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BBB WISE GIVING ALLIANCE

Give.org Donor Trust Report

**Public Awareness of
Challenges Facing the
Charitable Sector in 2025**



Contents

03 Public Awareness of Challenges Facing the Charitable Sector in 2025

05 Key Results

05 Are charities perceived as forces for good or political agents?

07 Are Americans Aware of Reductions in Federal Funding for Charities?

09 How do Americans think federal funding cuts will impact charities?

10 Are Americans Aware of Changes in Federal DEI policies affecting charities?

12 Conclusion

14 Methodology

16 Authors/Contributors

Public Awareness of Challenges Facing the Charitable Sector in 2025

For many charities, 2025 was a year of uncertainty and adaptation. For decades, charities have been operating in an increasingly polarized political and social climate, which has made it more challenging to build trust and engage donors. At the same time, a long-term decline in the donor base has continued to put pressure on fundraising efforts.

As charities moved through 2025, these ongoing pressures were compounded by a significant reduction in federal funding, creating financial strain for organizations that have traditionally relied on it. Cuts to public social services also increased demand for charitable programs. According to the Urban Institute's report, *How Government Funding Disruptions Affected Nonprofits in Early 2025*, one-third of nonprofits reported experiencing at least one type of government funding disruption in the first four to six months of 2025. These disruptions are likely to have a significant impact on nonprofits' revenue, staffing, and ability to deliver programs.

Adding to this complexity, recent federal reinterpretations of diversity, equity, and inclusion (DEI) policies have introduced new funding constraints and compliance uncertainties for organizations serving specific populations or equity-focused missions. While the effects are not yet fully understood, overall, 2025 brought a distinct set of challenges for many of the charities we rely on.

Our most recent Donor Trust Survey aimed to gauge public awareness of the challenges faced by the charitable sector in 2025. In this report, we ask participants to consider their views and perceptions related to:

- ① whether charities are perceived as political,
- ② awareness of changes in federal funding and DEI policies, and
- ③ opinions on the potential effects of these changes.



BBB®'s Give.org (also known as BBB Wise Giving Alliance or BBB WGA) commissioned an electronic survey in September 2025 with more than 1,500 adults across the United States.

Advocacy by charities is both permitted and essential to advancing social good. Our survey does not suggest that advocacy is problematic, but examines how public perceptions may influence engagement with the charitable sector.

According to the Internal Revenue Service (IRS), organizations that are tax-exempt as charities under section 501(c)(3) may promote causes aligned with their missions (such as ending violence against women, protecting the environment, or improving access to healthcare). However, the IRS places limits on the amount charities can spend on lobbying for specific legislation. These limits are detailed in the IRS 501(h) expenditure test, which is based on the size of the organization and caps total lobbying expenditures at \$1 million.

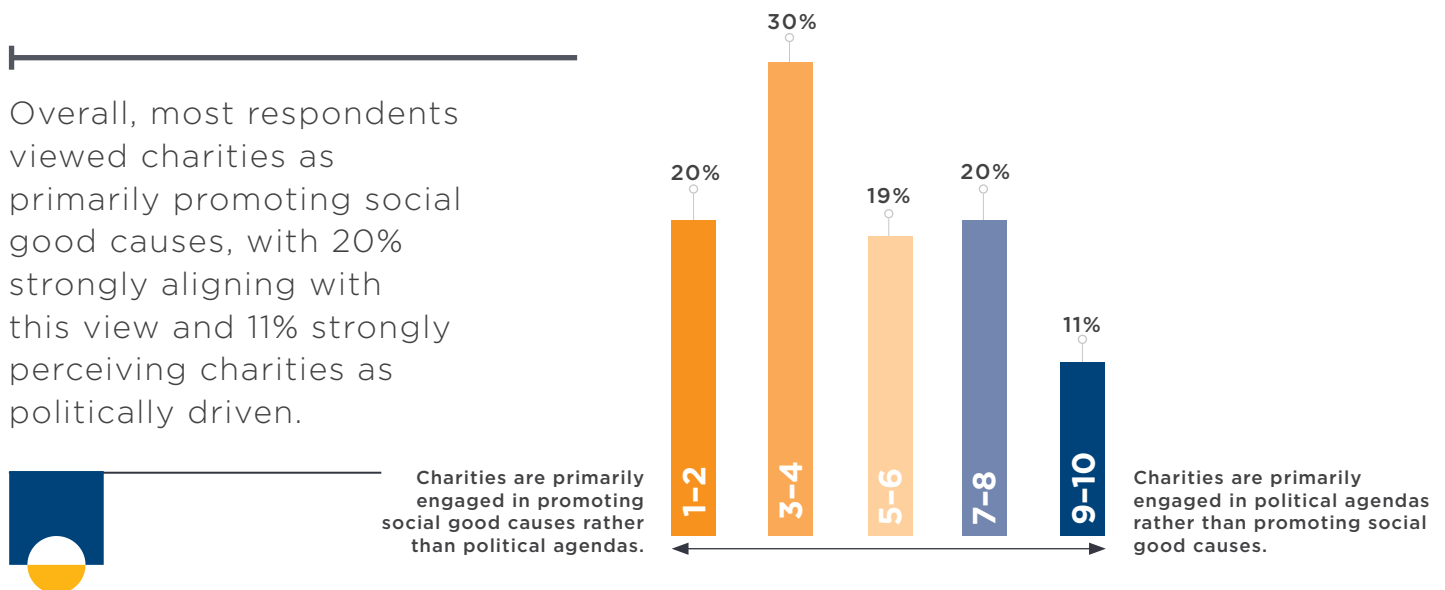
Charities are also prohibited from directly or indirectly participating in, or intervening in, any political campaign on behalf of (or in opposition to) any candidate for elective public office. This prohibition dates back to 1954 and is known as the Johnson Amendment. While the IRS filed a court document in July 2025 allowing houses of worship to endorse candidates during religious services without losing tax-exempt status, the Johnson Amendment has not been repealed and remains a cornerstone of the separation between charitable work and electoral politics.

