



Nonprofits Under Pressure: Surveying Local Sector Concerns Amid U.S. Tariff Threats

**Survey Report
April 22nd, 2025**



Executive Summary

Driven by growing concerns among nonprofits about U.S. tariffs, Pillar conducted a survey in March 2025 to understand these concerns and assess their potential impact on nonprofit organizations. We received responses from 96 organizations, which reveal concerns about the sector's ability to adapt to the potential challenges.

Key Findings

Financial Pressure and Rising Costs

- Participants reported increasing financial pressure due to an anticipated rise in the cost of goods and services (over 65%), expected declines in government funding (51.2%) and charitable donations (57.7%).

Sector-Wide Uncertainty:

- Participants are experiencing heightened economic uncertainty—marking a notable shift from optimism that nonprofits felt at the end of 2024. While a significant number expect rising costs, the impacts remain varied—with many anticipating potential disruptions in staffing, volunteering, and service delivery. Many also say they lack clear policy solutions or strategies to navigate these challenges.

Executive Summary Contd.

Government Support and Sector-Driven strategies Remain Essential Tools for Navigation

- Participants view the government as a key player and recognise that sustained advocacy, partnership, resource-sharing, local procurement and revenue diversification are vital strategies for managing the impacts of tariffs.

Implications

- If early signs remain unaddressed, we risk reaching a tipping point where tariff-related challenges could deepen existing vulnerabilities in the sector, compounding systemic stressors such as reduced service delivery capacity, a weakened workforce, and gaps in community support and well-being.
- While many nonprofit organizations feel overwhelmed and underprepared, the sector continues to struggle with post-pandemic inflation and broader economic challenges.

Pillar's Commitment

- Pillar has committed to responding to these issues through research-based advocacy, media campaigns and ongoing policy work at all levels of government.

Methodology

- **Methodology:** The questionnaire was designed using a mixed-method approach—involving multiple choice and open-ended questions. A mixed method combines both qualitative and quantitative techniques, making it more suited for understanding and addressing complex economic issues such as tariffs. This combination allowed us to assess the expected impact on nonprofits—drawing evidence from the Covid and Post-COVID inflation crises—and to gain insight into emerging or any unanticipated challenges.
- **Sample Size:** A total of 96 organizations responded to the survey—they were recruited between March 13 and March 28 through emails, and the Pillar newsletters.
- **Limitations:** While the results may be insufficient to generalize the overall impact on the sector due to sample size, the responses provide valuable insight into participants' understanding of the potential effects of tariffs. These findings may offer useful inferences for other Canadian provinces, territories and regions.



