RI NONPROFITS & COVID-19:

A Pulse Survey on Organizational Impacts and Needs

GCRI | Grantmakers Council OF RHODE ISLAND + fiō

About the Pulse Survey and This Report

In September 2020, the **Grantmakers Council of Rhode Island** and **Fio Partners** together with a host of philanthropic collaborators, partnered on a pulse survey to glean the current state of nonprofits in Rhode Island.

Over the course of ten days (September 8–18, 2020) 293 nonprofit leaders from nearly 250 organizations provided valuable insights into common challenges and highlighted the pandemic's varying impacts on small and large agencies.

This report captures the pulse survey findings, which were processed by Fio Partners, LLC. A presentation (video and PDF slides) summarizing key findings and implications can be accessed at **www.fiopartners.com**.

We are grateful to the many institutions that helped distribute this survey:

- 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

Reflections from the Grantmakers Council of Rhode Island

Year in and year out, and especially in times of crisis, the state of Rhode Island and its people turn to the nonprofit sector to deliver essential social services. Moreover, we look to the nonprofit sector to educate, engage, advocate, and enrich our lives.

As the COVID-19 pandemic caused unprecedented health and economic challenges and highlighted longstanding racial disparities, Rhode Island nonprofits providing vital supports adjusted and expanded their work to meet increased community needs. Educational and cultural organizations quickly transitioned to virtual programs. Social justice organizations provided guidance on anti-racism efforts. And the list could go on for pages.

The responsiveness of nonprofits has been a lifeline for Rhode Islanders, but this work has not been without cost. These vital community organizations have stepped up, even as they have experienced a steep decline in donations and revenue.

Federal Payroll Protection Program (PPP) funds and increased grantmaking by local funders have provided an essential short-term boost for many

nonprofits on the frontlines. But even with this infusion of resources, the short- and long-term outlook is precarious. One quarter of respondents believe it is unlikely they can fully provide services for their clients for the next 3 months. Nonprofits outside of the social services sector have found themselves cut out of funding sources focusing on COVID-19 relief efforts. Participating organizations with leaders that are black, indigenous, or people of color (BIPOC) were 25% less likely to access PPP. And more than three quarters of respondents cited financial concerns, even as many anticipate an increased demand for services as federal supports for individuals run out.

This moment presents a critical opportunity for innovation and investment in the nonprofit sector in the state. We must acknowledge not only the need to triage the financial health of our nonprofit sector, but also address existing structural inequities in the nonprofit ecosystem. It is time for new thinking about ways to resource, build, and sustain Rhode Island nonprofits, so that they are able to support and enrich our communities for years to come.

Table of Contents

Overview of Pulse Survey Participants

| **10** DAYS | **293** LEADERS | **246** AGENCIES | **293 NONPROFIT LEADERS** from across Rhode Island represented **246 ORGANIZATIONS** and a range of budget and staff sizes, service areas, and subsectors. |

OPERATING BUDGET

39% OVER $1M

$15M or larger	8.2%
$10M - $15M	2.1%
$5M - $10M	6.2%
$2M - $5M	9.4%
$1M - $2M	12.7%

61% UNDER $1M

49% < $500K

$500k - $1M	12.7%
$250k - $500k	12.3%
$100k - $250k	17.6%
< $100,000	18.9%
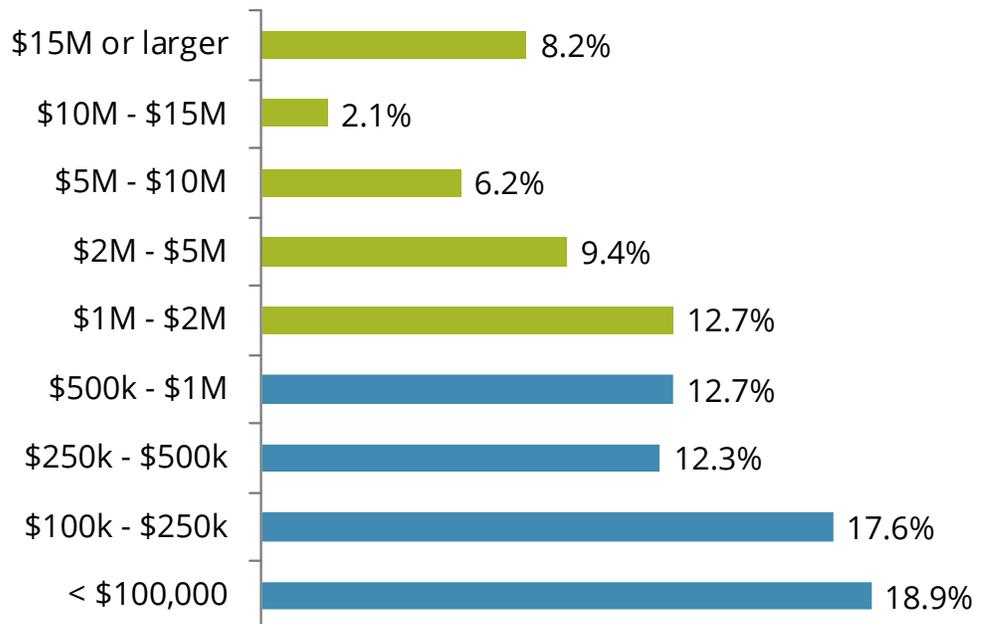
SUBSECTORS REPRESENTED

TOP 10 SUBSECTORS REPRESENTED	OVERALL	UNDER $1M	OVER $1M
Education (i.e., in school and after school)	42.20%	38.30%	48.40%
Arts, culture, and humanities	31.20%	37.60%	21.50%
Children's services	25.80%	16.10%	40.90%
Basic needs (food, shelter, etc.)	19.30%	16.10%	23.70%
Civil rights, social justice, and/or racial equity	13.90%	14.80%	11.80%
Place-based organization (neighborhood association, community center, etc.)	13.10%	10.70%	17.20%
Housing	11.90%	6.70%	19.40%
Health care (other than hospitals)	10.30%	6.70%	15.10%
Older adults	9.80%	8.10%	12.90%
Adult behavioral health	7.80%	4.70%	11.80%

STAFF SIZE

■ Under $1M   ■ Over $1M

Staff Size	Over $1M	Under $1M
501+	6%	0%
251 - 500	4%	0%
101 - 250	14%	1%
51 - 100	17%	0%
26 - 50	15%	3%
11 - 25	23%	7%
5 - 10	12%	15%
1 - 5	4%	59%
0	4%	15%
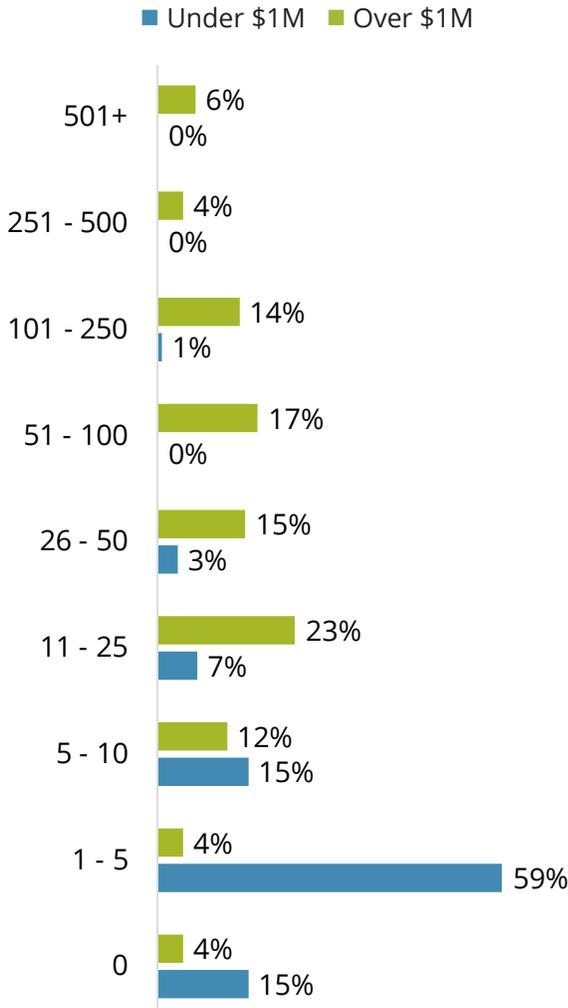
- Nationally, 39% of nonprofits reported having five employees or fewer. In this survey, 48% of respondents reported the same staffing level.