Key Results

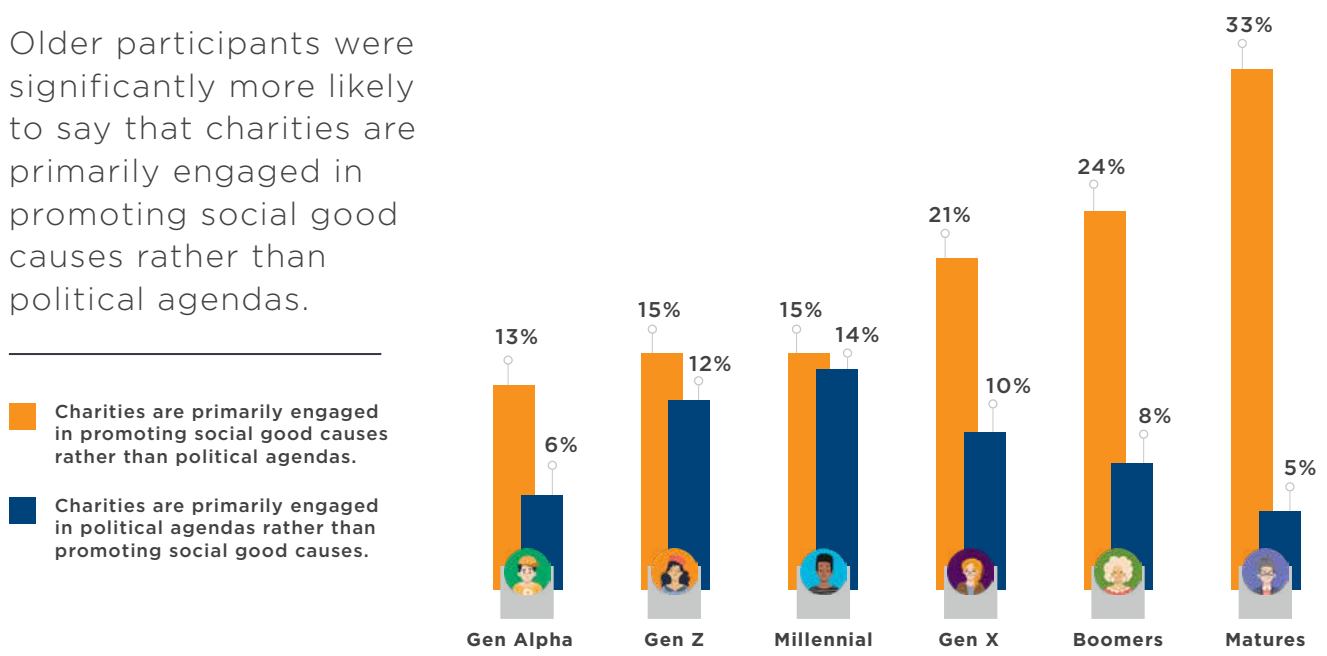
Are charities perceived as forces for good or political agents?

Participants were asked to rate, on a 10-point scale, their level of agreement with two opposing statements: at one end (1-2), “Charities are primarily engaged in promoting social good causes rather than political agendas,” and at the other (9-10), “Charities are primarily engaged in political agendas rather than promoting social good causes.”

Overall, most respondents viewed charities as primarily promoting social good causes, with 20% strongly aligning with this view and 11% strongly perceiving charities as politically driven.

