

Strengthening Nonprofits Across Indonesia, Malaysia, and Singapore

By Keeran Sivarajah, Pritha Venkatachalam, Ying Yap, Farih
Rahim, Chen Hui, John Carandang, and Roger Thompson

May 2026



Executive Summary

Nonprofits in Southeast Asia are a vital and growing force, playing a critical role in addressing urgent social and environmental needs. Yet new evidence from our study of three Southeast Asian nations paints a picture of nonprofits caught in a cycle of constrained growth: they have enough to keep the doors open, but the infrastructure around them and the nature of funding they receive limit their ability to innovate and build the organisational strength needed to endure and best serve communities.

This was the core finding of a recent Bridgespan Group survey that received over 160 responses from nonprofit leaders in Indonesia, Malaysia, and Singapore, supplemented by in-country workshops with 45 nonprofit leaders and 20 stakeholder interviews. The analysis revealed that the challenges nonprofits face are systemic rather than due to individual operational lapses. This pointed to five shifts in the practice of funders and other sector stakeholders that would strengthen nonprofits' ability to pursue their missions:

- **Change the nature of funding to be long-term and flexible.**
- **Target investments to develop nonprofit leaders, staff, and boards.**
- **Support smaller organisations and those outside major cities.**
- **Establish shared data and support services to strengthen nonprofits' effectiveness.**
- **Strengthen pathways for nonprofits and government to work together on shared priorities.**

The full report provides examples of how these shifts have been implemented in practice, illustrating how they can strengthen nonprofits and enable them to reach more people in need. Together, they offer a practical agenda for addressing the most pressing systemic challenges facing the sector:

- Seven in 10 cite the lack of multiyear, unrestricted funding as a “highly” or “critically” important constraint.
- More than 40 percent have fewer than six months of operating reserves.
- Half report that they do not receive sufficient flexible funding to cover their nonprogramme costs.
- More than 80 percent identify leadership development and staff recruitment and retention as major obstacles to their success.
- Smaller nonprofits headquartered outside Java in Indonesia and Peninsular Malaysia are three to five times more likely to have fewer than three months of reserves.

Opportunities for nonprofits, funders, and intermediaries to work together on the proposed practice shifts come at a pivotal moment for Southeast Asia.

Private wealth has expanded rapidly over the past decade, along with the philanthropic ambition of wealth holders. Yet the growing pool of capital and rising philanthropic ambition have not translated into a strong nonprofit sector equipped for sustained, scalable impact.

For their part, many funders across the region told us they aspire to increase their programmatic giving but struggle to find strong nonprofits able to absorb and manage larger commitments. Funders also express concerns about nonprofits' lack of financial transparency and accountability, which undermines trust in nonprofits' ability to deploy grants effectively. To minimize risk, many funders sidestep grantmaking to nonprofits in favor of internally staffed and managed projects. Unfortunately, some of these concerns feed a vicious cycle of underinvestment in nonprofits' organisational capabilities, which in turn limits their ability to deploy, monitor, and demonstrate impact.

Compounding these factors, nonprofits today operate against the backdrop of tightening government budgets and a sharp decline in overseas development aid on the one hand, and rising demand for essential services from those in need on the other. For example, demographic shifts, such as the youth bulge in Indonesia and the rapidly ageing populations in Singapore and parts of Malaysia, are reshaping social needs and straining existing public safety nets.

Meeting these challenges requires a break with business as usual. The proposed shifts represent a practical agenda for action for both individual organisations and the ecosystem. Funders have an opportunity to think boldly about how to strengthen nonprofits to better serve communities in need, and nonprofits have work to do on showcasing their impact and communicating true costs to help shift funding practices. Intermediaries can do more to help nonprofits build greater organisational capacity, build awareness among funders to pay what it takes to achieve impact, and convene cross-sector dialogue that fosters government collaboration.

Across Southeast Asia, some nonprofits have demonstrated remarkable resilience and resourcefulness in achieving meaningful impact. Their lived experiences showcase how these practice shifts enhance the impact potential and resilience of the nonprofits. "The nonprofit sector is moving away from purely delivering activities on the ground towards ecosystem-level change, with more nonprofits investing in research, advocacy, and systems thinking to address root causes rather than symptoms," says Corinna Lim, former executive director of Association of Women for Action and Research (AWARE), an advocacy organisation working to end violence against women in Singapore.

The opportunity ahead is clear. Southeast Asia's nonprofit sector has the ambition, community trust, and growing support to achieve far greater impact. Realising that potential will require a shift in how organisations are funded and supported toward longer-term investment, stronger capabilities, and better enabling infrastructure. The question now is whether funders, intermediaries, and nonprofits will act with the urgency and coordination this moment demands – aligning the region's growing philanthropic capital with nonprofits' ambitions to deliver lasting impact.

Table of Contents

1	Introduction
4	Five Shifts That Would Strengthen Nonprofits and Better Serve Communities
5	1. Change the Nature of Funding to be Long-Term and Flexible
12	2. Target Investments to Develop Nonprofit Leaders, Staff, and Boards
15	3. Support Smaller Organisations and Those Outside Major Cities
21	4. Establish Shared Data and Support Services to Strengthen Nonprofits' Effectiveness
23	5. Strengthen Pathways for Nonprofits and Government to Work Together on Shared Priorities
28	Practical Steps for Funders, Nonprofits, and Intermediaries
31	Acknowledgments
32	Appendices
38	Endnotes



Introduction

Nonprofits are an essential part of the social fabric across Southeast Asia. They are key partners in delivering services, informing policy, and complementing public systems – all of which were on display during the response to COVID-19, when nonprofits played a critical role in meeting urgent needs. With deep community knowledge, implementation capacity, and trusted networks in marginalised communities, they are vital in addressing social and environmental issues: from expanding access to clean drinking water and primary healthcare, to training young people for jobs and helping farmers cope with floods, droughts, and changing climate conditions.¹

Yet new evidence from our study of three Southeast Asian nations paints a picture of nonprofits caught in a cycle of constrained growth: they have enough to keep the doors open, but the infrastructure around them and the nature of the funding they receive limit their ability to innovate and develop the organisational strength needed to endure and best serve their communities. This was the core finding of a recent Bridgespan Group survey that received over 160 responses from nonprofit leaders in Indonesia, Malaysia, and Singapore, supplemented by in-country workshops with 45 nonprofit leaders and 20 stakeholder interviews (See the “Methodology” on page 35.) Our analysis revealed that the challenges faced by nonprofits are systemic rather than individual operational lapses. This pointed to five shifts in the practice of funders and other sector stakeholders that would strengthen nonprofits’ ability to pursue their missions.

- **Change the nature of funding to be long-term and flexible.**
- **Target investments to develop nonprofit leaders, staff, and boards.**
- **Support smaller organisations and those outside major cities.**
- **Establish shared data and support services to strengthen nonprofits' effectiveness.**
- **Strengthen pathways for nonprofits and government to work together on shared priorities.**

The opportunities for nonprofits, funders, and intermediaries to work more closely together come at a pivotal moment for Southeast Asia. Private wealth has expanded rapidly over the past decade. Southeast Asia today is home to 136 billionaires holding over US\$600 billion in assets.² As wealth generation has increased, so has the philanthropic ambition of wealth holders. In a poll of business leaders in Asia, most reported their intention to engage in more public/private partnerships for social or environmental good.³ The region is already home to five of Asia's largest philanthropic funders, who give a combined total of US\$477 million annually.⁴ Yet the growing pool of capital and rising philanthropic ambition have not translated into a strong nonprofit sector equipped for sustained, scalable impact.

For their part, many funders across the region told us they aspire to increase their programmatic giving but struggle to identify strong nonprofits able to absorb and manage larger commitments. Funders also express concerns about nonprofits' lack of financial transparency and accountability, which erodes trust in their ability to deploy grants effectively. Occasional high-profile scandals involving misuse of funds have undercut that trust. To control risk, some funders turn to operating foundations and direct-service corporate programmes that sidestep grantmaking in favour of internally staffed and managed projects. Unfortunately, these concerns feed a vicious cycle of underinvestment in nonprofits' organisational capabilities, which in turn limits their ability to deploy, monitor, and demonstrate impact.

The nonprofit sector also operates against the backdrop of tightening government budgets⁵ and a sharp decline in overseas development aid⁶ on the one hand, and rising demand from those in need of essential services on the other. For example, demographic shifts are reshaping social needs and straining existing public safety nets. Indonesia's youth bulge presents a once-in-a-generation opportunity to harness a demographic dividend, but without inclusive pathways for education and work, the bulge could deepen youth unemployment. Rapidly ageing populations in Singapore and parts of Malaysia are placing new pressures on healthcare and social protection systems. Malnutrition and non-communicable diseases continue to strain health systems, and coastal and agrarian communities face increasing climate volatility.⁷

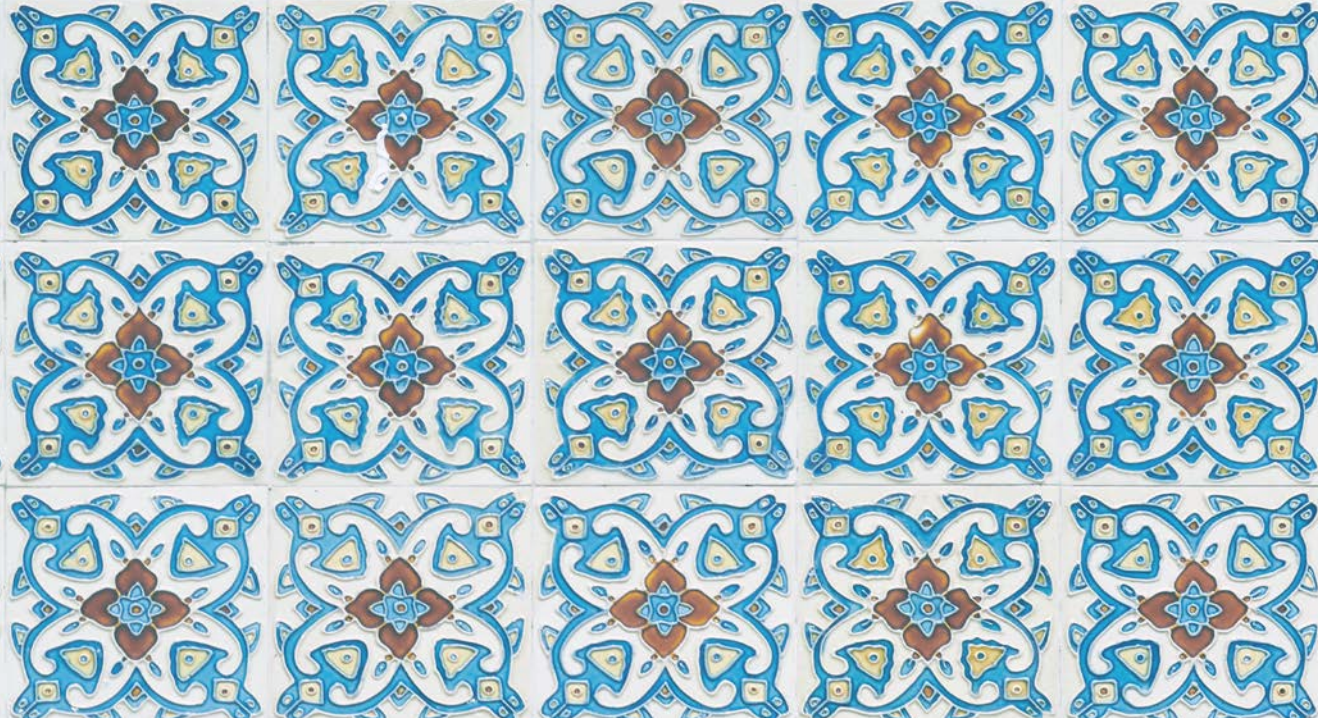
Despite these challenges, some nonprofits have demonstrated remarkable resilience and resourcefulness in achieving meaningful impact. “The nonprofit sector is moving away from purely delivering activities on the ground towards ecosystem-level change, with more nonprofits investing in research, advocacy, and systems thinking to address root causes rather than symptoms,” says Corinna Lim, former executive director of the Association of Women for Action and Research (AWARE), an advocacy organisation working to end violence against women in Singapore.

