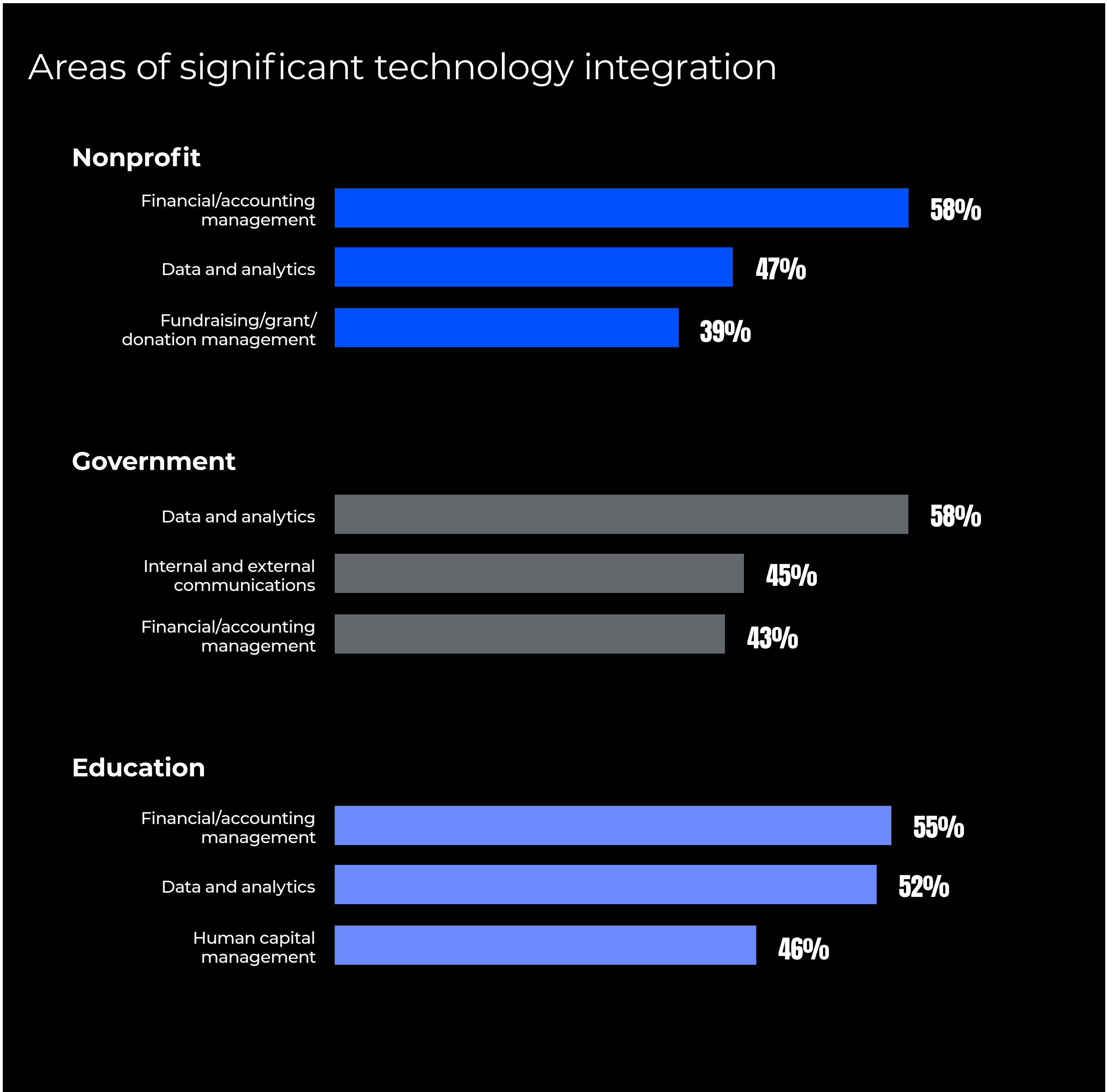


Figure 6. Organizations' most significant technology integrations are in financial and accounting management

Technology infrastructure challenges

We asked respondents to identify challenges with their existing technology infrastructure. Figure 7 shows that "cost of implementation and/or integration" was the top response across sectors, cited by 57% of nonprofit respondents, 59% from government and 60% from education. Respondents also reported difficulty integrating systems and applications and low employee adoption as significant issues.