Participants by Area of Primary Operation

Answered: 89 Skipped: 7

Area of Operation Breakdown

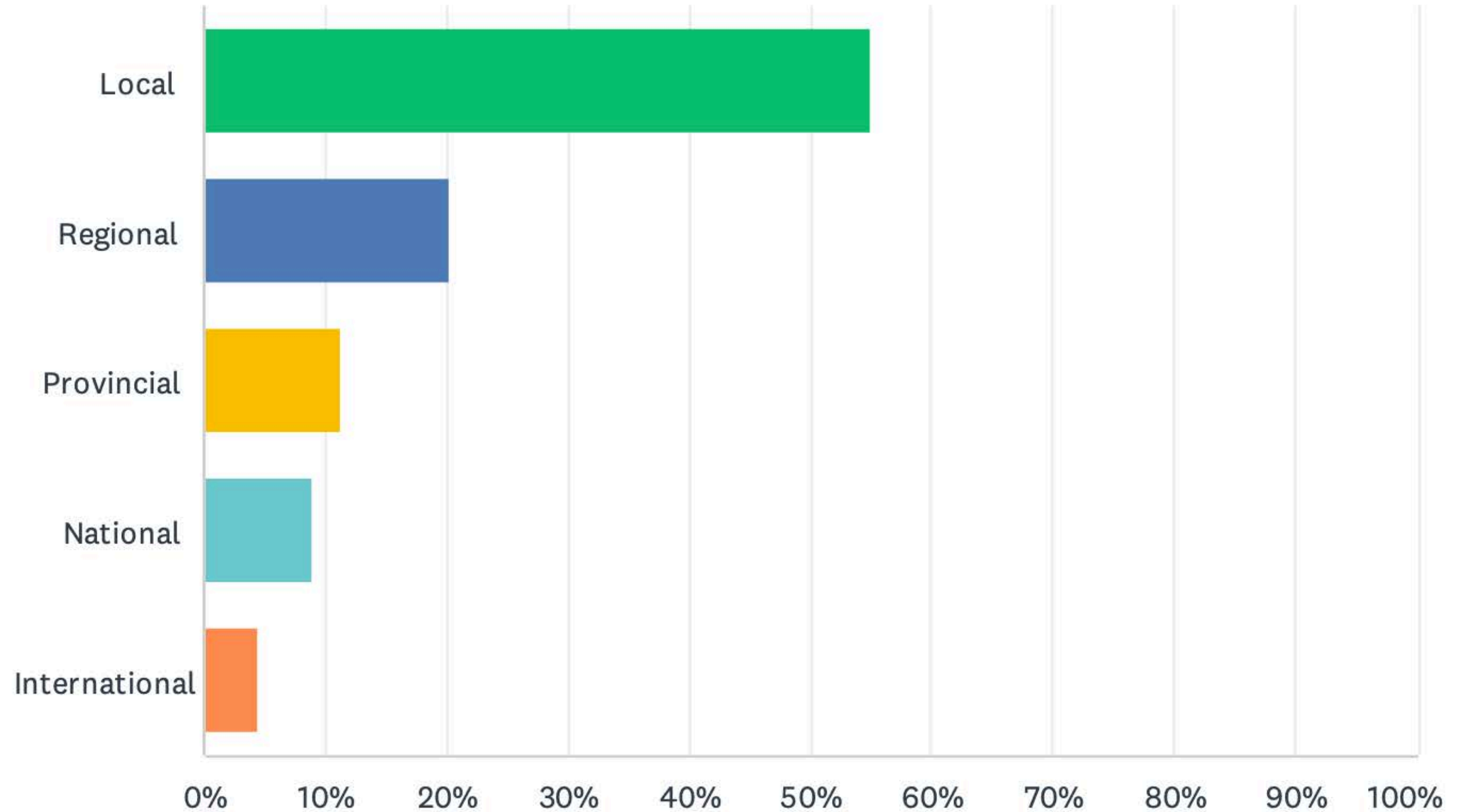
Local (within London)—55.06%

Regional (Southwest Ontario)—20.22%

Provincial (Ontario)—11.24%

National (Canada)—8.99%

International (Beyond Canada)—4.49%

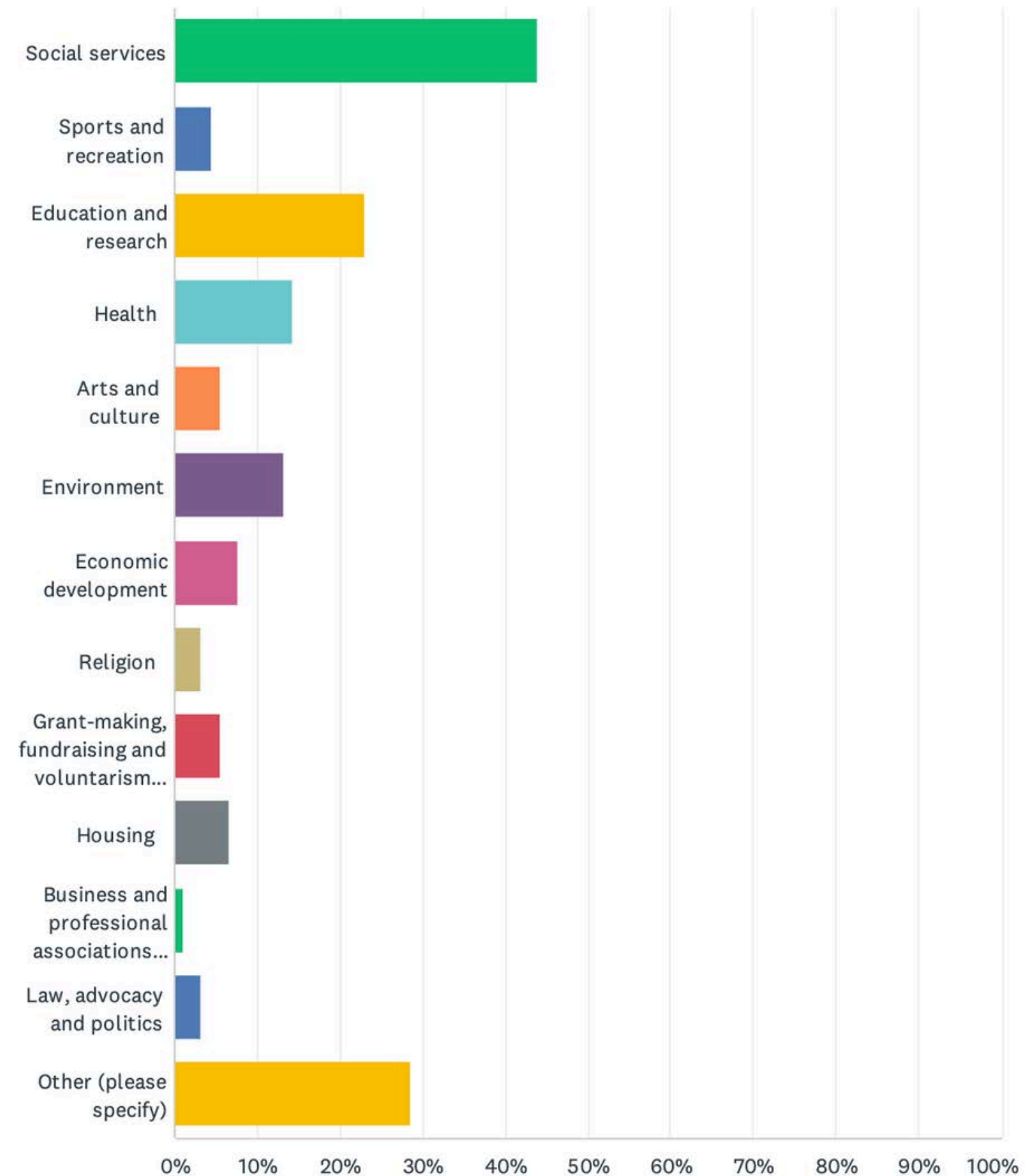




Breakdown of Participants by Sector

Social Services—43.96%
 Edu & Research—23.08%
 Health—14.29%
 Environment—13.19%
 Economic Dev.—7.69%
 Housing—6.59%
 Grant & Volun—5.49%
 Arts & Cul.—5.49%
 Sports & Rec.—4.40%
 Law, adv. & Pol.—3.30%
 Religion—3.30%
 Business—1.10%

Answered: 91 Skipped: 5



Key Findings

- The survey reveals a significant shift from optimism at the end of 2024 to increased uncertainty in 2025, driven by economic fragility and global threat of tariffs by the US.
- Some organizations express uncertainty about the impacts on their operations and note a lack of clear policy solutions or strategies to address these uncertainties.
- Shared concerns on the impact of tariffs align with national trends, particularly Charity Insights Canada Project data showing there are heightened concerns around funding (88%) and economic uncertainty (54%).
- While a significant number of nonprofits note that the cost of goods and services is already high due to inflation—they project a further increase as a result of the added impact of the tariffs.
- The sector has learned through COVID-19 recovery strategies: policy engagement and collective action were particularly seen as effective.



Key Findings Contd.

- Advocacy is regarded as a high-impact, necessary approach for nonprofits in navigating uncertainty.
- There's a shared recognition that building collaborative partnerships and resource-sharing among nonprofits can help overcome and better respond to economic uncertainties.
- Smaller nonprofits especially look to larger or networked organizations for coordinated support and action.
- Government is recognised as a key player in supporting nonprofits to navigate tariff-related economic challenges.
- Buying local and seeking longterm financial solutions are shared goals for making the nonprofit financially sustainable amid tariff.