The years ahead will determine whether loosening of current constraints will make it possible for the philanthropic aspirations of the region’s wealth holders and the ambition of nonprofits to converge and make a meaningful, lasting difference in the lives of the most vulnerable communities.

“

The nonprofit sector is moving away from purely delivering activities on the ground towards ecosystem-level change, with more nonprofits investing in research, advocacy, and systems thinking to address root causes rather than symptoms.”

Corinna Lim, Former Executive Director,
Association of Women for Action and Research (AWARE)



Five Shifts That Would Strengthen Nonprofits and Better Serve Communities

Our research sought to generate insights into what impedes and enables nonprofits in Indonesia, Malaysia, and Singapore, and how funders and intermediaries can strengthen the conditions for nonprofits' success. Drawing on survey findings and interviews, five shifts consistently emerged as critical to strengthening nonprofits' ability to deepen their impact and build resilient organisations.

The proposed changes provide a practical agenda for action at both the level of individual organisations and across the ecosystem. Through these practices, funders, intermediaries, and nonprofit leaders have an opportunity to think boldly about the sector's next phase, with clearer roles, stronger coordination and funding, and policy practices better aligned to the sector's evolving contribution to society.

1. Change the Nature of Funding to be Long-Term and Flexible

“Longer-term, flexible core funding rather than short-term, project-restricted grants is the one change that would most strengthen nonprofits’ financial resilience,” says a Malaysian nonprofit leader. “Multiyear support for core functions, such as governance, finance, coordination, compliance, and organisational development, would enable nonprofits to build stable teams and invest in measurement, evaluation, and learning without constantly chasing fragmented, annual funding.”

In a 2021 study of 388 nonprofits in India, Bridgespan found that those investing in organisational development grew at twice the rate of their peers. This clearly indicates that investing in an organisation’s capabilities accelerates impact.⁸

But that’s not the predominant approach for philanthropy in Southeast Asia right now. “Most philanthropic support remains short-term, highly restricted, and activity-based, which limits an organisation’s ability to invest in core systems, innovate, adapt, respond to emerging opportunities, and maintain long-term commitments,” says Hari Kushardanto, vice president of Rare Indonesia, an environmental nonprofit.

Seven in 10 nonprofit leaders point to the lack of multiyear, unrestricted funding as a “highly” or “critically” important constraint. (See Figure 1 on page 6.) Half report that they do not receive sufficient flexible funding to cover their nonprogramme costs. More than 40 percent have fewer than six months of operating reserves to cover temporary funding gaps, invest in operational upgrades, or take calculated risks with new approaches.

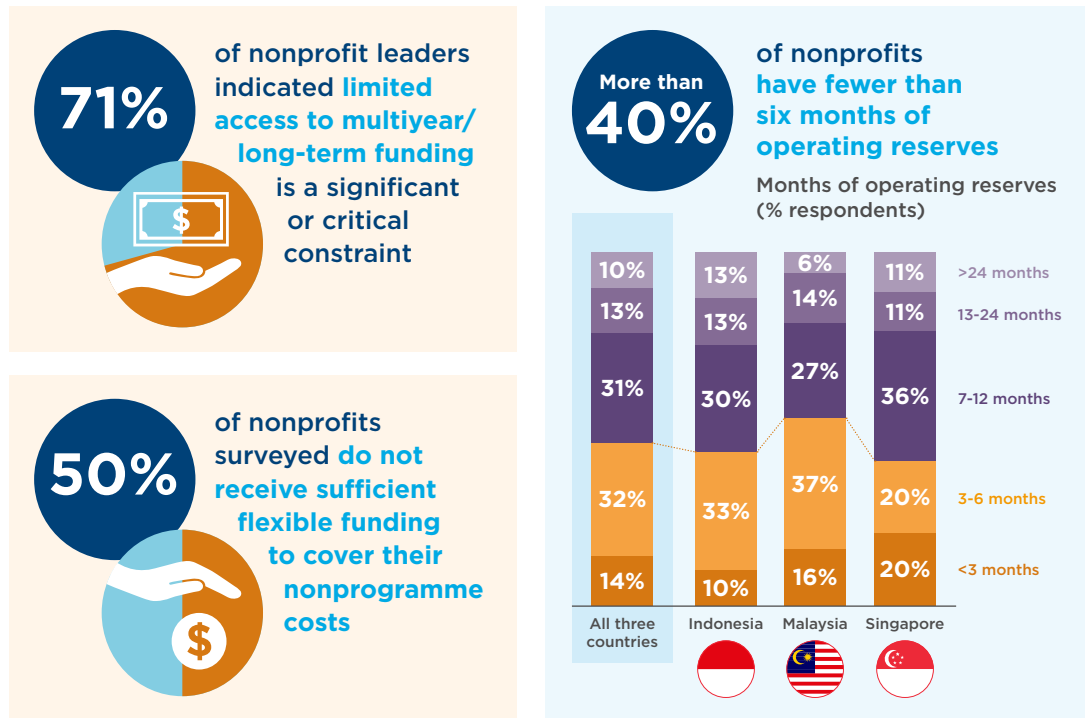
“

Most philanthropic support remains short-term, highly restricted, and activity-based.”

Hari Kushardanto, Vice President, Rare Indonesia

FIGURE 1

Nonprofits are constrained by short-term, restricted funding



Notes: (Upper left) Nonprofit leaders rated seven potential financial sustainability and management constraints on a scale of 1 to 5; those who selected 4 ("significant constraint") or 5 ("critical constraint") were included; N=161. (Bottom left) A shortfall is when leaders reported the percentage of total costs represented by nonprogramme expenses exceeded the proportion of budget covered by unrestricted funding; N=154. (Right) Nonprofit leaders were asked, "Currently, how many months of operating reserves does your organisation hold?" Six respondents were headquartered outside the three countries but operate in at least one of them. All three countries, N=161; Indonesia, N=60; Malaysia, N=51; Singapore, N=44.

Source: Bridgespan nonprofit survey in Indonesia, Malaysia, and Singapore (2025).

Nonprofit True-Cost Terminology

We draw on established global nonprofit finance frameworks to define "true costs" as follows.

- 1. Direct or programme costs:** Expenses incurred to implement a specific project.
- 2. Nonprogramme, indirect, or core costs:** Shared administrative or support function expenses not tied to a specific project or programme, such as salaries for administrative staff, human resources, finance and accounting, and rent and utilities.
- 3. Organisational development costs:** Investments that strengthen an organisation's capacity and long-term effectiveness, such as strategic planning, governance, leadership and talent development, monitoring and evaluation, fundraising capability, information technology, and financial resilience.
- 4. Financial reserves:** Money set aside or raised to provide financial stability and pay the bills when grant money runs low or when a crisis disrupts funding streams.

These results depict a nonprofit sector in Indonesia, Malaysia, and Singapore that manages to survive, but not thrive. Earlier global research by Bridgespan has traced this state of stagnation to the “nonprofit starvation cycle.”⁹ It begins with funders’ unrealistic assumptions about what it costs to operate a nonprofit and their preference to fund only programme expenses. In some instances in Asia, this is amplified by concerns about the misuse of funds.

“I wonder who decided how much funding can be allocated to overhead or indirect costs?” says Bambang Suherman, vice president of worldwide partnership and national development at Human Initiative, an Indonesia-based global humanitarian organisation. “We always hear that it’s around 15 percent at most, sometimes 20 percent. This created a reinforcing mechanism that just became a norm for the sector.”

Nonprofits succumb to this pressure, underspend on essential core functions, and overwork their teams, which limits longer-term impact and effectiveness. This underspending perpetuates funders’ unrealistic assumptions about true costs, and the vicious cycle continues. Even large nonprofits with annual budgets above US\$5 million report that their indirect costs exceed the unrestricted funding available to cover them.

“I’m in this continuous wheel of writing grant proposals,” says Cristi Marie C Nozawa, executive director of The Samdhana Institute, which supports Indigenous peoples and local communities across Southeast Asia. Short-term, programme-focused funding increases pressure to fundraise and crowds out time for programme improvement and building organisational capacity, such as strategic planning; measurement, evaluation, and learning (MEL); and nurturing a second line of leadership.

Short-term grants also shift focus to meeting funders’ reporting requirements rather than prioritising programme quality and sustainable impact. Ade Soekadis, executive director of Mercy Corps Indonesia, which provides humanitarian and development support, shares, “There is often a mismatch in time horizons between funders and nonprofits on how to operate. With one-year grants, it’s hard to be proactive as we’re constantly reacting to donor cycles. We also need reserves for continuity. Even when grants end, the people we serve are still there. A certain amount of unrestricted funds is needed to ensure resilience.”

SPOTLIGHT: NONPROFIT GROWTH

Early multiyear funding propelled Teach for Malaysia's success



Syalin Koh, a 2018 Teach for Malaysia fellow, leads a lesson in Pasir Gudang during Kem SKORlah, a three-week holiday programme where fellows teach in classrooms as part of their intensive pre-service training. (November 2018, Pasir Gudang, Malaysia) Photo: Courtesy of Teach For Malaysia

Founded in 2010, Teach for Malaysia (TFM) set out to expand access to quality education for children in underserved communities. Like many early-stage nonprofits, it faced a familiar constraint – the need for multiyear, flexible funding that would allow the founding team to work full-time, build a core staff, and invest in programme design.¹⁰

YTL Foundation, which empowers communities through education, stepped up with a five-year, flexible grant of roughly US\$250,000 annually. This grant provided TFM with stability at a formative moment, enabling it to recruit and retain talent by covering a portion of teachers' salaries and invest in programme design by bringing in experienced staff from the global Teach For All network.

