RI NONPROFITS & COVID-19:

A Learn and Share Session on Organizational Impacts and Needs

GCRI | Grantmakers Council OF RHODE ISLAND + fiō

WELCOME!

THANK YOU to our survey distribution partners!

Blue Cross Blue Shield of Rhode Island

Centreville Bank

City of Providence Department of Art, Culture + Tourism

Fiscal Management Associates (FMA)

Rhode Island State Council on the Arts

Tufts Health Plan Foundation

United Way of Rhode Island

van Beuren Charitable Foundation

Women's Fund of Rhode Island

WELCOME!

AGENDA

- Key Findings
- Implications
- Q&A
- Group Discussions

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SURVEY PARTICIPANTS

September 8 – 18, 2020

10
Days

293
Respondents

246
Organizations

Operating Budget Size

49%
Under $0.5M

61%
Under $1M

39%
Over $1M

Operating Budget	Percentage
$15M or larger	8.2%
$10M - $15M	2.1%
$5M - $10M	6.2%
$2M - $5M	9.4%
$1M - $2M	12.7%
$500k - $1M	12.7%
$250k - $500k	12.3%
$100k - $250k	17.6%
< $100,000	18.9%
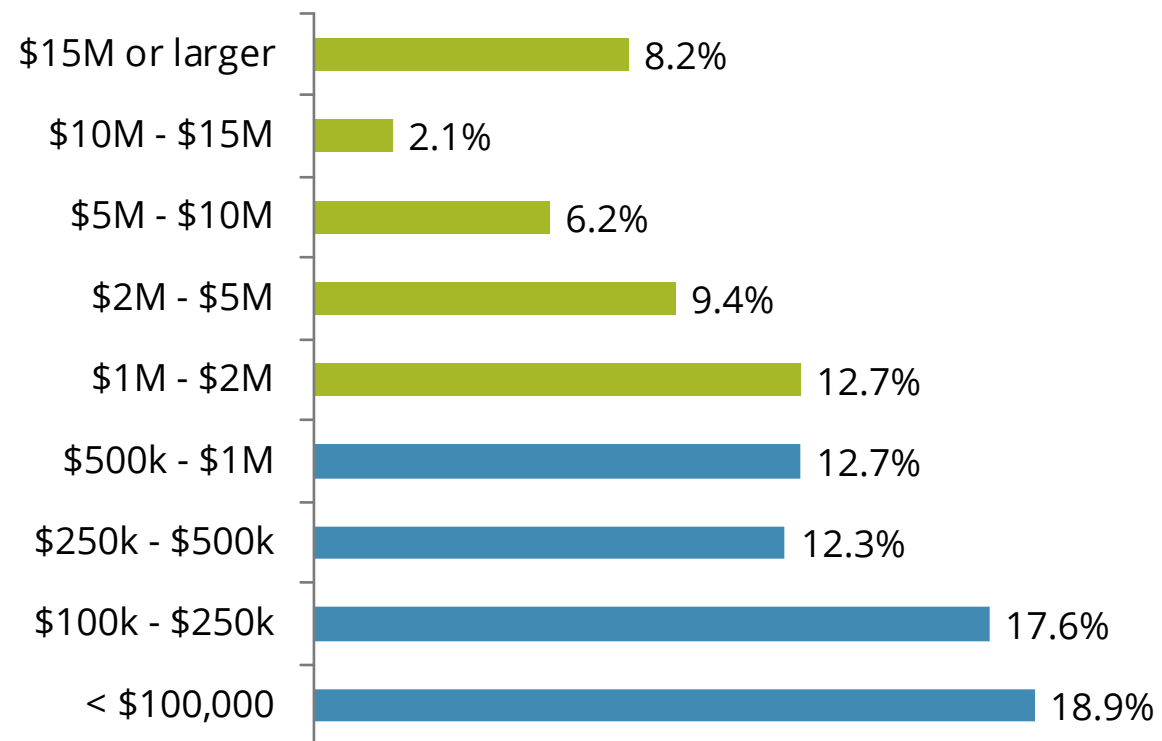
SURVEY PARTICIPANTS

Service Area(s)