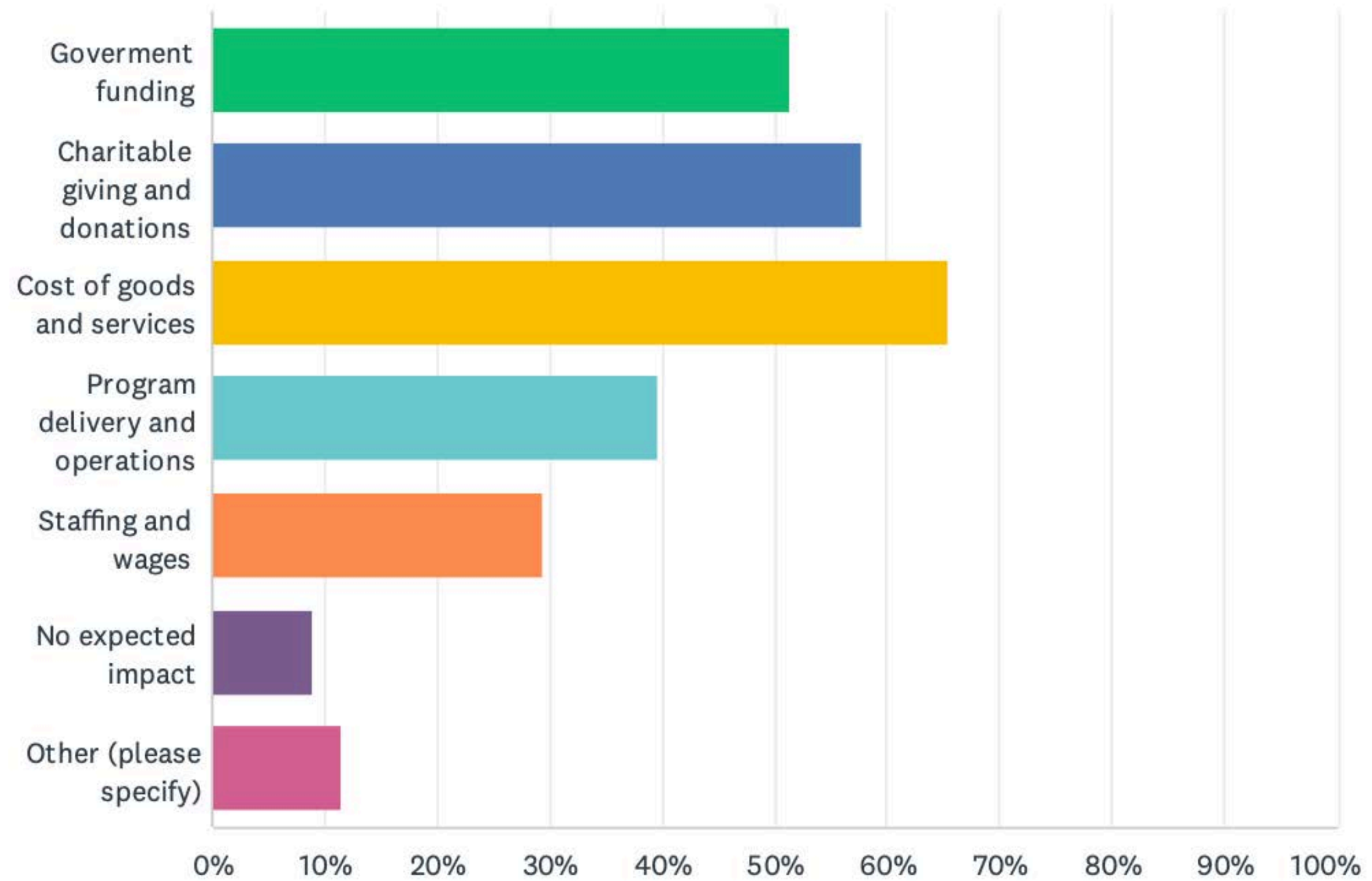


Analysis

Question 1. What impact, if any, do you anticipate tariffs having on the following aspects of your organization?

