

Research Report

# 2025 **NONPROFIT** TECHNOLOGY IMPACT REPORT

Key insights and actionable guidance based on feedback  
from nonprofit finance and executive leaders



Sage

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# Executive summary:

## The breaking point

The nonprofit sector faces immense pressure in 2025. As program demand reaches historic highs and funding grows more competitive, high-performance finance leaders must find new ways to do more with less.

This year's research, undertaken by Sage during a key time of political upheaval, reflects not only how finance leaders are reacting to this uncertainty, it also reveals how these challenges are pushing many nonprofits to a critical turning point.

### Key findings show:

- Program participation and costs have risen to the highest levels recorded in our five-year survey history.
- Staffing has emerged as the sector's most pressing challenge, jumping from fourth place last year.
- Manual processes continue to burden operations, yet technology adoption remains surprisingly low on leadership priority lists.
- Only 9% of nonprofits consider themselves highly data-driven, despite the majority recognizing the importance of metrics.
- Forecasted revenue growth has declined to its lowest point in four years.
- NFP executives and operational leaders want more from their finance teams to help drive growth.



This report examines how forward-thinking finance leaders are breaking this cycle by leveraging technology and data to maximize their impact and drive the success of the organization. For the first time, in the fifth year of compiling this report, it includes the transformative potential of emerging technologies, such as artificial intelligence (AI) and machine learning (ML) in nonprofit financial management and operational efficiency. It provides a blueprint for high-performance finance leaders seeking to turn challenges into opportunities for growth and impact.

C-suite finance leaders are well placed to make a real difference. **A 2025 CFO study from Sage** found that 99% of nonprofit finance leaders feel they have a strong impact on the growth of their organization, and 97% agree that they love their job. Compared to peers in other sectors, they collaborate more frequently with the CEO, and have more responsibility for strategic planning and shareholder relations.

What's more, they're committed to driving innovation, digital transformation, and improvements wherever they can.

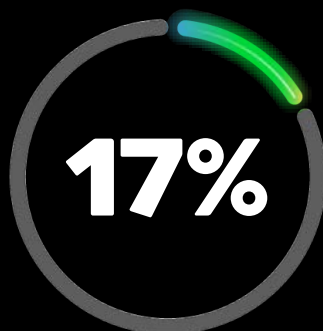
# Demographics: A snapshot of nonprofit finance leaders

This year's survey captured insights from over 350 nonprofit leaders, representing a comprehensive view of the sector. This survey was conducted during the 2024 US federal election and transition cycle, providing a unique perspective into nonprofit sentiment during a critical time of planning and uncertainty.

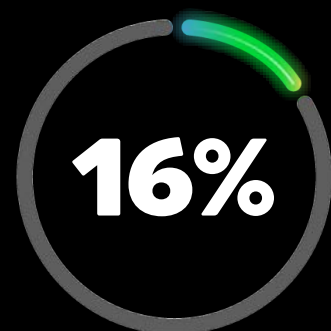
The majority (87%) of respondents lead small to mid-size nonprofit organizations in North America with revenue under \$24M annually. This demographic alignment with previous years enables meaningful year-over-year comparisons



**Human services**



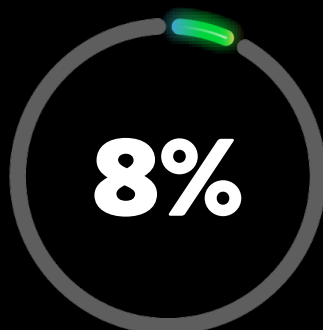
**Arts and culture**



**Education**



**Community improvement  
or public benefit**



**Faith-based initiatives**

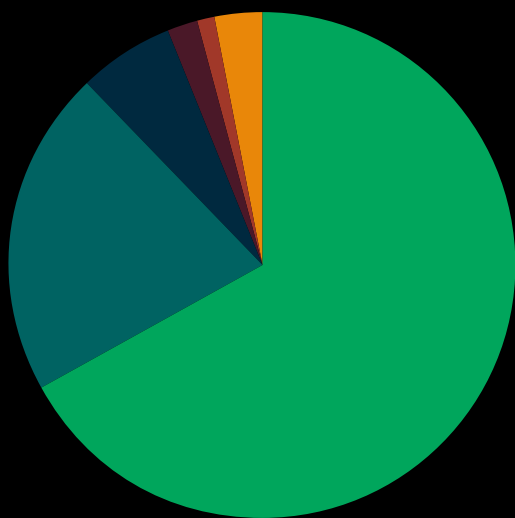


**Other**

## The most common titles of respondents were Executive Director/CEO and Financial Leader/CFO.

More than half (55%) of respondents represented the C-suite at their organization. Respondents identified themselves as representing a range of functions including: executive leadership, finance, operations, development, program delivery, and IT.

### What is the approximate annual revenue for your organization?

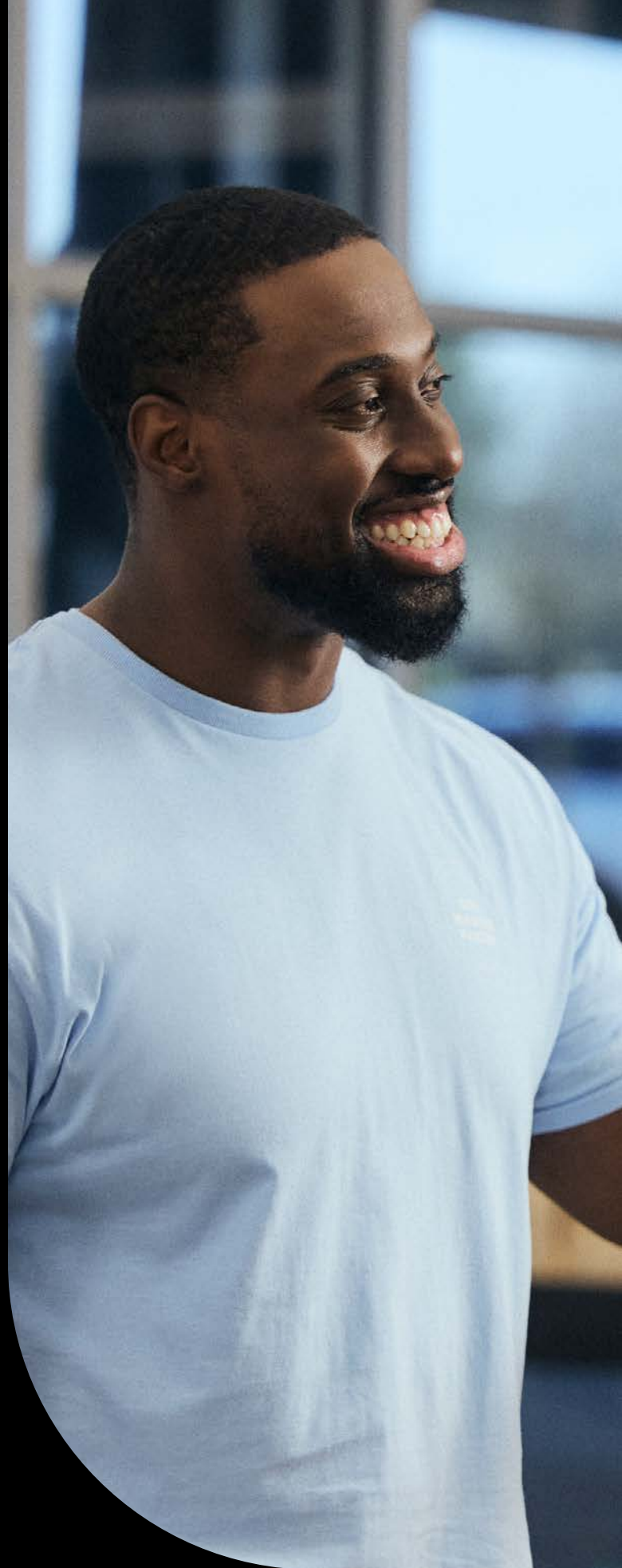


● Less than \$3M    ● \$3M-\$10M    ● \$10M-\$24M  
● \$25M-\$49M    ● \$50M-\$99M    ● \$100M+

### Key takeaway

As in previous years, the spread of job roles amongst respondents provides a uniquely broad perspective around the increasingly important roles of technology and finance in nonprofits.

With 55% of respondents occupying C-suite positions, this survey uncovers insights into the most pressing technology and finance issues for nonprofit organizations.



# **MARKET TRENDS: THE 2025 CORE NONPROFIT OUTLOOK**



# A worse year for revenue?

If you were struggling last year, you're not alone. 2024 was a difficult time for nonprofits.

Rising costs and growing participation have squeezed budgets, while funding for many didn't match previous years' contributions.

Looking further into 2025, some organizations see light at the end of the tunnel, with more than half of respondents (56%) forecasting a better year in 2025.

That's positive but our survey indicates there's often a gap between expectation and reality.

In last year's 2024 survey, for example, 63% of organizations projected revenue growth for the year ahead—25% more than this year's respondents who reported having achieved that growth. It's a pattern of optimism bias that appears consistently in the survey's historical data.

