

2025 State of Nonprofits in Montgomery County, Maryland:

Our Call to Action



Nonprofit organizations are essential to a healthy, thriving Montgomery County. Our County's **7,242** nonprofit organizations play a critical role in addressing our social needs and building stronger communities. Our nonprofits drive financial growth in our local economy and supplement both government and business sector efforts to enhance our quality of life.

58,100

individuals employed
by Montgomery
County nonprofits¹

\$16.3B

annual revenue
generated by Montgomery
County nonprofits²

Despite these economic contributions to the County,

7 in 10

Montgomery County nonprofits report workforce shortages and financial challenges with their overall budgets and contracting/grant cycles

While our County's nonprofits play a fundamental role in the community, few understand the daily complexities and obstacles facing the sector.

Nonprofit Montgomery is poised to help bridge the gaps facing the sector that were identified through research and our October 2024 Montgomery County Nonprofit Needs Assessment Survey. Since then, additional challenges have emerged at the local, county, and federal levels. This Call to Action suggests key steps that can be taken by leaders in Montgomery County government, schools, business, philanthropy, and the community to address existing and forthcoming challenges to the sector.

Recommendations to Ensure a Sustainable Future for Montgomery County Nonprofits

Montgomery County government, business, philanthropy, and community leaders can take action to alleviate the challenges facing the nonprofit sector.



For Leaders in Montgomery County Government: Support Sustainable Funding to Nonprofit Organizations

- Create a County Office of Nonprofit Partnerships to frame the County government's relationship with nonprofit partners cross-departmentally.
- Develop standard procedures for the County's nonprofit partners' contract procurements, grant funding, and monitoring/evaluation that are transparent, equitable, and reflective of changing community needs.
- Match the federal indirect rate floor of 15% on County-administered contracts and grants to nonprofits or their federal Negotiated Indirect Cost Rate Agreement (NICRA), whichever is greater.
- Build Cost of Living Adjustments (COLA) into County-administered contracts and grants to nonprofits.



For Leaders in Montgomery County Government, Business, and Philanthropy: Strategically Invest in Nonprofit Organizations' Infrastructure

- Include securing office, programming, and warehouse space for nonprofit organizations in the County's commercial real estate development goals.
- Dedicate strategic infrastructure investments to nonprofit organizations in high-need, underserved areas.



For Leaders in Montgomery County Government, Schools, Business, and Philanthropy: Strengthen Collaborations with Nonprofit Organizations

- Promote and advance a range of models of collaboration within the nonprofit sector.
- Increase investment from private and public entities in models of collaboration that include nonprofit organizations alongside businesses, government, and philanthropy.
- Formalize access to, and investment in, nonprofit partnerships benefiting Montgomery County Public Schools (MCPS).



For Leaders in Montgomery County Government, Business, Philanthropy, and the Community-at-Large: Advance Economic Policy that Benefits Middle-Income Residents

- Advocate for federal, state, and local investment in, and zoning adjustments for, affordable housing production in the County.
- Support the [Fair Share for Maryland Coalition](#)³ work on tax policy.

Nonprofit Montgomery's Commitment

Nonprofits play vital roles in keeping our communities healthy and strong; however, they also need someone advocating for them and strengthening them. That is where Nonprofit Montgomery comes in—to facilitate connections and opportunities, train leaders and staff, and adapt to meet the needs of changing communities. Nonprofit Montgomery is committed to the following focus areas over the next decade:

- Providing research and advocacy for the needs of the sector.
- Facilitating connections and strategic opportunities among nonprofits.
- Supporting the diversity and cultural competency of nonprofit leaders and staff to meet the changing needs of the County's population.
- Building capacity among nonprofit leaders and staff, as well as educating County government leaders and staff about the nonprofit sector.

Our Call to Action

We believe the *2025 State of Nonprofits in Montgomery County*⁴ encourages a collective commitment to strengthening our nonprofit sector. We ask you to consider the following actions:

- Join [Nonprofit Montgomery](#)⁵ to strengthen our alliance.
- Share our report findings with leaders in Montgomery County government, schools, business, philanthropy, and the community.
- Advocate for these recommendations on the local and state level.

We invite you to join us in our mission of enhancing the nonprofit sector, building a brighter and more prosperous future for everyone in Montgomery County.



The *2025 State of Nonprofits in Montgomery County, Maryland* report is available on Nonprofit Montgomery's website. It is accessible via this QR code or at the following link: <https://www.nonprofitmoco.org/advocacy/stateofnonprofits2025/>

A decade after our 2015 report, *Beyond Charity: Nonprofit Business in Montgomery County, Maryland*,⁶ Nonprofit Montgomery collaborated with an external evaluator partner, Sharp Insight, LLC, to develop the *2025 State of Nonprofits in Montgomery County, Maryland*. Grounded in existing research and an October 2024 Montgomery County Needs Assessment Survey, the report highlights the important role of nonprofits as economic drivers, pressing nonprofit challenges, and recommendations for a stronger, more robust nonprofit sector to benefit our residents and communities.

¹U.S. Census Bureau. (2022). Quick Facts, Montgomery County, Maryland.

Available at: <https://www.census.gov/quickfacts/fact/table/montgomerycountymaryland/BZA110222>

²Internal Revenue Service. (2024). Exempt Organizations Business Master File (EO BMF) Extract.

Available at: <https://www.irs.gov/charities-non-profits/exempt-organizations-business-master-file-extract-EO-BMF>

³Maryland Center on Economic Policy. (2024). Fair Share Maryland. Available at: <https://fairsharemaryland.org/>

⁴Nonprofit Montgomery. (2025). *2025 State of Nonprofits in Montgomery County, Maryland*.

Available at <https://www.nonprofitmoco.org/advocacy/stateofnonprofits2025/>

⁵Nonprofit Montgomery. (2024). Nonprofit Montgomery Membership.

Available at <https://www.nonprofitmoco.org/nonprofitmembership/>

⁶Nonprofit Montgomery. (2015). *Beyond Charity: Nonprofit Businesses in Montgomery County, Maryland*.

Available at <https://www.nonprofitmoco.org/wp-content/uploads/2015/06/beyondcharitymontgomerycountymd.pdf>