



2025 Mid-Year Outlook

5 Key Trends in People & Culture

Nonprofit leaders continue to face a complex social, political, and economic landscape as we move through 2025. The year has brought ongoing financial uncertainty, continued shifts in work expectations, and growing pressure to align operations and compensation with values like equity and transparency. These challenges are especially prevalent when it comes to managing people, culture, and pay – areas critical to organizational stability and long-term impact.

At C3 Nonprofit Consulting Group, we work closely with mission-driven organizations to navigate evolving workforce needs. Now that we're halfway through the year, our experts have compiled a list of the five most important people and culture-related matters we believe nonprofit leaders should pay close attention to moving forward.

1. Workforce Structure and Alignment

With changing economic conditions and instability in the regulatory environment, nonprofit organizations with historically high retention rates may struggle to adapt their workforce as new skills and competencies are needed. Typically, regular turnover is enough to fill these gaps, but high retention means a more proactive approach is necessary.

To continue promoting workforce evolution, nonprofits are revisiting their organizational structures and role alignment to ensure they have the right talent, in the right place, at the right time. Others are revisiting these structures before and after workforce reductions to adapt to new organizational scale, workflows, and skills needed.

2. Pay Transparency

Despite recent counter pressures, employees and regulators still expect nonprofit organizations to demonstrate a commitment to [equity](#) through voluntary pay transparency. Efforts to ensure fairness focus on clear and measurable criteria for establishing pay structures and using a more rigorous approach to determine pay at the time of hire and regularly throughout employment. Proactive employers are shifting toward more structure and fewer exceptions when it comes to how pay decisions are made.

3. Remote and Hybrid Work Considerations

Expectations around flexible work arrangements persist. To maintain a competitive edge, nonprofit organizations are continuing to offer flexibility but are challenged by adapting their pay strategies with the use of tools such as geographic pay differentials. Most are selecting to anchor pay to either a single location or limit differentials to two or three geographies while clearly communicating the impact to pay with mobility.

4. Mission Alignment and Living Wage

Mission-driven organizations have a unique advantage in attracting talent motivated by purpose. However, many nonprofit organizations struggle to [pay a living wage](#) and are faced with increasing pressure to align their values and rewards programs. Focusing efforts on a living wage program can increase employee engagement, align with the organization's values, foster higher morale and productivity, and preserve or enhance a culture of fairness – all positive outcomes for employers and employees alike.

5. Leadership Development and Succession Planning

Building a more robust pipeline of internal leadership talent is critical – and this trend has been growing particularly within the nonprofit sector. Faced with limited resources, nonprofits at the forefront of talent strategy are strengthening their investment in professional development, leadership opportunities, and succession planning. This proactive approach can enhance a nonprofit's ability to retain high performers over the long term while also ensuring a dynamic pool of talent remains easily accessible.

It's Time for a More Proactive Approach

From rethinking workforce structures to deepening commitments to pay equity and leadership development, many nonprofit organizations are finding it necessary to evolve how they support and sustain their people. In this current landscape, those that prioritize alignment between mission, values, and workforce strategy will be better positioned to reinforce talent, manage change, and deliver lasting impact.

About C3 Nonprofit Consulting Group

C3 Nonprofit Consulting Group is an advisory services firm focused exclusively on helping nonprofit organizations unleash the full potential of their people. We partner with nonprofits to design competitive compensation and rewards programs, build equitable workplace strategies, and implement talent programs designed to propel their missions forward. C3 is here to help your workforce thrive.

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