This disparity between forecasts and results highlights two critical issues:

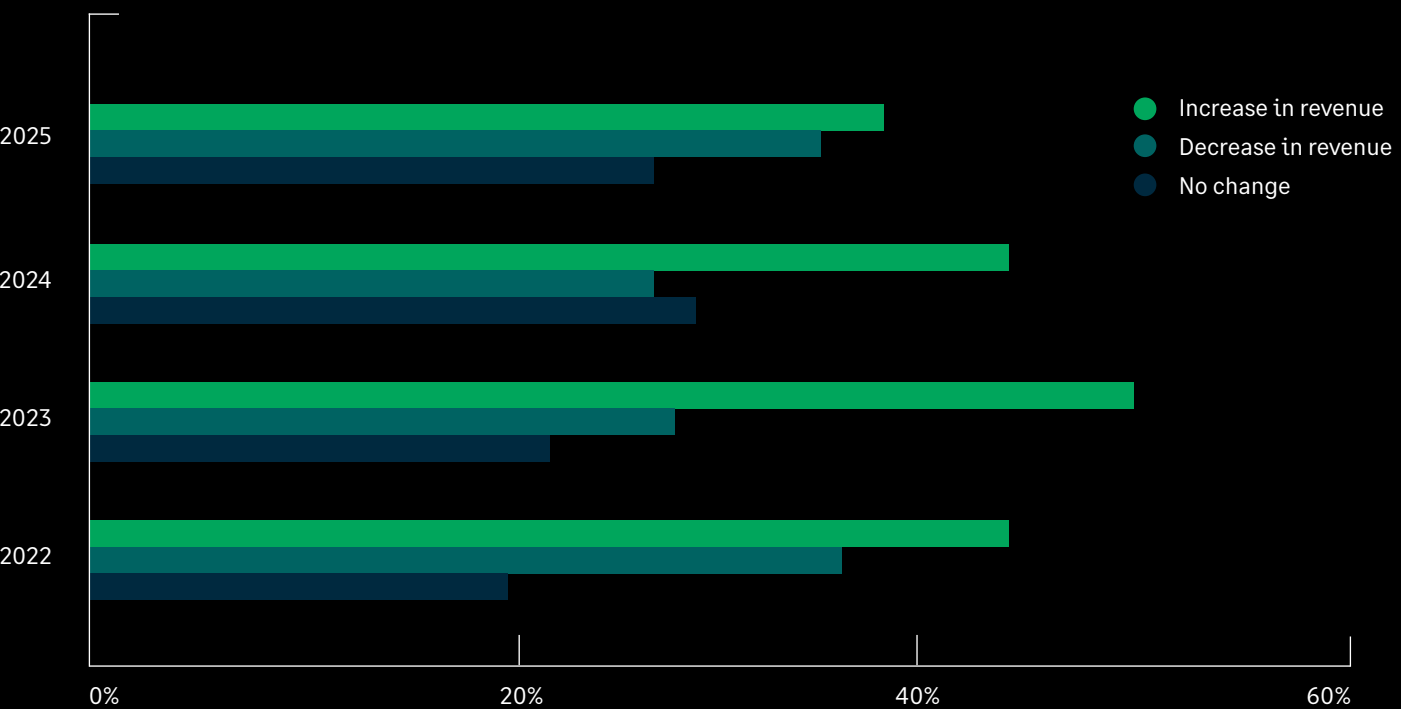


**The need for nonprofit finance leaders to have access to more robust forecasting tools and data-driven planning.**



**The importance of building financial strategies that can practically deliver on revenue expectations, while accounting for market uncertainty.**

What changes have you experienced in your revenue over the past 12 months?





There is a lack of transparency from the financial department to other departments in the organization, which causes a lack of understanding of budget and expenses.

**Public benefit organization**



# Actionable guidance

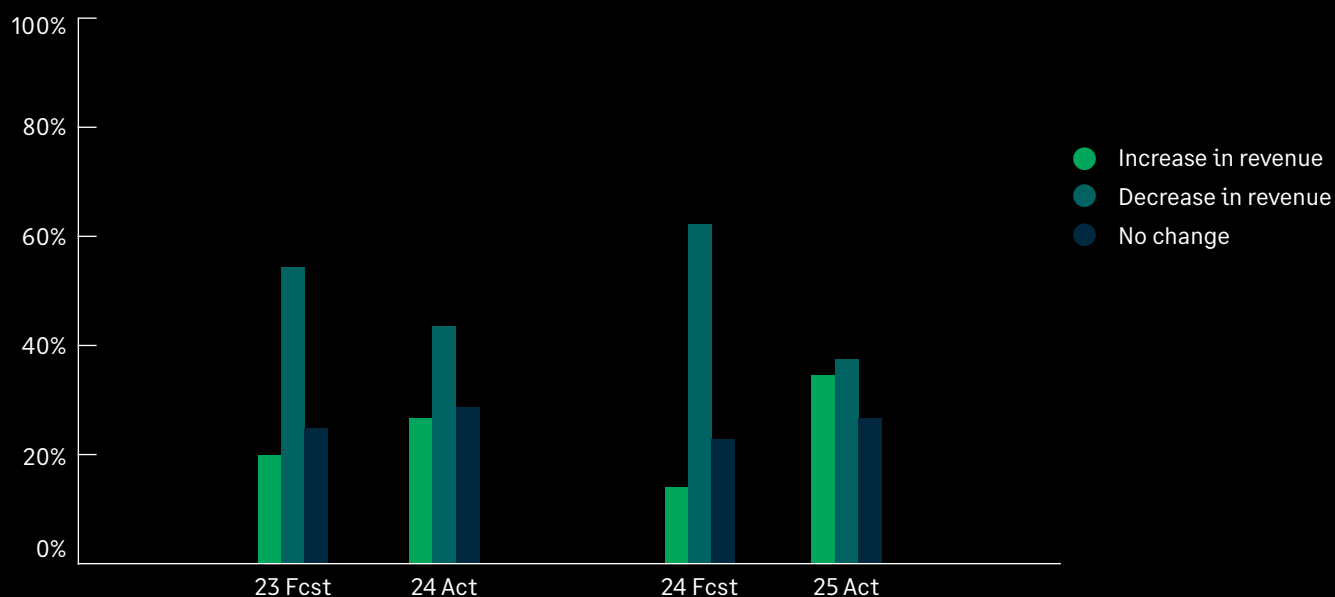
To ensure a better year in 2025, high-performance finance decision makers should carefully monitor their expenditures, investing in technology that automates costly and time-consuming tasks, and map where strategic decisions could make the most difference.

## Cautiously optimistic

Data indicates that between 10-20% of the nonprofits that expect to grow revenue in the coming year will actually see revenue stagnate or decline. While budgeting and planning is an increasing focus for CFOs, the forecasting accuracy of respondents to this survey declined in 2024. Clearly there are improvements that could be made here.



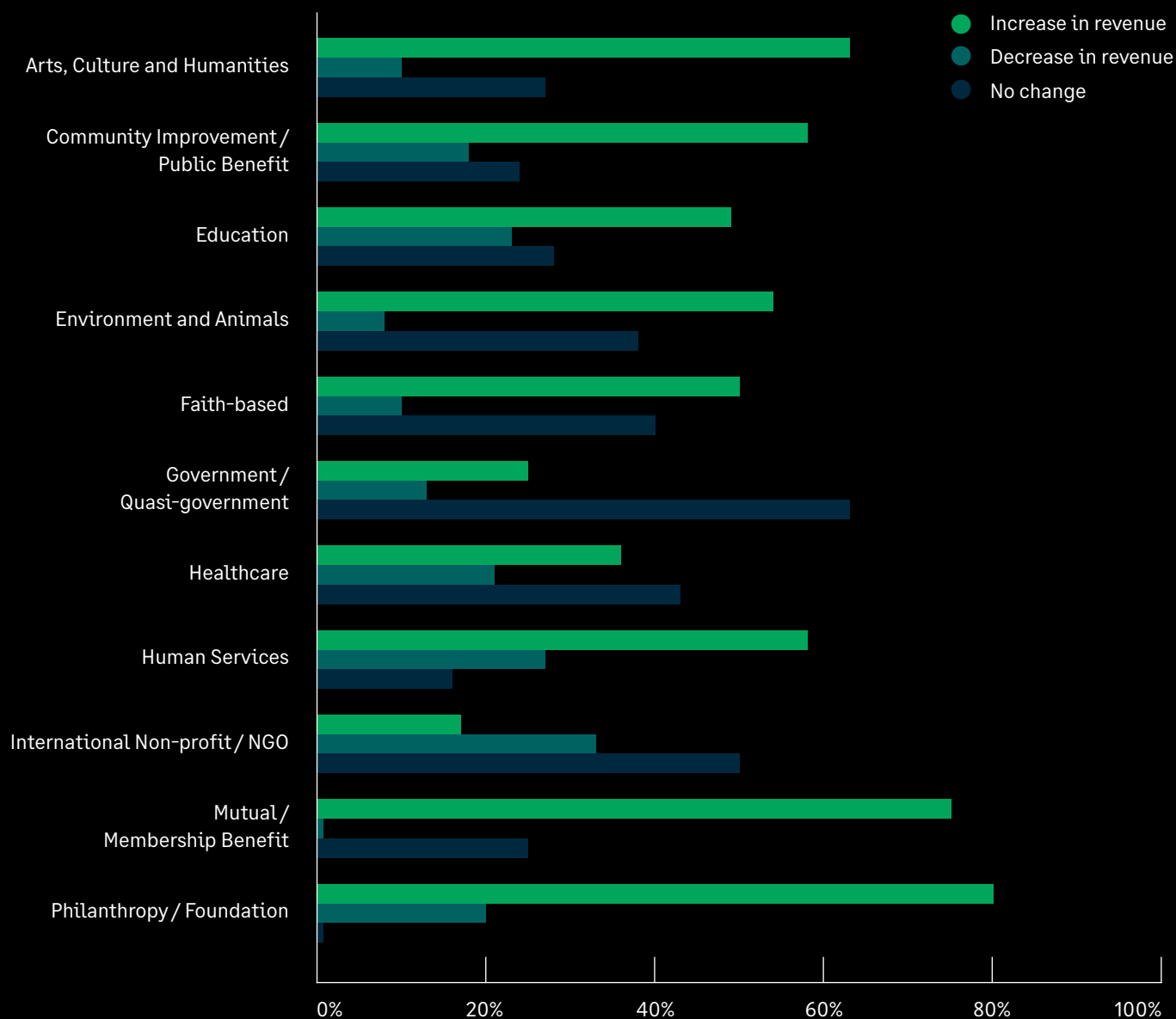
**A comparison of two questions: “What revenue changes are you forecasting for the coming 12 months” versus “What changes have you experienced with your revenue in the past 12 months”**



# Revenue outlook by organization type

When we asked nonprofits about their revenue outlook for the next 12 months, we found that there was a general decline in positive outlook—though the severity varies by nonprofit type.