- The survey indicates that most organizations are anticipating increased uncertainty and volatility due to the threat of tariffs. More than 65% of participants project a significant rise in the cost of goods and services, a reduction in government funding (51.2%), and an expected decline in charitable giving and donations (57.69%). In addition, 30–40% report that the cost of program delivery, operations, staffing, and wages will be significantly affected. One participant in the health sector stated, “We rely on corporate sponsors to cover the costs of putting on the run. We have already lost a major sponsor since the tariffs were introduced.” Surprisingly, about 9% do not expect any impact from the tariffs. This may be due to the unique nature of tariffs, and the full extent of their impact may not yet be known. However, a shared concern among respondents is the broader sense of economic uncertainty.

Answered: 78 Skipped: 18



Analysis Contd.

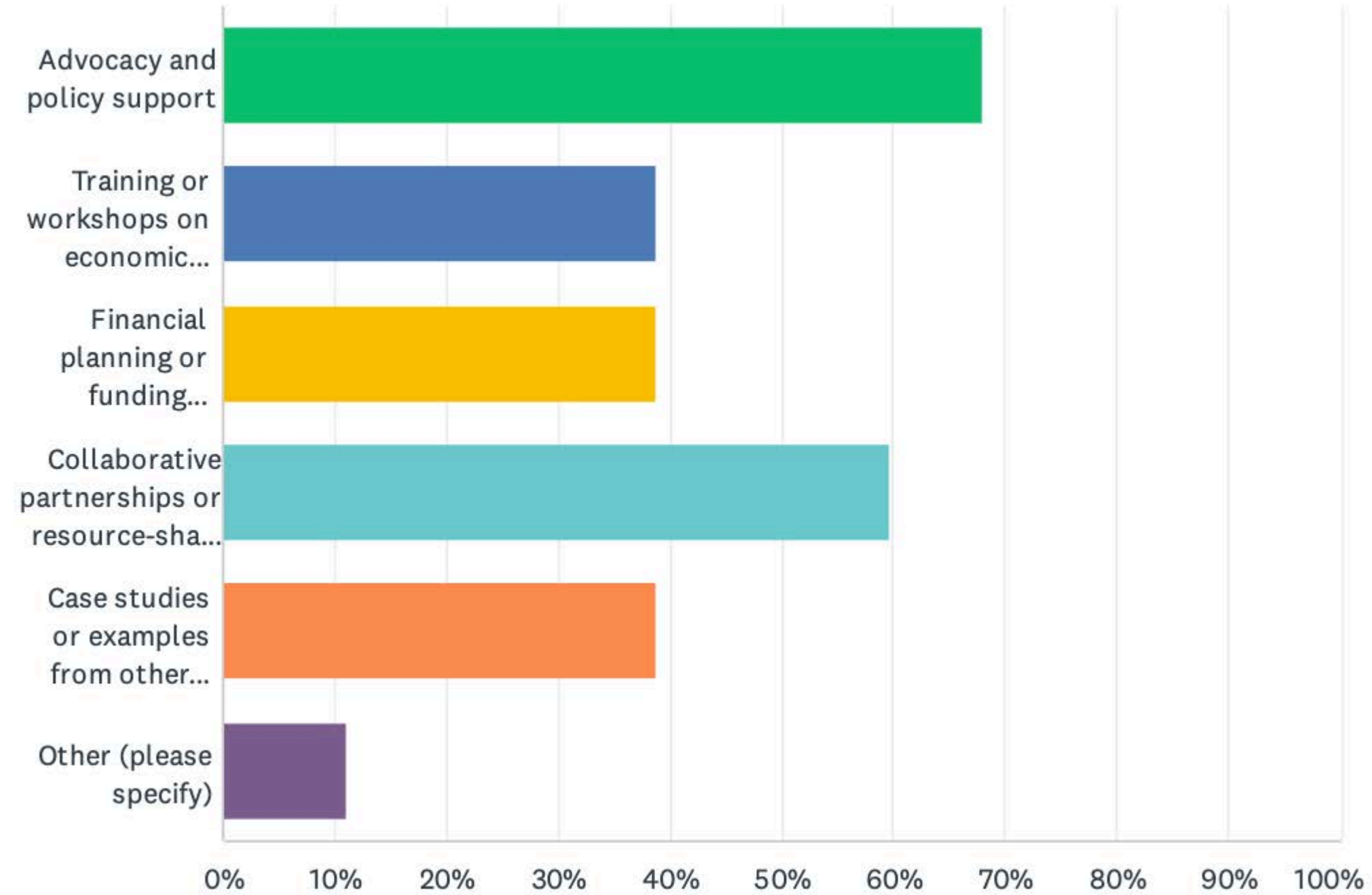
- Common responses show that the impacts of tariffs vary between organizations. Some note that workforce and volunteerism may be affected due to potential income losses for both employers and volunteers. One participant mentioned the possibility that tariffs could lead to revenue losses for farmers in rural communities. Other responses highlight the rising cost of travel for musicians performing internationally in the U.S., concerns about a potential shift away from environmental causes, and the impact on parents' ability to afford summer camps for their children.
- These findings align with earlier analysis by Pillar Nonprofit Network suggesting that if U.S. tariffs lead to low productivity, high inflation, and a shrinking GDP, nonprofits and charities will likely experience declines in both funding and donations. The data also reinforces findings from the Charity Insights Canada Project (CICP) report in February 2025, which showed that charities are most concerned about funding uncertainties (88%), workforce stability (47%), and global economic uncertainty (54%)—the latter marking the most significant shift compared to the previous year. As summarized by CICP, nonprofits and charities are facing a trilemma of increasing demand, financial instability, and workforce challenges—issues that are raising even greater concerns in 2025.
- Although anticipated organizational obstacles have significantly increased in 2025 compared to the previous year—the growing uncertainty marked a shift from the optimism expressed by nonprofits in the final quarter of 2024. According to data released by Statistics Canada on August 27, 2024, which surveyed the future outlook of nonprofits over the following twelve months, approximately 95% of nonprofits reported being optimistic about the future. However, this optimism has since been overshadowed by political developments in the U.S. at the start of 2025. Our data suggests that the threat of tariffs is now the primary factor contributing to heightened economic uncertainty and vulnerability among nonprofits in 2025.