“Beyond providing operational support, the initial grant served as a recognition of our impact potential and sound governance. Over more than a decade, YTL continued to provide multiyear, flexible funding. This has enabled TFM to secure US\$1.8 million in additional multiyear, flexible funding from seven other funders since 2021,” says Chan Soon Seng, CEO of TFM.

continued on the next page

“From the beginning, we saw improving education outcomes in Malaysia as a long-term systems challenge, not a short-term project,” says Dato’ Kathleen Chew, programme director of YTL Foundation. “That meant committing patient, flexible funding and working alongside our nonprofit partners as they built the teams, capabilities, and trust needed to create lasting change.”

In addition, YTL paired its giving with light-touch reporting requirements. It relied on outcomes from TFM’s own annual impact reports and engaged as a thought partner through ongoing dialogue and co-creating solutions with TFM’s leadership. This trust-based approach enabled TFM to gain a greater degree of financial predictability and nearly triple in size over the past 10 years to reach an annual operating budget of US\$4.7 million in 2024.¹¹

“We learn from one another and co-create solutions,” says Dato’ Seri Yeoh Seok Hong, managing director of YTL Power International Berhad. “Over the years, TFM has demonstrated not only strong programme outcomes but also steady organisational growth and transparent impact tracking,” says Chan Soon Seng, CEO of TFM. More recently, flexible funding from the YTL Foundation has enabled TFM to respond to urgent needs during COVID-19, while also supporting its innovation and evolution from a single-programme into a multi-programme organisation.

“

From the beginning, we saw improving education outcomes in Malaysia as a long-term systems challenge, not a short-term project.”

Dato’ Kathleen Chew, Programme Director, YTL Foundation

SPOTLIGHT: NONPROFIT INNOVATION

Flexible funding enabled Care Corner Singapore to test and refine its model



Athalia Choo (far right), a Care Corner Circle of Care social work practitioner, engages a parent and child at a partner preschool to support holistic child development. (2018, Singapore) Photo: Courtesy of Care Corner Singapore

Care Corner Singapore's Circle of Care initiative illustrates how seed funding for nonprofit programme experimentation can lead to stronger delivery models. Launched in 2013, the initiative sought to address fragmented support for children from lower-income families across education, health, and social services, particularly during the transition from preschool to primary school. With philanthropic support from the Lien Foundation, Care Corner set out to test a preventative, holistic, and community-based model that embeds social workers, educators, and health specialists within partner preschools, ensuring a continuity of care across a child's life stages.¹²

Uneven early results prompted a deeper partnership, not withdrawal, as the Lien Foundation and Care Corner leaders use regular check-ins for candid reflection rather than as a compliance exercise. "When a funder says, 'The journey won't be smooth – there will be pain along the way – please share your experiences and lessons with us,' it allows us to be very candid and open to learning together, rather than hide behind numbers and reports," says Christian Chao, CEO of Care Corner Singapore.

continued on the next page

As the Circle of Care model matured, the Lien Foundation in 2018 made a five-year US\$10 million investment, boosted by a US\$2 million investment from Quantedge Foundation, which together changed the initiative's and the nonprofit's trajectory.¹³ Long-term funding gave Care Corner the confidence and predictability to invest in Circle of Care's capacity, partner coordination, and, most importantly, impact measurement.

Circle of Care grew from two preschools in 2013 to 22 preschools and six primary schools by 2023, and has informed the design of a government-led national early childhood development programme.¹⁴

“

When a funder says, ‘The journey won’t be smooth – there will be pain along the way – please share your experiences and lessons with us,’ it allows us to be very candid and open to learning together, rather than hide behind numbers and reports.”

Christian Chao, CEO, Care Corner Singapore

Funding Models of Singapore’s Nonprofits

In Singapore, the state-aligned model of government funding has delivered stability to the social sector while also shaping some material trade-offs. The government provides substantial support to nonprofits delivering core services, such as family, child, and youth counselling; education and health support; disability assistance; and eldercare.¹⁵ Government funding often accounts for 50 percent or more of nonprofits’ annual budgets. This has enabled scale, reliability, and consistent service delivery by the nonprofit sector while promoting clear reporting and accountability. The model has also enabled many nonprofits to build deep operational expertise and community support structures.

At the same time, nonprofit leaders note trade-offs in this funding model: the same features that support the delivery of vital services also limit how nonprofits operate. Many express a desire for greater flexibility to enable experimentation, risk-taking, and agility as community needs evolve. Significant reliance on government funding also shapes how nonprofits engage on policy issues.

“Government funding has provided predictability and stability,” a nonprofit leader says. “That said, its structured nature can reduce flexibility for experimentation and programme adaptation.” In practice, several nonprofit leaders describe the core trade-off as one between funding stability and operational agility.

2. Target Investments to Develop Nonprofit Leaders, Staff, and Boards

Nonprofit leaders describe strong leadership and governance as the foundation that turns limited resources into durable results, often while navigating regulatory complexity, constrained civic spaces, and operational demands. As their organisations grow, many emphasise the importance of investing in staff development and planning for leadership transitions to prevent burnout and ensure continuity.

Leaders also speak candidly about the need to professionalise the nonprofit workforce by providing fair compensation and well-being support, establishing structured career development pathways, and moving from training to implementation support. These workplace enhancements retain talented staff and position nonprofit careers as credible, long-term avenues for contributing to a nation’s development goals.

Effective and engaged board members both safeguard organisations’ missions and values and provide strategic and financial oversight. Effective boards interact regularly with nonprofits’ executive leadership and hold them accountable, while clearer role definitions and term limits signal board service as an active governance role rather than an honorary one.

Yet more than 80 percent of the survey respondents identified leadership development, and staff recruitment, well-being, and retention as major obstacles to their success. (See Figure 2 below.)

FIGURE 2

Nonprofits face acute talent and leadership capacity constraints

Percent of nonprofit leaders rating the constraint as “highly important” or “critically important”



Note: Nonprofit leaders rated which areas were most critical to strengthen their organisation’s impact over the next three years on a scale of 1 to 5; N=161.

Source: Bridgespan nonprofit survey in Indonesia, Malaysia, and Singapore (2025).

The absence of leadership pipelines makes it difficult to cultivate strong benches for succession and continuity. Given the isolation and burnout that many leaders cite, funder and intermediary support for robust leadership development is all the more critical. Programmatic results also suffer when there is a frequent change of programme leaders.

Nonprofit leaders are also concerned about their ability to attract, motivate, and retain high-calibre employees. Leaders of nonprofits of all sizes cite structural issues, such as the wide pay gap with the private sector, the lack of clear pathways for career progression, and an enduring stigma attached to nonprofit work. “Sometimes the impact sector is seen as a retirement spot,” says Chun Wah Hoo, managing director of NGO Hub Malaysia, an intermediary that connects nonprofits with information resources, experts, volunteers, and grants. Short-term, programme-based funding works against addressing these talent development needs.

In addition, 67 percent of survey respondents identified board effectiveness and engagement as critically important. Nonprofit leaders report a limited pool of board members who are well-prepared for the role, making it difficult to assemble boards with the right mix of mission mindset, skills, and experience. Several survey respondents noted that their boards are composed primarily of funders or technical experts who bring credibility and networks but may lack experience in governing or running nonprofit organisations. Nonprofit leaders also cite infrequent board meetings and involvement, resulting in limited strategic guidance and the appearance of weak oversight. This, too, reinforces funders’ preference for short-term funding cycles.

SPOTLIGHT: GOVERNMENT SUPPORT

Singapore acted to boost nonprofit leadership, talent, and governance



Photo: Leungchopan - [stock.adobe.com](https://www.stock.adobe.com)

Recognising the constraints caused by low pay and lack of career paths in the nonprofit sector, the Singapore government has led coordinated investments in nonprofit leadership, talent, and governance capacity. For example, the government launched the Sun Ray Scheme in 2014, a leadership development initiative that recruits mid-career professionals, trains, and places them with social service agencies. The programme initially co-funds participants' salaries, lowering hiring risk for nonprofits and expanding access to leaders they might not otherwise attract.¹⁶ Accredited training through the Social Service Institute, a programme of the National Council of Social Services in Singapore, enables participants to build skills in areas such as strategy, fundraising, and technology through a shared training platform.¹⁷

The government has also stepped up to assist with good governance. The Centre for Non-Profit Leadership is a government-funded nonprofit that focuses on board development. The Charity Council, an initiative under the Ministry of Culture, Community, and Youth, promotes standards of good governance and accountability, including through the GovernWell initiative. These organisations have established clearer baselines and shared expectations for effective board participation. Together with other sector supports, these investments demonstrate how governments and ecosystem actors can build leadership, talent, and governance capacity at scale.

3. Support Smaller Organisations and Those Outside Major Cities

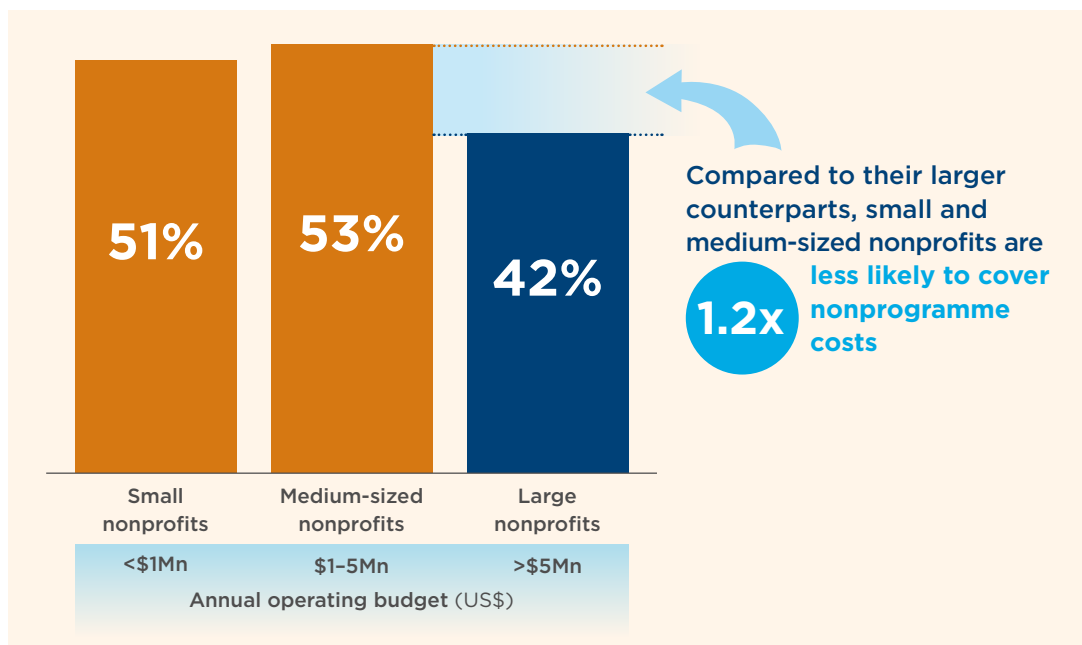
Smaller nonprofits and those based outside urban centres operate where public systems are often least present, which means they play a critical role in bridging the gap between national ambitions and grassroots needs. When these nonprofits face uneven access to funding, talent, and support, the communities they reach – often with the greatest needs – remain persistently underserved, widening disparities and undermining inclusive progress towards the Sustainable Development Goals (SDGs).