Revenue Outlook—next 12 months



# Funding sources have shifted—again

The funding landscape continues to evolve:



Government funding momentum has slowed.



Corporate giving has declined, following broader economic patterns.



Individual giving shows increased volatility.

In what funding areas have you seen a change in the last 12 months?



Every year, we ask respondents to reflect on the changes they've observed in various funding streams. In 2023, nonprofit finance leaders reported that their biggest increase in revenue came from government funding. This shift can be attributed to the unprecedented federal programs launched during the Biden administration. The outlook for federal funding in 2025 is

increasingly uncertain as nonprofits struggle to predict the long-term impact of President Trump's re-election. The fluctuation in revenue mix indicated by this survey highlights the need for nonprofit finance leaders to stay ahead of the unpredictable funding landscape by building resilience and diversifying revenue streams.



We've seen increases in the cost of everything, but we cannot raise prices on our fee-for-service programs. Institutional funders are not increasing their gifts

**Human service nonprofit**

# A perfect storm for programs

It will come as no surprise that for another year, the number of nonprofits reporting an increase in program participation has grown.

The external societal factors impacting organizations are exacerbated by the lack of revenue growth to deliver projects—putting nonprofits in a difficult position. It’s ‘do more with less’ to the extreme.

Participation in programs was up eight percent in 2024 from the prior year, to 64%. At the same time, 76% of surveyed nonprofits reported that the cost of their programs likewise increased—a record high in this survey’s history and a problem seen across all cause areas.

But while inflation drives up the costs, many funders aren’t accounting for this, leaving nonprofits and their finance leaders to make up the difference. To help address the growing need, nonprofits also increased the number of programs they are administering by the highest percentage we’ve seen in our survey: 48%.

|                              | Decrease in Programs | Increase in Programs | Stayed the Same | Grand Total |
|------------------------------|----------------------|----------------------|-----------------|-------------|
| Count of Survey Year         |                      |                      |                 |             |
| Decrease in revenue          | 8.17%                | 16.73%               | 8.95%           | 33.85%      |
| Increase in revenue          | 1.56%                | 28.79%               | 7.78%           | 38.13%      |
| No change                    | 2.72%                | 16.34%               | 8.95%           | 28.02%      |
| Count of Survey Year 2       |                      |                      |                 |             |
| Decrease in revenue          | 21                   | 43                   | 23              | 87          |
| Increase in revenue          | 4                    | 74                   | 20              | 98          |
| No change                    | 7                    | 42                   | 23              | 72          |
| Total Count of Survey Year 1 | 12.45%               | 61.87%               | 25.68%          | 100%        |
| Total Count of Survey Year 2 | 32                   | 159                  | 66              | 257         |

The consistent rise in programmatic output and need makes it clear that CFOs must prioritize decisions that set them up for resilience and sustainability for the long-term.

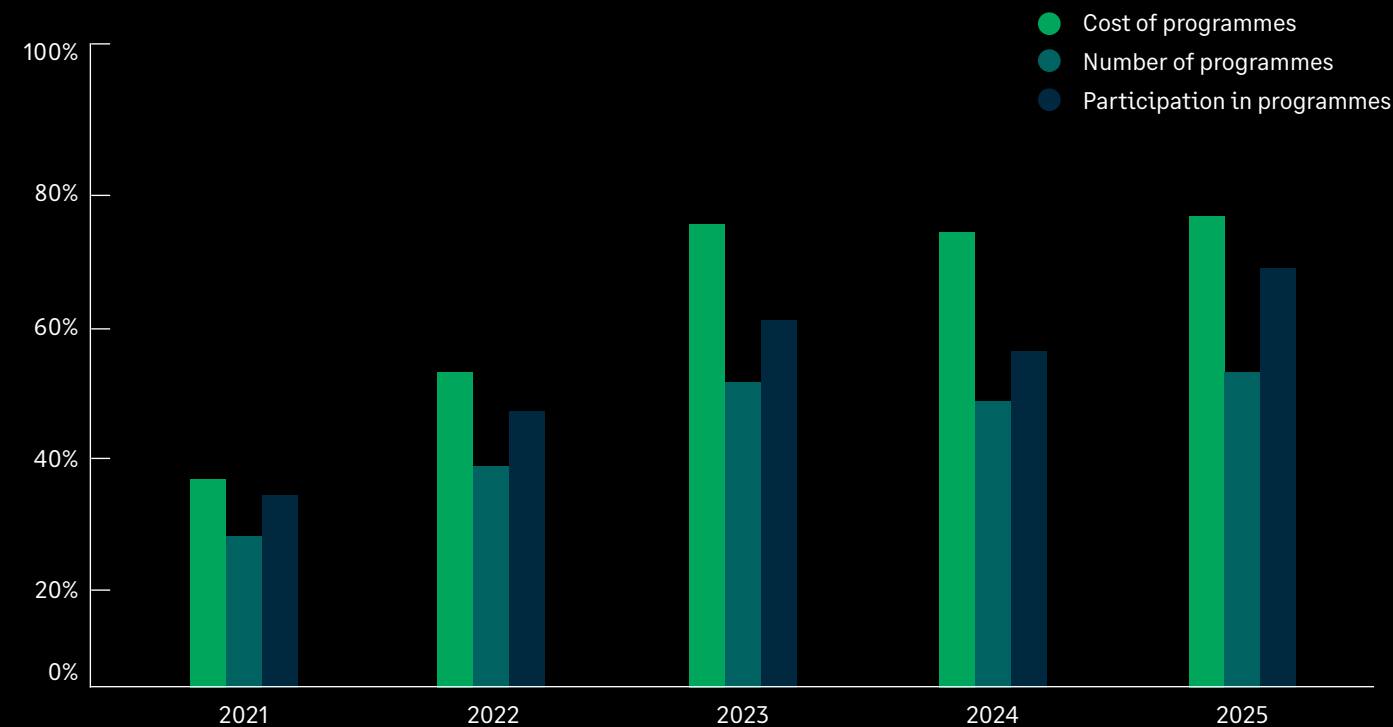
With the combined challenges presented by the funding climate, this places a tremendous emphasis on alignment across leadership and proper strategic planning.

“While funding has increased somewhat from government sources, costs have been rising for years. So the increase provided does not support long-term sustainability.”

Human service nonprofit



In what areas have your programs grown in the last 12 months?





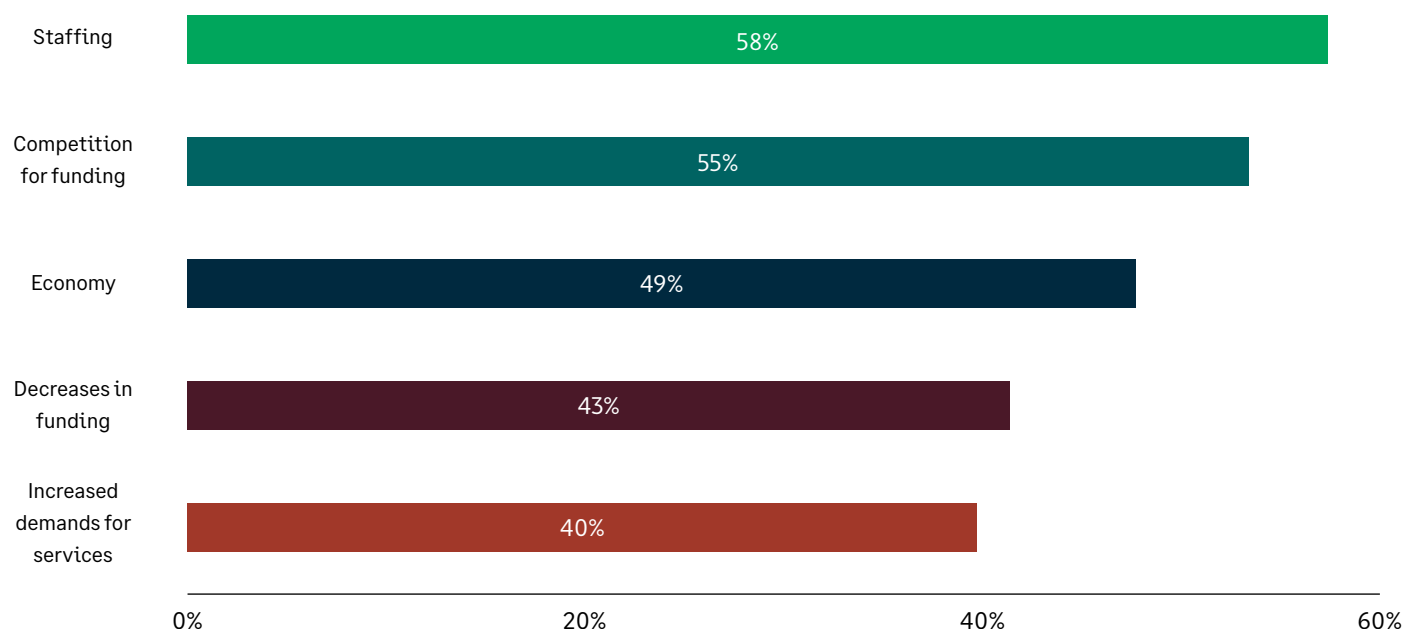
# **MACRO CHALLENGES: KEY CONCERNS FOR NONPROFITS IN 2025**

# External challenges: The staffing crisis

The most dramatic shift in this year's data is the emergence of staffing as the sector's primary challenge.

