



## Financial and Mission Impact of the Federal Funding and Policy Shifts on Associations

### Overview

This is the second in a series of Insight Updates examining how associations are navigating recent federal funding and policy shifts. This poll focuses on the financial impact, the actions taken by associations facing challenges, and any effects on mission delivery.

The findings reveal that 49% of associations report no current impact from the changes in federal policy and funding. However, professional societies and association management companies (AMCs) are seeing more negative impact than Trade Associations, and industries such as healthcare, education, and scientific are reporting the largest negative impacts. Industries like finance, business, insurance, manufacturing, industrial, and construction report varied impacts, with some organizations benefiting significantly from current policies, highlighting the uneven effects of policy changes.

This poll was distributed to 3,011 CEO and Executive Director members of ASAE, representing both associations and association management companies (AMCs). The initial invitation to participate in the poll was sent on Wednesday, March 19, followed by a reminder email to non-respondents on Friday, March 21, 2025.

A total of 223 responses were received and included in the analysis, resulting in a response rate of 7.4%.

### Overall Findings

- **Largest Segment of Associations Report No Change:** 48.9% of associations report no change in financial performance due to federal policy shifts although the impacts vary widely by type of association and industry they represent.

- **Negative Trends in Specific Sectors:** Professional societies and AMCs face more negative impacts, and healthcare and education sectors report significant worsening conditions, with 52.8% and 45.5% respectively.
- **Diverse Revenue Impacts:** Of the associations negatively impacted, sponsorship revenue saw the highest average decline at 25.9%, followed by meetings revenue at 23.9% and membership revenue at 16.1%.
- **Cost Reduction Focus:** Of the associations negatively impacted, 50.3% are prioritizing reducing expenses, while nearly 49.2% are seeking new partnerships or collaborations to enhance revenue.
- **Mission Resilience:** 16% of respondents indicate little to no impact on their missions
- **Mission Challenges:** 14% of associations report that policy changes directly hinder their mission advancement, with some indicating impacts on diversity efforts.
- **Innovative Responses:** Many associations are creating new programs and services (35.9%) to address the evolving landscape, reflecting a proactive approach.
- **Strategic Monitoring:** Some organizations are adopting a “wait and see” approach to assess the long-term implications of policy changes on their operations and missions.

While ASAE remains an apolitical and non-partisan organization, our mission requires us to serve, support, and advocate on behalf of associations. No data included in this insight update is designed to be political in nature. The data is intended to help associations understand the impact to the community, plot their experience against those of their peers, and potentially gain ideas for action for those associations which are negatively impacted.

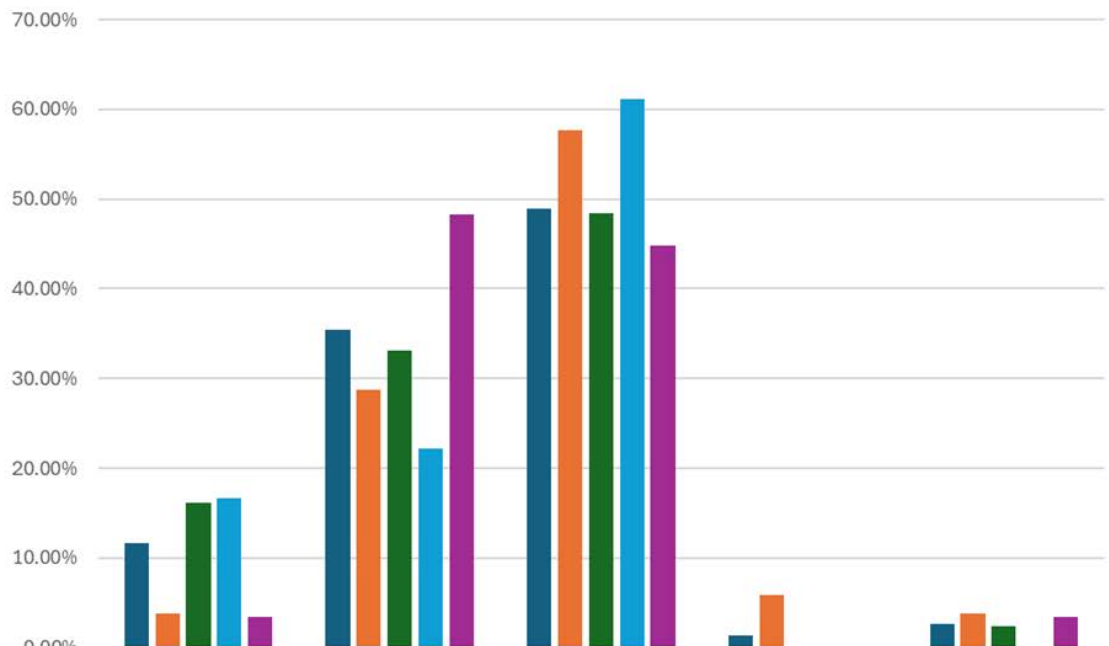
ASAE's Insight-as-a-Service project was created to provide associations with the data and community feedback needed to shape their organizational strategies for now and the future. This is done through several channels including benchmarking, just-in-time webinars, open forums, and pulse surveys.