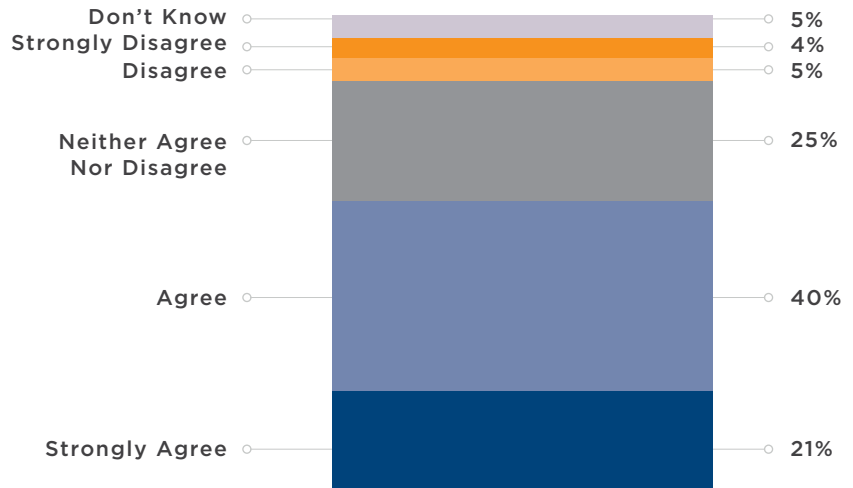


Older participants were significantly more likely to say that charities are primarily engaged in promoting social good causes rather than political agendas.



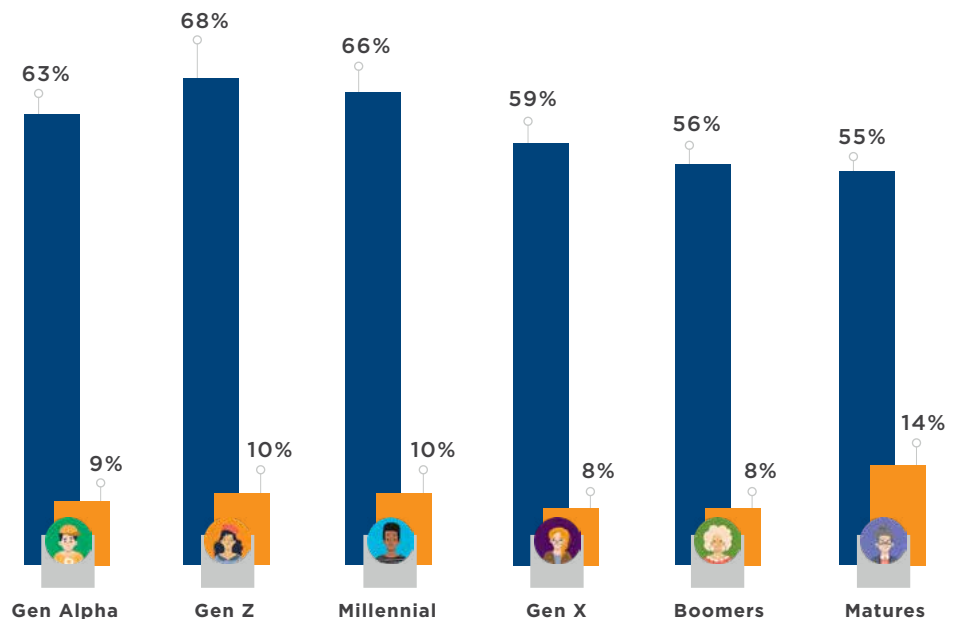
When asked to what extent they agree or disagree with the statement, “Charities today are more involved in political issues than they were 10 years ago,” most participants said they either agree (40%) or strongly agree (21%).

“Charities today are more involved in political issues than they were 10 years ago.”



The perception that charities are more engaged in political issues today than ten years ago was consistent across all generations.