Indeed, our research points to a systemic tilt towards funding large, urban nonprofits. Across the three countries surveyed, large nonprofits fare better in covering nonprogramme costs than small and medium-sized ones. (See Figure 3 below.)

FIGURE 3

Small and medium-sized nonprofits face greater challenges covering nonprogramme costs

Percent of nonprofits unable to cover nonprogramme costs



Note: A shortfall is when leaders reported the percentage of total costs represented by nonprogramme expenses exceeded the proportion of budget covered by unrestricted funding. Small nonprofits, N=77; Medium-sized nonprofits, N=51; Large nonprofits, N=26.
Source: Bridgespan nonprofit survey in Indonesia, Malaysia, and Singapore (2025).

Funders often anchor grant decisions on a nonprofit's past fundraising performance, which is particularly limiting for smaller nonprofits. "Many funders require two to three years of audited financial statements, and some also ask for evidence of financial reserves as part of their due diligence processes," explains Cindy Biding, president of the Organization for Addiction Prevention Treatment and Recovery (OAPTAR) in Malaysia. "While these safeguards are understandable, they can inadvertently disadvantage smaller, high-integrity organisations that deliver strong programme outcomes but have limited access to the larger, unrestricted funding needed to build financial surpluses."

Geography is also a constraint. Those headquartered outside the island of Java in Indonesia and Peninsular Malaysia have a particularly difficult time securing grants. (See Figure 4 on page 17.) Leaders in East Malaysia and those outside Java described how grants are often dependent on access to relationship-based donor networks in the capital cities of Kuala Lumpur and Jakarta. That leaves a significant proportion of each country's nonprofits effectively sidelined from receiving major philanthropic funding.

“

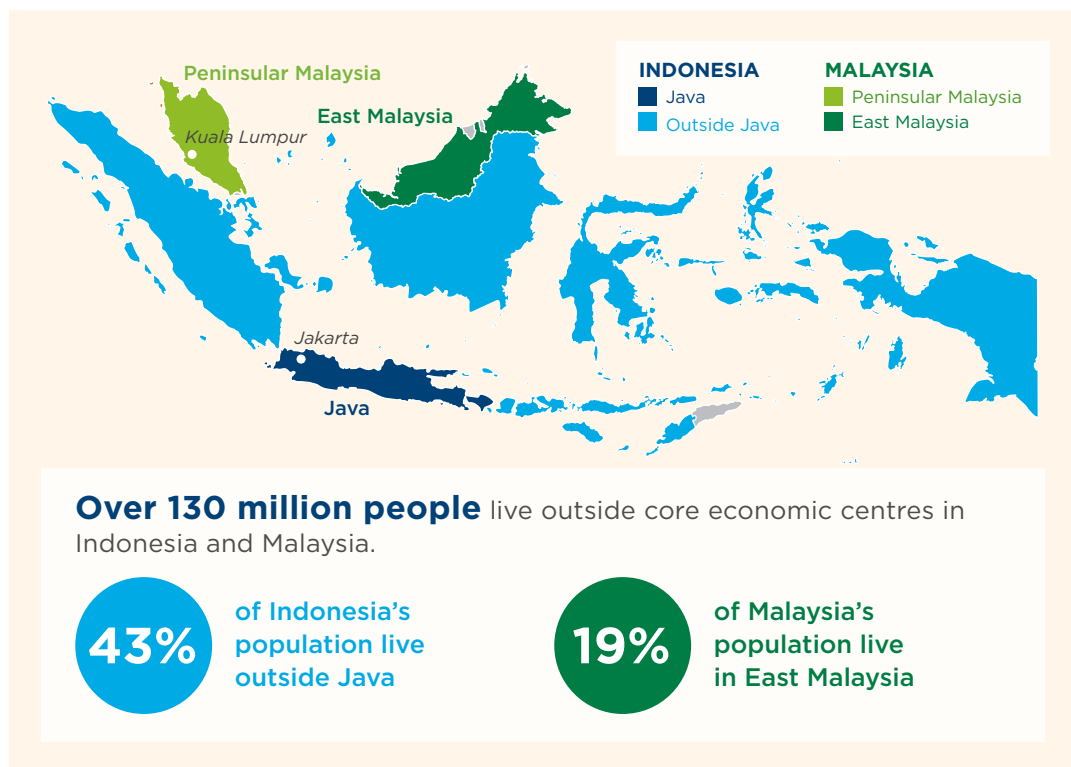
While these safeguards are understandable, they can inadvertently disadvantage smaller, high-integrity organisations that deliver strong programme outcomes but have limited access to the larger, unrestricted funding needed to build financial surpluses.”

Cindy Biding, President, Organization for Addiction Prevention Treatment and Recovery (OAPTAR), Malaysia

Our survey data shows that small and medium-sized nonprofits (under US\$1 million and between \$1 million and \$5 million, respectively) headquartered outside Java and Peninsular Malaysia have the lowest financial reserves. Just under a quarter of nonprofits outside of Java and more than a third of East Malaysian nonprofits have fewer than three months of reserves, compared to 6 percent in Java and 8 percent in Peninsular Malaysia. (See Figure 5 on page 18.) While geography is a less relevant factor in Singapore, smaller nonprofits serving marginalised communities are still 1.6 times more likely to report shortfalls in funding nonprogramme costs.

FIGURE 4

Many nonprofits in Indonesia and Malaysia operate far from economic centres

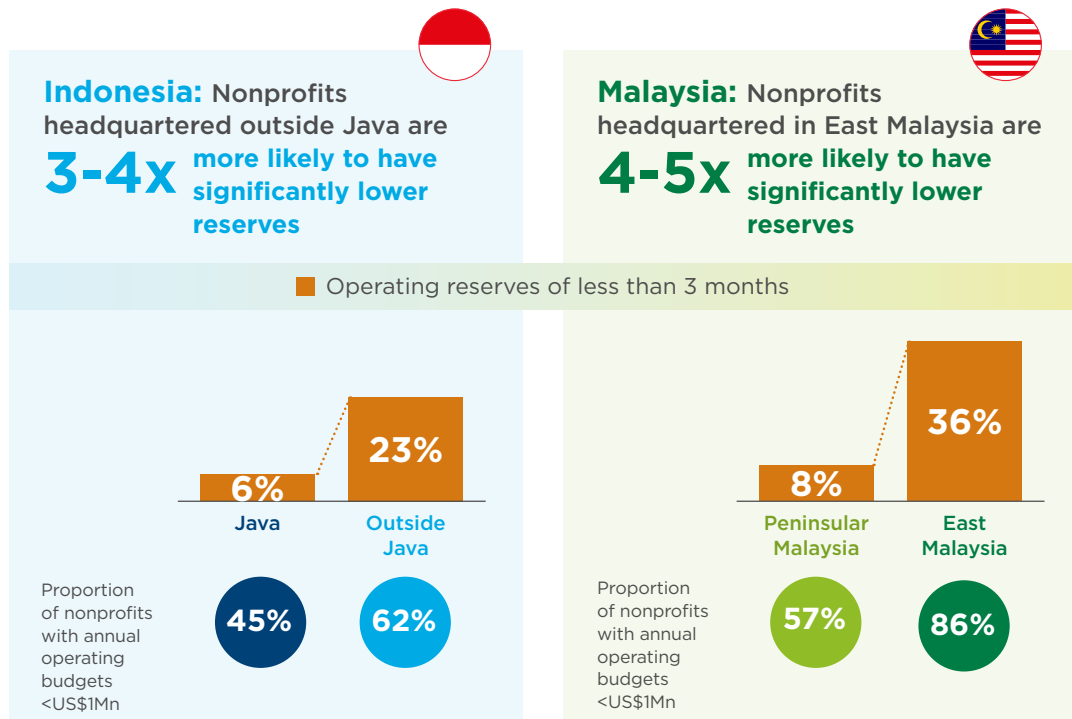


Source: [Department of Statistics Malaysia](#) (2025), [Statistics Indonesia](#) (2024).

Rural nonprofits also draw from an even shallower talent pool than their urban counterparts. In fact, small and medium-sized nonprofits operating outside of Java and in East Malaysia often struggle to move beyond founder-dependent, volunteer-heavy models towards professionalised organisations capable of sustained growth. Further, many staff opt to relocate to core economic centres to work with larger nonprofits, creating a rural “brain drain.”

FIGURE 5

Nonprofits headquartered outside core economic centres have the lowest financial reserves



Note: Nonprofit leaders were asked, “Currently, how many months of operating reserves does your organisation hold?” (Left) Java, N=47; Outside Java, N=13. (Right) Peninsular Malaysia, N=37; East Malaysia, N=14.

Source: Bridgespan nonprofit survey in Indonesia, Malaysia, and Singapore (2025).

“We invest in talent development, but capable individuals will eventually move on to work for a more established organisation or funders in Java,” says Caroline Tupamahu, chair of Yayasan BaKTI, a nonprofit that works to strengthen inclusive development in Eastern Indonesia.

These disparities risk widening regional inequities. Many of the nonprofits headquartered outside Java and in East Malaysia serve marginalised communities, such as rural Indigenous groups, religious minorities, and migrants and refugees¹⁸. Overall, more than 40 percent of survey respondents indicate their organisations have a stated focus on serving at least one marginalised community.

Across the sector, intermediaries can provide capacity-building support that would otherwise be out of reach due to nonprofits’ scale, location, or cost constraints. For smaller nonprofits working outside of core economic centres, locally rooted regrants are well-positioned to channel funding and capacity-building support in ways that are responsive to community-defined priorities.

SPOTLIGHT: REGRANTORS

The Majority Trust directs funding and capacity-building support focused on empowering smaller nonprofits

Since its founding in 2017, The Majority Trust has raised more than US\$82 million from a little over 600 donors in Singapore and manages six issue areas, spanning 12 philanthropic funds. Central to its approach is a commitment to integrating financial support with hands-on technical assistance – helping smaller organisations strengthen their operations and engage more effectively with the broader social sector. Approximately 50 percent of The Majority Trust’s grants are directed to small nonprofits that are unable to issue tax-deductible receipts¹⁹ and receive little to no government funding.

In addition to grants, The Majority Trust offers mentorship, research insights, access to shared services, and regular convenings hosted at The Foundry – its nonprofit and social impact hub – creating space for peer learning, collaboration, and connection.