## Financial Impacts

This report examines the impact of federal policy shifts and funding changes on associations. The data reveals a nuanced landscape where the majority of organizations report either no change (48.9%) or only slight negative impacts (35.4%). This stability for nearly half the sector suggests significant resilience and potential opportunities for those able to navigate the evolving federal landscape effectively. However, it's important to note a negative trend, with 47.1% reporting some degree of worsening conditions. Demonstrating the distributional consequences of policy and funding changes which are impacting many associations differently, a small portion (4%) of associations reported slight or significant financial improvement. These findings underscore the varied experiences within the sector.

## Financial Impact of the Federal Funding and Policy Shifts on Associations

as of 3/22/2025



All	11.70%	35.40%	48.90%	1.30%	2.70%
Trade Associations	3.80%	28.80%	57.70%	5.80%	3.80%
Professional Associations	16.10%	33.10%	48.40%	0.00%	2.40%
Combined Trade and Professional Associations	16.70%	22.20%	61.10%	0.00%	0.00%
AMCs	3.40%	48.30%	44.80%	0.00%	3.40%

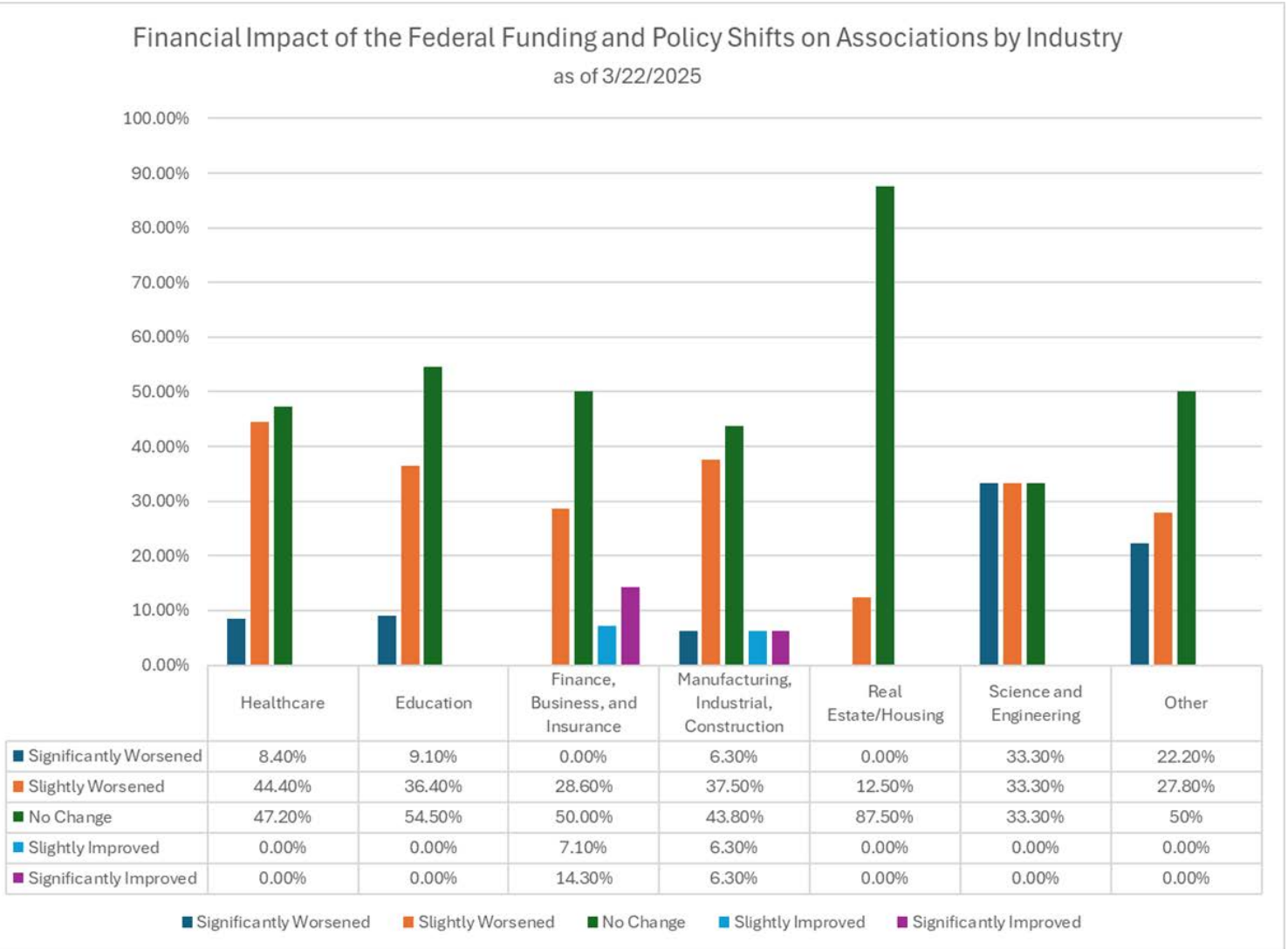
All Trade Associations Professional Associations Combined Trade and Professional Associations AMCs