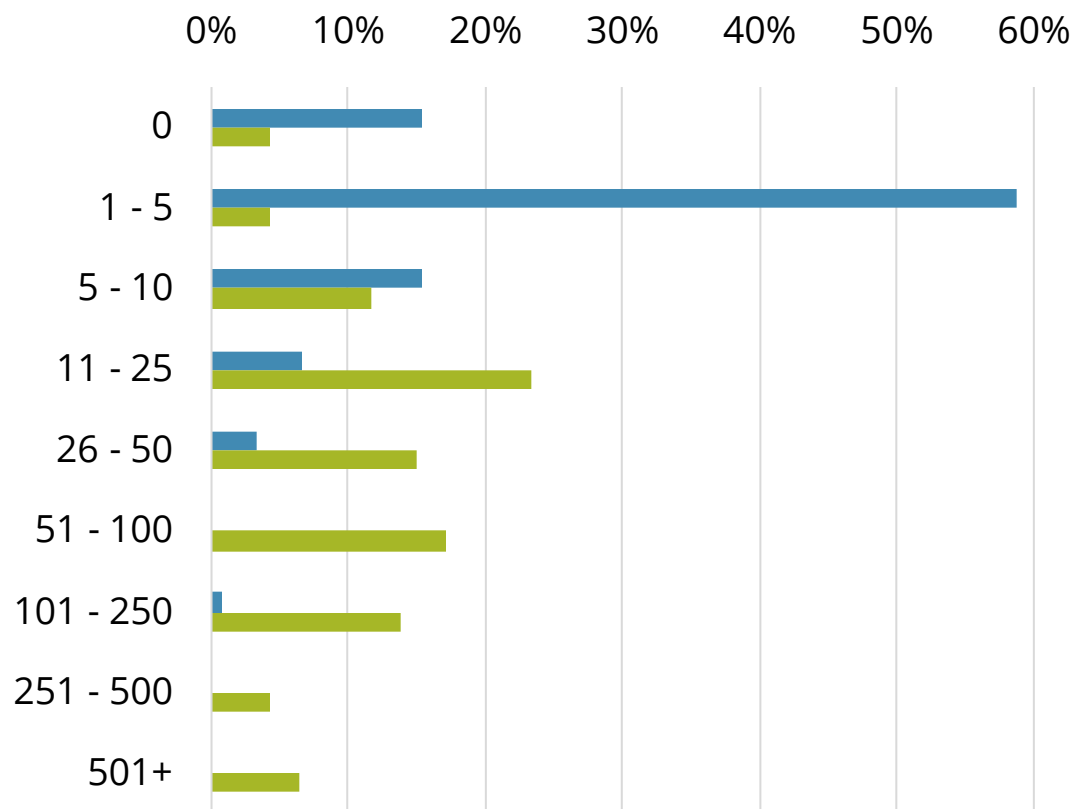| Service Area	Percentage
Bristol	51%
Kent	55%
Newport	58%
Providence	83%
Washington	57%
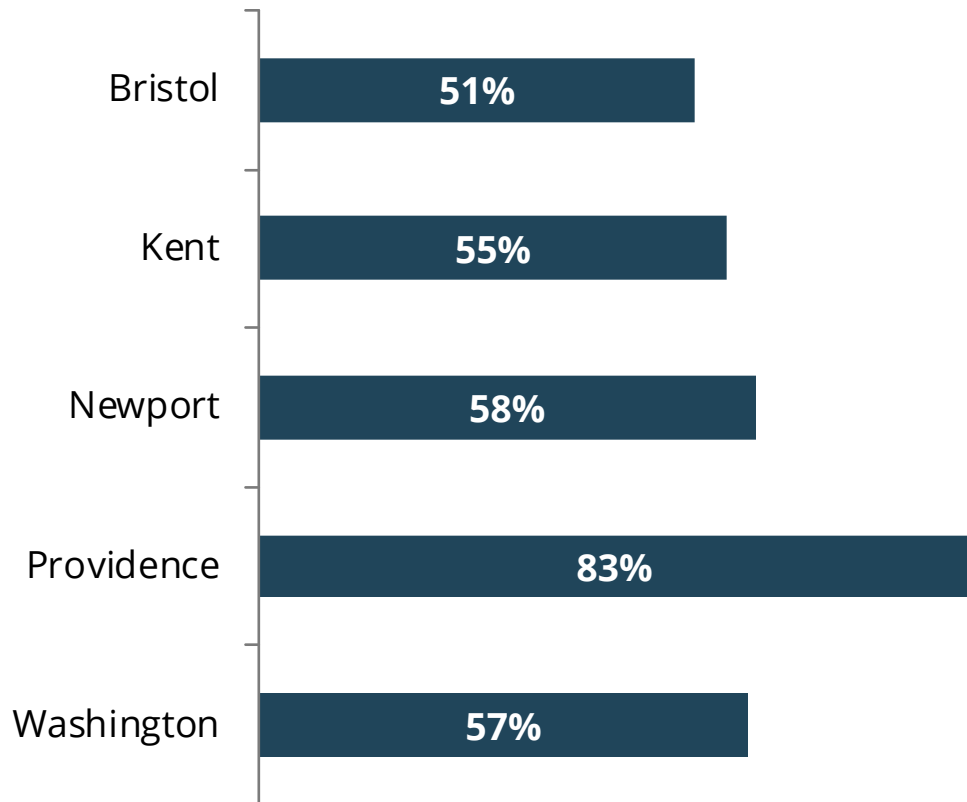
Top 10 Subsectors Represented

Education (42%)

Arts & culture (31%)

Children's services (26%)

Basic needs (19%)

Civil rights, social justice, racial equity (14%)

Place-based org (13%)

Housing (12%)