Growing Interest in Collaboration Between Faith-Based Giving and Nonprofits

Faith-based charitable giving plays a significant role in Indonesia and Malaysia, particularly through Islamic philanthropy, reflecting the majority-Muslim populations in both countries. In 2023, Islamic donation organisations collected approximately US\$1.9 billion in Indonesia, while zakat collection – the mandatory annual Islamic almsgiving – in Malaysia totalled approximately US\$1.1 billion.^{20,21} Together, these figures underscore the scale of Islamic giving and its potential relevance for addressing social needs in partnership with smaller, community-rooted nonprofit organisations.

In Indonesia and Malaysia, Islamic giving has operated largely in parallel to the nonprofit sector. To ensure Shariah compliance,²² many large zakat and Islamic donation organisations manage end-to-end operations, from fundraising to programme delivery. They primarily deploy funds through their own charitable programmes rather than through independent nonprofits.

continued on the next page

More recently, early forms of collaboration have begun to emerge, pointing to potential links between Islamic giving and the broader nonprofit sector.²³ For example, the Abdul Latif Jameel Poverty Action Lab (J-PAL) Southeast Asia, a research organisation, is exploring whether zakat organisations can learn from and adapt evidence-based programmes implemented in the nonprofit sector, and whether they could collaborate with other Islamic donation organisations or local nonprofits to reduce overlapping efforts and deliver more holistic, sustainable impact.

Other emerging examples of collaboration include the Mitra Pengelola Zakat (Zakat Management Partner) programme sponsored by Dompot Dhuafa, an Islamic philanthropic and humanitarian organisation, which enables local nonprofits to raise and implement zakat-funded initiatives under its guidance while maintaining Shariah compliance.²⁴ This programme partners with approximately 100 local nonprofits. Although still in its early stages, it illustrates potential pathways for aligning significant Islamic giving flows with independent nonprofit delivery models – particularly for smaller, community-rooted organisations.

4. Establish Shared Data and Support Services to Strengthen Nonprofits' Effectiveness

Intermediary organisations provide enabling infrastructure – such as shared research and data, shared services, and organisational support – that individual nonprofits struggle with or may not wish to build on their own. Such efforts help nonprofits learn faster, align around common gaps and opportunities, and demonstrate collective progress. Over time, this strengthens the sector's ability to mobilise resources and influence systems at scale.

“We need to move from competitive advantage to collaborative advantage,” says Mohamed Fareez Bin Fahmy, CEO of Allkin, a community-centric social service agency in Singapore.

Shared services are particularly beneficial for smaller and under-resourced nonprofits. By outsourcing functions such as HR, payroll, compliance, and technology to trusted third parties, organisations can redirect scarce capacity towards mission delivery. Fiscal sponsorship platforms (i.e. organisations that enable projects or initiatives to operate under a tax-exempt status, facilitating tax-deductible donations, grant applications, and administrative support) can further provide smaller organisations with financial and governance support that enables them to grow and develop.

Equally important to enabling infrastructure is sector-wide data collection and analysis – typically conducted by governments or intermediaries – that make it possible to identify service gaps, track outcomes, and align on shared priorities. This could be as simple as mapping who is doing what across the sector, or providing common measurement indicators and sector-level benchmarks.

A third of survey respondents in Indonesia and Malaysia identified the lack of shared data within key fields and the absence of common indicators or sector-wide benchmarks as key constraints to their success. (See Figure 6 on page 24.) Nonprofit leaders note that the absence of shared data weakens their ability to inform and influence policy, particularly when sectoral data collection and coordination fall beyond the feasible scope of any single organisation. Without targeted investment in enabling infrastructure – calibrated to each country's context – even strong nonprofits will struggle to deepen their work, scale effective models, or influence broader systems.

SPOTLIGHT: DATA AND RESEARCH INTERMEDIARIES

Candid and GuideStar demonstrate the value of shared sectoral data and research

Sector-building intermediaries, such as Candid, demonstrate how shared knowledge can accelerate learning and coordination across the sector. In the United States and Europe, Candid underpins much of the sector's data backbone and compiles nonprofit profiles, grant histories, and funding flows into a single, searchable system. Nonprofits in these regions are required to publicly disclose financial and governance information, creating the raw data and baselines needed for sector-wide transparency – conditions that are less developed in Southeast Asia today.

GuideStar India maintains a searchable database of more than 12,000 nonprofit organisations. It aggregates verified information such as legal status, governance, and financials in an ecosystem where public filings are fragmented.²⁵ Its voluntary certification incentivises nonprofits to disclose progressively deeper levels of information, such as leadership teams, board members, and financial information – building norms around accountability and good governance. Publicly available comparable data reduces due-diligence costs for funders, increases the visibility of smaller organisations, and enables more informed philanthropic decision making. Its incentive-based, voluntary model of nonprofit data disclosure could be replicated in Southeast Asia, where mandatory reporting requirements are less developed.

SPOTLIGHT: SHARED LEGAL SERVICES

Nonprofits have access to free legal services in Singapore

Pro Bono SG, the charity arm of the Law Society of Singapore, provides nonprofits free access to legal, governance, and compliance support. Through legal clinics, legal health checks, and practical training delivered via a coordinated network of volunteer legal professionals, it helps nonprofits, especially smaller and under-resourced ones, reduce risks and build strong foundations.²⁶

5. Strengthen Pathways for Nonprofits and Government to Work Together on Shared Priorities

Many nonprofit leaders view closer government collaboration as essential: over a third of survey respondents identify it as critically important, ahead of collaboration with other key stakeholders, including the private sector, other nonprofits, and academia. (See Figure 6 on page 24.) While some nonprofits - particularly those operating outside stated national priorities - adopt a more arm's-length stance towards government, others describe collaboration as an opportunity to contribute meaningfully to national development goals by bringing community insights, stronger evidence, and innovation.

“We sometimes overlook the fact that social movements were foundational to Indonesia as a nation,” notes Suzanty Sitorus, executive director of ViriyaENB, an Indonesian climate foundation supporting the country’s equitable net-zero transition.

Prior research on how Asian philanthropists engage with governments highlights several levers funders can use to support nonprofit-government partnerships, including research, capacity-building, and convening stakeholders for dialogue.²⁷ These efforts help nonprofits and governments identify shared priorities, scale or replicate proven programmes through public systems, shape policy in key areas, and influence broader narratives about the role and value of the nonprofit sector. A forthcoming Bridgespan report on government-philanthropy engagement in India further explores a range of engagement models and the conditions that enable sustained collaboration.²⁸

There are also tax and regulatory considerations, two key elements of enabling infrastructure. Nonprofit leaders in Malaysia and Indonesia are nearly three times more likely than their counterparts in Singapore to identify gaps in enabling tax policy and regulations as critical constraints to their success. (See “Nonprofits in Indonesia and Malaysia Identify Need for Regulatory and Tax Reforms” on page 24.)

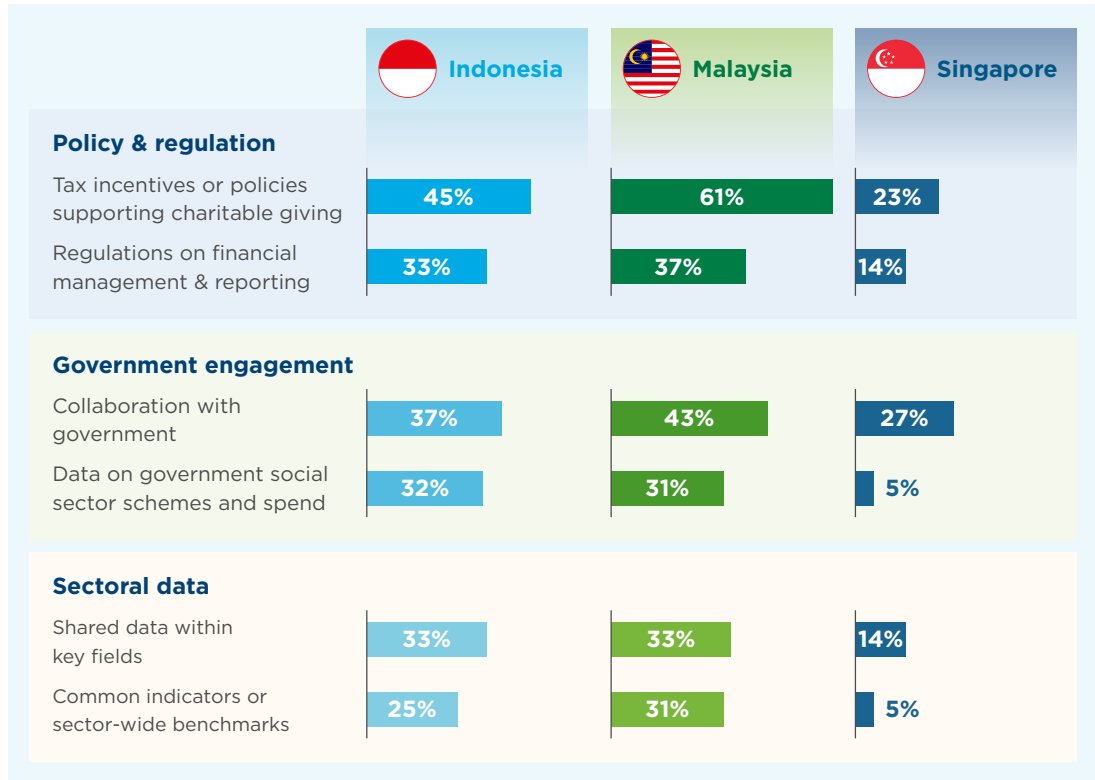
While governments may take time to expand tax incentives and improve registration and reporting frameworks, many nonprofit leaders see more structured opportunities for dialogue with the government as a meaningful starting point. At the same time, they note that targeted investments could strengthen the nonprofit sector’s capacity to work effectively with government counterparts.

FIGURE 6

Nonprofits in Indonesia and Malaysia face far greater sector-infrastructure constraints than Singapore

Nonprofits in Indonesia and Malaysia are **-3x** more likely than those in Singapore to cite these as critical constraints

Percent of respondents indicating constraint as “critically important”



Note: Nonprofit leaders rated which areas were most critical to strengthen learning and accountability in the nonprofit sector in their countries over the next three years, on a scale of 1 to 5; N=155.

Source: Bridgespan nonprofit survey in Indonesia, Malaysia, and Singapore (2025).

Nonprofits in Indonesia and Malaysia Seek Regulatory and Tax Reforms

In Malaysia, 61 percent of survey respondents identify insufficient tax incentives and policy supporting charitable giving as significant barriers to success; 44 percent in Indonesia voice the same concern.

continued on the next page

The Centre for Asian Philanthropy and Society (CAPS) also found that only 12 percent of social delivery organisations²⁹ in Malaysia and 22 percent in Indonesia consider social sector laws easy to understand.³⁰ These findings point to the legal and administrative burdens nonprofits face in both countries.

Nonprofit leaders in Malaysia singled out legal registration as a key challenge, given the various government registries, each with distinct legal frameworks and compliance requirements.³¹ This administrative complexity absorbs scarce organisational time and resources, diverting leadership attention away from mission delivery and impact.