Total respondents: 223

## Key Findings

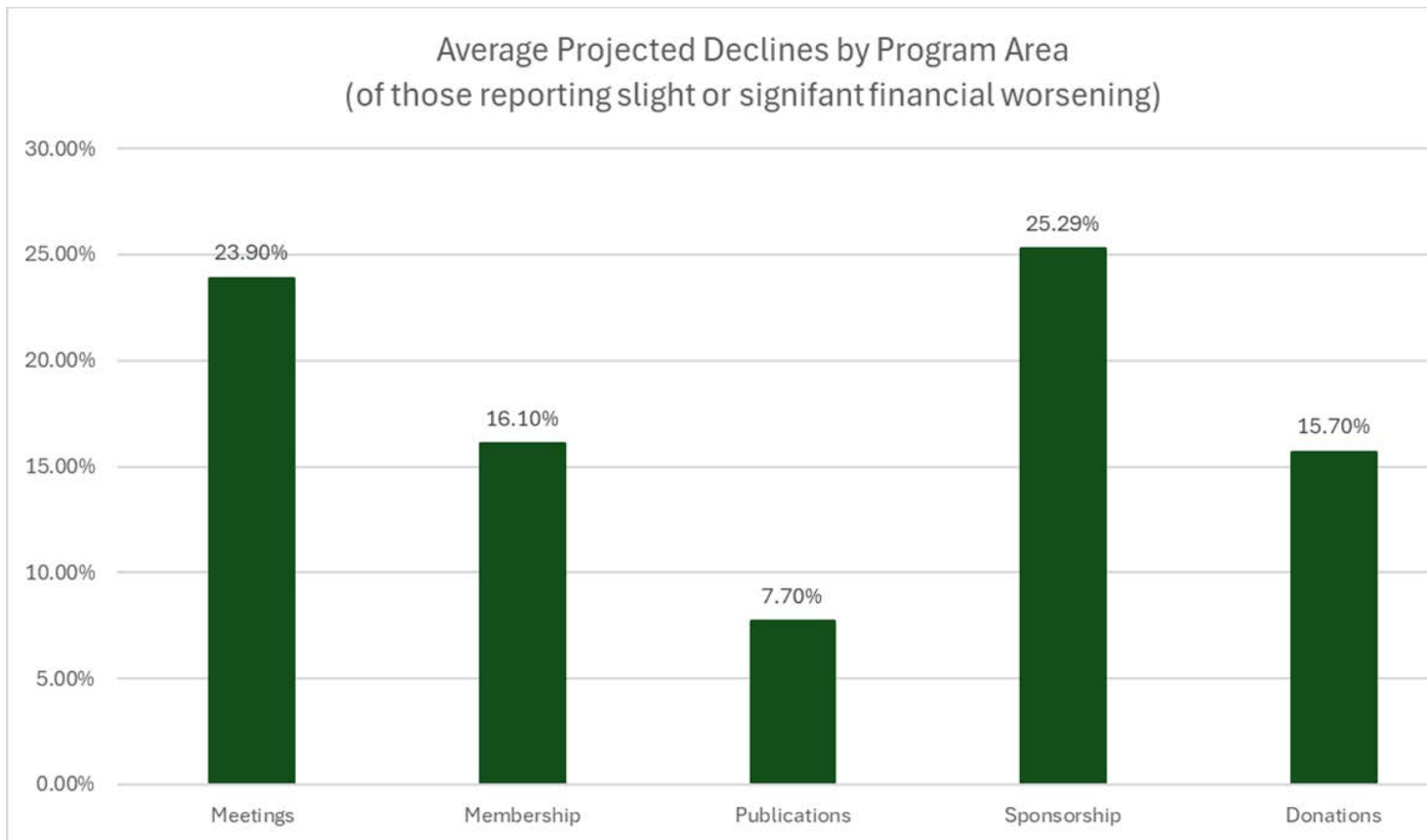
- **The Largest Segment of Associations Report “No Change:”** 48.9% of respondents reported no change in their associations financial performance due to federal policy shifts and funding changes.
- **Sector resilience as a strength:** Large percentage reporting no change could be leveraged as a stabilizing force in the industry.
- **Trade associations report the most benefit:** Trade associations report both the highest percentage of combined slightly and significantly improved as well as the lowest combined percentage of combined significantly and slightly worsened.
- **Professional associations report the worst negative impact:** Professional associations report the highest combined percentage of significant and slightly worsened.
- **AMC impact is difficult to gauge:** While the impact to AMCs appears to be negative, it’s difficult to know from the data if the AMCs were answering on behalf of their clients or the AMC itself.