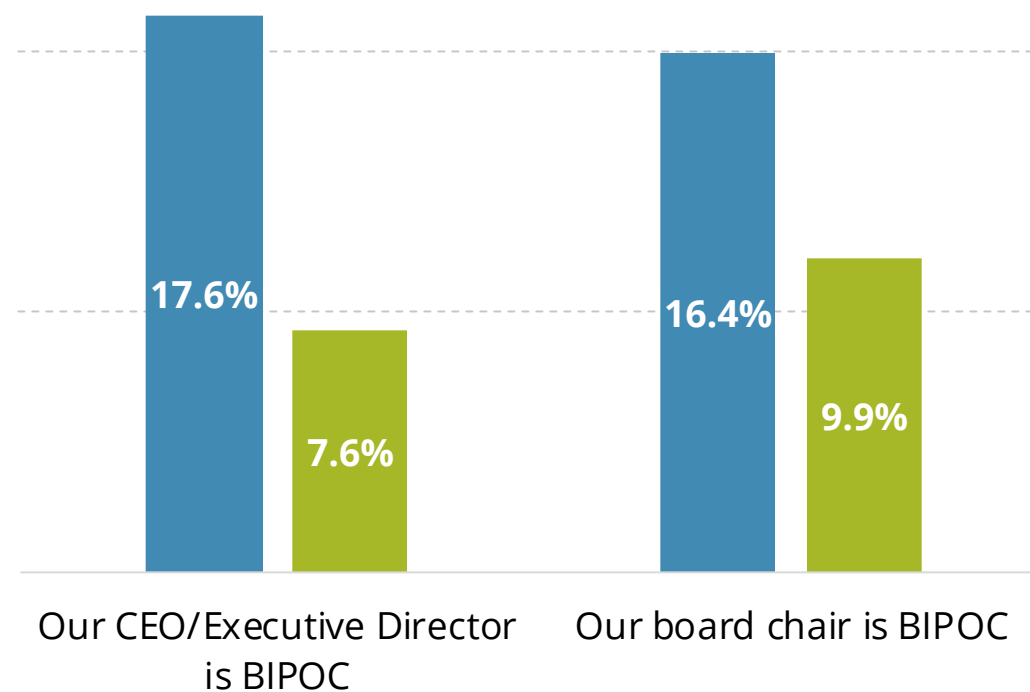Health care (10%)
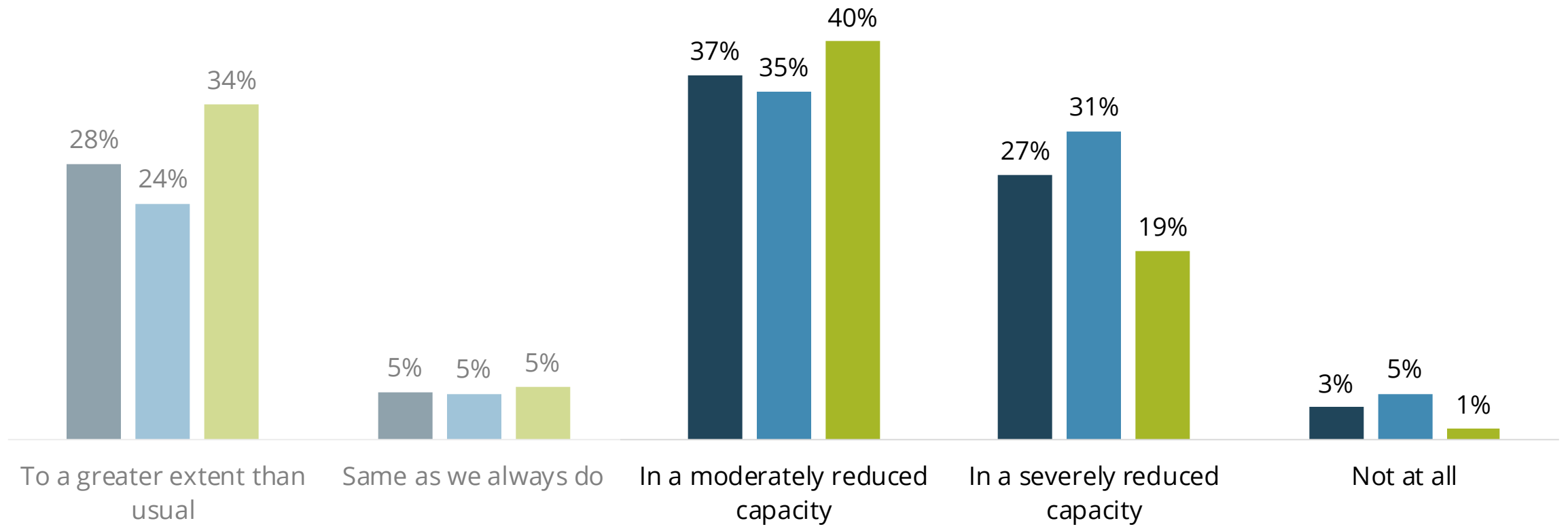
Older adults (10%)

Adult behavioral health (8%)

SERVICE IMPACTS

Legend: ■ Overall ■ Under $1M ■ Over $1M

Q1. To what extent are you currently delivering your normal programs and/or services?

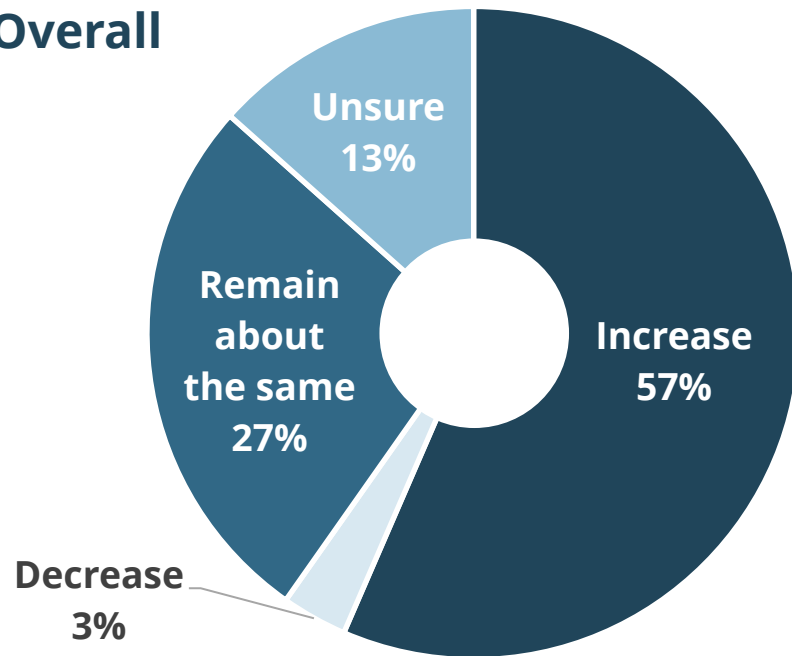| Category	Overall	Under $1M	Over $1M
To a greater extent than usual	28%	24%	34%
Same as we always do	5%	5%	5%
In a moderately reduced capacity	37%	35%	40%
In a severely reduced capacity	27%	31%	19%
Not at all	3%	5%	1%

