

Social Sector Trends to Watch in Q4

The social sector enters Q4 2025 grappling with numerous challenges. The last several quarters have been defined by a mix of financial instability, chronic workforce shortages, and significant policy shifts that have left many organizations struggling to keep pace. However, challenges can also create opportunities for transformation and growth. By embracing innovative strategies and leveraging its collective strength, the sector can forge a more resilient and impactful future. To help leaders navigate this dynamic reality, this report, compiled by the experts at Social Current, highlights the critical trends at play and our relevant solutions.

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Government Affairs and Advocacy

Changes in federal policy, from legislation to funding priorities, are directly impacting the work of nonprofits. As the first half of 2025 has demonstrated, this landscape will continue to rapidly evolve, making it essential for organizations to stay informed.

Government Shutdown

Without a continuing resolution or appropriations legislation to extend funding, the government has paused all non-essential operations as of Oct. 1.

While a continuing resolution that would fund the government at previous levels through November 21, [H.R. 5371](#), was passed by the House of Representatives, it has failed to meet the required 60-vote threshold to pass the Senate. Central disagreements included the extension of health care tax credits, reductions in Medicaid following H.R. 1, and language regulating recissions.

Government shutdowns hold far reaching effects for the human services sector and the communities we serve. Federal employees cannot award grants, renew contracts, or provide technical assistance, fostering significant financial strain for affected organizations.

While mandatory benefits, such as Social Security, continue, reimbursements for key social service programs risk being delayed. States face a greater burden to stabilize funding if reimbursements are delayed. The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is particularly threatened, as it is currently funded by a contingency fund that is expected to run out within a few weeks. States may independently implement funding to

safeguard the program and seek reimbursement once a continuing resolution is passed, but not all states are able to afford the cost.

Additionally, vouchers for Head Start, the Child Care and Development Block Grant, and Title IV-B are frozen until the government resumes its required funding levels. Funding for Community Health Centers and Temporary Assistance for Needy Families expired Sept. 30 alongside Medicare telehealth flexibilities.

Mass reductions in force have continued, including within the U.S. Departments of Education, Health and Human Services, and Housing and Urban Development.

To navigate the financial impact of a shutdown:

- Ensure allowable funds are easily accessible
- Review relevant agencies' contingency plans and your grant or contract agreements for any provisions related to funding and performance during a shutdown
- Record any missed reimbursements, delayed approvals, and paused monitoring
- Communicate with clients to ensure they understand their benefits will continue, although they may be delayed, in addition to relevant actions your organization is taking
- Continue outreach with representatives to ensure their offices understand the harm shutdowns hold for your communities and clients

Social Current Resources

Staying informed and seizing advocacy opportunities is critical in this rapidly evolving political environment. Take advantage of Social Current's resources to help your organization build policy literacy, mobilize your community, and take action.

- **[Social Current Grassroots Advocacy Network](#)**: Join our Grassroots Network to receive action alerts, resources detailing key political issues, and information about training and networking opportunities.
- **Register for the [Advocacy in Action Webinar Series](#):**
- **[Policy Briefs and Toolkits](#)**: Resources developed by our Government Affairs and Advocacy team to keep you informed and develop your advocacy skills.
 - Bookmark [Social Current's Executive Order Tracker](#) to have the latest information on executive order developments.
- **[Individualized Government Affairs and Advocacy Training and Consulting](#)**: Connect with our experts for consulting that is tailored to the needs of your organization.

Leadership

For our sector, 2025 has been a year marked by uncertainty. Many organizations have had to adapt to new policies, reallocate resources, and reconsider their services. When change involves painful decisions, such as staff reductions, program eliminations, or major restructuring, the stakes are particularly high.

Successful change management depends on acknowledging the human cost of change and communicating with genuine empathy and transparency. People need to understand not just

what is changing, but why it matters and how they can be part of the process. Open, honest dialogue about organizational challenges helps maintain trust during periods of uncertainty, while fostering a culture where employees see themselves as active participants in shaping solutions, rather than as passive recipients of top-down directives.

Strategic Prioritization

Not all changes carry equal weight, and attempting too much simultaneously can overwhelm an organization. A prioritization matrix is a practical tool for making strategic choices by evaluating potential initiatives across two dimensions: Their expected impact and their complexity.