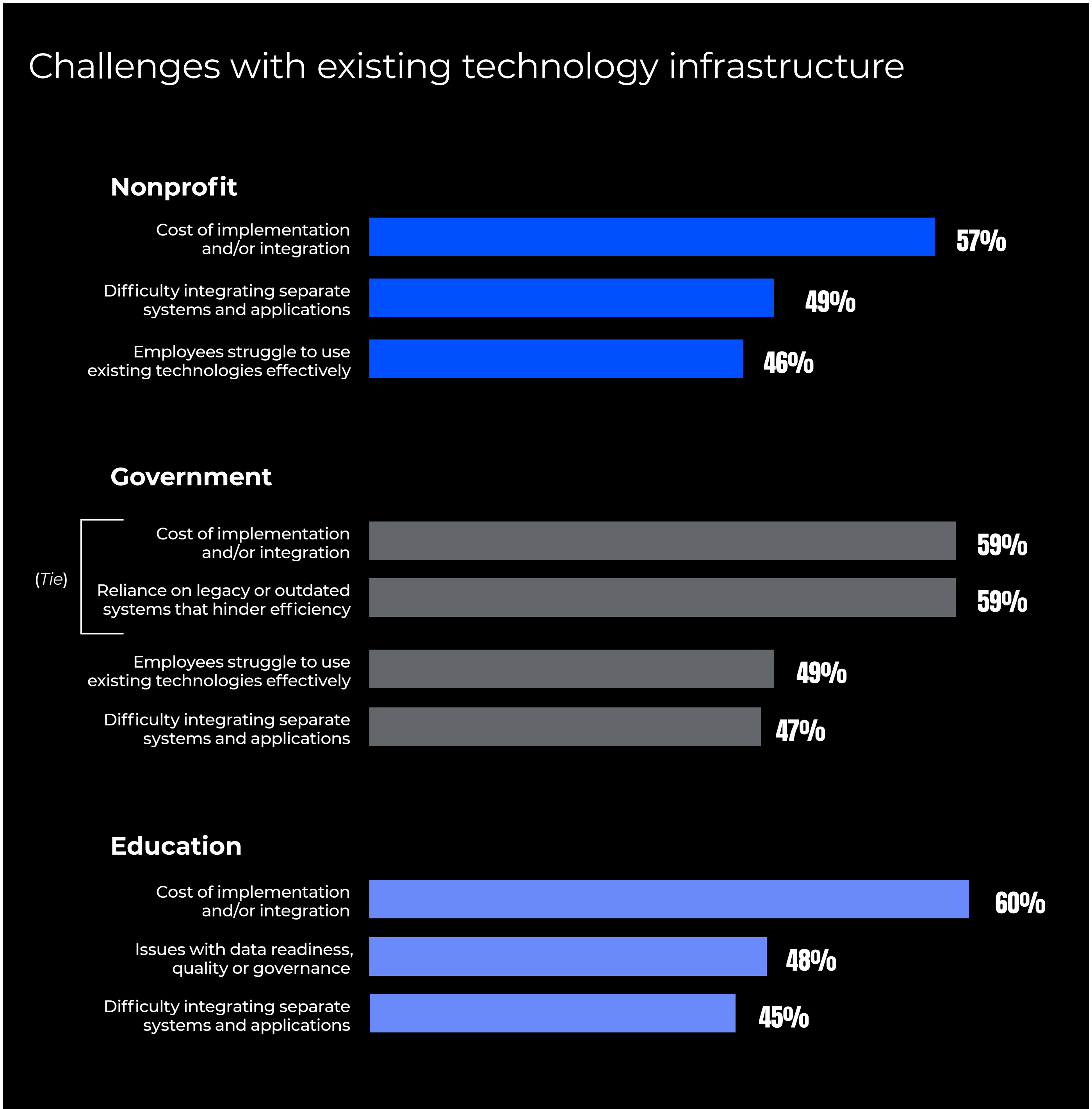


Figure 7. Cost of implementation is the leading technology infrastructure challenge

Sector-specific challenges emerged as well. Government organizations highlighted heavy reliance on legacy or outdated systems, and education respondents identified issues with data readiness, quality and governance.

Cybersecurity risks

Although most respondents reported the overall state of cyberattacks as "unchanged" over the past 12 months, the level of risk remains high. Nearly half of nonprofit (48%) and government respondents (46%) and three-quarters of education respondents (74%) said their organizations detected unauthorized access to their networks or data three or more times within the past year. Figure 8 illustrates the number of incidents reported by each sector.