- A majority of smaller agencies (59%) indicated having between 1 and 5 staff, 15% as being volunteer-run, and 26% as having more than five staff.

- 20% of larger agencies noted having 10 or fewer staff, 23% between 11 and 25 staff, 32% between 26 and 100 staff, and 24% more than 100 employees.

Throughout this report, organizations with operating budgets less than $1M are referred to as "smaller" nonprofits and those with budgets greater than $1M as "larger" agencies.

BLACK, INDIGENOUS, AND PEOPLE OF COLOR (BIPOC) LEADERSHIP
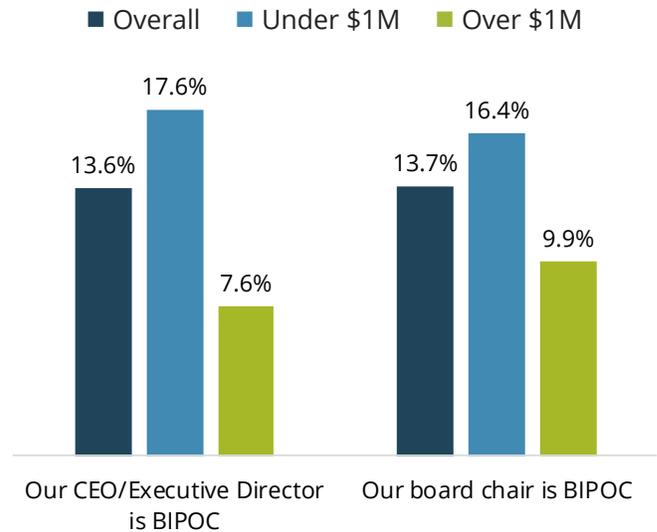
■ Overall   ■ Under $1M   ■ Over $1M

	Overall	Under $1M	Over $1M
Our CEO/Executive Director is BIPOC	13.6%	17.6%	7.6%
Our board chair is BIPOC	13.7%	16.4%	9.9%

- According to the report, "Health of the U.S. Nonprofit Sector" by *Independent Sector* (October 2020), nationally, 87% of nonprofit CEOs and 83% of Board chairs identified as white/Caucasian. The overall results from this survey were consistent at around 86% each.

- Participating smaller nonprofits reported more diverse leadership than larger agencies and were proportionally representative of the 16.4% BIPOC population in the state of Rhode Island.

SERVICE AREA(S)

Service Area	Percentage
Bristol	51%
Kent	55%
Newport	58%
Providence	83%
Washington	57%
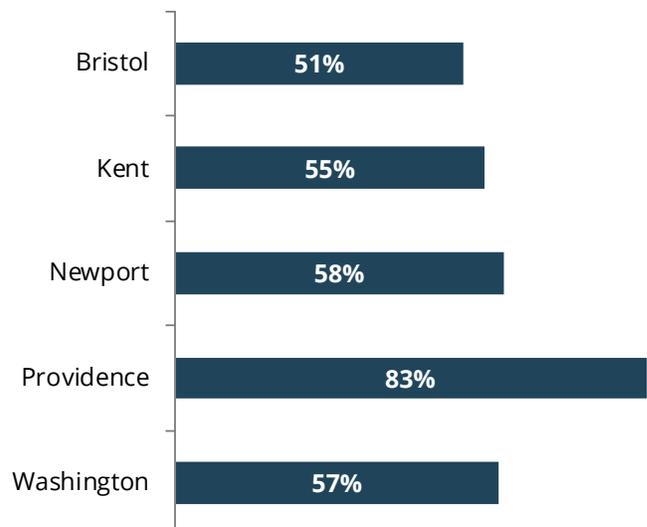
Pulse Survey Findings

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

Legend: ■ 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%
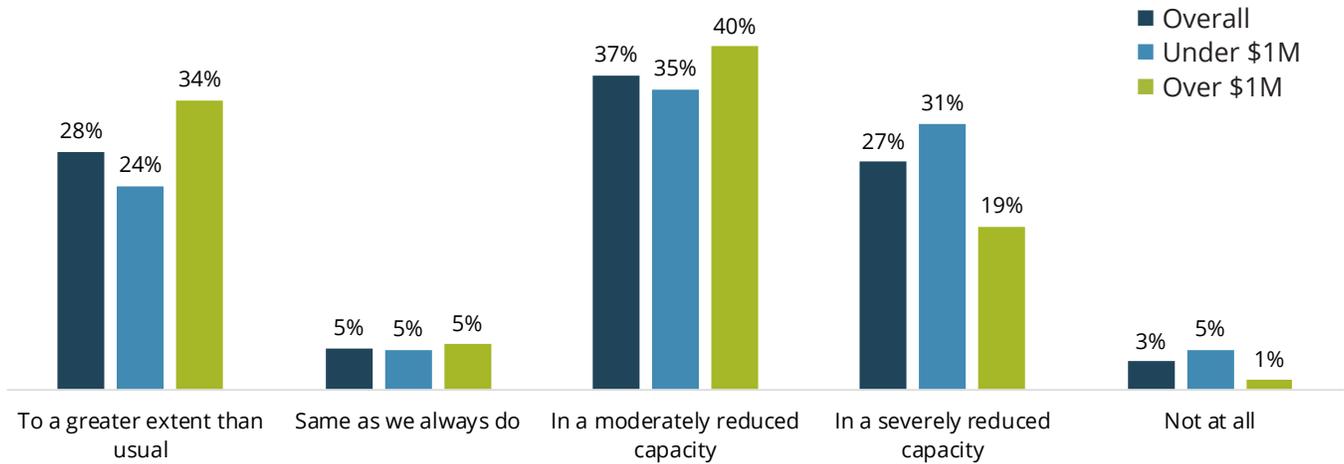
- Overall, 64% of respondents reported delivering services in a moderately or severely reduced capacity and 3% suspended services altogether. On the other hand, one third (33%) increased their delivery or held steady.

- Larger agencies were more likely to have increased their service delivery (34% vs. 24%), while smaller agencies were more likely to have severely reduced or suspended their service delivery (36% vs. 20%).