This framework includes four categories of change:

1. **Priority Actions:** Prioritize low-complexity, high-impact tasks, such as implementing digital systems that deliver significant benefits without excessive difficulty. These deserve immediate attention and will serve to build morale as the team feels the immediate impact of these changes.
2. **Quick Wins:** Low complexity, low impact initiatives like streamlining forms or trimming minor expenses may seem modest but serve an important purpose in building momentum and demonstrating progress.
3. **Strategic Initiatives:** Represent high-impact, high-complexity endeavors like restructuring service delivery or merging programs. While potentially transformative, they demand extensive planning, resources, and sustained engagement.
4. **Back Burner:** Generally, avoid these high-complexity, low-impact changes, as they consume disproportionate energy relative to their benefits and can leave people feeling discouraged when hard work doesn't translate into visible results.

By thoughtfully categorizing changes and strategically selecting what to change, leaders can sequence initiatives to maintain morale, enhance efficiency, and avoid organizational fatigue.

Essential Change Management Questions

Once priorities are established, leaders must approach each change initiative carefully.

A set of guiding questions helps ensure thoughtful execution:

- Why is this change necessary?
- What specific problem does it address? What is the urgency level?
- What exactly will be different - not in vague terms, but with concrete specifics?
- Who will experience the change, and how will it affect them?

Equally important are questions about timing and support:

- When will implementation occur, with what milestones and key dates?
- What training, tools, and resources will help people navigate the transition?
- What benefits will result? For staff, for clients, and for the organization's mission?

Connecting change to meaningful outcomes helps people understand its value and sustains commitment through difficult periods.

Investing in People During Times of Uncertainty

Particularly during times of change, organizations should invest in staff development to position themselves for long-term success. When leaders prioritize professional growth during challenging times, they send a powerful message about their commitment to their workforce, strengthening resilience even as structures and services must evolve.

The organizations that navigate challenging times successfully are those that embrace transparency, plan and implement change strategically, and frame transformation as an opportunity for renewal without minimizing genuine losses. This approach enables organizations to emerge from turbulent periods more adaptive, more resilient, and better equipped to serve the communities that depend on them.

Sources & Further Reading

- [How to Successfully Drive Change When Everything is Uncertain](#) *Harvard Business Review* (2025)
- [Organizations Need to Shift from Change Management to Change Fitness](#) *Forbes* (2025)
- [Leading Through Continuous Change: The HBR Playbook on Overcoming Change Fatigue and Positioning Your People for Agility](#) *Harvard Business Review* (2025)

Social Current Solutions

Social Current offers [Leadership and Organizational Development expertise and solutions](#) that will help you and your team stay agile in the face of change. Check out these three new on-demand leadership courses available through Social Current's online learning community:

[Managing Virtual and Hybrid Teams](#)

Remote teams need a strategy for thinking differently, communicating digitally, and making sure people feel included, connected, and aligned to perform at their best.

[Innovation Leadership](#)

Effective leaders need to champion innovation. Understanding design thinking concepts can help leaders target and champion innovation more effectively.

[Burn Bright: The Resilience Advantage](#)

Approach energy and performance with a new mindset and invigorated toolset. In each of four sections, participants will complete multiple lessons designed to encourage engagement and interaction.

Philanthropy

Federal scrutiny and shifting politics are reshaping how companies approach philanthropy. In today's climate, every gift carries more weight—and funders are rethinking how to balance impact with risk.

Corporate Giving Under Pressure

Corporate giving has moved from the margins to the front lines. As we move into Q4 of 2025, the political environment has become impossible for companies to ignore. A recent [survey](#) of corporate citizenship and philanthropy leaders showed that most feel scrutiny from the federal

government is directly influencing their philanthropy. Gifts are being slowed, reframed, or abandoned altogether to avoid political backlash.

The consequences are cascading through the sector. [Giving Compass reports](#) that two-thirds of companies say their nonprofit partners have already lost government funding, leading to layoffs and program closures. That leaves corporate funders in a bind—step in to stabilize struggling partners or watch entire initiatives collapse. This isn't business-as-usual, feel-good grantmaking—it's crisis management.

The reality is clear—corporate philanthropy is no longer neutral. Each gift represents a choice—to retreat and dilute commitments, or to stand firm and use resources to protect civil society under pressure. In this environment, fence-sitting is not an option.

Nonprofits can meet this moment by taking the initiative with their corporate partners. Proactively share stories of impact that demonstrate clear results and alignment with business values. Offer opportunities for gifts to be made anonymously if companies fear political blowback. Invite corporate staff to see programs firsthand, reframing philanthropy as employee engagement and brand-strengthening rather than risk. And when possible, provide clear metrics that help corporate funders defend their support internally.

In short, don't wait for companies to retreat. Give them the tools to stand with you.