■ Agree or Strongly Agree
■ Disagree or Strongly Disagree

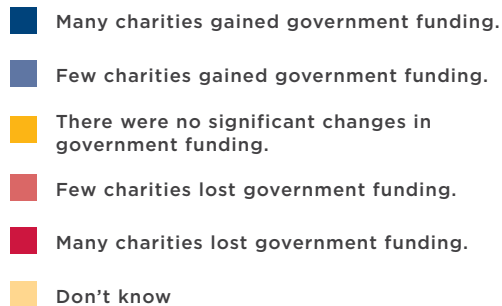


Key Results

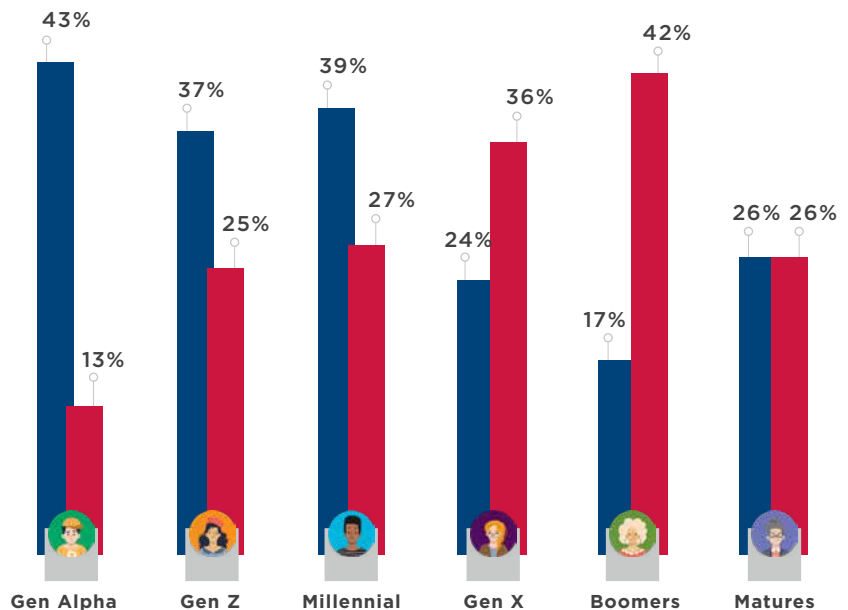
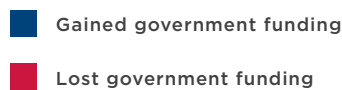
Are Americans Aware of Reductions in Federal Funding for Charities?

When asked whether, to the best of their knowledge, federal funding for charities had increased, decreased, or remained the same:

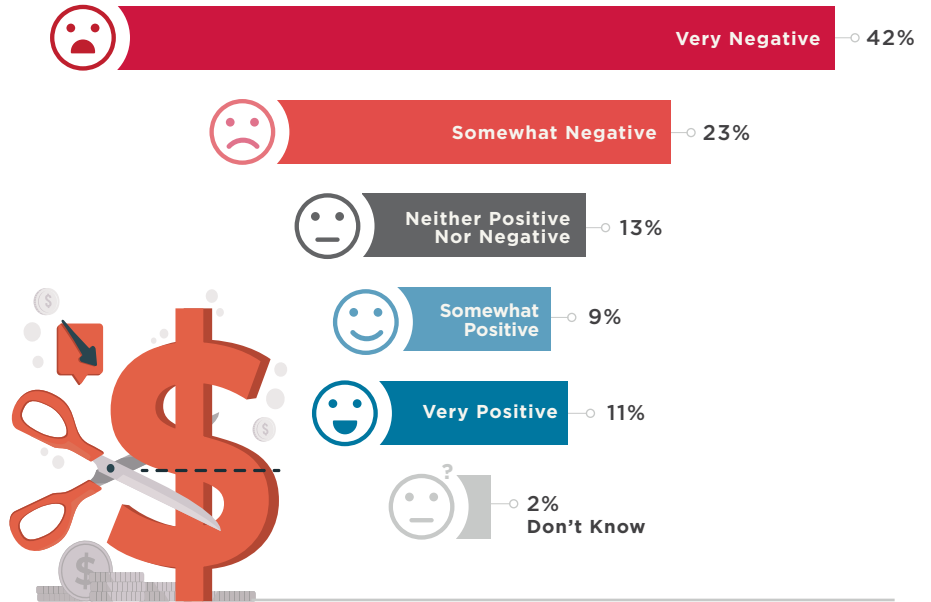
Fewer than one in three respondents (32%) were aware of reductions in federal funding for charities in 2025.



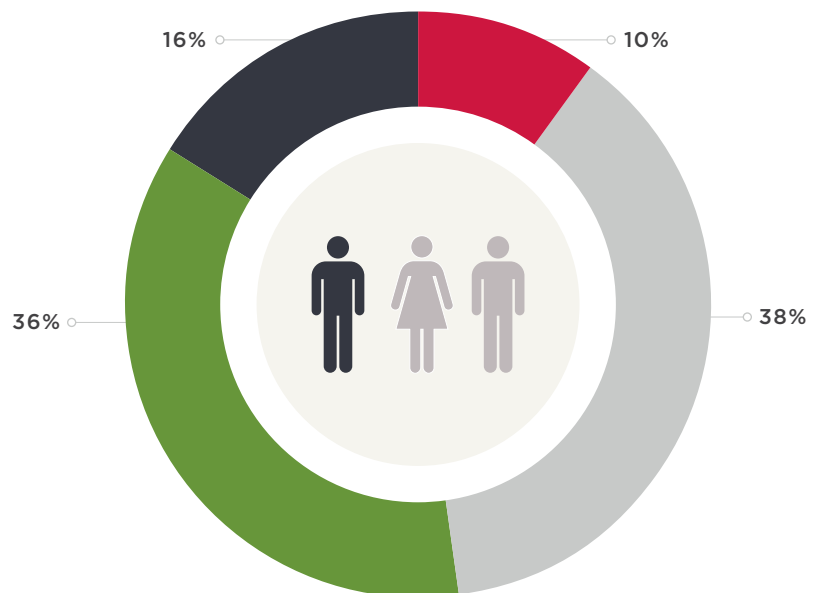
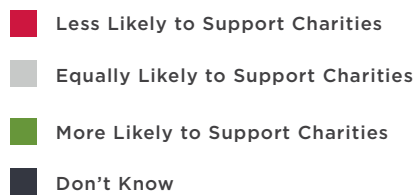
Younger participants were more likely to believe that charities received increased government funding during 2025.