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

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

- Shift to Virtual: 55%, 51%, 63%
- Program Pivot or Redesign: 40%, 37%, 45%
- Cancelled or Delayed Program: 25%, 29%, 18%
- Had to Reduce Participation/Attendance Levels: 22%, 16%, 25%
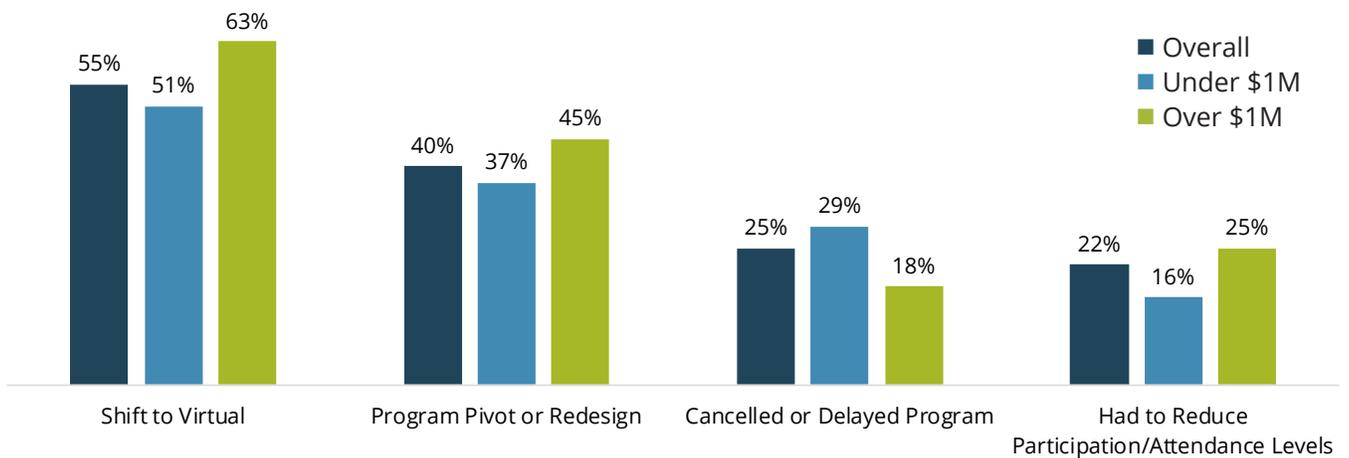
- The chart above captures the top four responses to this open-ended question.

- Overall, participating larger agencies seemed a little more able to shift their work to virtual modes and pivot or redesign their programs.

- Smaller organizations were more likely to have cancelled or delayed their programs and activities, while larger organizations were more able to maintain their programs but with lower participation or attendance levels.

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

(Overall)
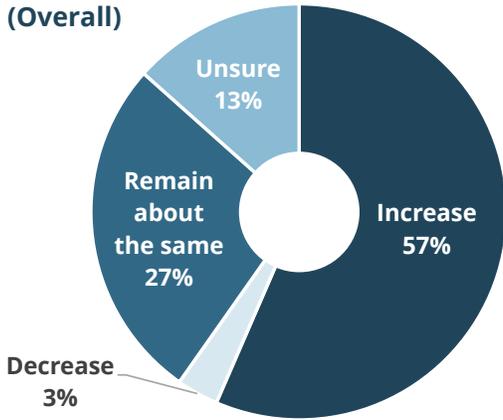
DEMAND / NEED ANTICIPATED TO	OVERALL	UNDER $1M	OVER $1M
Increase	56.5%	49.3%	67.0%
Decrease	3.3%	3.3%	3.2%
Remain about the same	26.8%	30.0%	22.3%
Unsure	13.4%	17.3%	7.5%

- Overall, most respondents believed that their service demand would increase (57%) or remain about the same (27%) when benefits for individuals end. Very few believed demand would decrease (3%) and 13% were unsure.

- Larger organizations were more likely to anticipate an increase in demand (67% vs. 49%).

- Smaller agencies were more likely to anticipate service levels to remain about the same (30% vs. 22%) and expressed more uncertainty about their future service demand (17% vs. 7%).

- In the comments, respondents noted areas of emerging and increasing need as government subsidies are withdrawn, including basic needs (22%) like food security, behavioral health supports (12%), housing assistance (11%), and child care assistance (8%).

Q4. As the state potentially lifts its *temporary emergency declarations*, how will your *service delivery* be affected? (e.g. allowance for telehealth, etc.)

As temporary emergency declarations are lifted, participants... ■ Under $1M ■ Over $1M

	Do not anticipate their service delivery will be immediately impacted	Expect an increase in service delivery	Would continue offering virtual services regardless of any change	Anticipate a continued reduction in services and programming	Are uncertain how their service delivery would be affected
Under $1M	39%	35%	13%	8%	10%
Over $1M	27%	48%	26%	3%	2%
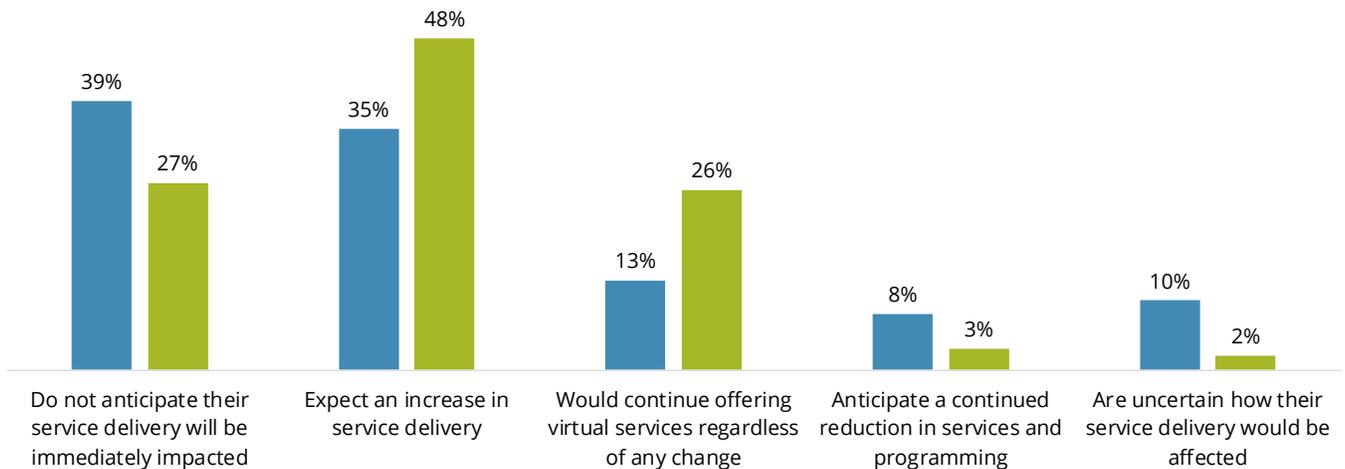
13% of smaller nonprofits and 26% of larger agencies expect to continue offering virtual services, indicating that the pandemic may lead to a permanent change in service delivery for some.

Q4. (continued) As the state potentially lifts its *temporary emergency declarations*, how will your *service delivery* be affected? (e.g. allowance for telehealth, etc.)

FOR ORGANIZATIONS UNDER $1M:

- Of the agencies that indicated no immediate change in service delivery, nearly a quarter (14 agencies) said that they would not resume full operations until a vaccine is available.

- More than half (57%) of the agencies that anticipated an increase in service delivery when restrictions are lifted cited the opportunity to increase their capacity, which has been hindered due to social distancing and occupancy restrictions.

- The pandemic's lingering economic and psychosocial impacts were also expected to drive an increase in demand for housing, food, employment, and mental health services.

FOR ORGANIZATIONS OVER $1M:

- 13% cited the need to remain flexible and responsive regardless of any immediate change in restrictions. For these agencies, preparedness was seen as a key element to increasing service delivery.

- 12% of respondents provided telehealth services and credited it as a key component to maintaining therapeutic services during the pandemic.

- 9% expressed a concern in meeting any increased demand for services due reductions in funding, their ability to adequately fundraise, or staffing shortages.

Q5. Since the onset of COVID-19, which of these financial issues have you had to manage and to what extent? (Select N/A if not applicable.)

| 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%

Q5. (continued) Since the onset of COVID-19, which of these financial issues have you had to manage and to what extent? (Select N/A if not applicable.)

- Over half of all respondents (56%) noted loss of fee-for-service revenues due to program or event cancellations and/or a drop in service utilization as a moderate or major issue, with larger organizations feeling a greater impact (63% vs. 52%).

- About one third of agencies also have been impacted by reductions in state grants.

- Larger agencies were almost 4 times more likely to note hazard pay (40%) as a moderate or major issue than smaller agencies (11%). They also bowed under a greater volume of COVID-related expenses like PPE (71% vs. 32%) and reimbursement of unemployment insurance funds (23% vs. 7%).