Unauthorized access to networks and data

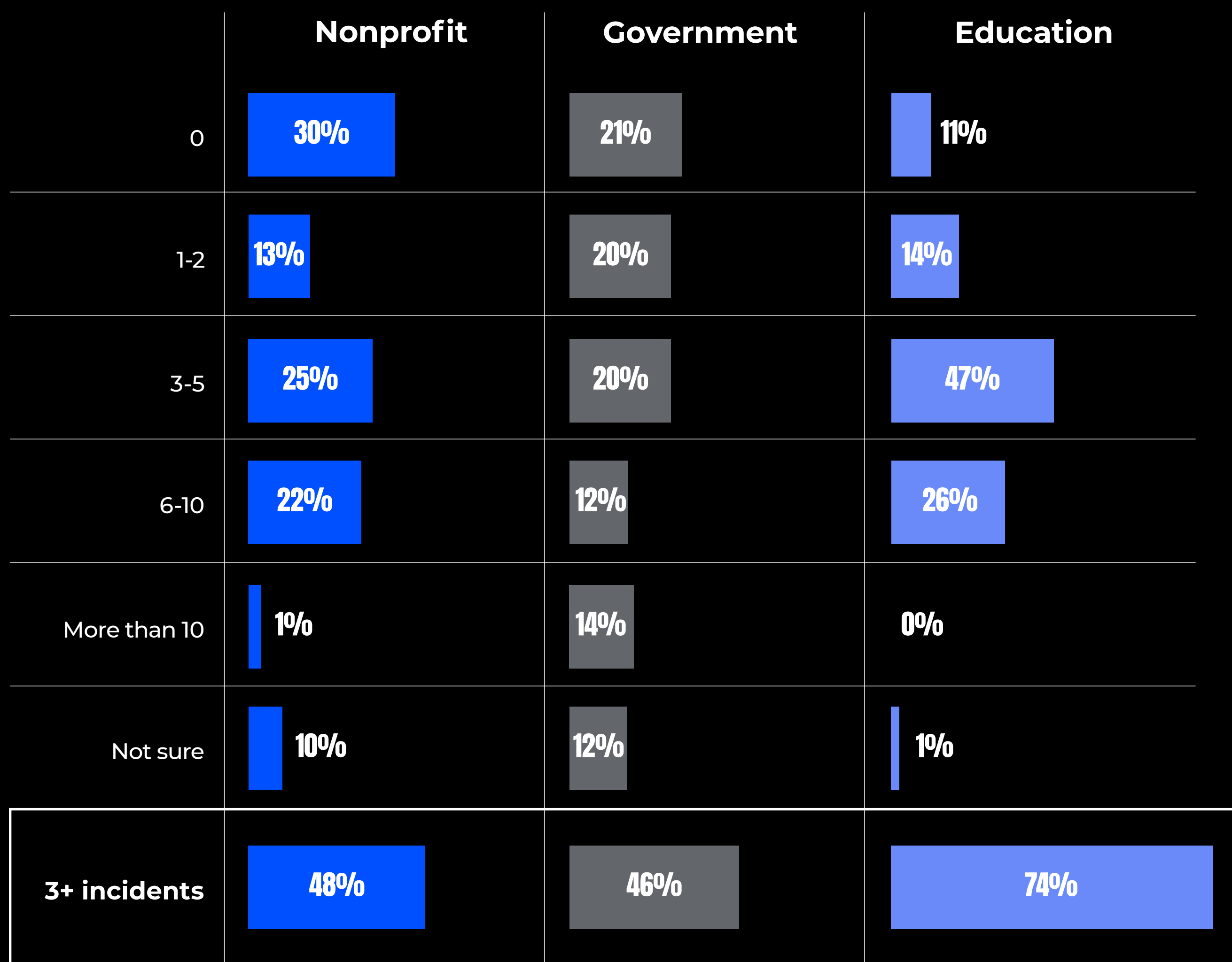


Figure 8. Nearly half of nonprofit and government respondents and three-quarters of education respondents detected unauthorized access to their networks or data within the past year

Organizations with larger budgets were more likely to experience repeated incidents. In organizations with annual budgets of $100 million or more, 94% of nonprofits and 88% of educational institution respondents experienced three or more incidents of unauthorized access in the last 12 months.

AI strategy

Respondents were asked to rate their organization's approach to AI strategy on a scale ranging from "no formal approach" to "strategic integration." At the highest level, organizations with "strategic integration" have comprehensive AI roadmaps that span multiple departments and include governance frameworks. They also link AI to measurable business impacts. "Focused implementation" describes organizations that apply AI in targeted areas to meet specific goals.

Education respondents reported having the most advanced AI strategies, with 84% indicating they have either a strategic or focused approach. This compares to just over half of nonprofit (54%) and government (56%) respondents, as shown in Figure 9. Responses were consistent across education sub-groups (pre-K-12, colleges and universities, and vocational/continuing education), ranging from 83% to 86%.

Social desirability bias — where respondents provide more favorable responses than reflect reality — may explain some of the differences observed between education and other sectors.

Budget size was a clear differentiator in AI maturity. Across all three sectors, respondents whose organizations had larger budgets reported having more advanced AI strategies. In education organizations with budgets of $100 million or more, 100% of respondents said they have a strategic or focused approach to AI.