SERVICE IMPACTS

■ Overall ■ Under $1M ■ Over $1M

Q2. How has your service delivery changed since the onset of the pandemic? In what ways has your work shifted?

	Shift to Virtual	Program Pivot or Redesign	Cancelled or Delayed Program	Had to Reduce Participation/Attendance Levels
Overall	55%	40%	25%	22%
Under $1M	51%	37%	29%	16%
Over $1M	63%	45%	18%	25%
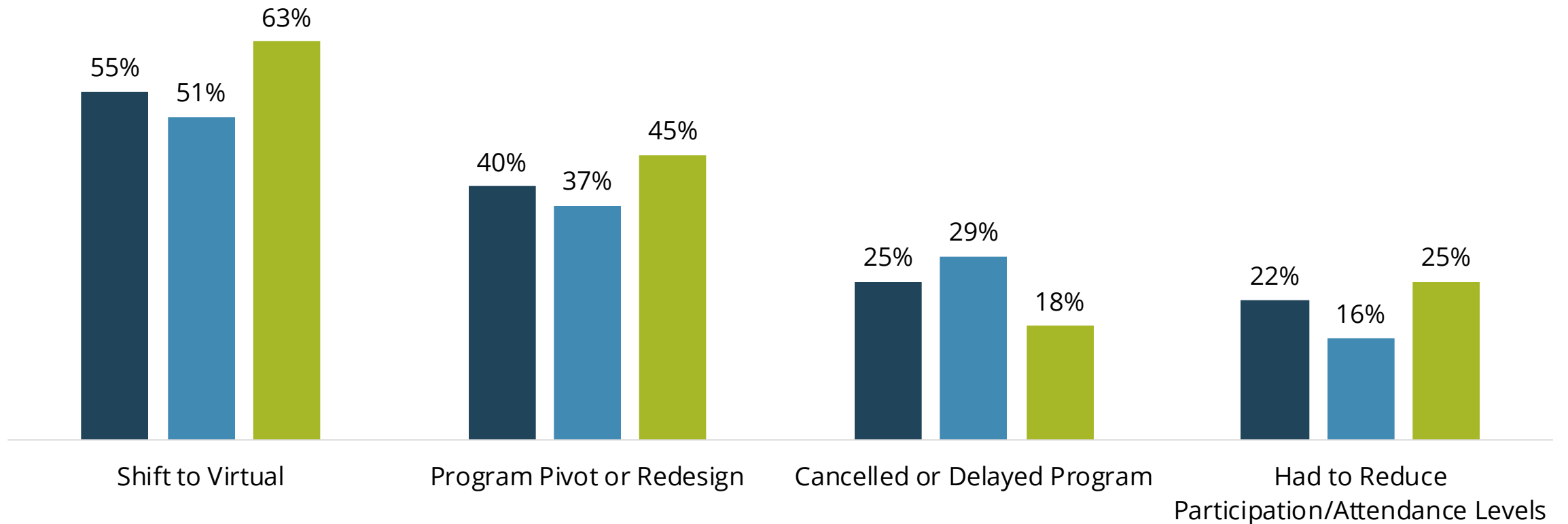
PUBLIC POLICY IMPACTS

Q3. As government benefits for individuals end/have ended, do you believe that demand/need for your services and programs will...

Overall

DEMAND / NEED ANTICIPATED TO	Overall	Under $1M	Over $1M
Increase	56.5%	49.3%	**67.0%**
Decrease	3.3%	3.3%	3.2%
Remain about the same	26.8%	**30.0%**	22.3%
Unsure	13.4%	**17.3%**	7.5%

FINANCIAL ISSUES

ISSUE		% NOTED AS MODERATE OR MAJOR ISSUE		
		Overall	Under $1M	Over $1M
Loss of Earned Revenue	★ **Due to program/event cancellations**	**63.8%**	61.3%	68.1%
	★ **Due to drop in utilization of services**	**48.8%**	43.2%	**57.6%**
	Reductions in State grants	32.1%	31.1%	33.3%
Increased Expenses	Hazard pay	21.7%	10.7%	**39.8%**
	★ **COVID-related expenses (including PPE, cleaning, etc.)**	**47.1%**	32.0%	**70.7%**
	Need to reimburse unemployment insurance funds	13.1%	7.3%	**22.8%**
Delays or Declines in Philanthropy	Delayed philanthropic grant processing for a program or general operating support application	40.2%	41.6%	37.6%
	Inability to apply for grants because funder has placed process on hold	36.9%	37.0%	36.6%
	★ **Inability to hold planned fundraising activities**	**75.6%**	77.3%	73.4%
	★ **Decline in donations from individual donors**	**52.5%**	**56.5%**	45.2%