The challenging economy is undoubtedly affecting nonprofits across the board. These figures highlight the multifaceted challenges finance leaders face as a result of economic pressures, particularly in terms of securing staffing, raising funding, and demand for services—all challenges that increased when compared to last year's results.

Rising from fourth place last year, staffing concerns now outrank both funding competition and economic uncertainty:



# The people problem

This year saw a huge growth in the number of respondents indicating that they are struggling with hiring and retention.

58% of respondents believe it is one of the biggest external challenges they are currently facing—a higher number than those concerned about the economy, fundraising issues, or increased demand; though these factors are not mutually exclusive.

Respondents shared how they believed the inability to provide competitive wages and benefits was the root cause of their staffing concerns:

“As a nonprofit, it’s hard to have competitive wages, so sometimes we invest a lot in training staff and then they leave for better pay. But we can’t increase wages because of decreased funding.”

**Human services nonprofit**

“We are challenged with staff retention due to lower pay and less benefits offered by others in the community.”

**Human services nonprofit**

“We are unable to hire needed staff to meet the demands for services because we cannot afford to pay their salaries.”

**Youth development nonprofit**





To state the obvious: nonprofits can't operate without the people driving them. When resources are tight and staff have compelling alternatives, CFOs must make difficult decisions to sustain their organization's mission impact.

Competitive wages and benefits have been key drivers of the staffing challenge for years.

**This year's survey also revealed several other items related to the people problem:**



People-heavy service organizations rely heavily on both staff and volunteers and volunteerism has been in constant decline.



Some organizations are voicing that their staffing challenges may be resulting in hiring team members that don't have the same work ethic or commitment to the mission that they've historically relied upon.



Many nonprofits are struggling to find impactful board members.

While there is no easy answer to this, this survey does reveal that there are areas of improvement for nonprofits to make regarding their technology and internal processes. That in itself may help attract skilled talent through a more modern, intellectually challenging work experience.

# The funding gap is growing

Nonprofits are struggling to close the funding gap across the board. This year, CFOs from multiple programs cited a variety of potential causes:

Election year challenges

“Donors are giving to political campaigns instead of us.”

**Environment and animals nonprofit**

Uncertain future of regulatory landscape

“The political climate has been a huge factor. Many donors are not comfortable giving because they are concerned about federal policies.”

**Arts, culture, humanities nonprofit**

Lack of corporate support

“Corporate support is dwindling, as is foundation support. Many of our long-term corporate funders have decreased their nonprofit giving or changed their funding priorities.”

**Arts, culture, humanities nonprofit**

Social factors affecting individual givers

“A lot of our donors have been hit hard economically or are aging.”

**Faith-based nonprofit**



The state of the economy is increasing service demand

“For us, more animals being surrendered due to the cost of pet care and lack of pet-friendly affordable housing is a challenge.”

**Animal-related nonprofit**

Rising outgoings

“We’ve experienced an increase in basic large expenses.”

**Human services nonprofit**

Restricted funds

“There are funds for services but none at all for operations or capital expenses.”

**Human services nonprofit**

Whatever the cause, the 43% of respondents reporting a decrease in funding will face a difficult year. That’s particularly true for the 40% of respondents that are already struggling to meet the increased demand for their services.

It’s vital that high-performance finance leaders have the tools to be able to confidently oversee their financial position; to track clear outcome metrics, generate reports and improve the storytelling capabilities of the entire organization. The more a nonprofit is able to demonstrate fund sustainability and stewardship, the better its chances of winning funds and ultimately driving mission success.





# Internal challenges: Stuck in manual mode

Despite a high level of self-awareness regarding their internal processes, nonprofit CFOs continue to struggle with the same fundamental operational inefficiencies year after year.

There is an appetite to change the status quo. The 2025 CFO research by Sage found nonprofit finance leaders are most likely to say AI is critical to them remaining impactful within the organization.

They have the second highest adoption of AI-powered finance tools and process automation compared to any other industry, but are eager to do more, particularly around AP automation and outlier detection.

In contrast, this year's Nonprofit Technology Impact Report highlighted how widespread the issue of manual work and stale, siloed information truly remains.

## What are the biggest internal operational challenges your organization is facing today?

Lack of process automation and organization efficiency

41%

Manual, time-consuming reporting

35%

Lack of real-time visibility into key metrics and performance

34%

Budgeting and planning

31%

Inefficiencies and delays due to multiple, disparate systems

29%



These top five challenges have remained the same for the past few years, highlighting the fact that nonprofit finance leaders are aware of the critical challenges that they need to address—to improve their operational efficiency and effectiveness—but suggesting that there are significant roadblocks on the journey towards a better workflow.

# Good news for 2025

This year, fewer respondents reported experiencing challenges due to manual processes and reporting. In addition, fewer organizations reported inefficiencies due to disparate systems than ever before.

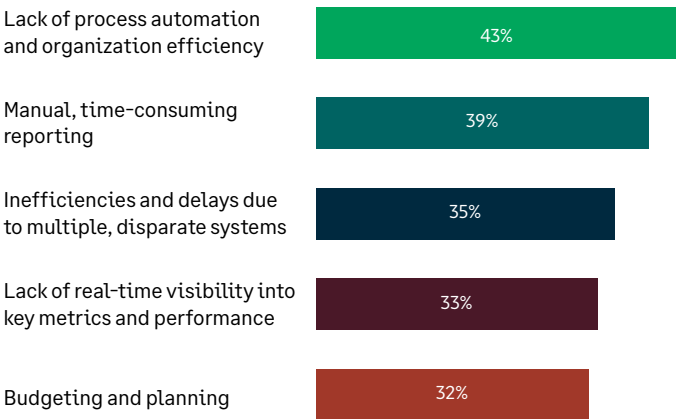
This suggests some progress has been made by those who have integrated their financial and operational systems.

While progress towards automation in the nonprofit sector is happening, the pace of change is slow. Despite the enthusiasm from CFOs, modernization isn't always top-of-mind for many nonprofits. Pressed as to why that's the case, internal risk aversion was highlighted in the recent 2025 CFO study. Finance leaders at nonprofit organizations are less able to take financial risks on technology because the funding is earmarked for mission impact. Not one dollar can be seen to be wasted.

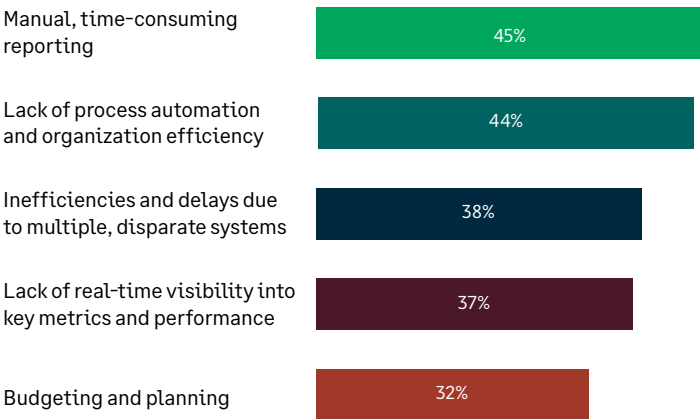
While this is understandable given the heightened external pressures organizations are facing, the lack of process automation, reliance on manual reporting, and insufficient modern processes among respondents stands out as a massive impediment to sustainable growth for the sector.

In the Nonprofit Technology Impact Report, the glacial pace of advancements indicates that nonprofits may be undervaluing technology and process improvement as a means to solve some of the challenges they're facing. Workforce shortages are instead held up as the priority to solve. That's surprising in light of the evidence that better staffing alone doesn't appear to be a viable means to meet the growing program need and the increasingly precarious nature of existing funding streams.

## 2024 Internal challenges



## 2023 Internal frustrations



# TECHNOLOGY ADOPTION: THE PATH TO SCALE

# The technology gap

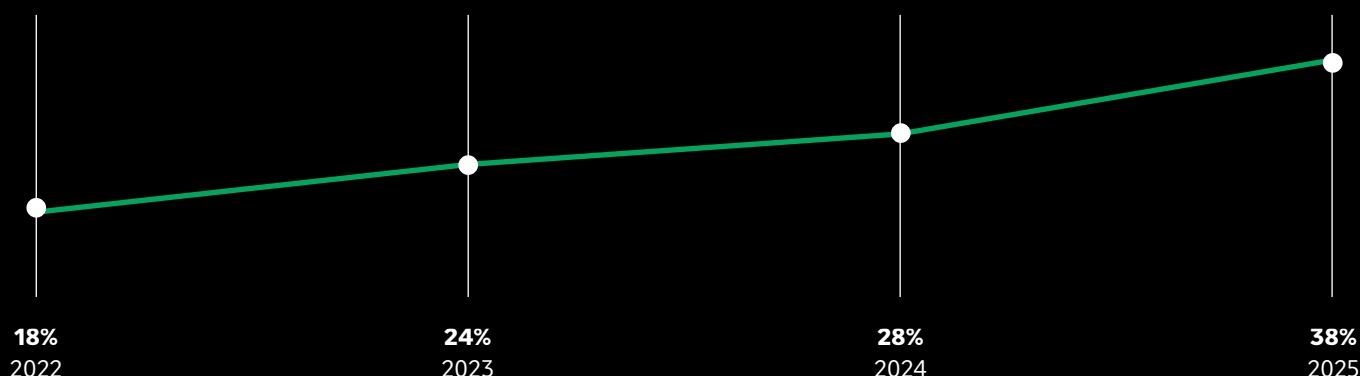
Despite clear operational challenges, nonprofit organizations show surprising hesitation in embracing technology solutions. While 67% use financial management and accounting software, many CFOs still rely on basic tools that limit their ability to have an impact at scale.