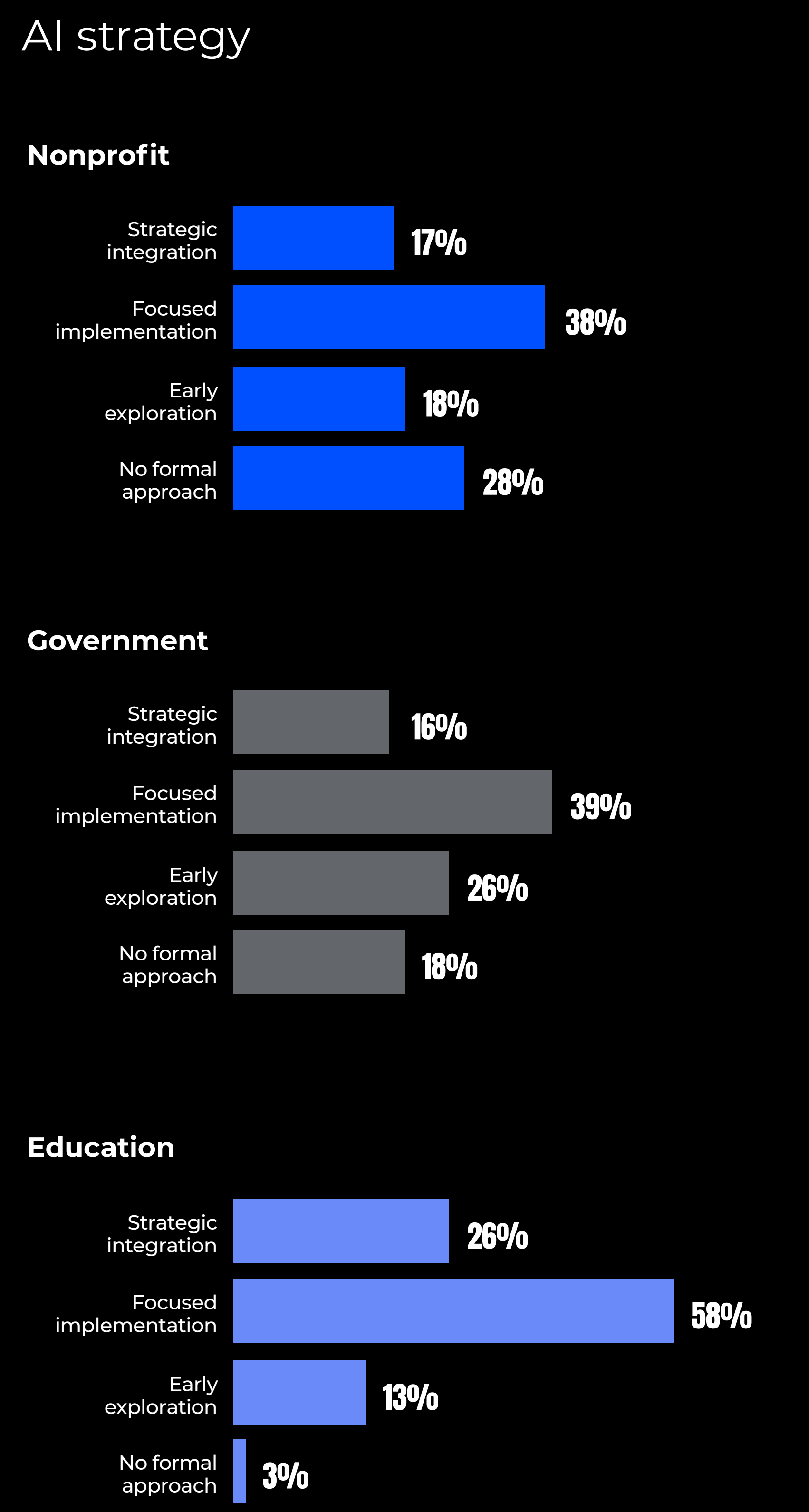


Figure 9. A majority of education respondents report having advanced AI strategies

How organizations are using AI

Respondents were also asked how they currently apply AI. Across all three sectors, the most common use cases centered on task automation/operational efficiency and organizing and structuring large amounts of data, as shown in Figure 10.

Nearly half of government respondents (46%) also reported using AI for predictive analytics, while more than half of education respondents (57%) said they use AI to optimize resource allocation.

When asked where AI is having the greatest impact on operations and performance, decision-making and speed emerged as common themes across all sectors:

- **Nonprofit** respondents cited enhanced data-driven decision-making, improved compliance and risk management, and faster information transfer.
- **Government** respondents mentioned streamlined workflows, enhanced data-driven decision-making (tied with) faster information transfer, and improved knowledge management and institutional knowledge.
- **Education** respondents identified enhanced data-driven decision-making, better impact measurement and program optimization, and improved knowledge management and institutional knowledge.

AI use cases

Nonprofit

- Automation of tasks/ operational efficiency
- Organize and structure large amounts of data
- Personalize interactions

Government

- Automation of tasks/ operational efficiency
- Organize and structure large amounts of data (*tie*)
Predictive analytics (*tie*)

Education

- Optimize resource allocation
- Organize and structure large amounts of data
- Automation of tasks/ operational efficiency

Figure 10. Across all sectors, automation is a top use case for AI

Cybersecurity risks are real

Despite the uneven pace of technology integration and AI adoption, one thing is true across all sectors: The risks are real. As organizations modernize and their digital footprints grow, so does their exposure.

"Any organization with a computer is at risk," said DuBois. "It doesn't matter how big or small you are; the moment you log in, you are vulnerable."

Unauthorized access incidents continue to test organizations' defenses — especially for those still relying on legacy systems or limited IT staff. For many, the question is no longer if a cyber incident will happen, but when — and whether they'll be ready to respond.

At the same time, organizations are trying to balance the push for modernization with the realities of strained budgets and aging infrastructure. Some are investing in advanced tools, while others are still working to strengthen basic system integration, update security protocols and build staff capacity.

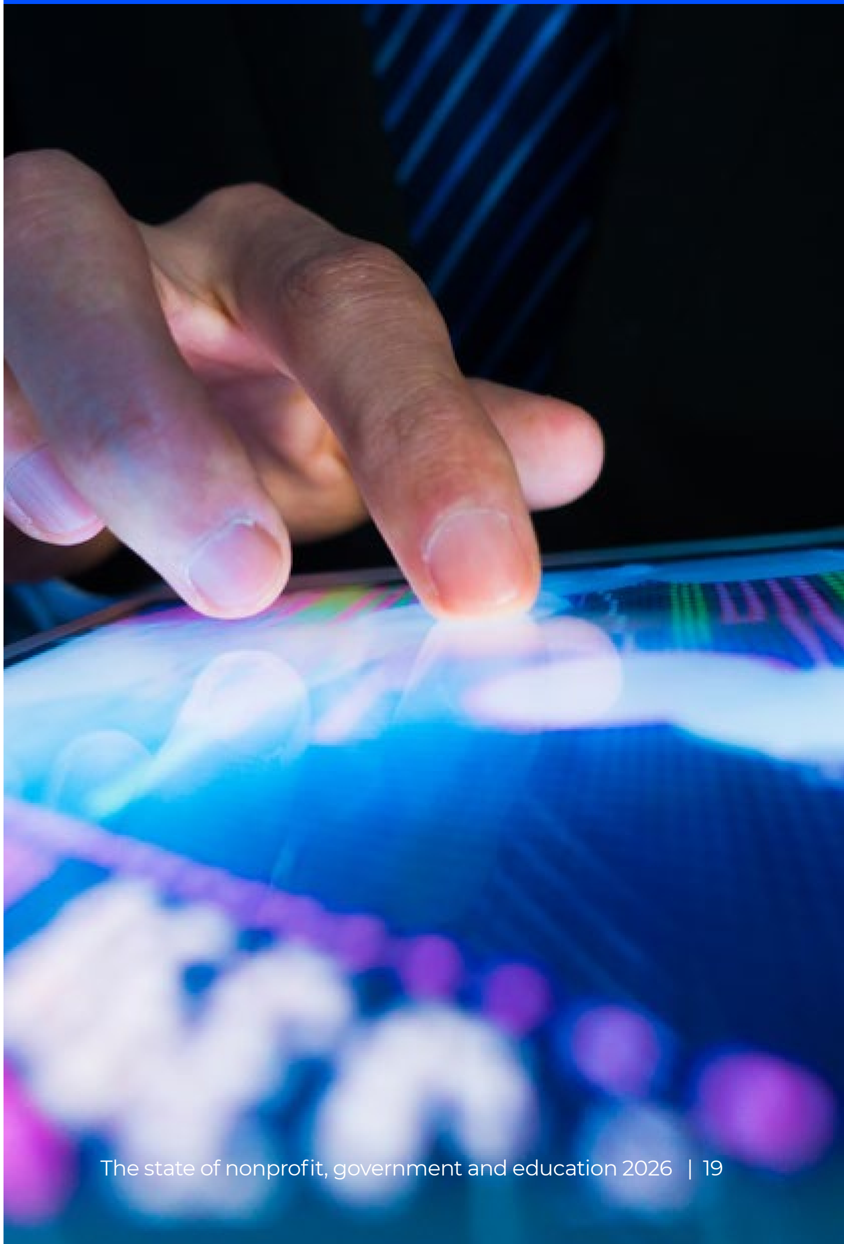
According to Gaumont, one of the biggest barriers isn't ambition — it's execution. "Cost is often the barrier people name first," he said. "But what we see underneath are integration hurdles: outdated systems that don't talk to each other, limited IT bandwidth, and teams stretched thin just to maintain what they have."