Sources & Further Reading

- [Majority of Companies Say Federal Pressure Impacts their Philanthropy](#) *Forbes*. (2025)
- [Federal Scrutiny Impacts Corporate Philanthropy](#) Giving Compass. (2025)
- [The DEI Dilemma: Double Down or Back Down](#) *The Chronicle of Philanthropy*. (2025)

Workforce Resilience

A Pervasive Turnover Problem

The social sector is currently facing widespread employee burnout and turnover, particularly among those in direct service roles. This issue isn't just an internal challenge; it has profound, negative effects on the organizations' communities. Without adequate workforce support, quality and stability suffer, limiting progress and positive outcomes for children and families.

Reports from the [National Council of Nonprofits](#) and the [Center for an Urban Future](#) highlight the scale of the staffing crisis. A significant portion of nonprofits report job vacancies, with some estimates as high as 74.6%. This is fueled by high levels of stress and burnout, cited by over half of respondents as a key contributing factor. In a 2025 nonprofit [compensation study](#), almost half of nonprofit organizations say it is more difficult to recruit and hire staff than the prior year, with 50% of vacancies remaining unfilled for more than 60 days.

While turnover varies depending on organization, location, and service-type, the [turnover rate](#) at child welfare agencies has hovered between 20-40% for over 15 years, well above the recommended industry maximum of 12%. This high turnover creates a vicious cycle that has both financial and human implications. Without doubt, high turnover strains already limited resources. To understand the monetary impact of high turnover, the National Nonprofit Alliance created this [Cost of Employee Turnover Calculator](#). The cost of turnover is estimated at 30%-200% of the former employee's annual salary. Additionally, understaffing places pressure on

remaining employees, increasing their workload and stress, which, in turn, fuels more burnout and turnover. Most critically, this instability disrupts essential services and leaves children and families, who are already experiencing instability, without consistent support.

Connections Between Employee Well-Being and Client Outcomes

While practitioners often see firsthand the link between the well-being of staff and the quality of services and outcomes for children and families, there have been few direct causal studies in the field. However, this is beginning to shift. New studies have found that employee burnout and low job satisfaction are directly associated with a decreased capacity to provide consistent, high-quality care. For example, recent [research on child welfare](#) workers found that those experiencing burnout were less effective in using essential casework skills like assessment and case planning. Additionally, [new research](#) in the early childhood education field shows that the well-being of teachers and caregivers is directly tied to their responsiveness to children's needs and their ability to collaborate with families. The evidence highlights what many in the field have known for a long time. When the employees providing care are stressed, overwhelmed, or isolated, they have less capacity to meet the complex needs of the children and families they serve. The health of the workforce is not a separate issue from the health of the clients; it is a prerequisite for effective service delivery.

Prioritize Trauma-Informed Workforce Solutions

Implementing trauma-informed and healing-centered workplace practices is a proven and sustainable strategy for addressing this crisis, particularly in supporting workforce retention and satisfaction. Human services front-line employees are exposed to high levels of secondary trauma, which can lead to burnout and compassion fatigue. A trauma-informed approach acknowledges this reality and shifts the focus from blame to one of psychological safety and trust. By creating an organizational culture that understands the impact of stress and trauma on its employees, nonprofits can build a more resilient and supported workforce.

Trauma-informed approaches go beyond offering mental health support (though that is very important too). True trauma-informed culture shift is about fundamentally changing how organizations operate. This includes:

- Providing training on recognizing and responding to vicarious trauma
- Ensuring manageable caseloads to prevent overwhelm
- Fostering a sense of psychological safety where employees feel comfortable seeking support without fear of judgment or professional repercussions
- Building a supportive community through peer supervision and team-based problem-solving
- Modeling self-care from leadership down

Ultimately, a trauma-informed workplace can help address the root causes of burnout and turnover, allowing leaders and staff at all levels to contribute to a more sustainable and impactful system of care that results in better outcomes for everyone involved.

Sources & Further Reading

- [Aspects of Well-Being for the Child Care & Early Education Workforce](#) U.S. Department of Health and Human Services (2024)
- [Examining associations between child welfare workforce well-being and utilization of casework skills with children and families](#) Child Abuse & Neglect (2024)
- [Fostering resilience: The impact of supportive organizational culture on mitigating burnout in early childhood educators](#) European Early Childhood Education Research Journal (2024)
- [Nonprofit Compensation Practices and Benchmarking Report](#). Career Blazers (2025)
- [Cost of Employee Turnover Calculator](#) Nonprofit Leadership Alliance (2024)

Social Current Solutions

Social Current offers training and consulting to support human services organizations and agencies in building the resilience of their staff by embedding trauma-informed approaches. Visit our [Brain Science and Trauma Informed Approaches](#) page to connect with our experts.