Due to the distributed impact of federal policy and funding cuts, it's important to look at the financial impact by sector.



- **The healthcare sector is heavily impacted:** 52.8% report worsening conditions, with no associations reporting financial improvement.
- **The education sector shows a similar trend:** 45.5% report worsening conditions, also with no associations reporting financial improvement.
- **Finance, business, and insurance sectors show mixed results:** 28.6% report slight worsening, but it's also the sector with the highest percentage of significant improvements (14.3%) along with an additional 7.1% reporting slight improvement.
- **Significant worsening is most prevalent in science/engineering:** 33.3% report significant worsening.
- **Manufacturing, industrial, and construction sectors reflect diverse impacts:** While 43.8% report worsening conditions, 12.6% report significant or slight improvements.

## Impact to Revenue Areas

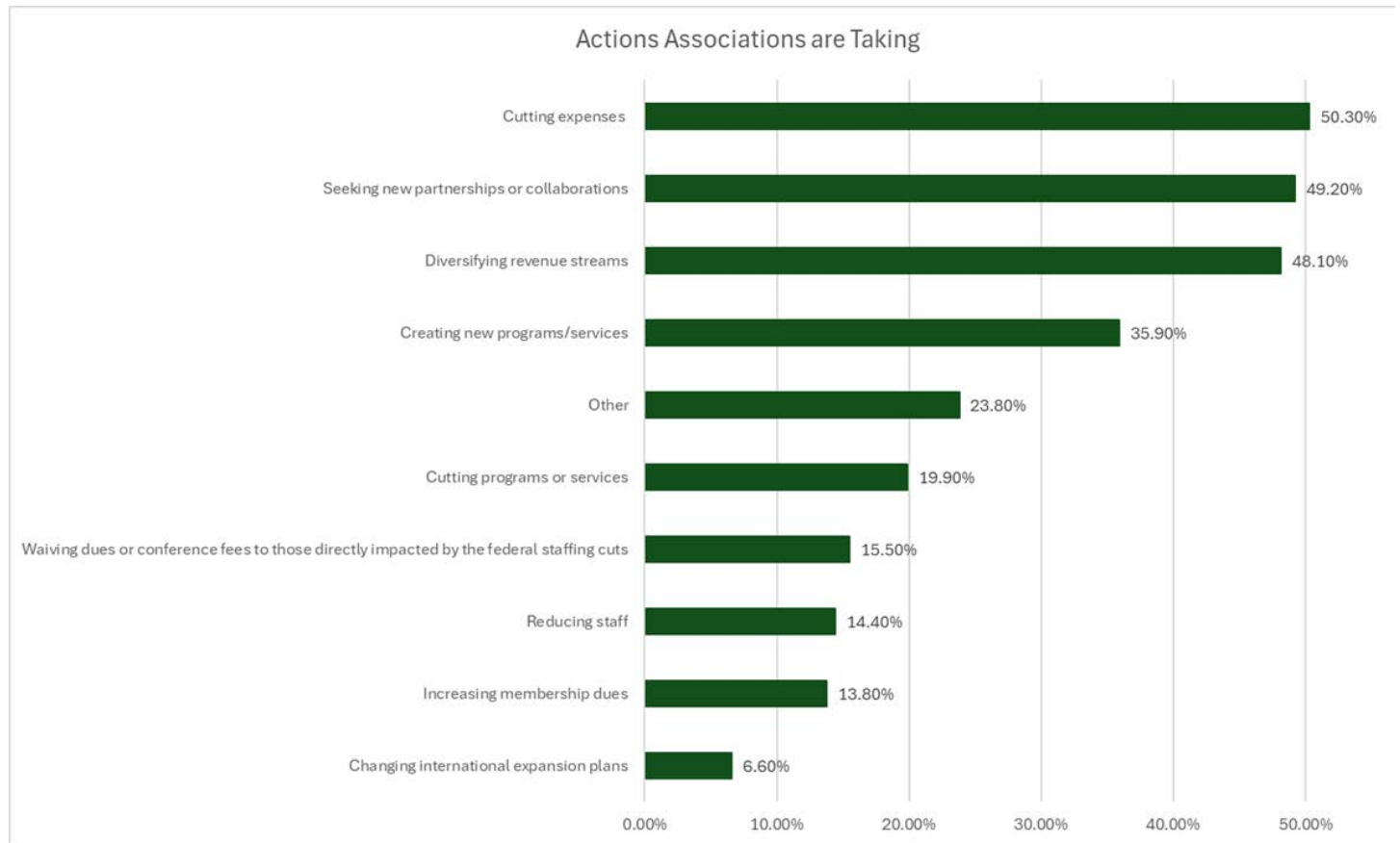


Total respondents: 66

- **Sponsorship Hit Hardest:** Sponsorship revenue shows the highest average decline at 25.9%, with some organizations reporting up to a 98% decrease.
- **Meetings Significantly Impacted:** Meetings revenue shows the second-highest average decline at 23.9%, with a maximum reported decrease of 95%.
- **Membership Decline:** Membership revenue experienced an average decline of 16.1%, with some organizations reporting an 89% decrease.
- **Donations Affected:** Donations show an average decline of 15.7%, with a maximum reported decrease of 98%.
- **Publications Least Affected:** Publications show the lowest average decline at 7.7%.
- **Wide Range of Impact:** The reported areas of decline ranged from 0% to 98% indicating highly variable impacts across different organizations.

## Actions Associations are Taking

Associations are navigating the financial impacts of the moment in a variety of ways. The findings reveal a strong focus on cost reduction and revenue diversification. Organizations are prioritizing expense cuts, seeking new partnerships, and exploring alternative income sources. There's a notable emphasis on innovation through new programs and services, while staff reductions and membership fee increases are less favored options. The data suggests a proactive approach to navigating difficult circumstances, with a preference for growth and collaboration over contraction.



Total respondents: 182

## Thematic Insights

### Financial Resilience Strategies

- Cost Management
  - Cost reduction is the top priority for 50.30% of organizations
  - A few organizations are accessing reserves to address financial challenges

- **Revenue Enhancement**
  - 48.10% of organizations are focusing on revenue diversification
  - Some associations are exploring ways to increase revenue through donation campaigns and increased sponsorships
  - A few organizations are increasing registration rates for events
- **Financial Policy Adjustments**
  - Several organizations are examining their investment policies and portfolios
  - Some associations are offering delayed payment options for sponsors