Among those who reported being aware of these cuts, most viewed the reductions as either very negative (42%) or somewhat negative (23%).



About one in three participants said they would be more likely to support charities if they learned that significant government grant funding had been lost.



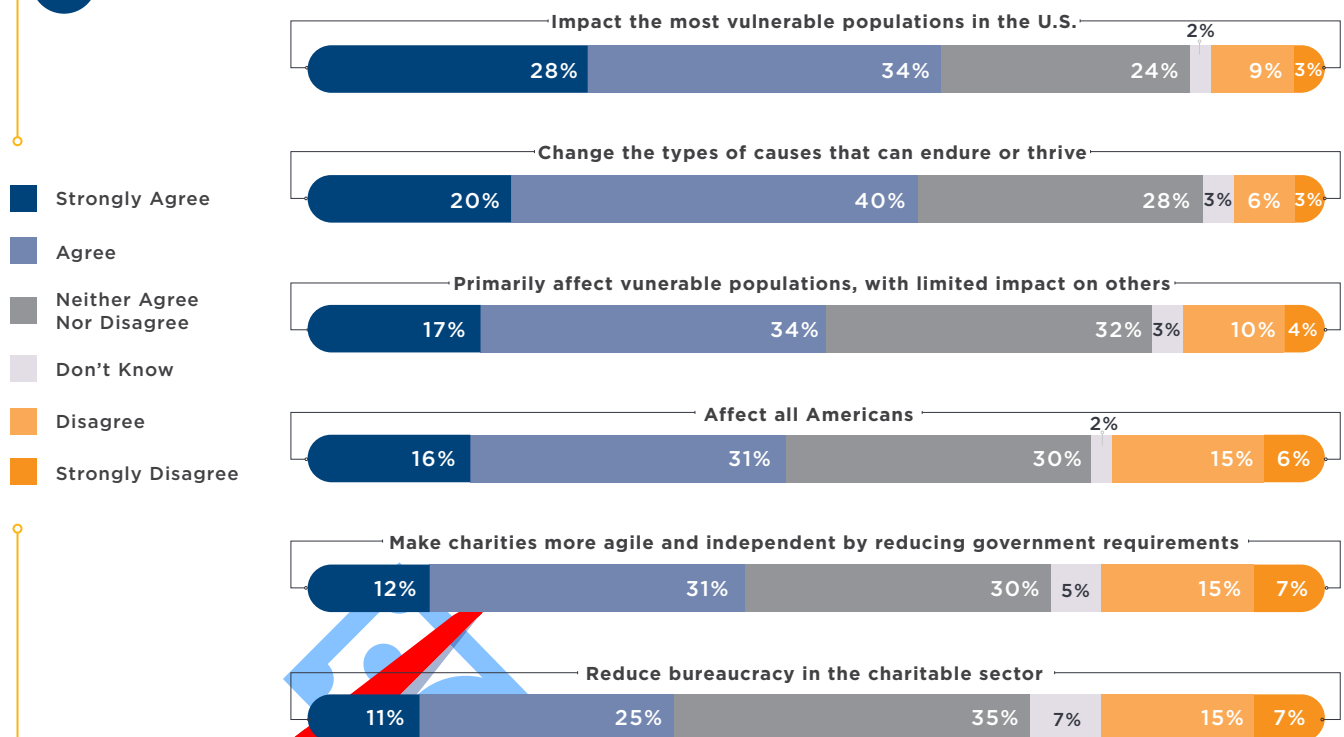
Key Results

How do Americans think federal funding cuts will impact charities?

Participants were presented with potential effects of federal funding cuts on charities and asked whether they agreed or disagreed.

Most participants agreed that such cuts would likely “impact the most vulnerable populations in the U.S.” and “change the types of causes that can endure or thrive.” Fewer than half agreed that the cuts would “affect all Americans” or “make charities more agile and independent by reducing government requirements”.