- A full three-quarters (76%) of organizations have experienced a loss of revenue due to the inability to hold planned fundraising activities. Over half (53%) experienced a decline in donations from individual donors, and over a third experienced delays in philanthropic grant processing (40%) or the ability to apply for grants (37%). Smaller organizations were slightly more impacted in each of these areas, but especially in individual donations (57% vs. 45%).

- In the comments, organizations also pointed to the uncertainty of future funding and the anticipated reduction in future philanthropic support due to event cancellations, loss of sponsors, etc. A few agencies raised the need for funders to be more flexible as the emphasis on COVID-specific funding excluded them.

Q6. Estimating the financial impact of COVID-19 on your organization:

**Financial Losses** as a Percentage of Operating Budget:

% LOSS	OVERALL	UNDER $1M	OVER $1M
None	10.3%	9.6%	11.6%
< 3%	5.6%	7.5%	2.3%
3-5%	9.8%	8.9%	10.5%
5-14%	17.1%	15.1%	20.9%
15-30%	26.1%	24.7%	29.1%
> 30%	31.2%	34.3%	25.6%

Chart legend: ■ Under $1M ■ Over $1M

Chart values:
- 0-5%: 26% (Under $1M), 24% (Over $1M)
- 5-14%: 15% (Under $1M), 21% (Over $1M)
- 15-30%: 25% (Under $1M), 29% (Over $1M)
- > 30%: 34% (Under $1M), 26% (Over $1M)
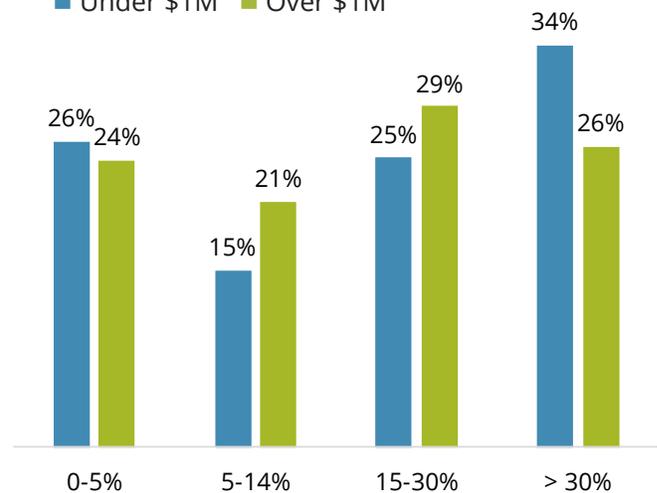
- Overall, only 10% of organizations have *not* experienced financial losses due to COVID-19. In contrast, according to the report "Health of the U.S. Nonprofit Sector" by *Independent Sector* (October 2020), nationally, 20% of nonprofits estimated that they will have equal or better revenue results than 2019.

- About a quarter of both larger agencies (24%) and smaller agencies (26%) have been able to keep their losses under 5%.

- Overall, 17% of participating nonprofits reported losses between 5-14% and 26% reported losses between 15-30%. A slightly higher percentage of larger agencies suffered losses in each of these ranges.

- More than a third of participating smaller nonprofits (34%) and a quarter of larger agencies (26%) reported losses in excess of 30% of their operating budget.

Q6. Estimating the financial impact of COVID-19 on your organization:

Incurred / Increased **Related Expenses** as a % of Operating Budget

■ Under $1M   ■ Over $1M
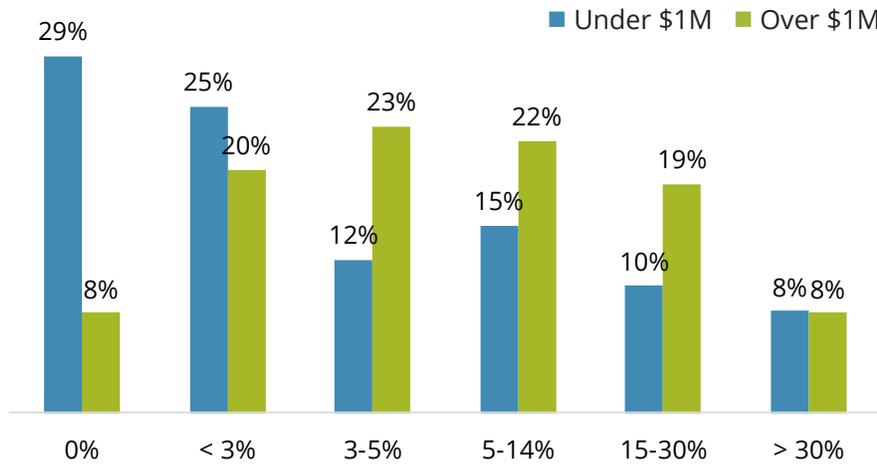
- 22% of larger nonprofits estimated incurring expenses in the range of 5-14% of their operating budget, and another 19% in the range of 15-30%.

- For both smaller and larger agencies, only 8% estimated incurring COVID-related expenses in excess of 30% of their operating budget.

- Nonprofits with operating budgets over $1M shouldered a larger burden of COVID-related expenses. For example, 29% of smaller agencies reported that they did not incur any additional expenses, while only 8% of larger agencies could say the same.

Q7. With respect to Payroll Protection Program (PPP) funds, which of the below best describes your organization's situation?

	OVERALL	UNDER $1M	OVER $1M
We applied for and received PPP funding.	63.6%	59.2%	**69.9%**
We were not eligible to apply for PPP funding.	25.6%	**29.9%**	19.4%
We applied for but did not receive PPP funding.	2.1%	2.0%	2.2%
We were eligible but chose not to apply for PPP funding.	7.4%	8.2%	6.5%
We received funding but will have to return at least some of it.	1.2%	0.7%	2.2%

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**.

Q8. How likely is it that your nonprofit will be able to…

	OVERALL		ORGS UNDER $1M		ORGS OVER $1M	
	Very or Somewhat **Likely**	Somewhat or Very **Unlikely**	Very or Somewhat **Likely**	Somewhat or Very **Unlikely**	Very or Somewhat **Likely**	Somewhat or Very **Unlikely**
fully fund **payroll** for the next 3 months?	77.1%	18.2%	76.9%	18.9%	78.0%	16.5%
fully provide **services** for your clients for the next 3 months?	72.8%	25.1%	68.5%	29.5%	80.2%	17.6%
access sufficient personal protective equipment (**PPE**) for staff and program participants?	86.7%	9.9%	84.5%	12.0%	91.0%	5.6%
access sufficient testing for staff and clients?	65.5%	26.9%	58.5%	33.3%	76.7%	16.3%

Results total less than 100% due to respondents that indicated they did not have full knowledge of the organization's budget and finances.