There is one promising sign, shown by the growth in budgeting and planning tool adoption. This steady increase reflects growing recognition among CFOs that strategic financial planning is essential for long-term nonprofit sustainability. However, the relatively low adoption rate overall suggests there are still barriers to this. Too many organizations still lack crucial planning capabilities.

## Current technology adoption:



## The growth in budgeting and planning tool adoption:



# Software priorities

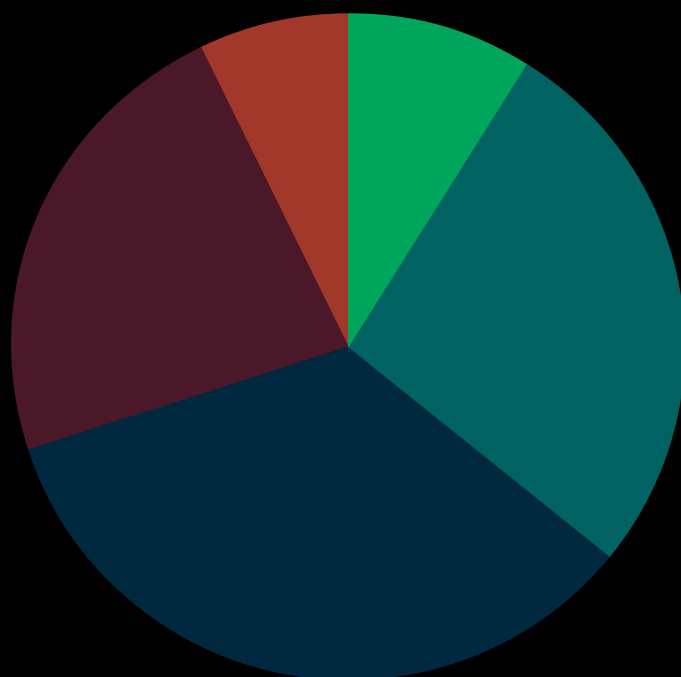
Notably, over the 3 years of having asked this question, the desired functionality reported has not significantly changed.

When asked about their highest-priority software functions, nonprofit leaders clearly identified their needs (in priority order):

- 1 Automated financial reporting.
- 2 Ability to integrate with other systems.
- 3 Ability to manage multiple funds through fund accounting.
- 4 Ability to automate tracking and reporting of outcome metrics.
- 5 Automated consolidation of multiple entities.
- 6 Automated purchasing and spend control.
- 7 Automated processes with AI.

# The data divide

Perhaps most telling is how nonprofit CFOs currently leverage data for strategic decisions:



- Highly data-driven (9%)
- Moderately data-informed (27%)
- Data collected, but not fully leveraged (34%)
- Limited use of data, primarily reactive (23%)
- Manual, siloed data (7%)



With only 9% of nonprofits considering themselves highly data-driven, the sector faces a significant opportunity to improve decision-making through better data utilization. Even larger organizations responding to the survey did not demonstrate a high maturity related to their use of data.

Data is the lifeblood of enhanced performance. For nonprofit finance leaders, there's a significant opportunity to look at the big picture and better leverage the data at their disposal. High-performance finance leaders immerse themselves in data, achieving greater visibility over financial and operational performance, and using those insights to inform strategic decisions. With the right technology, data strategy, and leadership mindset, CFOs are able to apply their analytical mindset to the challenges they face in today's competitive environment.

Despite this, many organizations are still slow to drive modernization, running entry-level or outdated systems which don't support the functions identified as growth-drivers.



# The growing AI opportunity

This year's technology impact survey showed a clear interest amongst nonprofit finance leaders to embrace the benefits of new technologies.

However, there is a distinct lack of confidence that the industry is ready to adopt these advancements.

For example, when asked about leveraging AI technology, only 4% of respondents felt 'very confident' in their organization's ability to do so. Almost half of respondents (45%) were unsure whether their current financial technology can support AI—highlighting the need for greater clarity and preparation to plan effectively for the future.

The results show that the industry is split on AI. While 54% of respondents are in a position of either using, or looking to use, AI, 46% are either not considering it or need further information before they commit to the tech. This suggests that nearly half of the nonprofit industry has yet to fully embrace AI, presenting an opportunity for those organizations to bridge the gap and stay competitive in a rapidly evolving landscape.

When it comes to finance-specific AI software, 54% of US organizations are already making use of this technology. More than eight in 10 (83%) of those asked agreed implementing AI in finance is crucial to staying competitive, and 87% agreed it would impact revenue growth.

But compared to a broader range of industries, nonprofits are lagging in AI adoption. In our [Secrets of Successful CFOs research](#), we found that 91% of organizations (including for-profit industries) have embraced AI.

## Where is your organization on its journey to utilizing AI?



We are exploring AI, but have not implemented it yet



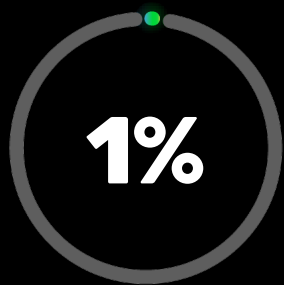
We are not considering AI at this time



We are in the early stages of AI adoption



Not sure / need more info



Actively integrating AI into multiple areas of our financial operations

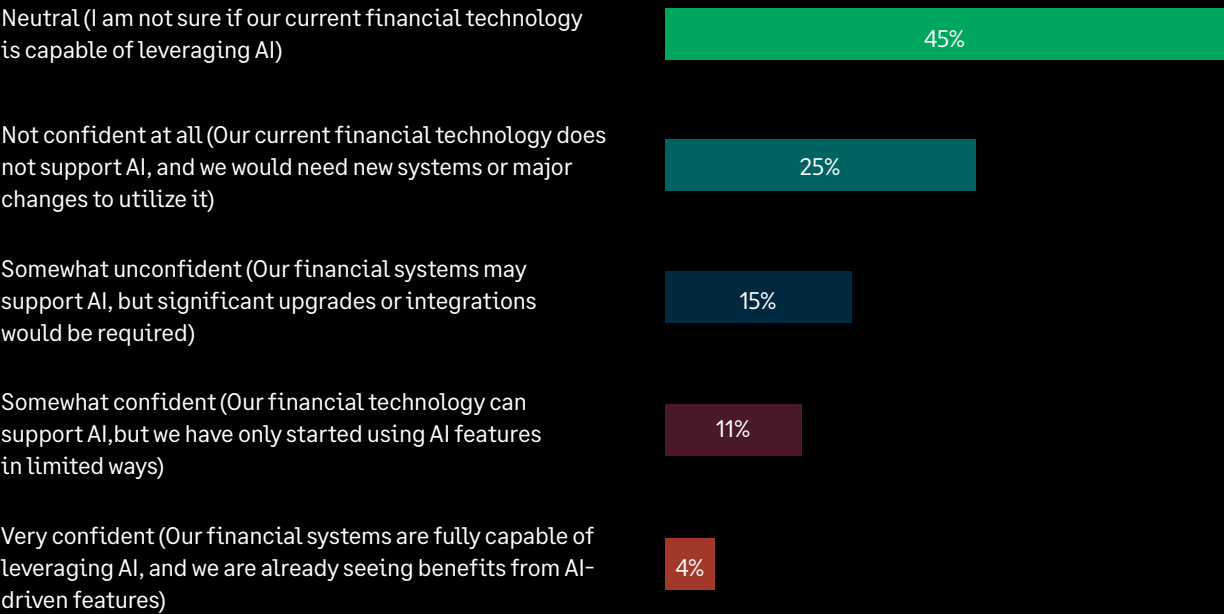
2025 CFO research from Sage highlighted that high-performance finance leaders across all industries do not compromise when it comes to AI and automation.

AI tools have already become a daily part of CFOs’ lives for 65% of respondents, and they’re keen to explore the technology further—80% believe they’re not using AI to its full potential. While we’re only at the top of the iceberg in terms of its capabilities, AI has the power to completely transform the finance function, and maximize a finance leader’s influence across the wider organization.