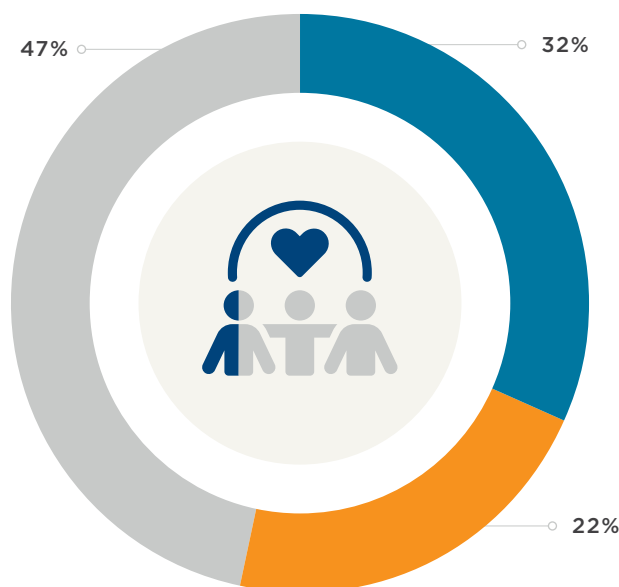
The significant cuts in federal government funding for charities will...



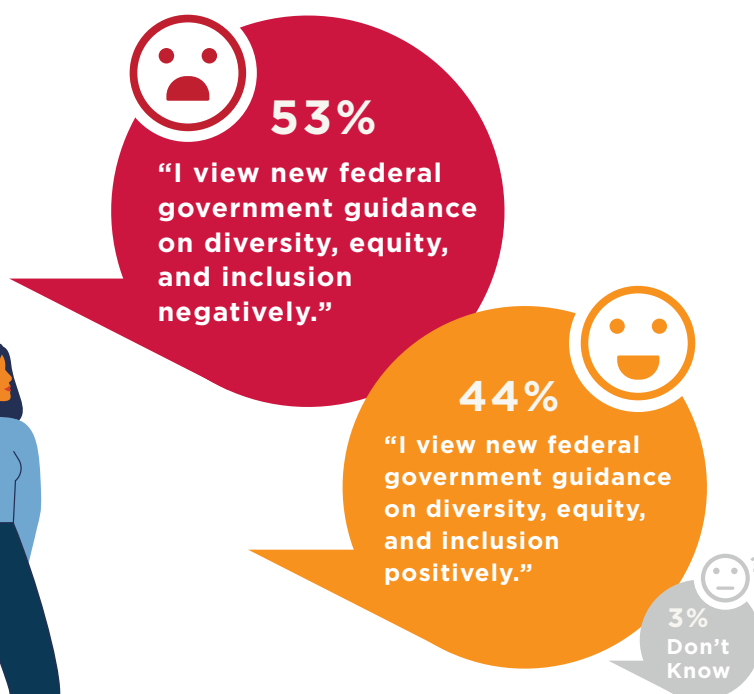
Key Results

Are Americans Aware of Changes in Federal DEI Policies Affecting Charities?

