



Summary Report

Federal Funding Losses Are Negatively Impacting New Jersey Nonprofits



Up to **\$27.5B** in federal funding at risk of cuts in NJ

Many of 41,000+ orgs w/ federal contracts won't be reimbursed

Interruptions or cuts pose grave threats to program delivery

Nonprofits can no longer sustain their work in communities

Like many community foundations across the country, the Community Foundation of New Jersey (CFNJ) has awarded rapid-response grants to nonprofits that are facing federal funding freezes and terminations of existing federal contracts.

Because their funding relationships may involve reimbursement contracts, many of the 41,000+ nonprofits in New Jersey have already expended monies that will likely not be reimbursed. And they're reporting that **they can no longer sustain their work and are scrambling to cover budget shortfalls**.

“

The anticipated [federal] funding would have enabled us to distribute nearly one million pounds of food to the community. However, with this reduction, we risk serving approximately 833,000 fewer meals to those in need.

”

**VOICES
FROM THE
NONPROFIT
COMMUNITY**

“

Most significantly, this funding pause has left hundreds of residents — working families, single parents with young children, and older adults living on fixed incomes — without the crucial, time-sensitive, temporary housing relief they need to recover from crises and remain housed sustainably.

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“

... we have had to lay off staff members and leave other positions unfilled following resignations.

[We are] operating at lower staffing levels as the increased operational costs related to federally set tariffs, inflation, and insurance costs are greatly exceeding the increases in grant funding.

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NJ STRONG: EMERGENCY FUND

In response to this statewide crisis, the Community Foundation collaborated with generous fundholders and partners to create the NJ Strong: Emergency Fund in May. **The aim of this \$1 million fund is to provide a safety net, help nonprofits weather this funding crisis, and minimize service disruptions in our communities.**

Application & Grantmaking Stats



FEDERAL LOSSES

- Nonprofits that have applied reportedly **lost more than \$35 million in funding so far** (two organizations lost \$11.3 million and \$2.3 million, respectively)
- 49 of 80 applicants report **25% or more of their budgets relied on federal grants**
- 15 of 80 applicants report that **over 70% of their budgets relied on federal grants**



GRANT REQUESTS TO DATE

- **80 applications in total** and 36 draft applications
- **Requested nearly \$3.5 million** in grant funding



GRANTS AWARDED TO DATE

- **22 grants totaling more than \$900,000**
- Nonprofit categories: Community Health, Human Services-Immigrant/Refugee Support, Food & Nutrition, Housing, Violence & Exploitation Prevention/Survivor Assistance
- **16 of 21 counties served** (one nonprofit serves entire state)

NEXT STEPS

We're proud to share that the emergency fund has provided a safety net for 22 human services organizations. However, the federal funding crisis among nonprofits endures in communities across the state. And there are 50 applications totaling more than \$2.2 million that we wish we could've funded.

While the NJ Strong grant application is currently closed, we are exploring opportunities to collaborate with other foundations and funding partners to support New Jersey's nonprofit sector. Our next steps depend on the ramifications of additional federal cuts and expected state budget cuts that we will learn more about in the coming months.

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