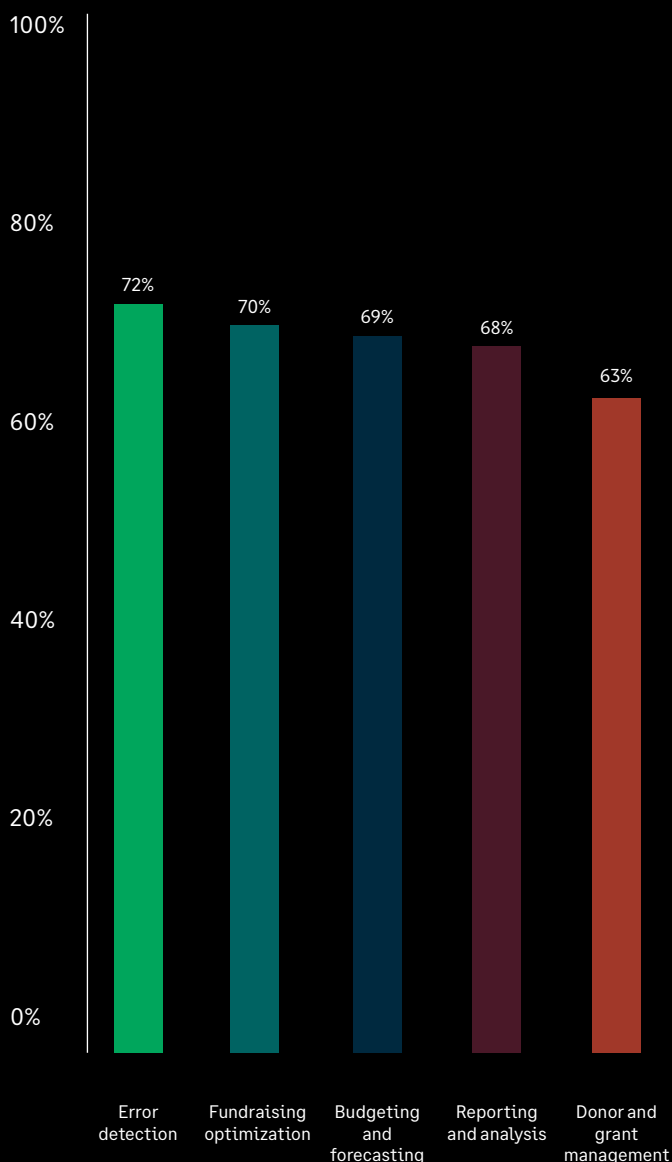
Implementation can feel challenging for many nonprofits. The Technology Impact Report reveals only 15% of CFOs express confidence in their current financial system to leverage AI technology. This means many nonprofit leaders are navigating potential changes to processes, workflows, and operational efficiency with limited clarity. They may also lack confidence in their existing technology partners to properly implement AI into their offerings.

However, this uncertainty hasn’t lessened interest in AI. Nonprofit finance leaders are well aware of the potential benefits to their organizations, and they have clear preferences and plans for where they would expect AI to support their operations. That’s also reflected in the Sage 2025 CFO research, which found 93% of nonprofit finance leaders believe AI will allow them to be more impactful within their organization, and 83% think it will improve collaboration with their peers.

How confident are you in your current financial technology’s ability to leverage AI?



**In what areas of your financial operations are you interested in using AI technology?**



“We’re most excited to gain the ability to remove entry-level tasks and allow our staff to focus on more high-level, strategic items.”

**Faith-based nonprofit**

“We’ll be focused on the potential for deeper data analysis and projections on a real-time basis.”

**Education nonprofit**

“We’re hoping to gain clarity on how funds are spent and allocated, as well as get AI recommendations on efficiency”

**Government/Quasi-government nonprofit**

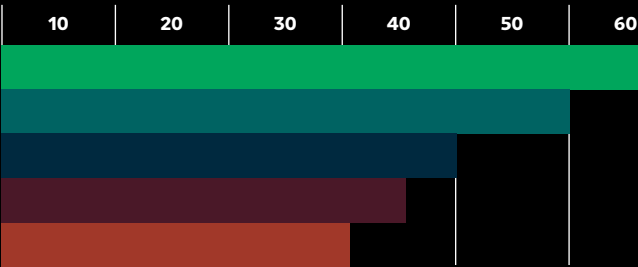
AI solutions with the potential to minimize errors are consistently popular amongst nonprofit CFOs. But many survey respondents specifically highlighted their interest in also using AI to bolster their fundraising capabilities.

That’s also reflected in Sage’s 2025 CFO report. Nonprofit finance leaders are most likely to say they wish they had better technology for AP automation and outlier detection, and 93% believe AI is critical to remaining competitive as an organization.

Whether by optimizing funding streams, predicting real-time cash flow, or improving the management of current funds, there is growing excitement about the efficiency improvements new AI tools could bring to the sector.

# Strategic priorities for 2025

Nonprofit leaders identified their top initiatives for increasing impact:



- Enhancing donor and grant management (57%)
- Enhancing financial sustainability and diversification of revenue sources (50%)
- Strengthening budgeting and forecasting capabilities (40%)
- Improving cost management and efficiency (36%)
- Building finance team skills and capacity (31%)

The prioritization of donor and grant management alongside revenue diversification reflects the sector’s focus on financial sustainability, especially in light of the competition and economic uncertainty nonprofits are facing. However, the relatively low prioritization of technology adoption (which appears eighth on the full list) suggests a potential blind spot in planning and investing for future scalability.

This does vary by organization size and stage however, with small organizations placing extreme focus on funding, while ‘mid-sized’ organizations (\$3-50M revenue or more) exhibit a higher interest in building capacity and sustainability.







# A deeper look

The Nonprofit Technology Impact Report represents nonprofit leadership voices from the executive, as well as finance, and operational leaders of organizations. This year's results present further opportunities for high-performance CFOs to address the headwinds they are facing.

In this section, we'll take a deeper dive into what the data reveals about the unique challenges nonprofits are facing—and how finance leaders can use the insights and analysis to position their organizations for success.

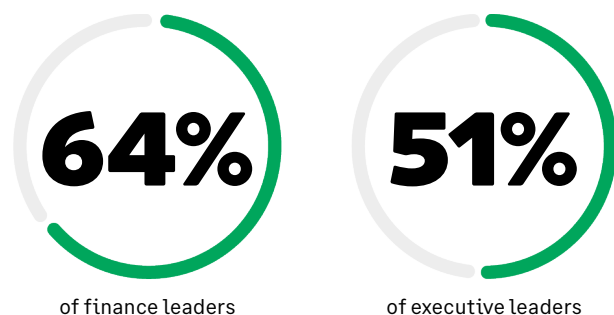
# The finance office and organizational alignment

CFOs have the opportunity to play a bigger role in the growth and impact conversation.

The nonprofit finance leaders are more worried about staffing than anyone else, indicating the difficulties nonprofit face when hiring people with specialized skills at competitive wages.

Finance leaders seem to be less in tune with leadership about the overall growth needs of the organization. They rank key external challenges—such as competition for funding and the increased demand for services—much lower than their fellow leaders.

Both groups are concerned about competition for funding:



**CFOs need more real-time visibility and investment in automated processes.**

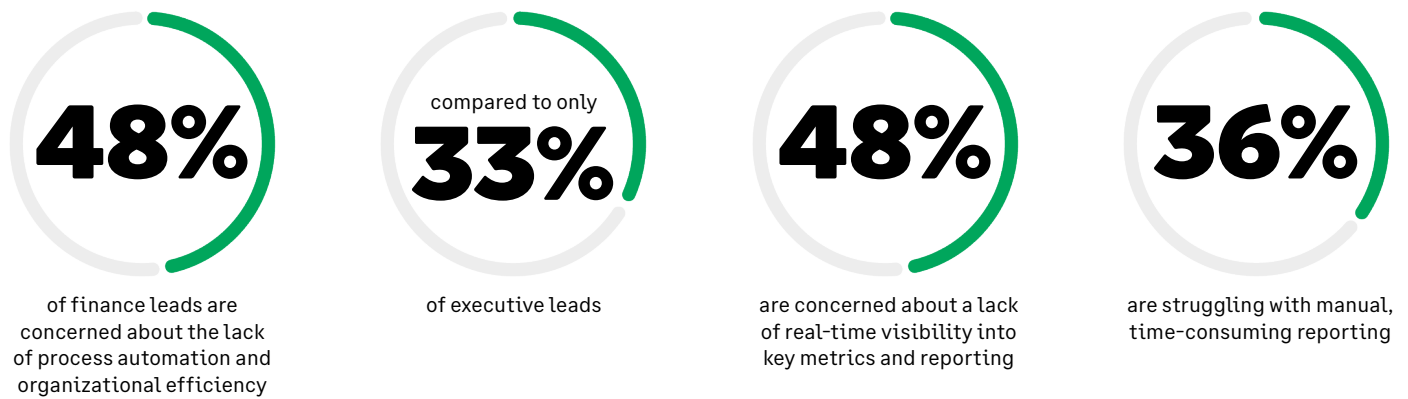
The nonprofit finance office is struggling with a lack of real-time visibility, particularly when standard financial reporting cycles aren't meeting their need for fresh performance data.

Both finance and other (largely operational) roles are feeling the pain around internal challenges more than executives—who may have a chance to better connect with their underlying teams to understand the challenges they're facing on the frontline.