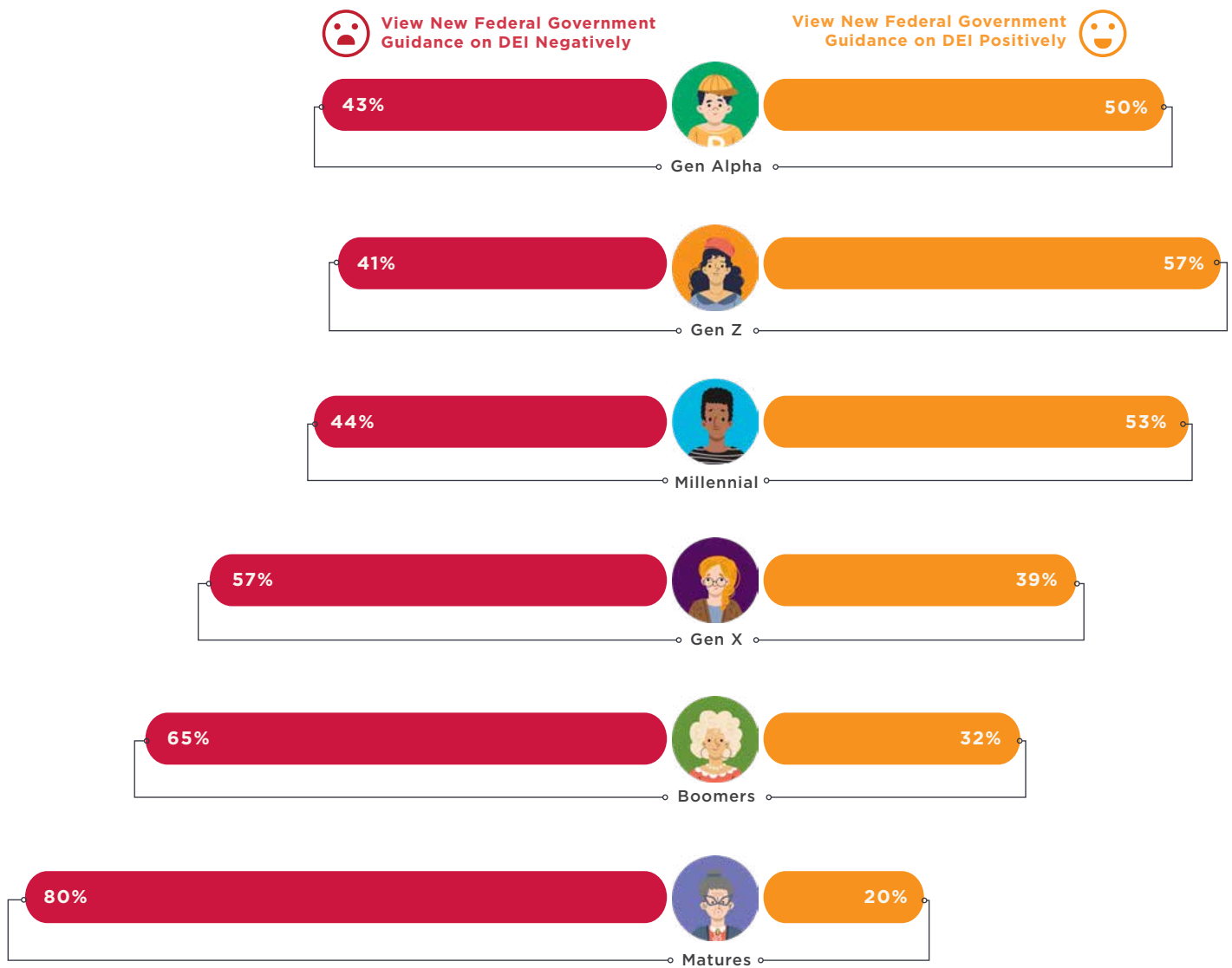
When asked whether, to the best of their knowledge, the federal government issued any guidance or interpretation linking federal funding to a charity's services or policies related to diversity, equity, and inclusion (DEI), close to one in three participants said yes.



Among those aware of such changes, just over half (53%) viewed the new federal guidance on DEI negatively, while 44% view it positively.



Among those aware of such changes, younger participants were more likely to view the new federal guidance on DEI positively.



Conclusion

Our September 2025 Donor Trust Survey reveals that public understanding of the challenges facing the charitable sector remains limited, even as organizations navigate increased demand, funding reductions, and policy shifts.

Takeaways include

Perceptions about the politicization of charities are mixed but appear to be shifting.

While a majority still view charities as primarily promoting social good, six in ten believe charities are more politically involved today than a decade ago. Younger participants are also significantly less likely to view charities as primarily engaging in promoting social good rather than political agendas.

This perception may signal a growing challenge for the charitable sector and for organizations that strive to unite communities and foster bipartisan support for the common good. While some donors may be drawn to causes that align with their personal or political beliefs, others prefer to support nonpartisan organizations. The charitable sector includes both, and political differences should not become an excuse for disengagement from charitable giving or civic participation.

Federal funding cuts are widely seen as harmful.

Among those aware of the reductions, 65% report viewing the cuts negatively. Most believe the cuts will negatively affect the most vulnerable populations and limit which causes can survive or thrive.

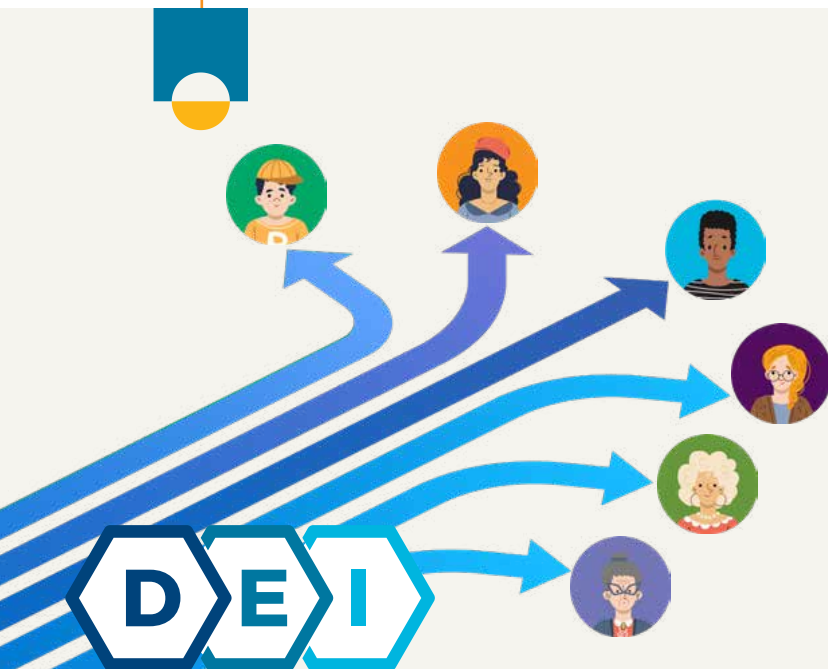
While about one in three participants said they would be more likely to donate to a charity if they knew it had lost significant government funding, most remain unaware of these reductions. This gap between awareness and willingness to act suggests communicating about funding challenges could help strengthen public support for affected organizations.