% Very or Somewhat Likely to Be Able to…
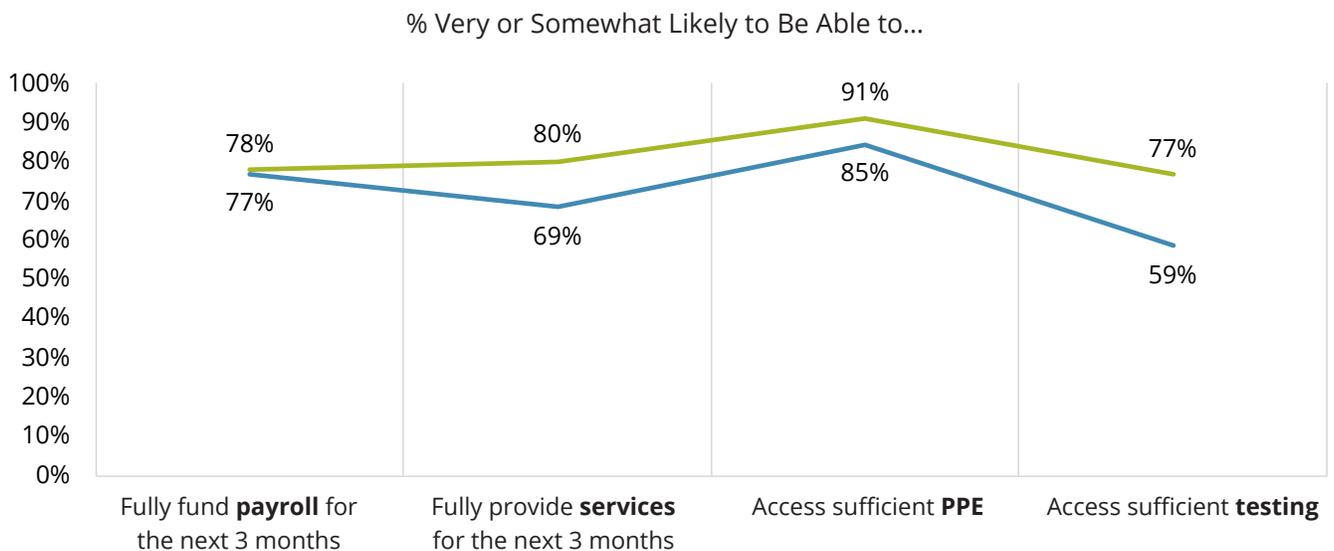
- Notice the slightly lower trendline for smaller agencies. Generally, larger organizations were slightly more optimistic than smaller agencies that they could fully provide services over the next three months (80% vs. 69%). They were also more confident that could access sufficient PPE and testing for staff and clients.

- Overall, almost a fifth (18%) of participating nonprofits reported being somewhat or very unlikely to be able to fully fund payroll for the next 3 months, and a quarter (25%) similarly worried about being able to fully provide services over the next 3 months.

- In BIPOC-led (CEO/ED) organizations, only 69% were very or somewhat confident that they could fully fund payroll for next 3 months.

- Overall, 87% believed they would be able to access sufficient PPE for staff and program participants, but fewer believed they would be able to access sufficient testing (66%).

Q9. Since the onset of COVID-19, which of these coping strategies have you implemented? (Check all that apply.)

CATEGORY	COPING STRATEGY	OVERALL	UNDER $1M	OVER $1M
People	Furloughing employees	21.7%	15.4%	**31.2%**
	Laying off employees	20.5%	12.8%	**32.3%**
	Reducing staff hours	**30.3%**	26.9%	35.5%
	Adjusting staff ratios	18.9%	12.8%	**28.0%**
	Salary cuts	6.6%	4.0%	10.8%
	Reducing employee benefits	4.5%	2.7%	7.5%
	Outsourcing one or more administrative functions	6.6%	6.7%	6.5%
	Hiring additional employees	16.0%	8.7%	**28.0%**
Programs	**Temporary closing of program(s)**	**54.9%**	53.0%	58.1%
	Permanent closing of program(s)	3.3%	0.7%	7.5%
	Expanding services	**35.7%**	30.2%	44.1%
	Developing a new fee-based program	11.5%	12.1%	10.8%
	Starting or expanding a social enterprise	4.5%	4.7%	3.2%
	Developing a new collaboration or service network	**43.4%**	41.6%	47.3%
Cash Flow	Delaying payables	13.1%	10.1%	**17.2%**
	Increasing borrowing	15.2%	9.4%	**24.7%**
	Increasing grantwriting	**53.3%**	53.7%	51.6%
	Intensifying individual fundraising appeals	**45.1%**	45.0%	45.2%
Systems / Structure	Engaging in policy advocacy	28.3%	19.5%	**41.9%**
	Considering or actively seeking a merger or acquisition	4.1%	4.0%	4.3%

TOP 4 COPING STRATEGIES IMPLEMENTED (OVERALL)

1. Temporarily closing programs (55%)

2. Increasing grantwriting (53%)

3. Intensifying individual fundraising appeals (45%)

4. Developing a new collaboration or service network (43%)

Overall, 30% of nonprofits reduced staff hours and almost a third of large agencies furloughed (31%) and/or laid off (32%) employees.

On the other hand, to meet demand, 30% of smaller nonprofits and 44% of larger ones expanded their services.

- Larger nonprofits were more than twice as likely to engage in policy advocacy (42% vs. 20%).

- Nonprofits with operating budgets over $1M were also much more likely to adjust staff ratios (28%), hire additional employees (28%) and increase borrowing (25%).

- In the comments, some participants noted the shift to all remote work and the use of the RI Workshare Program and pay freezes to address payroll concerns. A number of agencies noted their program pivots as coping strategies.

- Several organizations indicated that many of these strategies did not apply because they are all-volunteer organizations, and a handful noted that they did not need to adopt any strategies thus far, although they anticipate this changing in the future.

Q10. What modifications have Rhode Island funders made in your grants in response to COVID-19? (Check all that apply.)

| REPORTED FUNDER MODIFICATION	OVERALL	UNDER $1M	OVER $1M
Converted grants to general operating support	**43.3%**	39.8%	47.1%
Accelerated payment schedule	20.6%	18.5%	22.4%
Provided flexibility for events, programs or deliverables that have to be postponed or cancelled	**51.6%**	49.1%	55.3%
Reduced paperwork and administrative steps required (including site visits)	36.1%	33.3%	38.8%
Reduced or delayed reporting requirements	**39.7%**	38.0%	42.4%
Streamlined application process for new grants	34.5%	30.6%	38.8%
Provided new unrestricted or general operating support grants	**51.6%**	45.4%	**60.0%**
Converted sponsorship funds to unrestricted grants	19.6%	12.0%	**29.4%**
Provided flexibility for sponsorship funds (transfer to different or postponed event)	24.2%	18.5%	**31.8%**
Provided opportunities to communicate about additional and anticipated needs	**41.8%**	38.0%	45.9%
Provided loan/loan guarantee	5.7%	5.6%	4.7%

TOP 5 REPORTED FUNDER MODIFICATIONS (OVERALL)

1. Flexibility for events, programs, or deliverables that had to be postponed or cancelled (52%)

2. New unrestricted or general operating support grants (52%)

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

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

5. Reduced or delayed reporting requirements (40%)

- The experience of larger and smaller agencies were largely consistent with three exceptions: a greater percentage of nonprofits with budgets over $1M reported that funders provided new unrestricted or general operating support grants (60% vs. 45%), flexibility for sponsorship funds (32% vs. 19%), and conversion of sponsorship funds to unrestricted grants (29% vs. 12%).

- 24% of the additional comments indicated that there was either not enough flexibility, funding had slowed or stopped, or that they were adversely impacted by the focus on COVID-only funding.

- On the other hand, 39% of commenters shared that they had received unanticipated support, appreciated the increased flexibility, and/or were generally appreciative of the response from the philanthropic community.

A REFLECTION FROM GCRI: Many Rhode Island funders have been responsive to the unique challenges nonprofits have faced this year by providing flexibility, streamlining paperwork, and making new or less restrictive grant awards. These trust-based philanthropic practices have enabled nonprofits to address community needs, make adjustments, and weather financial struggles. These same practices can also be a foundation for nonprofit resilience moving forward.

Q11. Overall, which statement best speaks to your organization's current situation?