FINANCIAL IMPACT

■ Under $1M ■ Over $1M

Financial losses as a % of operating budget

- 0-5%: 26% / 24%
- 5-14%: 15% / 21%
- 15-30%: 25% / 29%
- > 30%: 34% / 26%
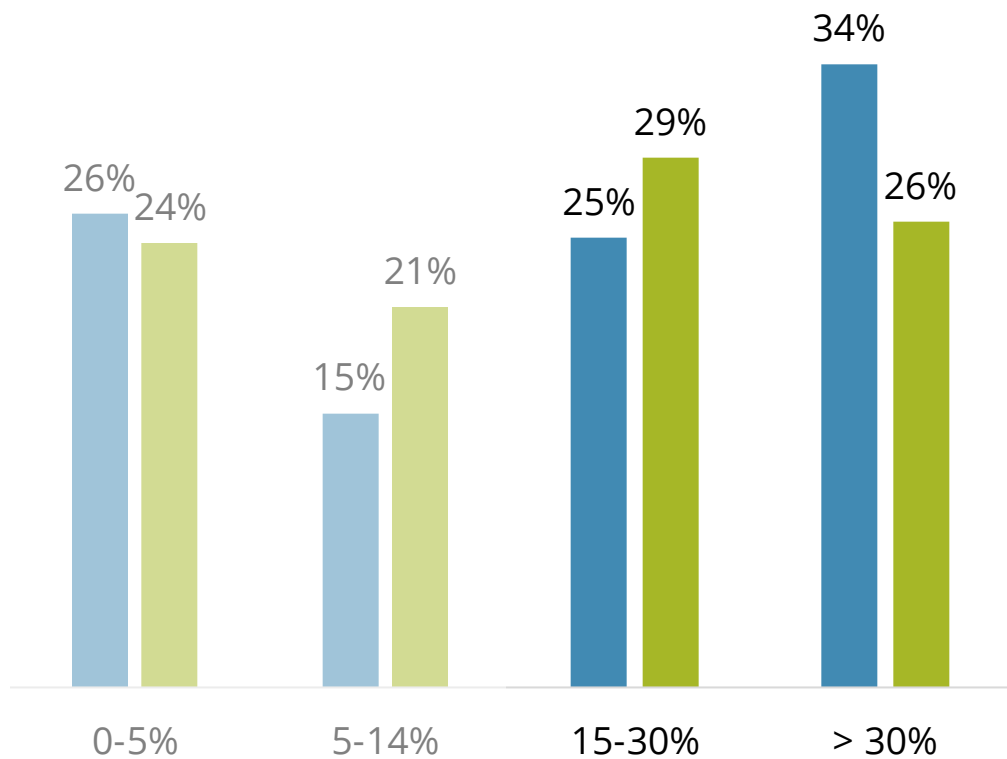
Increased expenses as a % of operating budget

- 0%: 29% / 8%
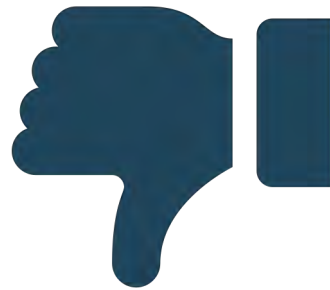- < 3%: 25% / 20%
- 3-5%: 12% / 23%
- 5-14%: 15% / 22%
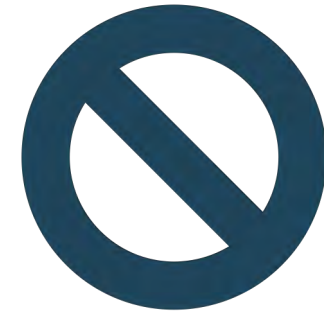- 15-30%: 10% / 19%
- > 30%: 8% / 8%
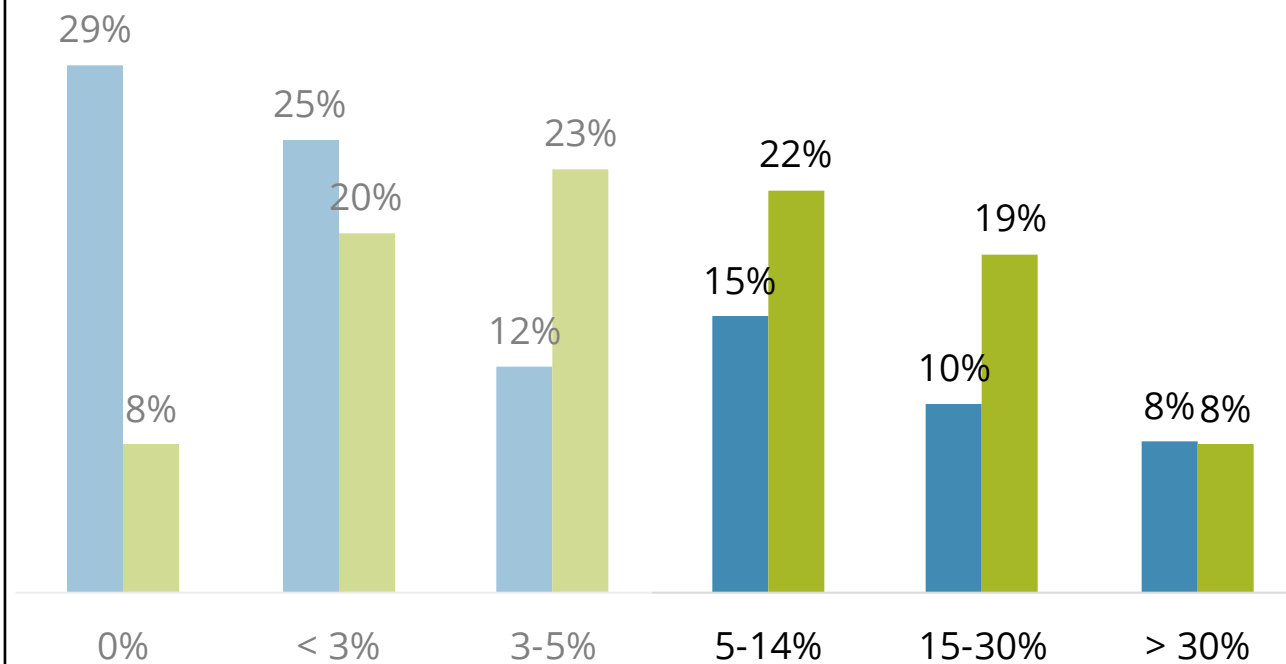
PAYROLL PROTECTION PROGRAM (PPP)
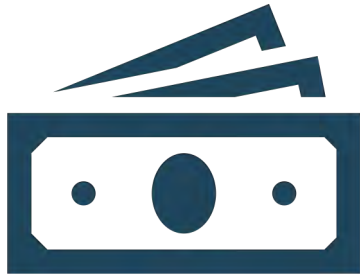
59% of small agencies and 70% of large agencies applied for and **RECEIVED PPP FUNDING.**

