



By Renee Sovis, columnist

As I sit at my keyboard in early July, the nonprofit world is facing significant uncertainty, upheaval and fear. Signed into law on July 4, the “One Big Beautiful Bill Act” has left many questions about its true ramifications.

Early drafts of the bill proposed raising excise taxes on private foundations, which would have reduced the funds available for grantmaking to support charitable nonprofits. The charitable deduction for individual donors was also threatened, sparking fears of declining individual giving. While these specific provisions were ultimately removed from the final bill, it still includes cuts to essential programs such as Medicaid and SNAP – reductions that will be felt most deeply by our communities’ most vulnerable members. Add to this the whiplash from shifting tariffs and broader federal funding uncertainty, and you have nonprofits on a genuine roller-coaster of emotions, with fears that are anything but unfounded.

Of course, you’re reading this in August. I hope by now the sector has a clearer, steadier path forward, one filled with sunshine and optimism. But if, as seems more likely, the uncertainty persists, I want to offer a plea: Now more than ever, those who have the means should step up to support our nonprofit community.

First, and perhaps most obviously, when nonprofits struggle to deliver their services, the people who rely on them suffer most. The sector includes food pantries, child welfare organizations, veterans’ services, youth development programs and so much more. The Grand Traverse Regional Community Foundation recently surveyed local nonprofits and found that 55% receive federal funding, which accounts for roughly 19% of their budgets. When these federal programs are cut, the family relying on the food pantry, or the child in foster care waiting for a loving home simply doesn’t receive the care they deserve.

Furthermore, the economy doesn’t just affect nonprofits – nonprofits support our economy in return. According to the U.S. Bureau of Labor Statistics, nonprof-



# WEATHERING THE STORM

The importance of giving during economic uncertainty

its account for 10.4% of private-sector employment in Michigan. That means the livelihood of roughly one in every 10 private-sector workers in our community depends on the health of the nonprofit sector. When nonprofits face funding threats, those employees may worry about their jobs and reduce local spending as they prepare for (or weather) the storm. In contrast, a healthy nonprofit ecosystem supports an engaged workforce that spends locally and contributes to a vibrant, resilient economy.

Thus, traditional philanthropists and those with means must step up to provide a safety net when our community’s most vulnerable members are at risk. Even when federal funding is reliable, it is rarely easily replaced by charitable giving alone. It often comes with complex applications, strict reporting requirements and time-consuming administration. Flexible, unrestricted gifts – of any amount, but especially from major donors – allow nonprofits to prepare for uncertainty while continuing to offer their essential services. Such giving can help fill gaps created by cuts or diversions that would otherwise reduce nonprofits’ capacity to serve.

Of course, this may not be the first plea for increased giving you’ve heard. Donors can experience “giving fatigue” when asked repeatedly for more. Coupled with personal worries about economic

I want to offer a plea: Now more than ever, those who have the means should step up to support our nonprofit community.

uncertainty, a thoughtful philanthropist might rightly wonder if now is the right time, or if it’s in their own best interest. That’s a valid concern, and one many of us are weighing carefully right now. For those in this position, there are alternative giving options worth exploring so that when the time comes, your favorite nonprofits will be shielded against economic uncertainty.

Consider making a bequest or planned gift to ensure the nonprofits closest to

your heart are supported during future times of upheaval. Your wealth advisor can suggest ways to reduce income-tax liability and avoid or defer capital gains taxes. Another option is to direct some of your giving to endowments, helping ensure the organizations you care about can weather any storm in the years to come.

If you don’t consider yourself a “major” donor, talk with your favorite nonprofits about other ways to help. You might volunteer, share connections, or offer other unique support only you can give. You can also consider giving to the community foundation, which can pool your gift with others to amplify its impact. Community foundations are uniquely positioned to steward these funds and direct them where they are most needed.

While we’re all exhausted by living through “unprecedented times,” the silver lining remains in our collective ability to show up for our community and help ensure its future stays bright.

Renee Sovis is vice president of Detroit- and Traverse City-based Neithercut Philanthropy Advisors and a certified consultant working with multi-generational family foundations.