Those integration gaps can have real consequences. When systems are disconnected, they slow down operations and create inefficiencies — and they open more doors for bad actors. Fragmented infrastructure makes it harder to detect breaches early and protect sensitive information.

"Any organization with a computer is at risk," said DuBois. "It doesn't matter how big or small you are; the moment you log in, you are vulnerable."

— Kathleen DuBois,

Wipfli partner and leader of the firm's NGE practice



What's next for NGE?

The findings of this year's survey underscore some of the strategic tensions across nonprofit, government and education organizations.

Leaders are facing workforce pressures, uncertain financial futures and technology integration hurdles — all while delivering essential, often life-changing services in their communities.

These shared challenges reflect the complexity of today's environment: Budgets are tight, cyber risks are growing and technology is changing faster than many organizations can adapt. Yet within this complexity, there are also opportunities.

Leaders are finding practical, incremental ways to move forward. The following takeaways highlight common themes from the research — and opportunities to prepare and strengthen NGE organizations for what lies ahead.

Key takeaways

1. Attracting and retaining talent is a top challenge.

2. Funding diversification is a strategic decision.

3. Small technology wins can build momentum.

4. AI can support strategy — or become one.

1. Talent is a top challenge

Attracting and retaining skilled employees was one of the most pressing concerns across all three sectors. Workforce uncertainty — often driven by funding instability, competitive labor markets and high turnover in critical roles — continues to weigh on leaders.

Uncertainty can push skilled workers to look elsewhere, often to more stable sectors. Organizations can respond by exploring creative approaches to staffing, including outsourcing, fractional leadership and targeted skill-building programs.

2. Financial resilience requires agility

All sectors are facing increasing pressure to do more with limited resources. A key part of building resilience is being able to adapt funding strategies over time, rather than relying on a single model.

This reframes financial challenges as leadership challenges, not just budget problems. Leaders must guide their organizations through uncertainty, making strategic decisions about funding models, priorities and risk. They also need solid data foundations to help them stay stable and responsive in a shifting environment.

3. Small technology wins build momentum

Technology gaps and cyber risks are big problems — but they don't always require big, sweeping solutions. Often, they can be solved with small, meaningful steps.

"Find one use case that saves real time and effort," Gaumont said. "Prove you can solve one problem — and get the snowball rolling."

Early wins often come from automating routine, time-intensive tasks like accounts payable processing or financial reporting. These investments free up resources, strengthen security and lay the groundwork for larger projects.

4. AI can support strategy — or become one

As organizations mature with AI, they have two choices: AI can support existing strategies, or it can become a strategy and reshape how work gets done. Unleashing that potential requires more than new tools.

"AI strategy is really about how to innovate and drive automation," said Gaumont. "Most organizations don't have a structured process for moving from idea to execution — and they get stuck."

An innovation pipeline closes that gap. It creates a structured way to surface, test and scale promising ideas so one-off experiments can turn into repeatable, organizationwide impact.

"An innovation pipeline creates a plan for that journey," Gaumont said. "It's how ideas turn into outcomes."

TAKE THE NEXT STEP

Across nonprofit, government and education sectors, leaders are balancing workforce shortages, tight budgets and fast-evolving technology — all while serving communities that rely on them.

Wipfli's deep industry expertise helps organizations like yours navigate these pressures with confidence. Whether you're exploring new funding models, strengthening financial resilience or finding creative staffing solutions, our team delivers the insights, tools and guidance to help you stay agile and mission-focused in an unpredictable environment.

We bring together the right mix of financial, operational and digital expertise to help your organization adapt faster, make smarter decisions and deliver greater impact. Let's work together to move your mission forward — one step, one solution and one success at a time.

Visit **wipfli.com** to learn more.

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Appendix: The raw data

Wipfli conducted a national online survey of 299 executives in June and July 2025. Respondents represented nonprofit (101), government (99) and education (99) organizations across a range of sizes and sub-sectors.

Percentages may not equal 100% due to rounding or multiple response options.

How would you describe the place where you work?

TOTAL	
34%	Nonprofit or charitable organization with tax-exempt status 501(c)(3)
33%	Government/municipality
33%	Education

(ASKED IF NONPROFIT (Q1:1), N=101)
What type of nonprofit or charitable organization do you work for?
Please select all that apply.