“Registration affects our taxes, and our taxes in turn affect our finances,” says a nonprofit leader. “With confusing regulations that change from administration to administration, it becomes challenging to plan for the long term and build longevity in our programmes.”

In Indonesia and Malaysia, nonprofit leaders also noted difficulty in obtaining and maintaining tax-exempt status as a significant constraint. Nonprofits in both countries are required to pay corporate taxes on annual surpluses unless they qualify for exemptions. Leaders described these exemptions as narrow and activity-specific in Indonesia³² and resource-intensive to secure in Malaysia. By raising operating costs and discouraging financial reserve-building, these regulatory frictions weaken nonprofits’ financial stability and long-term capacity development.

SPOTLIGHT: GOVERNMENT AS PARTNER FOR SCALE

Center for Indonesia's Strategic Development Initiative collaborates with the government for scaled impact



Trained PN-PRIMA community health workers conduct basic health screenings (e.g. blood sugar, cholesterol, and uric acid) for older adults at their homes in Depok City, Indonesia. (December 2025) Photo: Courtesy of the Center for Indonesia's Strategic Development Initiatives (CISDI)

The nonprofit Center for Indonesia's Strategic Development Initiatives (CISDI) – through a collaboration with Indonesia's local governments and Ministry of Health – piloted an initiative to strengthen under-resourced, government-run community health centres (puskesmas). The initiative demonstrated how nonprofits can de-risk innovative approaches for public-sector adoption.

Puskesmas form the backbone of Indonesia's primary healthcare system. Yet, in 2016, 60 percent of more than 10,000 puskesmas lacked sufficient workforce and organisational capacity to deliver effective services.³³

In 2012, with US\$1 million in unrestricted funding from GE Foundation and other funders, CISDI piloted the Pencerah Nusantara (Enlightener of the Archipelago) programme, which recruited, trained, and deployed small teams of young professionals with backgrounds in health to selected puskesmas in seven remote regions.^{34,35,36}

continued on the next page

These teams were given the flexibility to respond to local needs, ranging from designing preventive health outreach and improving sanitation practices to travelling by boat to provide health services to communities in remote islands. They showcased the model's adaptive, context-specific design.³⁷

CISDI designed the pilot with government-led scale-up in mind. "We engaged local governments from the design phase through site visits, joint problem identification, and discussions with local communities," says Diah Satyani Saminarsih, CEO of CISDI. In parallel, the organisation kept the Ministry of Health informed during the pilot implementation, and later returned with rigorous monitoring and evaluation results demonstrating impact and operational feasibility in line with the ministry's strategic goal of strengthening puskesmas.

In 2015, due to the pilot's success, the ministry adopted the model and launched the Nusantara Sehat (Healthy Archipelago) programme. By 2022, it had expanded to 2,540 puskesmas across 288 districts in 31 provinces, delivering measurable improvements in preventive health behaviours, including increased pregnancy check-ups (up 6.7 percentage points) and tuberculosis symptom detection (up 2.9 percentage points).^{38,39} This shows how embedding nonprofit-led pilots within public systems, paired with flexibility and trust, can enable learning and eventual scale up.

SPOTLIGHT: POSITIONING NONPROFITS AS PARTNERS

Nonprofit association brings government and the social sector together

As an independent, multi-stakeholder platform of over 250 nonprofits and funders, Perhimpunan Filantropi Indonesia (Indonesian Philanthropy Association) strengthens dialogue between the nonprofit sector and government.⁴⁰ For example, Indonesia's Ministry of National Development Planning (Bappenas) worked with Perhimpunan Filantropi Indonesia to establish the SDG Collaboration Center. Through tagging philanthropic and nonprofit programmes to respective SDGs and consultations with relevant government agencies, the initiative aims to align the social sector and government around SDG targets.⁴¹ Beyond its engagement with Bappenas, Perhimpunan Filantropi Indonesia has also partnered with the Coordinating Ministry for Community Empowerment to support national poverty alleviation efforts and ensure an effective post-disaster response, particularly in vulnerable regions such as Sumatra. These early efforts offer a constructive starting point in positioning nonprofits as partners to the government.



Practical Steps for Funders, Nonprofits, and Intermediaries

The Bridgespan Group launched this research project to better understand the state of the nonprofit sector in Indonesia, Malaysia, and Singapore and to learn what nonprofits most need to better serve vulnerable and marginalised communities. More money, while welcome, wasn't their key ask. Rather, leaders advocated several fundamental shifts, including: resetting funding norms towards flexibility and trust; investing in leadership, governance, and shared infrastructure; and strengthening collaboration between nonprofits and government.

While they prioritised changes to funding practices, nonprofit leaders also made clear that achieving the sector's full potential cannot happen without sustained investment in strengthening the enabling infrastructure. For example, the absence of shared field-level data on who is delivering which services or where gaps remain limits the sector's ability to coordinate efforts and mobilise funding collectively. This contributes to cautious funding approaches and, in some cases, dampens overall funding levels.

The five proposed shifts in practice frame an agenda for change, but decisions about where to begin rest with individual funders, intermediaries, and nonprofits. Each has a role to play in building a stronger, more resilient social sector.

The steps below are not intended as a comprehensive set of recommendations, given the diversity of the social sector and differences in operating environments. But they do speak to common concerns based on our research.

How funders can create conditions to enable and elevate nonprofit impact:

- **Treat nonprofits as trusted partners in achieving impact**, not simply service delivery organisations. Pilot multiyear, flexible funding and learn from organisations' on-the-ground, community experiences.
- **Provide targeted investments** in leadership, staff talent development, and strengthened governance that are all essential for nonprofit success.
- **Participate in funder collaboratives or regranteeing organisations** to pool resources, share risks, learn from peers, and potentially reach smaller, less-urban nonprofits that struggle for funding.
- **Invest in intermediaries that serve nonprofits in a variety of ways**, such as leadership training, organisational capacity building, data insights, and shared services.

Steps nonprofits can take to establish trust with funders and build operational excellence:

- **Cultivate long-term relationships with funders** through honest dialogue about financial needs, impact expectations, and risks and vulnerabilities. View funders as partners, not just donors.
- **Address trust head-on by developing clear cost-accounting practices** and sharing with funders the true costs of operations, not just programme costs.⁴²
- **Make the case for investing in leadership, talent, and governance.** Build leadership team depth as part of succession planning, strengthen board membership, and share the resulting impact growth with funders.
- **Seek out peer networks and raise your collective voice** on shared challenges and the need to reshape funding norms.
- **Invest in MEL systems and practices** to demonstrate progress and share milestones and results with funders.

How intermediaries can help nonprofits learn and grow:

- **Offer people-development support** – from executive coaching and professional training to peer learning and board development – that nonprofits at any level of maturity can draw on.
- **Deliver shared services** in areas such as finance, HR, compliance, technology, and MEL to help reduce the operational burden for small and medium-sized nonprofits.
- **Develop shared benchmarks and data platforms** to help nonprofits learn and improve.
- **Convene opportunities for constructive dialogue** between nonprofits and government to identify areas of shared purpose and joint action, including more conducive policies and regulations for advancing the mission of social sector actors.

The cumulative effect of individual organisations acting on these steps would add up over time to a profound change in how the social sector in Southeast Asia operates.

The changes are practical and achievable, as the examples described above demonstrate. What is required now is the collective will to move from isolated progress to widespread change. The window of opportunity is wide open. Acting decisively today can ensure that the region's growing resources, nonprofit ambitions, funder intentions, and community leadership translate into durable, inclusive outcomes for the decades ahead.

Keeran Sivarajah and **Pritha Venkatachalam** are partners at *The Bridgespan Group's* Singapore office. **Ying Yap** is a manager, **Farih Rahim** is a consultant, and **Chen Hui** and **John Carandang** are senior associate consultants, all in the same office. **Roger Thompson** is an editorial director at *Bridgespan* based in Boston.

Acknowledgments

We are deeply grateful to all the nonprofit leaders, funders, and intermediary organisations who shared their insights through the survey, workshops, and interviews. We appreciate their time, candour, and thoughtful contributions in helping to surface key constraints facing the sector, as well as promising pathways forward.

We are especially grateful to Christian Chao and Sivananthi Thanenthiran for their generous thought partnership throughout this study. Their perspectives helped ground the research in the realities, strengths, and aspirations of nonprofit leaders driving change across the sector.

We are indebted to our India-based colleagues, Kashyap Shah and Shashank Rastogi, for sharing their expertise. We extend our sincere thanks to our colleague Fazliana Zuki for her logistical support. We are grateful to Carole Matthews, Gail Perreault, Larry Yu, and Preeta Nayak, as well as visual artists Alison Rayner and Michelle Cherian, for their support in editing and designing the report. We thank Liz London, Ryan Wenzel, and Shikha Kumar for their contributions with marketing and dissemination. We are grateful to Co-Impact for supporting the dissemination of this report and amplifying its call to translate insights into practical action.

Appendices

Appendix A. Entities That Supported Our Research

We are deeply grateful to all the nonprofit leaders, funders, and ecosystem actors who shared their insights through our in-country workshops and interviews. This research would not have been possible without their generous contributions.

INDONESIA:

- Center for Indonesian Policy Studies (CIPS)
- Center for Indonesia's Strategic Development Initiatives (CISDI)
- Dompot Dhuafa
- EcoNusa Foundation
- Global Alliance for Improved Nutrition (GAIN) Indonesia
- GAYa NUSANTARA
- Gemawan
- Human Initiative
- Humanis
- INSPIRASI Foundation
- J-PAL Southeast Asia
- Kitabisa ORG
- Mercy Corps Indonesia
- Perhimpunan Filantropi Indonesia
- Pusat Studi Pendidikan dan Kebijakan (PSPK)
- Rare Indonesia
- Rumah Zakat
- Samdhana Institute
- Save the Children Indonesia
- Savy Amira
- ViriyaENB
- World Resources Institute (WRI) Indonesia
- Yayasan Bursa Pengetahuan Kawasan Timur Indonesia (BaKTI)

INDONESIA (continued):

- Yayasan Satu Karsa Karya (YSKK)
- YCAB Foundation

MALAYSIA:

- Asian-Pacific Resource and Research Centre for Women (ARROW)
- ARUS Academy
- CHUMBAKA
- Dignity for Children Foundation
- EPIC Homes
- Etania Schools Sabah
- Fugee Org
- Institute of Democracy and Economic Affairs (IDEAS)
- MERCY Malaysia
- MySkills Foundation
- NGOHub
- Organization for Addiction Prevention Treatment and Recovery (OAPTAR)
- SEED Malaysia
- Teach For Malaysia
- United Voice
- Wiki Impact
- Yayasan Chow Kit
- Yayasan Hasanah
- YTL Foundation

SINGAPORE:

- Allkin Singapore
- Asia Community Foundation (ACF)
- Association of Women for Action and Research Singapore (AWARE)
- Care Corner
- Fei Yue Community Services

SINGAPORE (continued):

- Halogen Foundation
- ItsRainingRaincoats
- Lien Foundation
- Limitless Singapore
- National Council of Social Service (NCSS)
- New Hope Community Services
- Pro Bono SG
- Ray of Hope
- SHINE Children and Youth Services
- Singapore Cancer Society
- The Majority Trust
- Tri-Sector Associates
- Yayasan MENDAKI

Appendix B. Methodology

We adopted a three-pronged, mixed-methods research approach to inform this report, combining quantitative and qualitative data to understand the constraints facing nonprofits and the conditions that enable durable impact in Indonesia, Malaysia, and Singapore. We focused on these three countries given the feasibility of the study and the momentum in philanthropic and nonprofit activity.