Views on DEI policy changes are divided and generational.

Of those aware of new federal DEI guidance, just over half view it negatively, while younger participants are more likely to see it positively.

These differing perspectives suggest the importance of clear, value-based communication from charities. By emphasizing transparency, mission alignment, and shared values, organizations can help strengthen trust across diverse donor audiences.



BBB's Give.org Wise Giving Alliance celebrates the important role charities have in society. As the sector continues to face uncertainty, we remain hopeful that charities' commitment to building trust and mission-driven work strengthens understanding and support.

Methodology

We commissioned an electronic survey of more than 1,500 adults across the United States (see Table 1). The margin of error for the September 2025 survey of U.S. adults is ± 2.5 percentage points (at the 95% confidence level).

Table 1 —
Profile of Respondents in the United States

By Age		By Gender	
18–34	28.5%	Female	51.2%
35–44	16.3%	Male	48.4%
45–54	16.0%	Nonbinary, Prefer not to answer, Other, and Transgender	0.5%
55–64	16.6%		
> 65	21.1%		
By Annual Household Income (in thousands)			
< 30			14.3%
30–59			25.9%
60–89			19.9%
90–119			12.6%
120–149			8.1%
150 and more			16.9%
Prefer not to answer			2.3%
By Region		By Ethnicity	
Northeast	18.5%	African American	13.4%
Midwest	21.2%	Asian	2.3%
South	39.9%	Hispanic/Latino	15.0%
West	20.3%	Native American or Alaska Native	0.8%
		Other	1.1%
		Pacific Islander	0.2%
		White	67.2%

Through our survey, we seek to measure donor beliefs, feelings, and behavioral intentions toward charity trust and giving. Our report identifies some aggregate findings and explores the heterogeneity of donor perceptions. For instance, in this report we reference results based on age to illustrate differences in donor attitudes and gain understanding of the diversity of attitudes toward the sector. We use self-reported information as provided by survey takers.

While there is no single consistent date range for generational divides, the generational ranges used in this report mirror those used by the Pew Research Center and are shown in Table 2.

Table 2 —
Generational ranges

Generation	Year Born	Age (in 2024)
Generation Alpha (18 and older)	2005 to 2013	18 to 20
Generation Z	1998 to 2004	21 to 27
Millennial Generation	1981 to 1997	28 to 44
Generation X	1965 to 1980	45 to 60
Baby Boomers	1946 to 1964	61 to 79
Matures	1928 to 1945	80 and above

We recognize there are differences among people within each demographic category. By identifying differences in donor preferences and attitudes across these categories, we aim to find untapped opportunities that support the sector’s efforts to be in tune with the America of the present and future, strengthening the bond between donors and charities.

We know that survey responses reflect donor perceptions and are not an objective measure of the charitable sector’s efforts. Still, understanding donor attitudes toward charities and giving can help identify areas of misinformation and ways to better serve donors, furthering trust in the sector and encouraging increased generosity.

To determine whether a charity is accountable and trustworthy, BBB WGA uses 20 BBB Standards for Charity Accountability, based on charity governance, finances, fundraising practices, and results reporting. BBB WGA produces reports on charities based on these standards, and the reports are available free of charge to the donating public on Give.org. This report aims, in part, to understand disconnects between self-reported triggers and concerted trust criteria. In addition, we hope to identify opportunities that can help the sector build collective trust and succeed in the future.

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About BBB Wise Giving Alliance

BBB Wise Giving Alliance (BBB WGA, BBB's Give.org) is a standards-based charity evaluator that seeks to verify the trustworthiness of nationally soliciting charities by completing rigorous evaluations based on 20 holistic standards that address charity governance, results reporting, finances, fundraising, appeal accuracy, and other issues. National charity reports are produced by BBB's Give.org and local charity reports are produced by local Better Business Bureaus—all reports are available at Give.org.