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New Report Details Impacts of Federal Funding Freeze on New Mexico's Nonprofits and Philanthropic Sector

Over \$1B in active federal grants are obligated to NM nonprofits

Santa Fe, NM — A newly published report, "[Impact of Federal Funding Changes on New Mexico's Philanthropic Sector](#)," commissioned by the Thornburg Foundation, Santa Fe Community Foundation, and Anchorum Health Foundation, examines the effects of recent suspensions in federal funding on New Mexico's nonprofit sector. Prepared by The Grant Plant Inc, the nonpartisan report highlights how these changes are impacting the state's communities, particularly those most reliant on federal support, and explores ways philanthropy and policymakers can help organizations adapt. [[Download the Report](#)]

The Grant Plant's research shows that 37% of nonprofits in New Mexico rely on government grants—tying the state for the 6th highest rate in the nation. Given New Mexico's disproportionately high per capita federal grant awards and the critical role nonprofits play in supporting rural, tribal, and immigrant communities, the state confronts a significant challenge in replacing this funding.

Included in the report is a 2025 survey of grantees across the three commissioning foundations. Over 200 respondents revealed a striking trend: 20% of organizations depend on federal grants for at least half of their funding, with youth and family services, housing, and environmental groups among the most reliant sectors. An additional pressing concern for all recipients is the disbursement of already obligated funds – in New Mexico, just 54% of committed federal funding for active awards has been paid out, leaving 46% in limbo.

Changes in federal funding are creating uncertainty for New Mexico's nonprofits, making philanthropy's role increasingly important. However, the research estimates that private

foundations nationwide would need to increase giving by 282% to fully replace government grant funding for nonprofits.

“This report makes clear what many in New Mexico’s nonprofit sector already know—federal funding isn’t just a line item, it’s a critical investment into our communities,” said Allan Oliver, Thornburg Foundation President. “Shifts in federal funding will impact New Mexicans by affecting education programs, homelessness prevention, water infrastructure projects, food and farming programs and direct services to our communities. A coordinated, targeted approach by philanthropy, non-profits and government is the best way to meet the moment.”

Christopher Goett, MSW, President & CEO of the Santa Fe Community Foundation, echoed the importance of the research, “In the face of shifting federal support, no single effort will meet the scale or complexity of what our communities are up against. This report is a call to work together across sectors, with urgency and compassion, to ensure New Mexicans and the nonprofits that serve them remain supported, resilient, and hopeful.”

The three foundations sponsored the report to examine the full impact of the federal funding freeze's impact, assess nonprofit adaptations, and explore responses from philanthropy and policymakers. The data-driven research aims to inform decisions, guide investments, and target support for essential statewide services.

“It is more important than ever that we come together to support the nonprofits that serve our communities,” said Jerry Jones, President and CEO of Anchorum Health Foundation. “This report is a call to action for all of us—policymakers, funders, and local leaders. We must work collaboratively to ensure these vital organizations have the resources they need to continue serving New Mexicans.”

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Founded in 1999, Thornburg Foundation is a family foundation based in Santa Fe that seeks to advance systems change that serves the public good. The Foundation uses an evidence-based strategic approach to make grants to nonprofits focused on K-12 Education, Water, Land and Agriculture, Good Government, and Homelessness. For more information on Thornburg Foundation's policy funding, visit thornburgfoundation.org

Anchorum Health Foundation is dedicated to improving the conditions that have the greatest influence on the health and people in our region. We are committing our resources to strengthening community-based partners tackling critical local issues. For more information, visit anchorum.org.

Since 1981, the Santa Fe Community Foundation has been dedicated to inspiring philanthropic generosity, strengthening nonprofits, and fostering positive change to build a more vibrant, healthy, and resilient region. Each year, we are proud to fund and collaborate with hundreds of

local nonprofits, connect thousands of generous donors to giving opportunities, and support causes that make northern New Mexico a more equitable place for all. Learn more at santafecf.org.