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

- We are doing well.: Overall 27%, Under $1M 25%, Over $1M 30%
- We seem to be through the worst of it and are recovering.: Overall 33%, Under $1M 29%, Over $1M 38%
- We are struggling.: Overall 38%, Under $1M 43%, Over $1M 31%
- We are in danger of closing.: Overall 2%, Under $1M 3%, Over $1M 1%
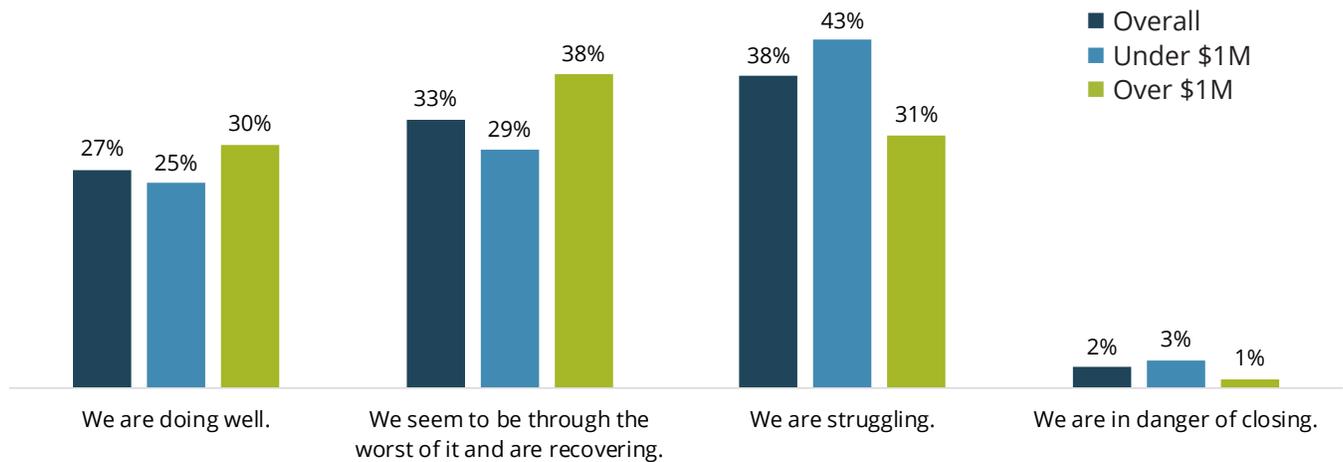
- Over 6 months into the pandemic, 43% of smaller nonprofits and 31% of larger agencies reported that they were still struggling.

- Only 3% of smaller and 1% of larger agencies felt they were in danger of closing.

- Larger agencies had a slightly more optimistic outlook, with 38% feeling they were "through the worst of it" and recovering, and 30% "doing well," versus 29% and 25% of smaller nonprofits, respectively.

Q12: What are the critical needs that your clients/stakeholders are experiencing right now? How have their needs changed over the course of the pandemic?

TOP CRITICAL NEEDS IDENTIFIED BY ORGANIZATIONS UNDER $1M:

- **Family and children needs** articulated include return to school, access to childcare, and the impact of virtual learning on children's academic and social-emotional wellbeing. In addition, as schools also address social and other needs (e.g., food and nutrition, etc.) there was strong desire to see schools reopen and stay open.

- Deep concern was expressed about a **future increase in basic needs** among Rhode Islanders, chiefly in the areas of food security, managing stress, access to housing and health care, and the financial impact to households.

- **Mental Health** — Many nonprofits worried about the isolation and depression caused by the pandemic and the impact on the overall wellbeing of those they serve. Respondents felt that mental health services are and will be needed more than ever for residents of all ages and circumstances.

- **Financial hardship and job loss** was a related concern, given the slow recovery of the state's economy, high unemployment and economic dislocation, and the end of federal supports to supplement residents until the pandemic ends.

- Participants noted that **online service delivery and virtual programming** often create new opportunities and new stressors for both service recipients and providers.

- **Difficulties of Gathering In-Person** — Social connections and in-person activities (theater, after school, senior companionship, etc.) have been limited by social distancing and gathering rules, impacting organizations' ability to hold programming and fundraising events.

- **Safety** — In addition, nonprofits were acutely aware of the vulnerability that their clients and stakeholders feel regarding their health and safety due to COVID-19.

ORGANIZATIONS OVER $1M focused on many similar needs, including family and child needs; issues of mental health, wellness, and social Isolation; financial hardship and job loss; and the increase in basic needs. Additionally:

- **Housing and Rental Assistance** — Larger organizations were particularly concerned about the needs of homeless Rhode Islanders during the pandemic, and the increasing risk that housed residents may not be able to continue to afford to pay their rents as the colder weather approaches.

- They also noted the increasing need for **access to technology** to attend school, participate in job training, etc. **and the digital divide** that prevents some from doing so.

- Finally, larger providers found **telehealth** and virtual service delivery to be vital, and worried that they may not be able to sustain this method of communication going forward.

TOP CRITICAL POPULATION NEEDS OR ISSUES (OVERALL)

1. Family and Child Needs

2. Increase in Basic Needs

3. Mental Health, Wellness, and Social Isolation

4. Financial Hardship and Job Loss

5. Virtual Online Programming and Service Delivery, including Telehealth

6. Housing, Rental Assistance, and Homelessness

7. Limited Ability or Inability to Gather

8. Safety

9. Technology Access

Q13. Which of the following populations that you serve do you fear may be overlooked or under-served during this crisis? (e.g., in regards to services, funding, or public policy)?

TOP POPULATION CONCERNS	OVERALL	UNDER $1M	OVER $1M
Low-income families	69.3%	66.4%	73.3%
Youth	57.6%	56.9%	57.8%
Households without internet	57.1%	52.7%	63.3%
Black, Indigenous, and People of Color (BIPOC)	57.1%	52.1%	65.6%
Older adults	46.6%	45.9%	47.8%
Undocumented residents	45.8%	41.1%	53.3%
Persons with disabilities	37.4%	34.9%	42.2%
Homeless	34.5%	29.5%	41.1%
First responders	12.2%	12.3%	12.2%

- Among participating nonprofits of all sizes, there was strong shared concern for low-income families (69%) and youth (58%). Relatedly, the third highest concern was for households without internet (57%).

- Participants recognized the need to serve many vulnerable populations during the pandemic and resulting economic crisis, from BIPOC (57%) and undocumented residents (46%), to older adults (47%), persons with disabilities (37%) and the homeless (35%).

Q14. Are there adaptations you have made in your work that are positive? What would it take to sustain those innovations?

TOP 5 ADAPTATIONS				
Moving programming or content online	Working remotely, more flexibility	New or strengthened programming	Other program or service adaptations	Distribution of supplies or materials
OVERALL 33.5%	15.8%	10.5%	10.0%	10.0%
UNDER $1M 35.8%	13.8%	12.2%	11.4%	10.6%
OVER $1M 30.2%	18.6%	8.1%	8.1%	9.3%

- For both smaller and larger nonprofits, the most common adaptations were moving programs and services online (34%) and shifting to remote working arrangements (16%), frequently with gains in flexibility as well.

- Overall, the pandemic has prompted nonprofits to strengthen their current offerings or initiate new services (11%). Respondents noted a range of program-specific adaptations (10%) designed to enable service delivery during this extraordinary time.

- Organizations also adapted their distribution of supplies like food or program materials (10%), for example, by creating kits to take home.

- Other adaptations (right) noted by respondents speak to new skills and ways of working.

- For both groups, providing increased access to services or programming for their clients was a frequently cited benefit or opportunity that has emerged from this crisis.

- When asked what they needed to sustain the programs, respondents cited improvements or increases in technology (16%) and additional funding or financial resources (14%). Agencies offering telehealth also cited the need for permanent changes in regulations to allow for continued payments for these services (9%).

OTHER ADAPTATIONS & IMPROVEMENTS

Increased access for clients / audience
Increased collaboration / partnership
Improved internal / external communication
Better use of technology / digital media
Increase in programs / services
Telehealth services
Outdoor programming
Continuation of services
Operational efficiency improved
Office improvements

SEEING AN OPPORTUNITY

- Of those providing input, 57% of larger nonprofits and 35% of smaller agencies referenced some type of positive impact from the changes made of necessity.

- 45% of larger nonprofits and 28% of smaller agencies said they planned to continue with their adaptations once the health crisis has ended.

Q15. What are the pressing challenges your organization faces during this extraordinary time? (Check all that apply.)