## Key internal challenges

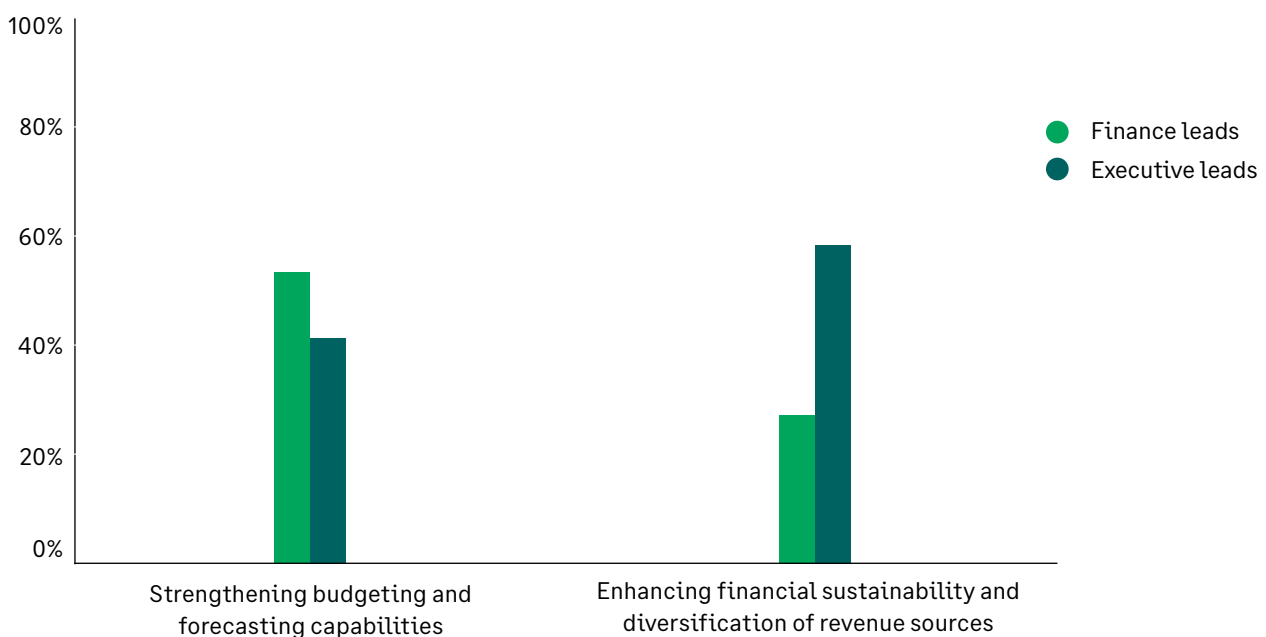


Although cost-oriented, finance is not aligned on the key initiatives identified by other executives for the coming year, especially around the importance of revenue and sustainability.

Executives were more than twice as likely as finance to voice revenue diversification as a key finance initiative, and were notably more interested in donor/grant management. Finance, however, placed much more emphasis on cost control as a key priority.


Financial teams were also most focused on better planning processes. This is an area where CFOs can have an increased impact in driving strategies that impact growth, given their skills with data/metrics and critical role in the planning cycle.


## Key initiatives by role



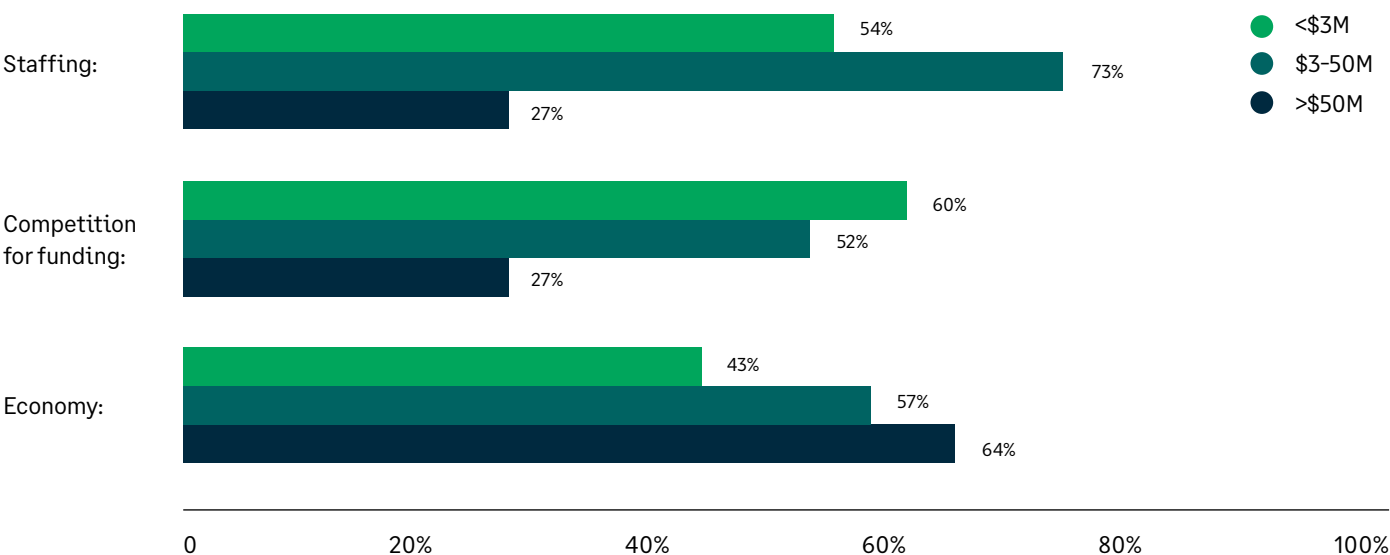
# The “build for scale” squeeze

Mid-sized organizations (\$3-50M in revenue) are feeling more acute pressure

 The growing pains that come from the stage of being “big enough to focus on building scalability but not big enough to benefit from it” are clear in the Nonprofit Technology Impact Report.

 These organizations are more likely to report pressure on staffing than all other cohorts. They share large nonprofits’ concerns about the economy, but also the fundraising concerns of their smaller peers.

Key concerns by nonprofit revenue size:

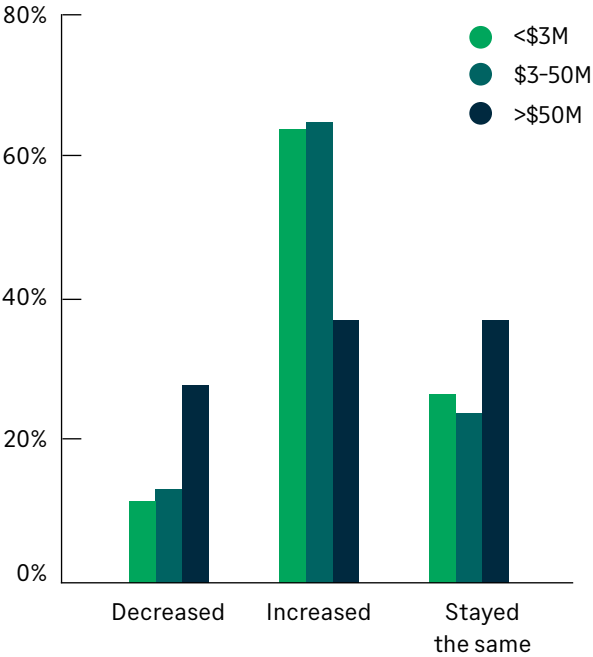


At this stage, when internal operational challenges tend to peak, mid-size nonprofits are more likely to adopt operational software. This shift helps them better engage funders, manage cases more efficiently, move beyond basic accounting platforms or manual spreadsheets, and pursue a wide range of capacity-building initiatives.

All of this is an attempt to alleviate their struggle to scale as they become more known in their community.

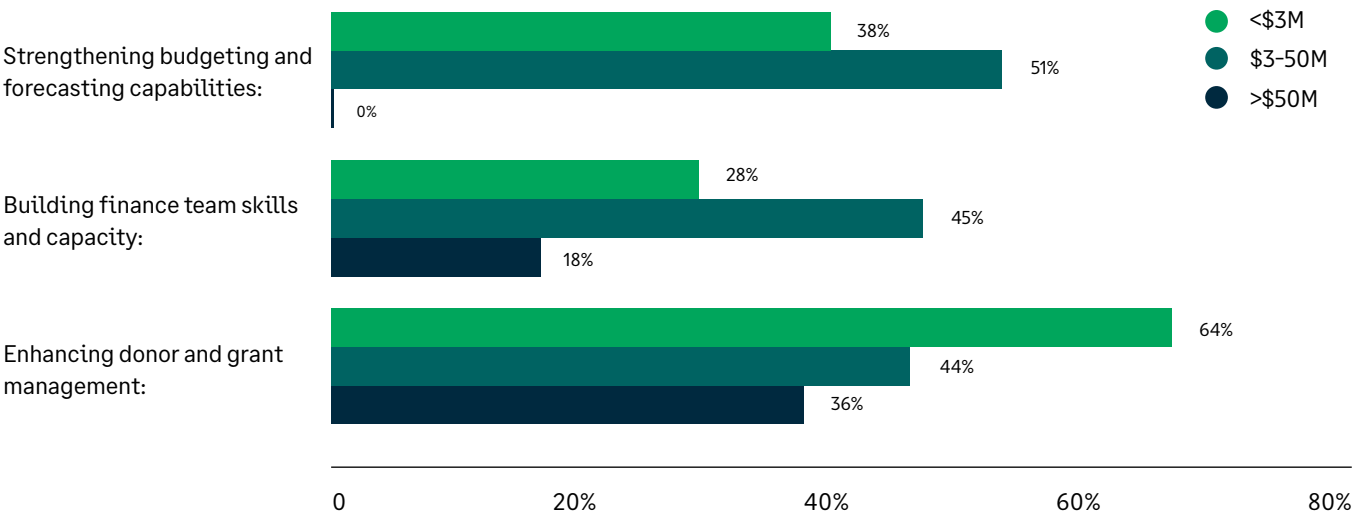
The cost of programs has increased more in the \$3-50M cohort than in other segments.

At the same time, there is a general indication that mid-sized nonprofits are participating in a higher number of initiatives than smaller organizations to help prepare them to manage this need to scale—from budget/forecasting capabilities to finance upskilling.



Since many of these initiatives are “first-time” projects, this can be a daunting task. It may well explain why this segment voices the biggest pains around staffing challenges.

