

Federal cuts threaten \$126M for Hawaii nonprofits, study finds

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Federal funding cuts could impact dozens of Hawaii nonprofits and disrupt essential services statewide, with vital health care programs most at risk, according to a new analysis by the University of Hawaii Economic Research Organization and the Hawaii Community Foundation.

UHERO officials said Thursday that the purpose of the report was to identify where the nonprofit sector is the most vulnerable and what can be done to prepare. In addition to health care, the analysis found that human services, environment and education programs are also at risk.

The analysis found that \$126 million in 74 unpaid grants to 59 local organizations are politically vulnerable to funding cuts. These include areas such as health care, diversity, equity and inclusion, and programs that serve Native Hawaiians, UHERO Executive Director Carl Bonham said in a virtual news conference Thursday.

“A real concern is that if you make cuts to these kinds of programs at the same time that there are cuts elsewhere, whether it’s in Medicaid or SNAP or tax credits for the Affordable Care Act, then the strains on the system just compound,” Bonham said.

Researchers found that more than half of the risk is in health care programs. Programs in the human services, environment, and education sectors also are at risk, and programs serving Native Hawaiians make up more than half of the vulnerable funds.

The study also analyzed the financial risk of the funding cuts among organizations, and Bonham said that the analysis found that “roughly a third of Hawaii’s nonprofits that receive federal funds rely on it for 20% or more of their revenue.”

“So there is some pretty heavy concentration that puts nonprofits at risk, and even though these cuts are unpredictable, we can sort of anticipate ... potentially which areas are most dependent and are going to be hurt the most,” he said.

During the news conference, Women In Need founder Mary Scott-Lau said that cuts forced the organization to close one of its transitional housing facilities for domestic violence survivors. She said that while they were able to rehome a few of the families who had been living in the house, they were not able to find housing for everyone. The organization also had to lay off half of its staff.

Hawaii Community Foundation President and CEO Terry George said that HCF funded the UHERO research in response to hearing from a lot of nonprofits that they were “facing dramatic funding shortfalls for the coming year.”

“We needed clear data at the Hawaii Community Foundation to know how we ought to respond so we could understand strategically which services and communities face the greatest risk so we can target support effectively,” he said.

George said that the initial results were “alarming” and are what prompted HCF to [reactivate its Hawaii Resilience Fund](#). He noted during the news conference that HCF has already started making grants out of the fund — including for the UHERO research — and that the organization “will continue to do that moving forward.”

“We are actively seeking other support so that we can grow the Hawaii Resilience Fund to at least \$1.8 million by the end of October. The need is that urgent,” George said.