Child, Family, and Community Well-Being

Mandated Reporting Reform

Mandated reporting laws, established decades ago with the goal of protecting children, require professionals, such as educators, doctors, and social workers, and in 18 states, *every adult*, to report suspected child maltreatment to child protective services (CPS). Despite their original intent, the current reporting system is characterized by widespread overreporting, leading to millions of children and families being subjected to unnecessary, invasive, and often traumatic investigations every year. In the U.S., more than one-third (37.4%) of all children are the subject of a child protective services (CPS) report before they turn 18, according to the [latest estimates](#) from the National Child Abuse and Neglect Data System (NCANDS). Most of these reports are unsubstantiated, making it harder to identify children who actually need protection.

This overreach is not random. It is fueled by a confluence of systemic issues, including a lack of clarity in legal definitions, confusion between poverty and neglect, and pervasive racial biases. To truly fulfill the goal of strengthening families and protecting children, reform must focus on comprehensive training and, crucially, integrating the expertise of those with lived experience who have personally navigated the child welfare system.

The Lack of Definition Around “Neglect”

One fundamental challenge of the current framework is the severe lack of consistency from state to state. Although federal guidelines exist, state statutes defining "neglect" vary widely, leading to a fragmented legal landscape. This inconsistency creates a critical point of confusion for mandated reporters in distinguishing between neglect and poverty. For example, a child missing school due to inadequate clothing or shelter may be reported for "educational neglect," when the root cause is material deprivation, not parental malice or indifference. Without clear guidance or a structured alternative to reporting, fear of legal liability often compels reporters to err on the side of making a report, unnecessarily criminalizing economic hardship and launching investigations that overwhelm already-strained CPS resources.

Inherent Bias and Discrimination in Reporting

The conflation of poverty with neglect disproportionately targets families of color due to deep-seated racial biases among mandated reporters. National data consistently show that Black, Hispanic, and Indigenous children are investigated and subjected to state surveillance at [significantly higher rates](#) than white children, even when holding socioeconomic factors constant. Black families had the highest lifetime prevalence of maltreatment investigations, with 53% facing a CPS investigation before their child's 18th birthday.

Mandated reporters, who are predominantly white, middle-class professionals operating within institutions like schools and hospitals, may unknowingly apply their own cultural norms and biases to judge the living conditions, parenting styles, or emotional expressions of families from different backgrounds. This racial bias functions as an entry point for the state, which often further destabilizes families rather than supporting them.

The resulting unnecessary involvement with CPS carries [severe consequences](#) that contradict the system's protective mission. Investigations can involve home inspections, detailed questioning of children, and even physical examinations, inflicting significant emotional trauma regardless of the report's outcome. Furthermore, families who are subjected to investigations frequently become distrustful of the institutions meant to help them, such as schools and health care providers, leading them to withdraw from essential community resources. With a [high percentage](#) of reports being unsubstantiated, resources could be better spent on providing preventive community-based support.

Quality Improvement Center Initiative

To address these mandated reporting challenges and shift the frame of reporting from away from surveillance and toward support, Social Current has partnered with Evident Change and the Children's Trust Fund Alliance to establish the [Quality Improvement Center on Helplines and Hotlines](#). Their newly launched website provides research-based solutions, answers to common questions, and curated resources on child welfare. The initiative stresses the importance of centering the voices of those with lived experience to inform its actions and curriculum.

The Center aims to achieve three main goals:

- **Support child protective services (CPS):** Assist CPS agencies in their mission to protect children and prevent unnecessary intervention.
- **Improve decision-making:** Help hotline staff and mandated reporters in determining which families need child protection intervention versus those who could benefit from community services.
- **Create an information hub:** Serve as a central resource for best practices for community helplines and hotlines.

To accomplish these goals, the Quality Improvement Center plans to collect and share best practices for CPS hotline interviews, develop evidence-based training curricula for mandated reporters, and recruit pilot sites across the country to test new strategies. The findings from these pilots will be evaluated and shared nationally. The goal is to protect children from harm, improve pathways to meet families' needs, and ensure all families can thrive.