## **Collaborative Growth Initiatives**

- **Partnership Development**
  - Nearly half (49.20%) of organizations are seeking new partnerships or collaborations
- **Innovation and Expansion**
  - 35.90% of organizations are creating new programs or services
  - Some associations report increased membership and policy activity
  - A few organizations are focusing on growing their business and hiring more staff
- **Adaptation to New Formats**
  - Some associations are exploring hybrid meeting options

## **Member-Centric Approaches**

- **Support and Accommodation**
  - 15.50% of organizations are waiving dues or conference fees for those impacted by federal staffing cuts
  - Some associations are emphasizing better support for their members during this time
- **Education and Advocacy**
  - Some associations are focusing on education and advocacy efforts

## **Operational Restructuring**

- **Service Adjustments**
  - 19.90% of respondents are considering cutting programs or services
  - Staff reductions are limited, with just 14.40% of organizations taking this approach



- **Organizational Model Shifts**

- A few associations are considering a shift to outsourcing functions or switching to Association Management Company (AMC) models

## **Cautious Decision-Making**

- **Wait-and-See Approach**

- Several organizations are not making any changes or taking a “wait and see” approach

- **Monitoring External Factors**

- Some associations are monitoring the impact on their affiliated counties’ budgets

## **Strategic Pausing**

- **Growth Suspension**

- Some associations reported that planned expansions have been halted due to funding uncertainties

## **Impact of Federal Policy Changes on Associations’ Missions**

*Total respondents: 156*

### **Direct Mission Challenges**

- 14% of respondents report that policy changes are directly challenging their ability to advance their mission
- 8% of respondents mention that new policies are hindering their efforts to promote diversity, equity, and inclusion, which are core to their missions
- 3% of respondents indicate that restrictions on federal employees’ participation are impeding their ability to fulfill their mission of knowledge sharing and professional development

### **Indirect Mission Challenges**

- 12% of respondents express concern that funding cuts to their members or associated institutions may indirectly impair their ability to deliver on their mission
- 7% of respondents report that potential decreases in membership due to budget constraints could limit their capacity to serve their community effectively
- 3% of respondents mention that travel restrictions and reduced conference attendance may hinder their mission of fostering collaboration and networking within their field



## **Mission Realignment**

- 11% of respondents indicate they're considering adjusting their programs or initiatives to align with new policy priorities while still trying to maintain their core mission
- 5% of respondents report needing to reframe or rebrand certain mission-driven initiatives to navigate the current political climate
- 3% of respondents mention shifting focus to maintain a non-partisan stance while addressing evolving member needs

## **Mission Amplification**

- 7% of respondents report an increased focus on advocacy and policy education as part of their mission in response to the changing landscape
- 3% of respondents mention that the current situation has reinvigorated their public policy committees, aligning with their mission to represent member interests
- 5% of respondents indicate a growing demand for policy analysis and interpretation, enhancing their role in guiding their industry or profession

## **Mission Resilience**

- 16% of respondents report little to no direct impact on their missions, indicating resilience in their core purpose
- 7% of respondents mention adapting to uncertainty while preserving essential functions aligned with their mission
- 3% of respondents indicate they're engaging in long-term planning to navigate future challenges while staying true to their mission

## **Values Dilemmas in Mission Delivery**

- 5% of respondents report grappling with how to maintain their values and commitments while adapting to new policies that may conflict with aspects of their mission
- 3% of respondents mention challenges in balancing compliance with long-standing organizational principles that are fundamental to their mission

## **Mission Uncertainty**

- 14% of respondents express uncertainty about how evolving policies might affect their ability to deliver on their mission in the long term
- 8% of respondents report adopting a "wait and see" approach, unsure of the full implications for their mission
- 3% of respondents mention increased monitoring of policy changes to anticipate potential impacts on their mission delivery

## Enhanced Mission Relevance

- 5% of respondents report that the current situation has highlighted the importance of their mission, particularly in providing support and guidance to members
- 3% of respondents indicate that their role in providing career advice and education has become more critical, aligning closely with their mission to support professional development

The responses indicate a range of effects, from direct obstruction to enhanced relevance, with many associations grappling with uncertainty and the need for strategic adaptation to continue fulfilling their core purposes. Associations are demonstrating resilience by realigning their missions, maintaining core values, and planning for long-term challenges.

*Analysis generated by AI and reviewed/edited by ASAE.*



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