ORGANIZATIONAL CHALLENGES (in decending concern)	OVERALL	UNDER $1M	OVER $1M
Financial	**78.8%**	**82.7%**	72.0%
Reopening concerns (e.g., safety, accessing supplies, etc.)	**51.4%**	49.3%	53.8%
Technology (e.g. to support remote staff, deliver virtual programming, etc.)	44.5%	42.0%	**49.5%**
Addressing issues pertaining to race and racism (board/staff diversification, equity, anti-racism work)	35.9%	31.3%	**41.9%**
Board engagement	29.4%	**36.0%**	17.2%
Staffing	28.2%	23.3%	**36.6%**
Reluctance / inability of staff to return to work	24.5%	16.7%	**36.6%**
Accessing PPE	11.0%	4.0%	**20.4%**
Accessing testing	10.2%	6.0%	**17.2%**

- Overall, respondents' top challenge was financial (79%), followed by reopening concerns (51%) and the technology needed to support remote staff and virtual programming (45%).

- After pandemic concerns, addressing issues pertaining to race and racism (36%) was the next highest concern, which larger organizations place a greater emphasis on (42% vs. 31%).

- More than a third of smaller nonprofits noted challenges with board engagement (36%), which was more than twice rate of larger agencies (17%).

- Larger agencies expressed greater concern regarding issues of human capital. More than a third were challenged by staffing (37%) and the reluctance or inability of staff to return to work (37%), 20% by accessing PPE (20%), and 17% by accessing testing.

- Of the open-ended comments, about a third related to stress around re-opening programs and services – logistics, costs, reluctance of people to come, and the overall impact of not being able to be together in person.

- Another third of the comments related to stress around finances – both concerns about the current state of their finances as well as anxiety about the ability to generate revenue and philanthropic support in the future.

- About 14% of comments spoke to the issue of staff stress and fatigue due to work from home, etc. and about 12% talked about increased community needs, now and in the future.

Nonprofit organizational and leadership challenges can be summed up in three words:

MONEY   SAFETY   PEOPLE

Q16. As a CEO/ED, what are the biggest leadership challenges you are facing right now? (Please check all that apply.)

RANK			LEADERSHIP CHALLENGES	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%**

- Overall, the greatest leadership challenges faced by nonprofit CEOs were their organization's finances (70%) and, relatedly, the loss of funding or cancellation of fundraisers (62%).

- Larger nonprofit CEOs signaled significant challenges with keeping staff and clients / participants safe (70%) and with staff burnout (67%), as well as with funding support for a potential resurgence of the virus in the fall (56%). While smaller agency CEOs shared these concerns, it was at a lower rate (45%, 40%, and 35%, respectively).

- CEOs of smaller nonprofits expressed more concern around client/participant engagement or attendance at services or programs (47%).

- More than half (58%) of CEOs at larger nonprofits worried about potential or actual loss of state funding due to budget concerns, while 40% of smaller nonprofit leaders worried about foundations shifting their resources, impacting "non-essential services."

- Once again, smaller agency leaders expressed greater concern about maintaining board engagement (35% vs. 21%), while CEOs of larger nonprofits were more concerned with staffing levels (32%), managing and adapting physical plant (33%), and self-funding the purchase of PPE (28%).

- Of the open-ended comments, 44% amplified concerns about finances, 19% referenced overall fatigue (motivation, burnout, etc.), and 17% noted challenges around maintaining staff.

⚠ BEWARE OF BURNOUT

Leaders are worried about their staff and board, recognizing their individual struggles. Decision fatigue is also setting in for many.

Q17. Which activities are you likely to undertake within the next 3-6 months?

ACTIVITIES (in decending likelihood)	OVERALL	UNDER $1M	OVER $1M
New/Adapted program development	**90.9%**	90.8%	90.9%
Program policy and procedure development	**85.7%**	84.1%	88.1%
Diversity, Equity, and Inclusion (DEI) organizational assessment	80.9%	74.5%	**90.1%**
Risk management assessment and planning for reopening	80.5%	75.9%	**87.2%**
DEI and/or racial justice initiatives	80.4%	74.8%	**88.6%**
Strategic planning	78.1%	77.1%	80.2%
Scenario planning	75.5%	72.5%	79.5%
Business planning (pursuing earned revenue opportunities)	72.3%	74.8%	67.5%
Purchase of new technology	69.6%	60.4%	**83.2%**
Professional development	67.7%	62.6%	**76.5%**
Board training and coaching	67.5%	65.9%	69.1%
Team facilitation and supports	66.8%	61.8%	**75.3%**
Advocacy	65.9%	57.7%	**77.7%**
Succession planning	47.9%	49.6%	45.0%
Joint venture - preparing for or implementing	43.2%	45.0%	38.8%
Executive coaching	34.6%	31.6%	39.0%
Merger - preparing for or implementing	12.4%	9.5%	17.3%
Executive search	11.6%	11.3%	12.4%

- Over the next 3-6 months, activities pertaining to the pandemic—new/adapted program development (91%), program policies and procedure development (86%), risk management and reopening planning (81%)—captured 3 of the top 5 activities.

- Rounding out the top 5 were activities pertaining to Diversity, Equity, and Inclusion (DEI) assessments (81%) and initiatives (80%).

- The next 3 activities focused on planning—strategic planning (78%), scenario planning (76%), and business planning (72%).

- 70% of participants wanted to purchase new technology, which was also the top request for external funding support (40%).

- The top 5 requests for funding support (right) closely aligned with the top activities that respondents said they were likely to undertake in the coming months.

ATTENTION FUNDERS	
These are the top activities respondents would like to undertake but *require external funding to support*:	
	OVERALL
Purchase of new technology	39.6%
Diversity, Equity, and Inclusion (DEI) and/or racial justice initiatives	24.9%
New/ Adapted program development	21.7%
DEI organizational assessment	19.1%
Strategic planning	17.1%
Professional development	16.4%
Business planning (pursuing earned revenue opportunities)	15.9%
Board training and coaching	13.2%
Executive coaching	13.2%
Team facilitation and supports	10.8%

Q18. What are your training or professional development needs within the next 3-6 months?

When comparing the top 10 training and professional development needs for small and large nonprofits...

TOP 6 SHARED PRIORITIES	UNIQUE TO SMALLER NONPROFITS	UNIQUE TO LARGER NONPROFITS
Diversity, Equity, & Inclusion (DEI) (55%) Racial equity / justice (49%) Managing and motivating remote/virtual teams (42%) Re-engaging your client base (38%) Social media (37%) Resource development in an economic downturn (35%)	Grant writing (48%) Board Governance (33%) Creating a strategic plan (29%) Advocacy (26%)	Encouraging innovation (33%) Cultural sensitivity (31%) Unconscious bias (30%) Pivoting your strategic plan (24%)

- Overall, larger and smaller organizations alike wanted to deepen their learning around DEI (55%) and racial justice (49%).

- As they continue to adjust to the pandemic, managing and motivating remote teams (42%), re-engaging one's client base (37%), social media (34%), and resource development in an economic downturn (33%) also made the top ten professional development needs overall.

- Participating smaller agencies were uniquely interested in training on grant writing (48%), board governance (33%), creating a strategic plan (29%), and advocacy (26%).

- Larger agencies wanted to explore cultural sensitivity (31%) and unconscious bias (30%), as well as learn how to encourage innovation (33%) and pivot their strategic plan (24%).

- Additionally, 29% of open-ended comments spoke to the need to better leverage technology to support their work (data, etc.)

- 61% of BIPOC-led (ED/CEO) organizations listed grant writing as a priority.

Q19. Which back-office or professional services are you likely to need over the next year?

TOP 12 PROFESSIONAL SERVICE NEEDS (OVERALL)

1. Fundraising platform
2. Website development
3. Marketing and design
4. IT
5. CPA / Bookkeeping
6. HR / Payroll
7. Facilities maintenance
8. Business development
9. Cybersecurity
10. Insurance broker
11. Benefits administration
12. Risk management

Q19. (cont.) Which back-office or professional services are you likely to need over the next year?