30% of small agencies and 19% of large agencies were **INELIGIBLE TO APPLY.**

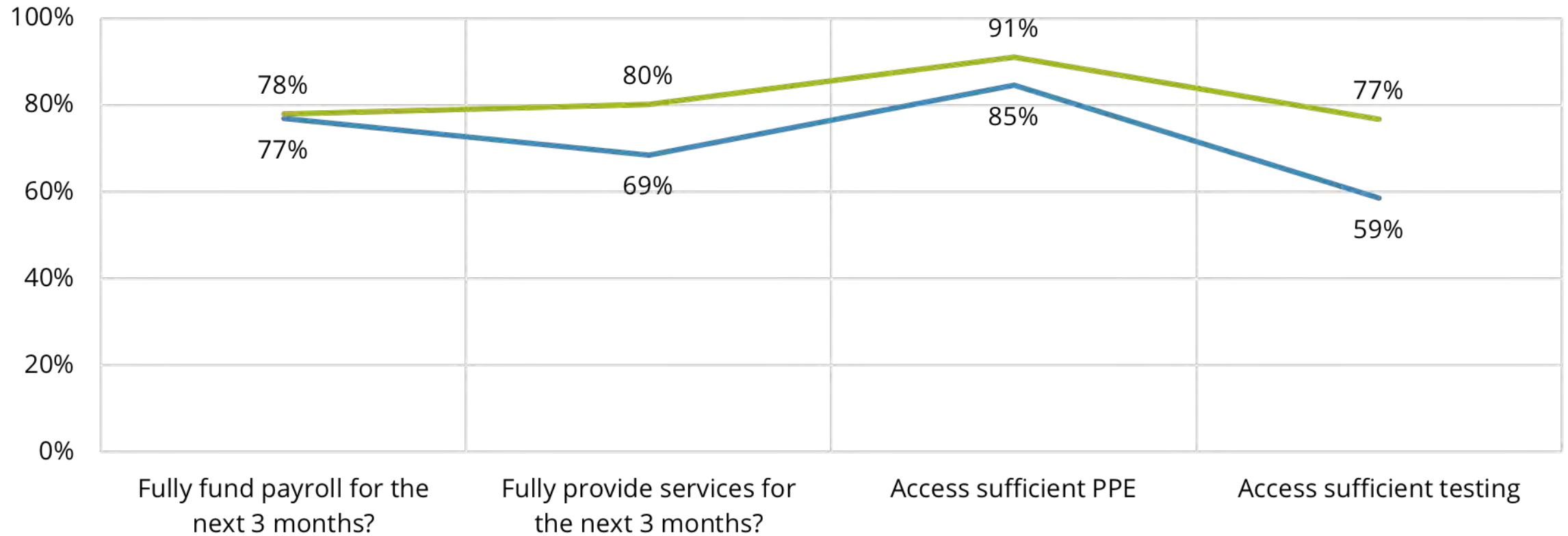Overall, 7% of participating nonprofits were eligible for PPP but **CHOSE NOT TO APPLY.**

CONFIDENCE

% Very or Somewhat Likely to Be Able to...