TOTAL - Nonprofit	
37%	Community-based organization
30%	Foundation
27%	Health and human services (*primarily federally funded: e.g., Community Action, Head Start, etc.*)
22%	Health and human services (*funded primarily from sources other than federal and/or state funds*)
15%	Faith-based organization
14%	Serving individuals with development disabilities (IDD)
12%	Association
8%	Federated nonprofit
6%	Other

(ASKED IF NONPROFIT (Q1:1), N=101)
Which best describes your primary role within your nonprofit or charitable institution/ organization?

TOTAL - Nonprofit	
32%	CEO/president/executive director
16%	Chief financial officer (CFO)
2%	Chief operating officer (COO)
0%	Chief development officer (CDO)
0%	Chief program officer (CPO)
1%	Other C-suite
14%	VP/director of development/fundraising
11%	Controller
10%	VP/director of community outreach
8%	VP/director of programs
4%	VP/director of volunteer management
2%	VP/director of advocacy/policy/government relations
1%	Other (Other includes: chief of staff, sr. director of finance & admin)

(ASKED IF NONPROFIT (Q1:1), N=101)
What type of government entity/institution do you work for?

TOTAL - Government	
28%	Federal
20%	State
14%	County
20%	City/municipal/town
17%	Government district or authority

(ASKED IF GOVERNMENT (Q1:2), N=99)
Which best describes your primary role within your government institution/organization?

TOTAL - Government	
29%	Department/agency/division head
22%	Administrator
12%	Executive director/senior executive
12%	Deputy/division/program director
6%	Chief of staff or other leadership role
4%	Chief financial officer (CFO)
4%	City/county manager
3%	Chief procurement officer (CPO)
3%	Senior advisor
2%	Superintendent
0%	General counsel
0%	Commissioner
2%	Other

(ASKED IF EDUCATION (Q1:3), N=99)
What type of educational institution do you work for?

TOTAL - Education	
23%	Private school *(pre-K-12)*
35%	Public school *(pre-K-12)*
12%	Private college or university
9%	Public college or university
12%	Vocational/technical college
6%	Continuing and adult education centers
2%	Other

(ASKED IF EDUCATION (Q1:3), N=99)
Which best describes your primary role within your educational institution?

TOTAL - Education	
40%	Director of technology/CIO/CTO
16%	School business officer
12%	Superintendent
12%	Director of HR
7%	Dean/associate dean
6%	President/principal/head of school/chancellor
2%	Vice principal/deputy head of school/assistant head of school
1%	Chief financial officer (CFO)
1%	Chief operations officer (COO)
2%	Other

(ASKED OF ALL)
Please indicate your institution's/organization's approximate annual budget.

TOTAL	Nonprofit	Government	Education	
5%	10%	3%	2%	Under $1M
7%	6%	6%	8%	$1M to $2.5M
8%	12%	4%	8%	$2.5M to $5M
14%	19%	15%	7%	$5M to $15M
16%	24%	13%	12%	$15M to $50M
17%	12%	9%	29%	$50M to $100M
16%	8%	15%	25%	$100M to $500M
16%	10%	31%	7%	$Over 500M
0%	0%	0%	0%	Prefer not to answer
1%	0%	3%	1%	Not sure/don't know
*33%^*	*47%*	*28%*	*25%*	*TOTAL <$15M*
33%	*36%*	*22%*	*41%*	*TOTAL $15M-$100M*
32%	*18%*	*46%*	*32%*	*TOTAL $100M+*

How many employees does your institution/organization employ?

TOTAL	Nonprofit	Government	Education	
5%	13%	2%	0%	Fewer than 10
6%	6%	3%	9%	10-29
5%	9%	3%	3%	30-50
10%	15%	9%	5%	51-99
16%	21%	14%	14%	100-249
13%	12%	14%	12%	250-499
18%	14%	11%	30%	500-999
27%	11%	43%	26%	1000 or more
0%	0%	0%	0%	Not sure/don't know
26%	***43%***	***17%***	***17%***	***TOTAL <100 EMPLOYEES***
29%	***33%***	***28%***	***26%***	***TOTAL 100-499***
45%	***25%***	***55%^***	***57%^***	***TOTAL 500+ EMPLOYEES***

In which state is the institution/organization you work for located or headquartered?

TOTAL	Nonprofit	Government	Education	
18%	17%	19%	17%	Northeast
22%	29%	17%	21%	Midwest
36%	32%	39%	36%	South
24%	23%	24%	25%	West

Please rate your level of optimism for each of the following. Please answer using a scale from 0 to 10, where 0 = Not at All Optimistic and 10= Extremely Optimistic (LIST ITEMS IN ORDER)

1. Your institution/organization's current financial stability

	TOT VERY OPT 8-10	***TOT MID OPT 5-7***	***TOT NOT OPT 0-4***
TOTAL	**45%**	**44%**	**10%**
Nonprofit	48%	47%	6%
Government	55%^	35%	10%
Education	34%	51%^	15%

2. Your institution/ organization's financial stability in the next 2-3 years

TOTAL	**46%^**	**3%**	**16%**
Nonprofit	46%	39%	16%
Government	55%^	32%	13%
Education	39%	42%	18%

3. The current financial stability of your industry/sector

TOTAL	**40%**	**43%**	**17%^**
Nonprofit	34%	41%	26%
Government	48%	40%	11%
Education	38%	48%	13%

4. The financial stability in the next 2-3 years of your industry/sector

TOTAL	**42%^**	**42%**	**15%^**
Nonprofit	37%	43%	21%
Government	53%^	36%	11%
Education	38%	47%	14%

(ASKED IF NONPROFIT (Q1:1), N=101)
What key strategies or actions is your institution/organization undertaking to increase funding in the next 12 months?