- Fundraising platforms (46%), website development (43%), and marketing and design (42%) were the top three needs overall.

- A fundraising platform (53%) was the top need for smaller nonprofits, while larger nonprofits most frequently noted IT (52%).

- Professional services supporting the core management functions of accounting (31%), human resources (21%), and physical plant or facilities maintenance (19%) rounded out the top 7 needs.

- A larger percentage of smaller agencies (36%) noted needing a CPA / bookkeeper, while larger nonprofits were more likely to need HR / payroll support (26%) and facilities maintenance (28%).

- It is also worth noting that 22% of larger nonprofits foresaw a need for cybersecurity services over the next year.

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:

INNOVATION OR COLLABORATIVE EFFORT	% RATED AS EXTREMELY VALUABLE
Reference database on funders and funding opportunities	71.4%
Hub for racial equity/anti-racism training	58.6%
Marketing and visibility of nonprofit sector and its impact	54.6%
Nonprofit network/association	52.7%
Hub for data and research on the nonprofit sector and philanthropic giving in Rhode Island	48.1%
Opportunities for collaborative fundraising	48.3%
Hub for capacity building and organizational development	46.0%
Hub/infrastructure for mobilizing the nonprofit sector for federal and state issue and policy advocacy	44.0%
Hub for nonprofit professional and leadership development	38.3%
Bulk purchasing/vendor discounts	30.4%
Back-office support organization	23.4%

- Participants most strongly valued the idea of creating a reference database on funders and funding opportunities (71%).

- More than half of participants felt that a hub for racial equity/anti-racism training (59%), a nonprofit network/association (55%), and increasing the marketing and visibility of the nonprofit sector and its impact (52%) would be extremely valuable.

A REFLECTION FROM GCRI: While there are professional issue-based networks for Rhode Island nonprofits, there has been considerable interest in a more unified voice and a recognizable identity for the nonprofit sector in the state. There is a need to tell the story of the sector's value and impact, and to provide access to capacity building resources. The pandemic has also highlighted the need to develop structural supports and collaborative responses to address the sustainability and racial equity challenges facing the sector.

Q21. 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 across smaller and larger nonprofits 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

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

- Nonprofit advocacy, public policy, and rate setting, recognizing the dysfunction in Rhode Island state and municipal government.

- The need for leadership to re-imagine the nonprofit sector for smaller organizations.

- The continuing need for funder convenings/leadership as the long-term impact of COVID becomes known.

Reflections from Fio Partners

As a whole, nonprofit leaders are grappling with an overwhelming array of needs, challenges, and uncertainties, many of which they have never had to contend with before. Many express fatigue, a sense of loss, isolation, and decision overload. The survey's implications reflect the challenges, needs, and opportunities that face the sector amid the concurrent forces of economic dislocation, the increased attention to social and racial justice issues, and the genuine health concerns presented by COVID-19.

One of the key takeaways from this survey is that this is not a one-size-fits-all pandemic. While larger organizations are adversely affected by COVID-19, the data indicates a disparate impact on smaller nonprofits, which are at greater risk for significant revenue losses and closing. Arts and educational organizations and BIPOC-led agencies are also experiencing adverse effects to a greater degree than the rest of the sector.

There is also significant concern regarding the mismatch between anticipated community needs and the sector's capacity to respond in kind. Community needs are largely expected to grow while the sector reports that it has been weakened and may not be able to meet these needs. Leaders are concerned for the safety of their staff and clients/attendees, and the sector has incurred significant costs to date as they partially reopen and try to deliver services safely at a reduced level.

Simultaneously, the survey results demonstrate that centering diversity, equity, and inclusion is a concurrent priority for the sector. Nonprofits have expressed a clear commitment to doing this work while trying to pivot, remain open, and secure funds to continue their mission work.

One bright spot is that many in the sector have indeed adapted and innovated in order to maintain their work. There is an opportunity for the sector to convert these temporary shifts to sustained strategies. Yet, there is a recognition that redesigning the plane while trying to fly it requires resources — time, people, money, etc.

Finally, it is highly probable that in the absence of substantial government investment, the philanthropic sector will need to step up even further. The anticipated increase in community needs cannot be met with reduced capacity and significant concern regarding future funding. This "perfect storm" is likely to result in greater demands on the philanthropic sector, especially in a time of limited government funding.

Spotlight on Arts & Culture Organizations

76
participating
arts & culture
organizations

42%
also provide
educational
services

74%
have budgets
under $1M

44%
report
revenue losses
of >30%

48%
report they
are struggling

79%
temporarily
closed
programs

80%
have seen
a decline in
donations

25%
were not
eligible for
PPP funding

Top Coping Strategies Implemented by Arts & Culture Organizations During COVID	
Temporary closing of program(s)	79%
Increasing grantwriting	59%
Intensifying individual fundraising appeals	51%
New collaboration or service network	39%
Reducing staff hours	32%
Expanding services	31%
Furloughing employees	25%
Increasing borrowing	23%
Engaging in policy advocacy	21%
Delaying payables	20%
Developing a new fee-based program	20%
Laying off employees	17%

Top 2 Reported Funder Modifications	
New unrestricted or general operating support grants	62%
Flexibility for postponed/cancelled events, programs or deliverables	61%

REFLECTIONS FROM THE RHODE ISLAND STATE COUNCIL ON THE ARTS

Subsector results from nonprofit arts and cultural organizations show this community effectively on life support due to COVID. Nearly half (48%) reported that they are struggling and more than three quarters (79%) have had to temporarily close programs. The financial impacts have been devastating, with 44% reporting revenue losses of greater than 30% and 71% reporting losses of more than 15%. In response, one third have reduced staff and a quarter have furloughed employees.

While the overwhelming majority of these organizations have shown resilience through creative pivots to virtual programming, as well as increased grant writing and fundraising efforts, the sector is at significant risk. Arts and culture organizations have been leaned on to provide connection, hope, and solace during the pandemic, providing much of their programming free or at low-cost to serve their communities. But as philanthropic and government funding continues to prioritize COVID-related responses and services (which often don't allow for direct support to the arts sector), they are increasingly concerned not only about their present but also their future post-pandemic.

CRITICAL QUESTIONS REMAIN, INCLUDING:

- Will artists be forced to leave the sector to seek work?

- When organizations can fully reopen, will arts audiences feel safe enough to return?

- With so many audiences now acclimated to and expecting free, on-demand, virtual programming, aside from safety concerns, will arts audiences return to in-person art experiences and pay for them?

- Will organizations be able to sustain their arts education programs enough to recover from inconsistent student exposure? And if not, how can the subsector stimulate the next generation of artists and cultural leaders?

GRANTMAKERS COUNCIL OF RHODE ISLAND (GCRI) knows that we, as funders and philanthropists who are committed to the Ocean State, are better together. We come together to learn, collaborate, support and network. All with the goal of making a better Rhode Island.

GCRI offers capacity building, professional development and networking opportunities for staff in grantmaking roles, as well as

- connection to national philanthropic resources;
- opportunities for collaboration and cross-sector partnerships;
- support for employee engagement and corporate social responsibility initiatives;
- increased visibility and a gathering place for the philanthropic sector; and
- outreach to engage other organizations in the work of community investment.

FIO PARTNERS helps leaders make better decisions. We believe that each of our clients is in the process of evolving, and that our role is to add value to their discourse.

Based in Connecticut and Rhode Island, we work exclusively with foundations, nonprofits, social enterprises, and government entities—and have supported more than 500 organizations since 2007.

Fio Partners leads customized and information-rich processes that spark curiosity and promote shared understanding and direction. Our services include:

- Strategic and business planning
- Strategic alliances and corporate restructuring
- Organizational development
- Evaluation and research
- Leadership and management training.

We are grateful to the many institutions that helped distribute this survey:

- 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