Share Your Insight

If you are a mandated reporter or child protection hotline/community helpline staff or volunteer, you can make an impact on this initiative. We invite you to complete an [anonymous, confidential survey](#) about your experiences. **The deadline for completing the survey is Oct. 24.**

Sources and Further Reading

- [The Mandated Reporting Dilemma: Systems, Ethics, and Impact in Education Systems](#). Social Current Webinar (2025)
- [Mandated Reporting Policies Do Not Promote More Accurate Reporting of Suspected Neglect](#) Child Trends Research Brief (2024)
- [Mandatory Reporting Punishes Poor Families](#) Propublica (2022)
- [What Parents Say About Supporting Families Rather Than Reporting Them: Changing Mandated Reporting Policies and Practices](#). Children's Trust Fund Alliance (2024).

Social Current Solutions

Social Current is hosting a cross-sector conversation on how to equip policymakers, practitioners, and advocates with a proactive public health approach to child, family, and community well-being. Register now to join us for this virtual event: [Lessons From Within Our Reach: A Cross-Sector Conversation on Child and Family Well-Being](#)

- Tuesday, Nov. 4 from noon-3 p.m. ET
- Wednesday, Nov. 5 from noon-3 p.m. ET

Join us for this powerful two-day virtual event to discuss key insights from the [Within Our Reach](#) report on preventing child maltreatment fatalities through a proactive, community-based approach. This interactive convening brings together professionals from a wide range of fields—including pediatric care, juvenile justice, child welfare, law enforcement, and education—to explore new strategies. We'll reflect on what's working and what needs to change to create responsive, equitable, and family-centered systems. Participants will learn how policy changes, lived experiences, and community-driven strategies can help prevent child harm, increase protective factors to family well-being, and build trust across sectors.

COA Accreditation

As the social sector responds to emerging practice guidance and evolving regulations, benchmarks for excellence must advance accordingly. Social Current has recently introduced targeted updates to the COA Accreditation standards to ensure they remain current, evidence-based, and grounded in field expertise.

Updates have been made to the following standards:

Kinship Care

Federal policy shifts and [new research](#) are changing how states and child welfare agencies approach placing children in foster care. A [growing body of evidence](#) shows that children in kinship care (placed with relatives or close family friends) experience greater stability, a lower risk of re-abuse, better behavioral health, and a higher chance of achieving permanency.

Consequently, there has been a concerted effort to increase the number of licensed kinship homes and enhance the economic, legal, and community-based supports available to them.

To reflect these changes, Social Current has updated its **Family Foster Care and Kinship Care (FKC, CA-FKC)** and **Child and Family Services (PA-CFS)** standards. These revisions recognize the unique strengths of kinship caregivers and incorporate best practices for working with both kin and the children in their care. For an in-depth overview of these changes, watch our [recent webinar](#).

Adult Day Services

The U.S. is experiencing a significant demographic shift, with the population age 65 and older expected to grow from [58 million in 2022 to approximately 82 million by 2050](#). This trend is increasing the need for home- and community-based services that help adults with disabilities, functional limitations, or other special needs live independently and improve their quality of life.

In response to this rising demand, Social Current has revised its COA Accreditation standards for **Adult Day Services (AD, CA-AD, PA-AD)**. Research demonstrates that high-quality adult day services can enhance the functioning and improve social, psychological, and health outcomes for both the individuals receiving care and their caregivers. The updated standards emphasize person-centered care, community integration, and better access to a network of local health and social services.

Leadership & DEI

Navigating the shifting landscape around diversity, equity, and inclusion (DEI) initiatives has become a top concern for many social sector organizations. Amid executive orders that create uncertainty and potential financial risk, several organizations have asked how they can continue to foster inclusive, fair, and safe environments for staff and the people they serve without jeopardizing federal or state funding?

Experts suggest that the most effective strategy is to [reframe the work](#) to better align with the unique mission and specific needs of your organization and the communities you serve. This means shifting away from isolated DEI programs and generic terminology and instead integrating these principles directly into your core mission and practices.

Drawing on feedback from our network, expert collaborations, and a review of current best practices, Social Current has updated its standards to help organizations address these challenges. Key revisions have been made to the **Governance (GOV, AFM, PA-AM, CA-GOV, CA-AFM, CP-AM, CYD)** and **Human Resource Management (HR, PA-HR, CA-HR)** sections. These updates will guide organizations in creating the foundational policies and procedures needed to ensure dignity, fairness, and equal opportunity for all stakeholders.

Social Current Solutions

For full details of the updates and our standards review process, please visit Social Current's [2025 COA Accreditation Standards Updates](#).

To learn more about [COA Accreditation](#) and how our team can partner with your organization to implement best practices, enhance credibility, and support continuous improvement, register for our upcoming [Introduction to COA Accreditation](#) webinar Dec. 10 from 1-1:30 p.m. ET.