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POLITICS

The USAID shutdown is upending livelihoods for nonprofit workers, farmers and other Americans

BY [ELLEN KNICKMEYER](#) AND [HEATHER HOLLINGSWORTH](#)

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WASHINGTON (AP) — There's the executive in a U.S. supply-chain company whose voice breaks while facing the next round of calls telling employees they no longer have jobs.

And a farmer in Missouri who grew up knowing that a world with more hungry people is a world that's more dangerous.

And a Maryland-based philanthropy, founded by Jews who fled pogroms in Eastern Europe, is shutting down much of its more than 120-year-old mission.

Beyond the [impact of the Trump administration's dismantling](#) of the [U.S. Agency for International Development](#), some [14,000 agency employees](#) and foreign contractors as well as hundreds of thousands of people receiving aid [abroad](#) — many American businesses, farms and nonprofits— say the cutoff of U.S. money they are owed has left them struggling to pay workers and cover bills. Some face financial collapse.

U.S. organizations do billions of dollars of business with USAID and the State Department, which oversee more than \$60 billion in [foreign assistance](#). More than 80% of companies that have contracts with USAID are American, [according to aid data company DevelopmentAid](#).

President [Donald Trump](#) stopped payment nearly overnight in a Jan. 20 executive order freezing foreign assistance. The Trump administration accused USAID's programs of being [wasteful](#) and promoting a liberal agenda.

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USAID Stop-Work, a group tracking the impact, says USAID contractors have reported that they laid off nearly 13,000 American workers. The group estimates that the actual total is more than four times that.

Here are stories of some Americans whose livelihoods have been upended:

Crop innovation work facing closures

At the University of Illinois Urbana-Champaign, a lab that works with processors, food manufacturers and seed and fertilizer companies to expand soybean usage in 31 countries, is set to close in April unless it gets a last-minute reprieve.

Peter Goldsmith, director and principal investigator at the Soybean Innovation Lab, said the group has helped open international markets to U.S. farmers and made the crop more prevalent in Africa.

For Goldsmith, that kind of steady partnership built on trade and U.S. foreign aid offers the best way to wield U.S. influence, he said.

Goldsmith said innovation labs at other land grant universities also are closing. Without them, Goldsmith worries about what will happen in the countries where they worked — what other actors may step in, or whether conflict will result.

“It’s a vacuum,” he said. “And what will fill that vacuum? It will be filled. There’s no doubt about it.”

A refugee mission is imperiled

For nonprofits working to stabilize populations and economies abroad, the United States was not only the biggest humanitarian donor but an inextricable part of the whole machinery of development and humanitarian work.

Among them, HIAS, a Jewish group aiding refugees and potential refugees, is having to shut down “almost all” of its more than 120-year-old mission.

The Maryland-based philanthropy was founded by Jews fleeing persecution in Eastern Europe. Its mission in recent decades has broadened to include keeping vulnerable people safe in their home country so they don’t have to flee, said HIAS President Mark Hetfield.

Hetfield said the first Trump administration saw the wisdom of that effort. Hias experienced some of its biggest growth during Trump’s first term as a result.

But now, Trump's shutdown of foreign assistance severed 60% of HIAS's funding, overnight. The group immediately started furloughs among its 2,000 direct employees, operating in 17 states and 20 countries.

The administration calls it a "suspension," rather than a termination, Hetfield said. "But we have to stop paying our leases, stop paying our employees."

"It's not a suspension," Hetfield said. "That's a lie."

Tracking USAID's effectiveness may fall by the wayside

Keith Ives, a Marine veteran who fell in love with data, has a small Denver-area nonprofit that brought a numbers-crunching relentlessness to his USAID-funded mission of testing the effectiveness of the agency's programs.

For Ives' teams, that's included weighing and measuring children in Ethiopia who are getting USAID support, testing whether they're chunkier and taller than kids who aren't. (On average they are.)

Last week, Ives was planning to tell half his full-time staff of 28 that they would be out of a job at the end of the month. Ives' Causal Design nonprofit gets 70% of its work from USAID.

At first, "it was an obsession over how can I fix this," said Ives, who described his anxiety in the first days of the cutoff as almost paralyzing. "There must be a magic formula. ... I'm just not thinking hard enough, right?"

Now, Ives goes through all-staff call after call, breaking bad news on the impact of USAID's shutdown. Being transparent with them, it turned out, was the best he could do.

He looks at the U.S. breaking partnerships and contracts in what had been USAID's six-decade aim of boosting national security by building alliances and crowding out adversaries.

For the U.S. now, "I think for years to come, when we try to flex, I think people are going to go, 'Yeah, but like, remember 2025?'" Ives said. "'You could just be gone tomorrow.'"

A supplier faces ruin

It takes expertise, cash flow and hundreds of staff to get USAID-funded food and goods to remote and often ill-regulated places around the globe.

For U.S. companies doing that, the administration's only follow-up to the stop-work orders it sent out after the money freeze have been termination notices — telling them some contracts are not only paused, but ended.

Almost all of those companies have been kept silent publicly, for fear of drawing the wrath of the Trump administration or endangering any [court challenges](#).

Speaking anonymously for those reasons, an executive of one supply-chain business that delivers everything from hulking equipment to food describes the financial ruin facing those companies.

While describing the next round of layoff calls to be made, the executive, who is letting hundreds of workers go in total, sobs.

Farmers may lose market share

Tom Waters, a seventh-generation farmer who grows corn, soybean and wheat near Orrick, Missouri, thinks about his grandfather when he reads about what is happening with USAID.

"I've heard him say a hundred times, 'People get hungry, they'll fight,'" Waters said.

Feeding people abroad is how the American farmer stabilizes things across the world, he says. "Because we're helping them keep people's bellies full."

USAID-run food programs have been a dependable customer for U.S. farmers since the Kennedy administration. Legislation mandates U.S. shippers get a share of the business as well.

Even so, American farm sales for USAID humanitarian programs are a fraction of overall U.S. farm exports. And politically, U.S. farmers know that Trump has always taken care to buffer the impact when his tariffs or other moves threaten demand for U.S. farm goods.

U.S. commodity farmers generally sell their harvests to grain silos and co-ops, at a per bushel rate. While the impact on Waters' farm is not yet clear, farmers worry any time something could hit demand and prices for their crops or give a foreign competitor an opening to snatch away a share of their market permanently.

Still, Waters doesn't think the uncertainty is eroding support for Trump.

"I really think people, the Trump supporters are really going to have patience with him, and feel like this is what he's got to do," he said.

Hollingsworth reported from Kansas City, Missouri.

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