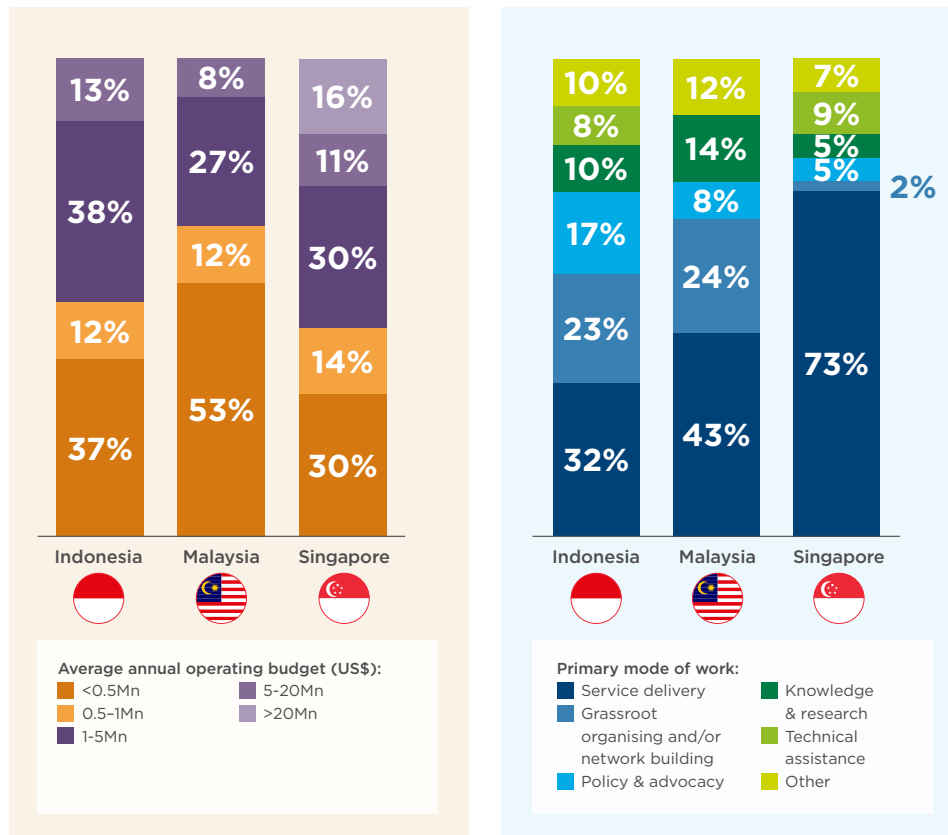
First, we conducted an online survey of nonprofit organisations between November 2025 and January 2026 to generate evidence-based insights. The survey was disseminated through multiple outreach channels, including email, newsletters, and social media, with support from funders, philanthropic and nonprofit networks, and nonprofit capacity builders.

FIGURE A1

Diverse survey respondents representing a mix across sizes and primary modes of work

Breakdown of survey respondents by annual operating budget

Breakdown of survey respondents by primary mode of work



Note: (Left) Indonesia, N=60; Malaysia, N=51; Singapore, N=44; (Right) Indonesia, N=60; Malaysia, N=51; Singapore, N=44. Source: Bridgespan nonprofit survey in Indonesia, Malaysia, and Singapore (2025).

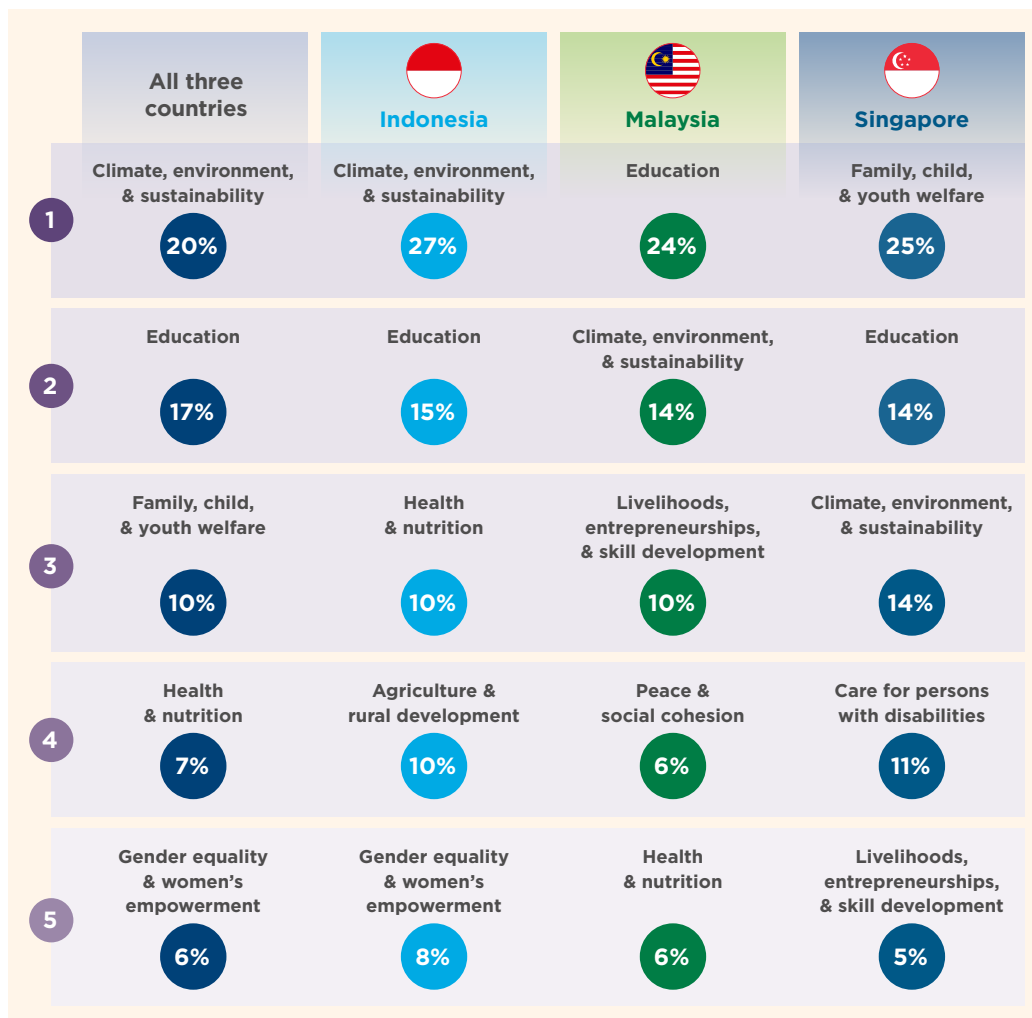
The survey targeted legally registered, philanthropically funded organisations with a clear social and/or environmental mission operating in Indonesia, Malaysia, and Singapore. Universities, hospitals, corporates, government-linked entities, and operating foundations were not included in the survey. Responses that did not meet these eligibility criteria were excluded from the analysis.

In total, we received 161 valid responses from nonprofit leaders, consisting of CEOs, executive directors, COOs, or other senior leaders familiar with the organisation’s overall strategy and operations. Of these respondents, 60 were headquartered in Indonesia, 51 in Malaysia, 44 in Singapore, and six were headquartered elsewhere but operating in one of the three countries.

FIGURE A2

Diverse representation of nonprofits working across issue areas

Top five issue areas and the percent of nonprofits primarily engaged in them



Note: Respondents selected the issue area they primarily work in from a list of 17 options; N=161.

Source: Bridgespan nonprofit survey in Indonesia, Malaysia, and Singapore (2025).

Second, we conducted workshops in Jakarta, Kuala Lumpur, and Singapore, engaging a total of 45 nonprofit leaders to surface qualitative insights on sector-wide constraints and promising pathways forward. Each workshop consisted primarily of facilitated discussions that drew on participants' experience working in their respective nonprofit sectors.

Third, we conducted 20 individual interviews with other stakeholders who were unable to participate in the workshops or who could provide deeper insights relevant to the research. These included leaders of nonprofits headquartered outside major urban centres, philanthropic funders, and intermediaries. Interviews followed a semi-structured format and focused on topics not fully captured through the survey or workshops.

Synthesis and analytical framework

To develop the findings presented in this report, we drew on The Bridgespan Group's research and global advisory experience in the nonprofit and philanthropic sectors. We took steps across all research methods to mitigate potential sources of bias where possible. Workshop participants were selected to reflect diversity across organisational size, issue area, and operating model. Individual interviews were conducted to elevate perspectives not fully represented in the workshops.

To mitigate confirmation bias, preliminary findings were shared with external experts for feedback and validation. This research has several limitations. All survey data and qualitative inputs are self-reported and were not independently validated or audited. Factors such as sample size, selection bias, and self-reporting bias may limit the precision of the analysis.

Endnotes

1. *Doing Good Index 2024: Examining the Readiness of Asia's Social Sectors to Thrive*, Centre for Asian Philanthropy and Society, 2024, <https://caps.org/research/doing-good-index-2024-examining-the-readiness-of-asias-social-sectors-to-thrive/>.
2. *Billionaire Ambitions Report 2025*, UBS, 2025, <https://www.ubs.com/us/en/wealth-management/our-solutions/private-wealth-management/insights/billionaires-ambition-report.html>.
3. *Doing Good Index 2022: Assessing the Health and Well-being of Asia's Social Sector*, Centre for Asian Philanthropy and Society, 2022, <https://caps.org/research/doing-good-index-2022/>.
4. Jeff Bradach, Xueling Lee, Gwendolyn Lim, Pritha Venkatachalam, Roger Thompson, *High-Impact Philanthropy: Giving Better Across Asia and the World*, The Bridgespan Group, September 2024, <https://www.bridgespan.org/insights/high-impact-philanthropy-giving-better-across-asia-and-the-world>.
5. *ASEAN+3 Fiscal Policy Report 2025: Navigating Fiscal Strategy Through Uncertainty*, ASEAN+3 Macroeconomic Research Office, April 2025, https://amro-asia.org/wp-content/uploads/2025/04/AFPR-2025_15Apr2025_for-publication.pdf.
6. "Cuts in official development assistance: OECD projections for 2025 and the near term," OECD Policy Brief, 26 June 2025, https://www.oecd.org/content/dam/oecd/en/publications/reports/2025/06/cuts-in-official-development-assistance_e161f0c5/8c530629-en.pdf.
7. *ASEAN SDG Indicators Progress Report 2025*, ASEANstats, September 2025, <https://www.aseanstats.org/publication/sdg2025/>.
8. Pritha Venkatachalam, Donald Yeh, Shashank Rastogi, Anushka Siddiqui, Umang Manchanda, Kanika Gupta, and Roger Thompson, *Building Strong Resilient NGOs in India: Time for New Funding Raising Practices*, The Bridgespan, March 2021, <https://www.bridgespan.org/insights/funding-practices-to-build-strong-ngos-in-india>.
9. Ann Goggins Gregory and Don Howard, "The Nonprofit Starvation Cycle," *Stanford Social Innovation Review*, Fall 2009, https://ssir.org/articles/entry/the_nonprofit_starvation_cycle.
10. Co-author Keeran Sivarajah co-founded and led the nonprofit's management and organisational design at its inception. He joined The Bridgespan Group as a partner in 2023.