Current initiatives by nonprofit revenue size





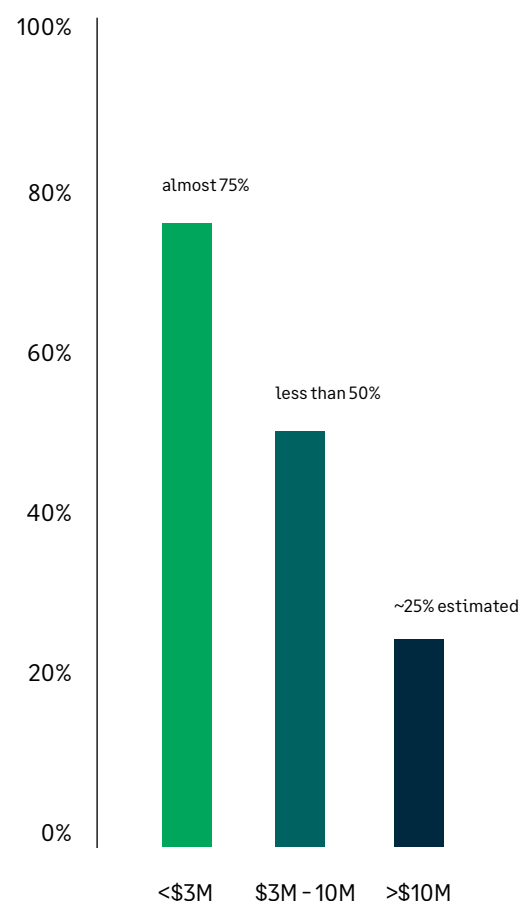
# Many nonprofits notably **leave QuickBooks at this phase**

This is an especially important time in the nonprofit lifecycle, as the organization has proven its value in the community and has a chance to grow into a provider of services that can deliver at scale. Given the overwhelming number of initiatives that come into play at this stage, it's critical that finance and executive leaders are aligned and have board support for their shared priorities.

Executives in our survey anticipated launching more initiatives than finance leaders—indicating a need for CFOs to set proper expectations on what they believe is important.

Identified initiatives may also be misaligned. The technology impact survey revealed examples of executives wanting more focus on growth-related items such as revenue diversification, over traditional activities including improved transparency.

**QuickBooks as the financial system trends as follows:**



# KEY TAKEAWAYS



# It's time to think differently

High-performance CFOs and finance leaders need to break the cycle of manual processes and build their organization's resilience in an uncertain market.

New approaches are needed that help align the organization to confront their challenges—which at their core are around scale and growth—and maximize the finance leaders' strategic impact.

Nonprofit CFOs need to prioritize technology investment as a means to build scale and eliminate manual processes. While many aren't yet ready for AI, this study makes it clear that basic processes are still in desperate need of automation.

When high-performance CFOs across a range of industries were surveyed, the results revealed a correlation between success and higher levels of technology modernization. Nonprofits looking to drive mission success should leverage this knowledge to build strategic plans for the future, following successful CFOs' blueprint and creating workflows that support growth.

Finance voiced the highest concern over staffing than any other role in our survey, particularly given the pressures to pay higher wages to secure the talent needed.

Not only do automated systems free up staff for more important work, but they can help bridge the gap in talent pipelines. Modern work environments are also critical for attracting the right talent in the first place.





Effective data utilization remains rare. Mature use of data is notably absent from the sector, and CFOs are leaving valuable insights on the table.

With those insights, executives will be able to align around the same goals and objectives. Broad technology adoption can be overwhelming—executives, department heads, finance leaders, and board members should all have alignment on priorities, but this is so often not the case.

Now is the time for CFOs to incorporate technology into their strategic planning, and map any advancements against priority challenges in collaboration with key stakeholders.

With the right data at their fingertips, CFOs can ensure better decisions are made collaboratively, across functions.

Understand your 3-5 year journey to scale and establish alignment now. This is especially true for mid-sized organizations, as our research shows that the journey from a growing/established organization (\$3-50M) to one at scale (>\$50M) is one loaded with challenges. The technology strategy during this time is critical and has to be part of the overall key priorities for the organization.

Financial management systems have to be a priority for CFOs before they can transform into high-performance leaders.

Alignment is once again critical. Executives, finance leaders, and boards should have a defined long-range plan with balance that doesn't burn out their staff.



**Financial management systems can address the internal challenges faced by nonprofits.**

In the coming year, it's vital that CFOs focus on systems which can scale and easily integrate with their existing key operational systems to ensure they have a real-time picture of financials and outcomes.

Budgeting and planning are a growing and critical need, and in this unpredictable funding climate, a finance leader's ability to understand performance and set realistic expectations, will elevate their strategic planning cycle.

**CFOs have the opportunity to make a broader organizational impact.**

The technology impact study shows that funder engagement and revenue sustainability are significant priorities, especially when combined with the growing need for high-performing programs. Yet, the finance office remains largely focused on expense management, compliance, and internal processes.

Finance leaders have the skills, tools, and business knowledge to make better strategic growth decisions and are often the keepers of the organizational performance data.

But widening that sphere of influence may take time. Roles throughout nonprofits tend to view revenue growth and diversification as a key finance-specific needs.

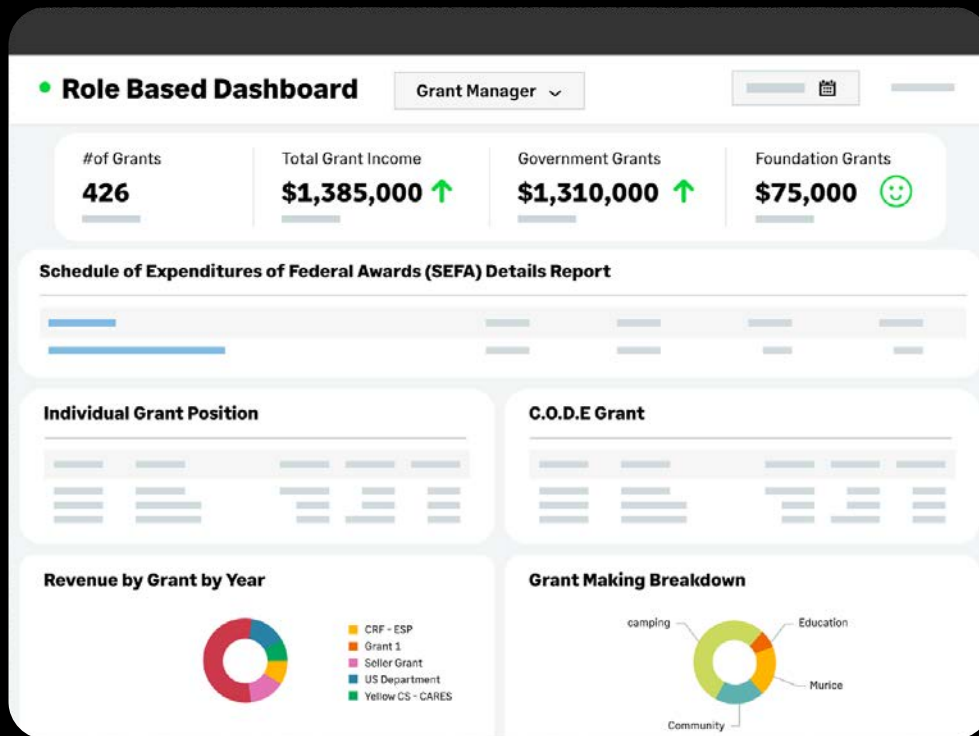
**Finance is held back by manual processes and technology.**

Facing challenges which are exacerbated by staffing constraints. Automating manual tasks will build capacity and provide leaders with the insights to contribute meaningfully to more strategic growth conversations.

Solving this starts with executive alignment on the importance of strategic finance. Support from the board, funders, and executive teams must be sought to invest in ways to shrink the burden of manual accounting processes, which is acute in nonprofit organizations, who deal with heightened compliance and fund accounting requirements in their small teams.



# CONCLUSION



# How Sage Intacct compares to other systems

Sage Intacct is the number one choice for US nonprofit organizations according to G2, and thousands of Sage nonprofit customers.

Support your mission growth with a modern, cloud-based financial system that easily integrates all of your data sources with ease, and gives you greater visibility to make smarter decisions and scale your impact. When compared to older or general-purpose financial systems, survey respondents using Sage software were dramatically less likely to report internal challenges with reporting, visibility, and financial operations—demonstrating the benefits that modern technology can offer your nonprofit.

## % of respondents indicating these internal challenges

|  | Sage Intacct | Legacy Systems |
|--|--------------|----------------|
| Lack of process automation and organization efficiency | 40%          | 47%            |
| Manual, time-consuming reporting                       | 10%          | 41%            |
| Lack of real time visibility                           | 20%          | 41%            |
| Budgeting and planning                                 | 10%          | 31%            |
| Manual consolidation of multiple entities              | 10%          | 21%            |



# Bridging the technology gap to drive mission impact

The annual Nonprofit Technology Impact Report continues to highlight the most pressing needs of the industry, and this year the overwhelming message is clear—nonprofit finance and executive leaders are struggling to respond to intense external challenges due to their internal processes and outdated systems.

Nonprofits may face unprecedented uncertainty, including limited funding, strong competition, increased service demand, changing government requirements, and staffing shortages. But there is a way for CFOs to make a meaningful difference to build the resilience and impact of their nonprofit organization.

The ability to automate processes, track outcome metrics, and improve financial planning is critical to nonprofit success. Finance leaders will also be better able to achieve stronger alignment with the Executive team on organizational strategic priorities, and better influence the opportunities presented as they arise.

As organizations navigate economic uncertainty, the need for a high-performance finance lead empowered by modern software—and the right long-term technology partner to deliver it—has never been greater.

To learn more about how Sage Intacct empowers high-performance nonprofit finance leaders to thrive, visit: [sage.com/nonprofit](https://sage.com/nonprofit) →



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