	Fully fund payroll for the next 3 months?	Fully provide services for the next 3 months?	Access sufficient PPE	Access sufficient testing
Over $1M	78%	80%	91%	77%
Under $1M	77%	69%	85%	59%

COPING STRATEGIES

|	Overall	Under $1M	Over $1M
Temporary closing of program(s)	**54.9%**	53.0%	58.1%
Increasing grantwriting	**53.3%**	53.7%	51.6%
Intensifying individual fundraising appeals	**45.1%**	45.0%	45.2%
Developing a new collaboration or service network	**43.4%**	41.6%	47.3%
Expanding services	35.7%	30.2%	**44.1%**
Reducing staff hours	30.3%	26.9%	**35.5%**
Engaging in policy advocacy	28.3%	19.5%	**41.9%**
Furloughing employees	21.7%	15.4%	**31.2%**
Laying off employees	20.5%	12.8%	**32.3%**
Adjusting staff ratios	18.9%	12.8%	**28.0%**
Hiring additional employees	16.0%	8.7%	**28.0%**
Increasing borrowing	15.2%	9.4%	**24.7%**

TOP 10 REPORTED FUNDER MODIFICATIONS

1. **Provided flexibility for events, programs or deliverables that have to be postponed or cancelled (52%)**

2. **Provided new unrestricted or general operating support grants (52%)**

3. Converted grants to general operating support (43%)

4. Provided opportunities to communicate about additional and anticipated needs (42%)

5. Reduced or delayed reporting requirements (40%)

6. Reduced paperwork and administrative steps required (including site visits) (36%)

7. Streamlined application process for new grants (35%)

8. Provided flexibility for sponsorship funds (transfer to different or postponed event) (24%)

9. Accelerated payment schedule (21%)

10. Converted sponsorship funds to unrestricted grants (20%)
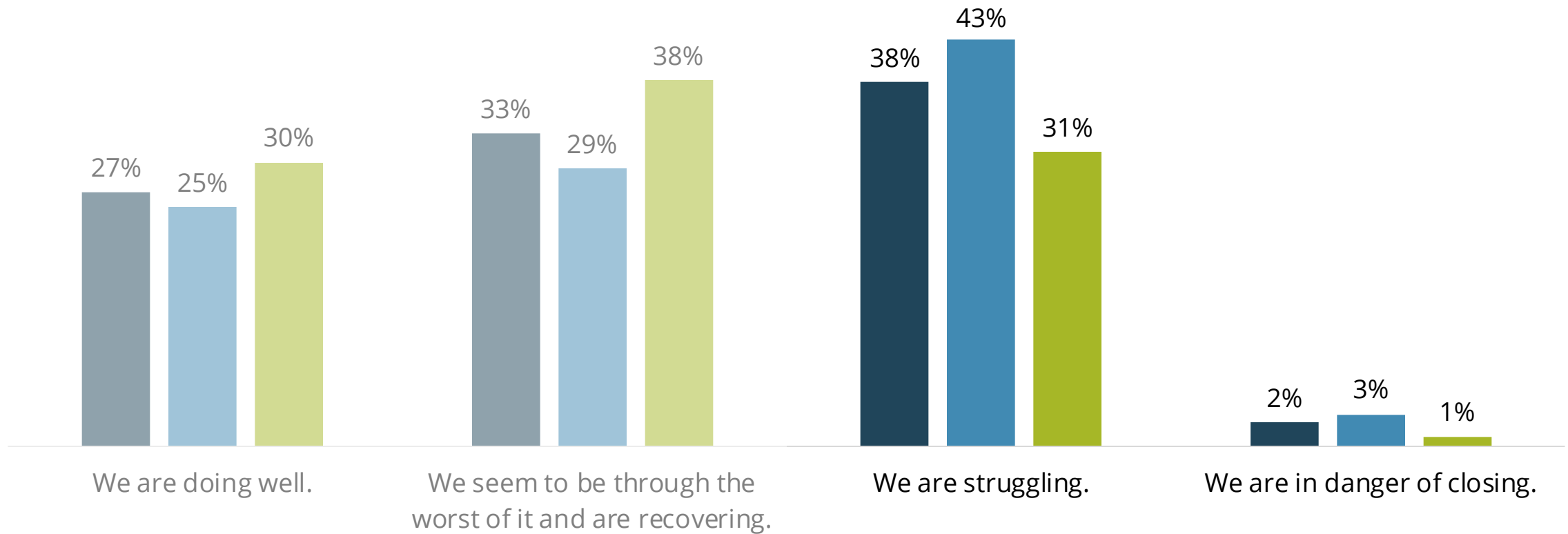
POPULATION CONCERNS & NEEDS

Concern for Overlooked or Underserved Populations

1. Low-income families
2. Youth
3. Households without internet
4. Black, Indigenous, and People of Color (BIPOC)
5. Older adults
6. Undocumented residents
7. Persons with disabilities
8. Homeless

Critical Population Needs or Issues

1. Family and Child Needs
2. Increase in Basic Needs
3. Mental Health / Wellness / Social Isolation
4. Financial Hardship / Job Loss
5. Virtual Online Programming / Service Delivery / Telehealth
6. Housing / Homelessness
7. Inability to Gather
8. Safety

ORGANIZATIONAL ADAPTATION & INNOVATION

Moving programming and services online

(36% of <$1M, 30% of >$1M)

Remote / flexible work arrangements

(14% of <$1M, 19% of >$1M)

Distribution of supplies or materials

(11% of <$1M, 9% of >$1M)

Better use of technology or digital media

Improved internal / external communication

New, increased, or strengthened programming

Telehealth services

(9% of large nonprofits)

ORGANIZATIONAL CHALLENGES

Q12. What are the **pressing challenges** your organization faces during this extraordinary time?