Analysis Contd.

Question 2. What types of support or resources from Pillar Nonprofit Network would be most helpful for your organization in navigating economic changes?

- The findings indicate that the types of resources organizations prioritize are closely aligned with the support they found most helpful during previous periods of economic disruption, particularly in the post-COVID recovery phase. According to the survey, 68% of organizations view advocacy and policy support as the most valuable resources for navigating economic changes, while 60% believe that building partnerships and resource-sharing opportunities among organisations would be crucial.
- This is not surprising, given the sector's recent experience. Organizations such as Pillar Nonprofit Network, Imagine Canada and the Ontario Nonprofit Network played key roles in building strong partnerships and amplifying the sector's collective voice. Coordinated policy support and regular advocacy check-ins were instrumental during the pandemic and throughout the recovery period.
- This may suggest that smaller nonprofit organizations rely on the strengths of larger sector leaders—such as Pillar, the Ontario Nonprofit Network, and Imagine Canada—while placing high value on their policy support and advocacy efforts.
- Beyond these priorities, fewer than 40% of organizations expressed interest in having sector leadership focus on providing training opportunities to inform and educate nonprofits about the impacts of tariffs, offer financial planning guidance, and share case studies from other organizations.

Answered: 72 Skipped: 24



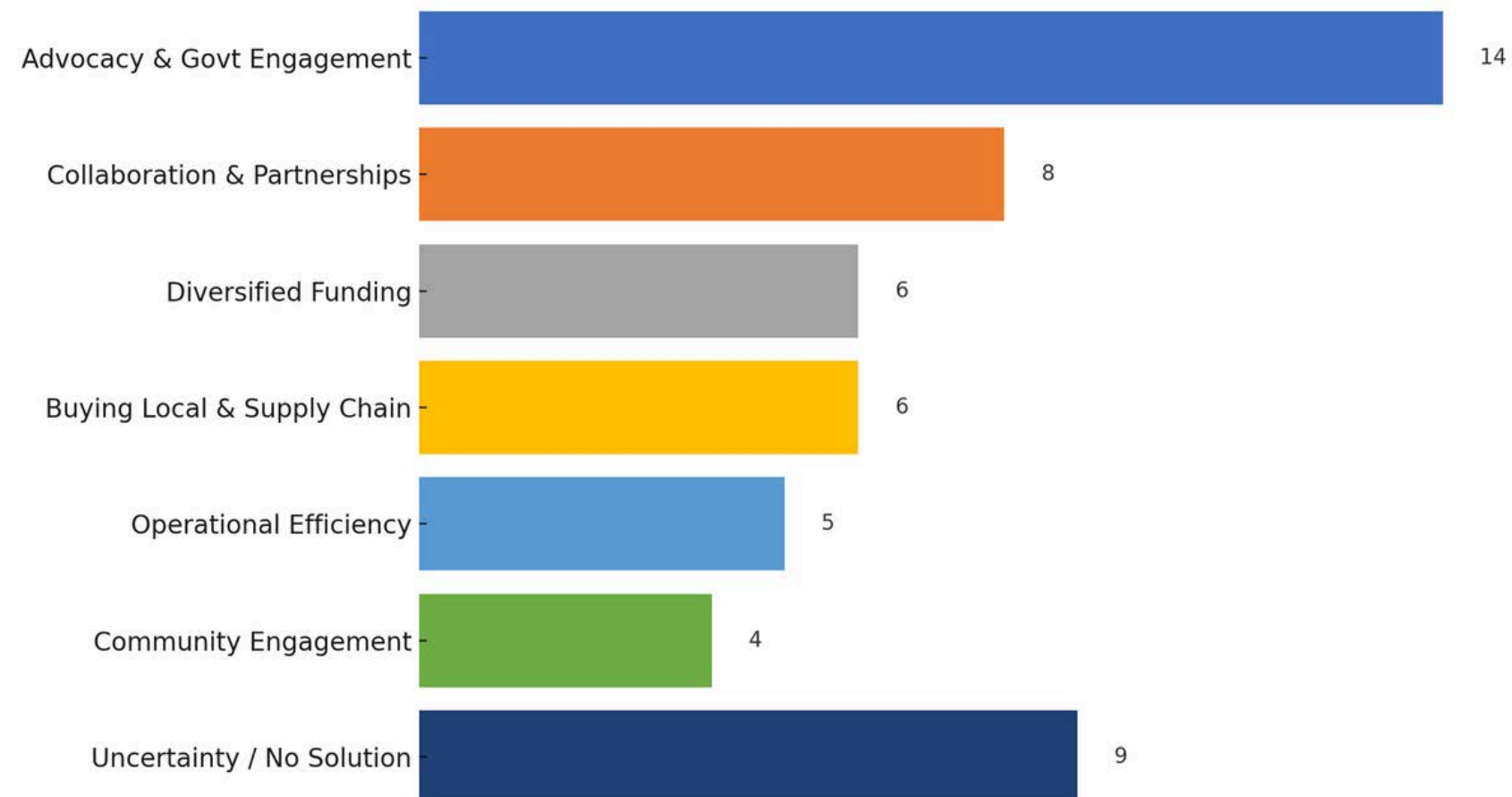
Analysis Contd.

Question 3. (Open-ended) What strategies or policy solutions do you think nonprofits should consider to address these challenges?

- In terms of strategies and policy solutions, participants widely acknowledged the government as a key player in offering policy support and addressing systemic issues arising from U.S. tariffs. Responses such as *“Lobby government for additional support,” “Advocacy at all levels of government,” “Speak with MPPs, MPs, and local government,” “Engage in trade policy advocacy,”* and *“Redirect tariff revenue to nonprofits”* highlight the importance of government partnerships in navigating these systemic shifts. Sustained advocacy with government institutions at all levels was therefore seen as a crucial approach.
- Additionally, themes of collaboration and partnership appeared prominently, featuring in participants’ responses approximately eight times. Comments such as *“Lean on partners to rise to the occasion,” “Partnerships with other organizations,” “Coalition building,” “Collaboration and networking with other nonprofits,”* and *“Share more staff resources”* indicate a shared recognition that collective effort and resource-sharing are critical in building sector capacity and responding to the impacts and uncertainties.

Analysis Contd.