Please select all that apply.

TOTAL - Nonprofit	
53%	Soliciting private or foundational giving
41%	Corporate partnerships/sponsored events
39%	Investing in new technologies for efficiency
38%	Focusing on member engagement/experience
38%	Hosting fundraising events
37%	Grant research
34%	Collaborating with other institutions/organizations
32%	Offering training/education
30%	Selling products or services
28%	Offering sponsorships/advertising/job boards
18%	Marketing to younger members
18%	Increasing membership dues
3%	No plan for strategies/actions to increase funding in the next 12 months
6%	Other strategies/actions

(ASKED IF GOVERNMENT (Q1:2), N=99)
What key strategies or actions is your institution/organization undertaking to increase funding in the next 12 months?

Please select all that apply.

TOTAL - Government	
54%	Intergovernmental agreements (e.g., resource sharing, joint purchasing, etc.)
47%	Regular appropriations
41%	Grants outside of regular appropriations
38%	Investing in new technologies for efficiency
38%	Fee-based revenue (e.g., user, impact, administrative fees, etc.)
28%	Public-private partnerships (P3s)
27%	Asset monetization (e.g., property leasing, naming rights, etc.)
25%	Financing tools (e.g., social impact bonds, tax increment financing, etc.)
25%	Community-based funding
23%	Entrepreneurial activities (e.g., merchandising goods, offering training/programs, etc.)
12%	No plan for strategies/actions to increase funding in the next 12 months
1%	Other strategies/actions

(ASKED IF EDUCATION (Q1:3), N=99)
What key strategies or actions is your institution/organization undertaking to increase funding in the next 12 months?

Please select all that apply.

TOTAL - Education	
57%	Investing in new technologies for efficiency
52%	Revenue generation (e.g., facility rental, extended services, special events, etc.)
44%	Cost-sharing arrangements (e.g., inter-institutional resource sharing, etc.)
36%	Corporate sponsorship
35%	Donor development/planned giving/endowments
34%	Foundation/philanthropic grants
29%	Capital campaigns
28%	School bonds and levies
27%	Research grants
25%	Public-private partnerships (P3s)
24%	Alumni giving
23%	Parent-teacher fundraising activities
1%	No plan for strategies/actions to increase funding in the next 12 months
2%	Other strategies/actions

(ASKED OF ALL)
To what extent do you consider each of the following to be challenging for your institution/organization in the next 12 months?

RANKED BY % TOTAL VERY CHALLENGING

TOT VERY CHALL 8-10	TOT MID CHALL 5-7	TOT NOT CHALL 0-4

Operations

1. Reducing expenses without compromising the quality of services

TOTAL	39%	38%^	23%
Nonprofit	38%	37%	26%
Government	45%	32%	22%
Education	35%	44%	20%

1. Inefficiencies in current processes and productivity

TOTAL	31%^	42%^	27%
Nonprofit	28%	47%	26%
Government	32%	37%	30%
Education	32%	43%	24%

4. Developing metrics to evaluate the effectiveness of implemented strategies

TOTAL	29%	41%	30%
Nonprofit	28%	41%	32%
Government	33%	34%	32%
Education	26%	47%	26%

3. Managing reserves and investments to ensure stability and growth

TOTAL	28%	46%	25%^
Nonprofit	24%	46%	31%
Government	21%	52%^	27%
Education	39%	42%	18%

5. Regulatory compliance

TOTAL	27%	39%	33%^
Nonprofit	18%	35%	48%
Government	26%	39%	34%
Education	37%	44%	18%

Workforce

8. Attracting and hiring highly talented and skilled people

TOTAL	41%	41%^	17%
Nonprofit	38%	44%	19%
Government	42%	40%	17%
Education	44%	39%	16%

7. Employee turnover/retention

TOTAL	36%	40%	23%
Nonprofit	33%	40%	28%
Government	40%	34%	25%
Education	35%	47%	17%

6. Preserving and nurturing the institution/organization's culture

TOTAL	32%^	43%^	25%
Nonprofit	30%	41%	30%
Government	33%	40%	26%
Education	34%	47%	18%

Development

12. Finding resources for new grants

TOTAL	38%	38%^	24%
Nonprofit	43%	35%	23%
Government	36%	33%	30%
Education	35%	45%	19%

10. Lack of government funding

TOTAL	34%^	35%^	30%
Nonprofit	38%	32%	31%
Government	36%	33%	30%
Education	29%	40%	30%

9. Expanding activities and community reach

TOTAL	31%	44%	25%
Nonprofit	28%	49%	24%
Government	31%	38%	30%
Education	34%	45%	20%

11. Fundraising and developing new revenue streams

TOTAL	31%^	45%^	24%
Nonprofit	37%	46%	18%
Government	28%	42%	29%
Education	28%	46%	25%

14. Effectively integrating and leveraging technology tools and platforms

TOTAL	29%	44%	27%^
Nonprofit	26%	46%	29%
Government	30%	43%	26%
Education	30%	44%	25%

13. Ensuring the institution/organization has sufficient liquidity to meet obligations

TOTAL	28%^	42%^	29%^
Nonprofit	23%	46%	32%
Government	28%	40%	31%
Education	34%	41%	24%

How would you rate the integration of technology into your institution/organization's daily operations?