	Overall	Under $1M	Over $1M
1 Financial	78.8%	**82.7%**	72.0%
2 Reopening concerns (e.g., safety, accessing supplies)	51.4%	49.3%	53.8%
3 Technology (e.g. for remote staff, virtual programming)	44.5%	42.0%	**49.5%**
4 Addressing issues pertaining to race and racism (board/staff diversification, equity, anti-racism work)	35.9%	31.3%	**41.9%**
5. Board engagement	29.4%	**36.0%**	17.2%
6. Staffing	28.2%	23.3%	**36.6%**
7. Reluctance / inability of staff to return to work	24.5%	16.7%	**36.6%**
8. Accessing PPE	11.0%	4.0%	**20.4%**
9. Accessing testing	10.2%	6.0%	**17.2%**

LEADERSHIP CHALLENGES

Rank			Challenge	Overall	Under $1M	Over $1M
1	1	1	**Finances**	**70.4%**	69.1%	73.0%
2	2	4	**Loss of funding or cancellation of fundraisers**	**61.7%**	63.1%	58.4%
3	4	2	Keeping staff and clients / participants safe	54.6%	45.0%	**69.7%**
4	5	3	Staff burnout	50.0%	39.6%	**67.4%**
5			Funding support for a potential resurgence of the virus in the fall	43.3%	34.9%	**56.2%**
	3		Client/participant engagement or attendance at services or programs	42.9%	**47.0%**	37.1%
		5	Potential or actual loss of state funding due to budget concerns	42.5%	32.2%	**58.4%**
			Foundations shifting their resources impacting "non-essential" services	36.7%	**39.6%**	31.5%
			Determining how much program or service adaptation to invest in	30.8%	28.9%	**34.8%**
			Maintaining board engagement	30.4%	**34.9%**	21.4%
			Staffing levels	25.0%	20.8%	**31.5%**
			Managing and adapting the physical plant	23.8%	18.1%	**32.6%**
			Self-funding purchase of PPE	17.9%	10.7%	**28.1%**

NAVIGATING 2020

TOP 10 ACTIVITIES that respondents are <u>likely to undertake</u> within the next 3-6 months:

1. New/Adapted program development
2. Program policy and procedure development
3. Diversity, Equity, and Inclusion (DEI) organizational assessment
4. Risk management assessment and planning for reopening
5. DEI and/or racial justice initiatives
6. Strategic planning
7. Scenario planning
8. Business planning (pursuing earned revenue opportunities)
9. Purchase of new technology
10. Professional development

Which desired activities would require grant funding in order to pursue?

Purchase of new **technology** (40%)

DEI and/or racial justice initiatives (25%)

New / adapted **program development** (22%)

PROFESSIONAL DEVELOPMENT PRIORITIES

TOP 6 PRIORITIES (SHARED)

1. Diversity, Equity, & Inclusion (DEI)
2. Racial equity / justice
3. Managing and motivating remote/virtual teams
4. Re-engaging your client base
5. Social media
6. Resource development in an economic downturn

UNIQUE TO SMALL NONPROFITS

- Grant writing
- Board Governance
- Creating a strategic plan
- Advocacy

UNIQUE TO LARGE NONPROFITS

- Encouraging innovation
- Cultural sensitivity
- Unconscious bias
- Pivoting your strategic plan

STRENGTHENING THE RI NONPROFIT ECOSYSTEM

Q20. Looking to the future, there may be opportunities to develop new innovations and collaborative efforts in the nonprofit ecosystem in Rhode Island. Please rate the value/importance of the following potential innovations:

Rank*	Innovation or Collaborative Effort	% rated as Extremely Valuable (Overall)
1	**Reference database on funders and funding opportunities**	**71.4%**
2	**Hub for racial equity/anti-racism training**	**58.6%**
3	**Nonprofit network/association**	**54.6%**
4	**Marketing and visibility of nonprofit sector and its impact**	**52.7%**
5	Hub for data and research on the nonprofit sector and philanthropic giving in RI	48.1%
6	Opportunities for collaborative fundraising	48.3%
7	Hub for capacity building and organizational development	46.0%
8	Hub for mobilizing the sector for federal and state issue and policy advocacy	44.0%
9	Hub for nonprofit professional and leadership development -- training & support	38.3%
10	Bulk purchasing/vendor discounts	30.4%
11	Back-office support organization	23.4%

Based on weighted average of all responses

CLOSING THOUGHTS

Q17. Is there anything else that you'd like to share with us about your organization's needs and how we can support you as you navigate this extraordinary time?

FLEXIBLE FUNDING

The majority response for both nonprofits under and over $1M was for additional **GENERAL OPERATING SUPPORT** due to the loss of program revenue and cancellation of fundraising events.

(22 of 38 comments)

OTHER ISSUES, NEEDS, AND SUPPORTS RAISED

- Reform the grantmaking process to reduce burden and focus on General Operating Support.

- Nonprofit advocacy, public policy, rate setting, recognize the dysfunction in RI state and municipal government.

- Need for leadership to re-imagine nonprofit sector for small organizations.

- Continuing need for funder convening/leadership as long-term impact of COVID becomes known.

IMPLICATIONS

- Differential Impact on Small Nonprofits

- Mismatch Between Anticipated Needs and Sector Capacity

- Centering of DEI is a Concurrent Priority for the Sector

- Pain of Partial Reopening

- Opportunity to Convert Adaptations to Sustained Strategies

- Philanthropy Likely Needed to Step Up Even Further

- Challenge of Sustaining Current Work While Innovating for Future Work

BREAKOUT DISCUSSIONS
(12 MINUTES)

What stood out for you?

As you look to the future, what else should funders and advocates know?

WE WILL THEN REGROUP TO SHARE INSIGHTS & CALLS TO ACTION!

THANK YOU!