- Funding sustainability, diversification, and “buying local” also emerged as important strategies, each referenced six times. Participants emphasized the importance of reducing dependence on a single funding source and seeking long-term financial solutions to ensure operational resilience in the face of economic shifts.
- Unsurprisingly, and consistent with broader concerns about the trade war, nine responses indicated uncertainty about what strategies or policy solutions to pursue. This suggests that a segment of the sector may lack sufficient information or feel overwhelmed by the broader economic uncertainty—highlighting a need for clearer guidance, capacity-building, and information-sharing within the nonprofit community.



Implications for Local and Provincial Government

- **Heightened Economic Uncertainty:** Data suggests that nonprofit organizations are facing intensified uncertainties, with the majority citing a potential increase in operational costs and a decline in charitable donations and government funding. These financial pressures threaten service continuity and community wellbeing.
- **Decline in Capacity to Meet Demand:** Many organizations—especially those in the social services sector—risk being unable to meet growing community needs due to funding constraints and rising operational costs.
- **Workforce and Volunteer Shortages:** The combined impact of tariffs and recent immigration changes is worsening the sector’s recruitment and retention challenges. Nonprofit organizations rely on newcomers and racialized communities to support their workforce.
- **Some participants Feel Underprepared and Overwhelmed:** The data indicates that many organizations feel underprepared and overwhelmed by ongoing economic disruptions. This may result in service interruptions and could contribute to broader economic instability in the affected communities.
- **Reliance on Larger Networks:** Smaller organizations depend on networked intermediaries—such as Pillar—for advocacy, capacity-building and resource-sharing. However, these intermediaries face resource constraints to effectively support the sector.

Recommendations for Government

- Nonprofits have long recognized that government must play a more consistent and strategic role in supporting the social impact sector—just as it does for the for-profit sector. This isn't only about program or project-based funding; it's about long-term, structural support for a sector that contributes over 8% to Canada's GDP and provides vital services across communities. There is strong consensus across the sector that the time has come for government to establish a dedicated office representing nonprofits, charities, and social innovation. This office should be positioned within the Ministry of Economic Development, Job Creation and Trade, led by an Associate Minister and supported by a Deputy or Assistant Deputy Minister, to ensure the sector is represented at the highest levels of decision-making.
- Include nonprofits in provincial funding initiatives aimed at supporting action centres in areas at risk of layoffs or impacted by the trade war. This funding will ensure Ontario's nonprofits remain equipped to provide essential community services.
- Transition to stable, long-term and operational funding that reflects the true cost of service delivery and accounts for inflation.
- Prioritize the nonprofit business model—which promotes public benefit—as the preferred approach for delivering community programs and services.
- Invest immediately in reducing demand for nonprofit services by doubling social assistance rates and indexing them to inflation.
- Collaborate with members of the Ontario Volunteer Centre Network to create a provincial volunteer recovery strategy that addresses the decline in volunteerism caused by the pandemic.



Pillar's Response to the Sector Challenges

1. Direct Political Engagement

- Over the past six months, Pillar has met directly with three London MPPs, including the Minister of Municipal Affairs and Housing, to present the sector's concerns. Pillar also regularly participates in public meetings and events organized for candidates running for political office at both the provincial and federal levels.
- We continue to press for sustainable funding for nonprofits, workforce support, and the establishment of a "Home in Government" for the nonprofit sector.
- We plan to engage more Ontario MPPs and federal MPs after the federal election to continue amplifying the concerns highlighted in this report.

2. Media Awareness and Local Procurement Campaigning

- Pillar continues to leverage media platforms to raise awareness about the importance of local procurement, including advocating for nonprofit inclusion in London's procurement review. [Read Pillar's campaign featured on CTV News](#)
- There's an ongoing discussion with London's Director of Financial Services, including plans for a tailored engagement session where nonprofit organizations can engage directly with City staff, ask questions about municipal procurement, and provide input to ensure the policy review reflects the sector's perspectives and impacts.

3. Research and Evidence-Based Advocacy

- Pillar will share the findings from this survey with sector partners and continue using the data to guide decision-making and support evidence-based advocacy with political representatives in London and surrounding counties.