TOTAL	Nonprofit	Government	Education	
6%	4%	9%	6%	**Cutting-edge:** The organization leverages emerging technologies (AI, IoT, advanced analytics) with fully automated processes and predictive capabilities.
44%	31%	45%	57%	**Advanced:** Most operations run on integrated platforms with automated workflows and real-time data sharing between departments.
44%	58%	38%	34%	**Developing:** Core business systems are digitized (e.g., accounting, HR, community management), but many workflows involve manual steps or disconnected systems.
6%	7%	7%	3%	**Basic:** Technology is used for essential functions like email and basic software, with most processes requiring manual intervention.
0%	0%	0%	0%	Not Sure
*51%^*	*35%*	*55%^*	*63%*	*TOTAL CUTTING-EDGE/ADVANCED*
*49%^*	*65%*	*45%*	*37%*	*TOTAL DEVELOPING/BASIC*

Which areas of your institution/organization have seen the most significant technology integration? *Please check all that apply.*

TOTAL	Nonprofit	Government	Education	
52%	58%	43%	55%	Financial/accounting management
52%	47%	58%	52%	Data and analytics
39%	38%	40%	40%	Payroll
37%	37%	32%	42%	Program management
35%	31%	45%	29%	Internal and external communications
33%	26%	30%	42%	Integration platform as a service (IPaaS)
32%	22%	27%	46%	Human capital management
31%	39%	22%	33%	Fundraising/grant/donation management
30%	28%	23%	40%	Predictive analytics
27%	21%	27%	33%	Enterprise resource planning (ERP)
22%	12%	31%	24%	Outsourcing/resourcing/staffing
21%	22%	21%	21%	Consumer/donor/voter relationship management (CRM)
1%	2%	0%	0%	Other strategies/actions

What challenges does your institution/organization face with its current technology infrastructure? *Please check all that apply.*

TOTAL	Nonprofit	Government	Education	
59%	57%	59%	60%	Cost of implementation and/or integration
47%	49%	47%	45%	Difficulty in integrating separate systems and applications
46%	46%	49%	43%	Employees struggle to utilize existing technologies effectively
41%	31%	45%	48%	Issues with data readiness/quality/governance
41%	31%	59%	34%	Reliance on legacy or outdated systems that hinder efficiency
38%	38%	37%	39%	Exposure to potential data breaches and cyber threats
28%	22%	30%	33%	Inability to scale IT resources in line with organizational growth
0%	0%	1%	0%	Other strategies/actions
2%	5%	1%	0%	None/no challenges

Which best describes the current level of cyberattacks on your institution/organization as compared to 12 months ago?

TOTAL	Nonprofit	Government	Education	
27%	21%	28%	33%	Increased
12%	12%	7%	17%	Decreased
61%	67%	65%	49%	No change

How many times, in the past 12 months, has your institution/organization identified unauthorized access to networks and data?

TOTAL	Nonprofit	Government	Education	
21%	30%	21%	11%	0
16%	13%	20%	14%	1 to 2
31%	25%	20%	47%	3 to 5
20%	22%	12%	26%	6 to 10
5%	1%	14%	0%	More than 10
8%	10%	12%	1%	Not sure
56%	***48%***	***46%***	***74%^***	*TOTAL 3+*

Which best describes your institution/organization's approach to artificial intelligence (AI) strategy?

TOTAL	Nonprofit	Government	Education	
20%	17%	16%	26%	**Strategic integration:** Comprehensive AI roadmap spanning multiple departments with governance frameworks and measurable business impact.
45%	38%	39%	58%	**Focused implementation:** Actively implementing AI solutions in targeted areas (e.g., customer service, data analysis, etc.) with defined goals and metrics.
19%	18%	26%	13%	**Early exploration:** Researching AI applications, attending demos or running small pilots, but no formal strategy has been committed.
16%	28%	18%	3%	**No formal approach:** No formal AI initiatives have been established, though individuals and teams are experimenting with AI tools independently.
65%	***54%^***	***56%^***	***84%***	***TOTAL INTEGRATION/IMPLEMENTATION***
35%	***46%***	***44%***	***16%***	***TOTAL EXPLORATION/NO APPROACH***

In what ways is your institution/organization currently using AI?
Please check all that apply.

TOTAL	Nonprofit	Government	Education	
50%	45%	55%	51%	Automation of tasks/operational efficiency
45%	36%	46%	55%	Organize and structure large amounts of data
40%	29%	46%	45%	Predictive analytics
37%	33%	23%	57%	Optimize resource allocation
34%	29%	28%	44%	Access to the latest educational research ad practices
33%	34%	25%	39%	Personalize member/sponsor/donor/ voter/parent-teacher interactions
31%	33%	22%	38%	Optimize fundraising efforts
25%	15%	28%	32%	Translating content into multiple languages
3%	6%	2%	0%	Other strategies/actions
13%	19%	15%	4%	None of the above/not currently using AI

How has your institution/organization's operations and/or performance been impacted by AI?
Please check all that apply.

TOTAL	Nonprofit	Government	Education	
37%	29%	35%	48%	Enhanced data-driven decision-making
34%	28%	35%	39%	Faster information transfer
34%	27%	29%	46%	Better impact measurement and program optimization
33%	24%	33%	41%	Enhanced learning experiences
32%	25%	28%	44%	Improved knowledge management and institutional memory
32%	29%	24%	43%	Better compliance and risk management
31%	21%	44%	28%	Streamlined workflows
30%	26%	30%	33%	Improved record keeping
27%	25%	27%	30%	Enhanced demand forecasting and capacity planning
24%	24%	18%	31%	Optimized community engagement
1%	1%	--	1%	Other
18%	29%	19%	5%	None of the above/no impact