11. *Annual Report 2014*, Teach for Malaysia, 2014, <https://teachformalaysia.org/wp-content/uploads/2022/08/Teach-For-Malaysia-2014-Annual-Report.pdf>; *Impact Report 2024*, Teach for Malaysia, 2024, <https://teachformalaysia.org/wp-content/uploads/2025/05/TFM-Impact-Report-2024-Eng-FA-Web.pdf>.
12. Circle of Care, Lien Foundation, <https://lienfoundation.org/project/circle-of-care>.
13. Fabian Koh, “\$13 million boost over next five years for Circle of Care scheme for disadvantaged children,” *The Straits Times*, 23 May 2018, <https://www.straitstimes.com/singapore/13-million-boost-over-next-five-years-for-circle-of-care-scheme-for-disadvantaged-children>.
14. *A Circle of Care, A Lifetime of Difference: Investing in an Ecosystem of Support for Intergenerational Impact Difference*, Care Corner, 26 November 2023, https://www.carecorner.org.sg/wp-content/uploads/2023/11/Care-Corner-Circle-of-Care-In-the-Making-Early-Childhood-Development-2023_for-web.pdf?.
15. Using the Singapore Government Charity Portal (<https://www.charities.gov.sg/>), we researched the funding models of nonprofits delivering core services, excluding organisations classified as “Religious” (e.g. churches, mosques, and temples) and “Community” (e.g. welfare funds established by the government but not registered as standalone nonprofit entities).
16. Jonathan Henry Chang and Chi Wei Chan, “Sun Ray Scheme: Building leadership capabilities in the social service sector,” Singapore Management University, September 2019, https://ink.library.smu.edu.sg/cases_coll_all/275/.
17. The Social Service Institute (<https://tms.ssi.gov.sg/>), including a course in board development.
18. In this report, nonprofits serving marginalised communities are defined as entities with a stated focus on at least one of the following: persons with disabilities, racial and ethnic minorities, religious minorities, migrants and refugees, and LGBTQIA+ communities.
19. In Singapore, only charities approved as Institutions of a Public Character (IPC) can issue tax-deductible receipts to donors. IPC status can only be granted to organisations whose activities benefit the broader community in Singapore rather than those serving only a specific group or segment of the population based on race, belief, or religion. Moreover, a nonprofit’s governing board must meet the governance and accountability requirements of the Charities Regulations. IPC status is granted for a fixed period and is subject to ongoing compliance and reporting. (Singapore’s Charity Portal, 2026, <https://www.charities.gov.sg/Pages/Charities-and-IPCs/IPCs/Criteria-Application-for-Approval-IPC.aspx#>.)
20. Laporan Pengelolaan Zakat Nasional Tahun 2023, Badan Amil Zakat Nasional (BAZNAS), 6 March 2024, <https://baznas.go.id/assets/images/szn/2023%20-%20LPZN%202023.pdf>.

21. Portal Pengurusan Maklumat Zakat dan Baitulmal Malaysia, 2023, <https://baitulmal.jawhar.gov.my/statistik-kutipan-zakat-seluruh-malaysia/>.
22. There are Shariah compliance requirements governing zakat distribution. Zakat funds must be allocated directly to one or more of the eight prescribed beneficiary categories (asnaf), such as the poor, those in debt, individuals working in the cause of God, or stranded travellers. Islamic funding also might restrict support for nonprogramme costs or organisational capacity-building. (Who Is Eligible for Zakat?, Islamic Relief Worldwide, <https://islamic-relief.sg/about-us/what-we-do/zakat/who-is-eligible-for-zakat/>.)
23. Rakean Radya Al Barra and Haryo Mojopahit, “Supporting Indonesia’s faith-based charitable funds, zakat, in tackling poverty through the Graduation approach,” J-PAL, 1 December 2025, <https://www.povertyactionlab.org/blog/12-1-25/supporting-indonesias-faith-based-charitable-funds-zakat-tackling-poverty-through>.
24. “Let’s Collaborate to Build an Empowered Community by Becoming a Zakat Management Partner (MPZ) at Dompot Dhuafa,” Dompot Dhuafa, 2026, <https://www.dompotdhuafa.org/mitra-pengelola-zakat/>.
25. GuideStar India website, <https://guidestarindia.org/>.
26. Pro Bono SG website, <https://www.probono.sg/get-legal-help/legal-guidance/>.
27. Xueling Lee, Keeran Sivarajah, Chris Addy, and Roger Thompson, “How Asian Philanthropists Work with Governments: A View from the Field”, The Bridgespan Group, November 2023, <https://www.bridgespan.org/insights/how-asian-philanthropists-work-with-governments>.
28. *Working with Government: Practical Guidance for Indian Philanthropists*, The Bridgespan Group, forthcoming.
29. CAPS uses the term social delivery organisation (SDO) to refer to organisations engaged in delivering products and services that address a societal need, including those with a for-profit or social enterprise income stream. Eighty-nine percent of the SDOs surveyed by CAPS are nonprofits, while the remaining are social enterprises or social ventures.
30. *Doing Good Index 2024: Examining the Readiness of Asia’s Social Sectors to Thrive*, Centre for Asian Philanthropy and Society, 2024, 92, 98, https://doinggoodindex.caps.org/assets/Doing_Good_Index_2024-DHvLUZqA.pdf.
31. Ahmad Mu’az Mohd Nawawi, et al., “Legal Framework for Non-profit Organisations in Malaysia and the need for a Standard Regulatory & Compliance Framework in Charity Governance,” International Governance and Sustainability Centre, 2024, <https://www.synchronet.my/ircief2/wp-content/uploads/2024/12/14.Legal-Framework-for-Non-Profit-Organisations-In-Malaysia-And-The-Need-For-A-Standard-Regulatory-Compliance-Framework-In-Charity-Gov.pdf>.

32. In Indonesia, annual surpluses of an education or research nonprofit are tax exempt if surpluses are re-invested in physical education or research infrastructure within four years. Annual surpluses of a social or religious nonprofit are tax-exempt if the surpluses are re-invested in physical social infrastructure within four years. (Indonesia Ministry of Finance, 2020, <https://jdih.kemenkeu.go.id/api/download/fulltext/2020/68-PMK.03-2020Per.pdf>.)
33. *Improving Health of the Left-Behinds: The Case of Indonesia's Nusantara Sehat A Quantitative Evaluation Study*, The National Team for the Acceleration of Poverty Reduction (TNP2K), November 2019, <https://media.neliti.com/media/publications/641599-improving-health-of-the-left-behinds-the-e67b886d.pdf>.
34. *7 Years of the Journey of Enlightening the Archipelago*, CISDI, <https://cisdi.org/akuntabilitas/laporan-program/7-tahun-perjalanan-pencerah-nusantara>.
35. Elvina Karyadi, Melissa Chew Pei Lyn, Claudia Rokx, et. al., *Moving Forward : How Indonesia's Districts Reduce Stunting* (English), World Bank Group, May 2022, <http://documents.worldbank.org/curated/en/099520105232222531>.
36. "Pencerah Nusantara: Primary Care Innovation in Indonesia," CISDI, 10 July 2019, <https://cdn.cisdi.org/documents/fnm-2019-07-11Pencerah-Nusantara-Inovasi-Perawatan-Primer-di-Indonesia-2pdf-1705467704109-fnm.pdf>.
37. "The Powerful Movement of 'Women Helping Women,'" *Puan Indonesia*, 10 June 2020, <https://www.puanindonesia.com/en/the-powerful-movement-of-women-helping-women/>.
38. Ibid.
39. "Press Release: Ministry of Health Fulfills Healthcare Workforce Needs at Community Health Centers Through Special Assignment Program," Indonesian Ministry of Health, 14 February 2023, <https://kemkes.go.id/eng/%20kemenkes-penuhi-kebutuhan-nakes-di-puskesmas-lewat-penugasan-khusus>.
40. SDG Collaboration Center, Filantropi Indonesia, <https://filantropi.or.id/en/program/sdg-collaboration-center/>.
41. "Bappenas and PFI Collaborate at FIFest2025: Strengthening Philanthropy's Role in Achieving the SDGs," National Development Planning Agency (Bappenas), 4 August 2025, <https://bappenas.go.id/berita/bappenas-dan-pfi-bersinergi-di-fifest2025-perkuat-peran-filantropi-untuk-capai-sdgs-OCYsV>.
42. Developed under The Bridgespan Group's Pay-What-It-Takes India initiative, Aria CFO Services and partners launched a "True Cost Computation and Communication Guidelines" (2024) (<https://www.ariaadvisory.in/truecostguidelines>) to support greater financial transparency and partnerships between nonprofits and funders.

THE BRIDGESPAN GROUP

BOSTON 287 Columbus Avenue, 4th Floor, Boston, MA 02116 USA. Tel: +1 617 572 2833

JOHANNESBURG Bridgespan Africa, The MARC, Tower 1, 3rd Floor, Corner Maude and Rivonia Road, Sandown Johannesburg, South Africa. Tel: +27 11 012 9280

MUMBAI Bridgespan India Private Limited (registered address), 11th Floor, Platina, G Block, Plot C 59, Bandra Kurla Complex, Mumbai, 400051, India. Tel: +91 022 6628 9624

NEW YORK 333 Seventh Avenue, 11th Floor, New York, NY 10001 USA. Tel: +1 646 562 8900

SAN FRANCISCO 88 Kearny Street, Ste. 200, San Francisco, CA 94108 USA. Tel: +1 415 627 4500

SINGAPORE The Bridgespan Group, 38 Beach Road, South Beach Tower, Level 27, Singapore 189767

WASHINGTON DC 1201 K Street NW, 4th Floor, Suite 444, Washington, DC 20005



www.bridgespan.org

contact@bridgespan.org

This work is licensed under the Creative Commons BY-NC-ND License.
To view a copy of this license, visit <http://www.bridgespan.org/about-us/terms-and-conditions>