



CARY CENTER FOR THE
ADVANCEMENT OF PHILANTHROPY
AND NONPROFIT STUDIES



THE IMPACT OF COVID-19 ON THE REVENUE AND SERVICES OF ALABAMA AND CHATTAHOOCHEE VALLEY NONPROFITS

November 2020

Compiled by the Cary Center for the Advancement of Philanthropy and Nonprofit Studies
Auburn University



ABOUT THE CARY CENTER FOR THE ADVANCEMENT OF PHILANTHROPY AND NONPROFIT STUDIES



*An academic center within Auburn University's
College of Human Sciences.*

The Cary Center for the Advancement of Philanthropy and Nonprofit Studies, an academic center in Auburn University's College of Human Sciences, inspires its participants to discover their purpose through learning, giving, and growing. Programs focus on financial wellness, philanthropic engagement, and nonprofit studies, empowering all generations to leave an enduring legacy.

The Cary Center enables individuals to learn financial responsibility, philanthropy, and nonprofit education through mentoring, outreach, and teaching. The center empowers individuals to give their time, talent, and treasure so they can make a difference in the world, and inspire individuals to grow as learners, leaders, and givers, enriching their lives while building a stronger society.

The center's services aim to enhance nonprofit management and leadership practices through the Cary Center Nonprofit Affiliate Program that has more than 125 member organizations.

Learn more about our center at: carycenter.auburn.edu.

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OVERVIEW AND BACKGROUND



In its most recent survey, the Cary Center assesses the impact of the COVID-19 pandemic on revenue and services of nonprofits in the region.

The COVID-19 pandemic continues to challenge nonprofits. Some have carried out fewer services and experienced a decrease in revenue and others have pivoted to provide for their communities in ways they never imagined. While most nonprofits have seen a drastic reduction in donations, others, like food banks, have seen an uptick.

Nonprofits in Alabama and the Chattahoochee Valley are dedicated to working with those in need prior to the pandemic. Now, their work is more important than ever as families experience unemployment, illness, and financial detriment like never before.

Nonprofits continue to adapt to the pandemic's challenges as they continue to provide aid to communities, learn new technology platforms, and creatively address a decline in traditional volunteerism.

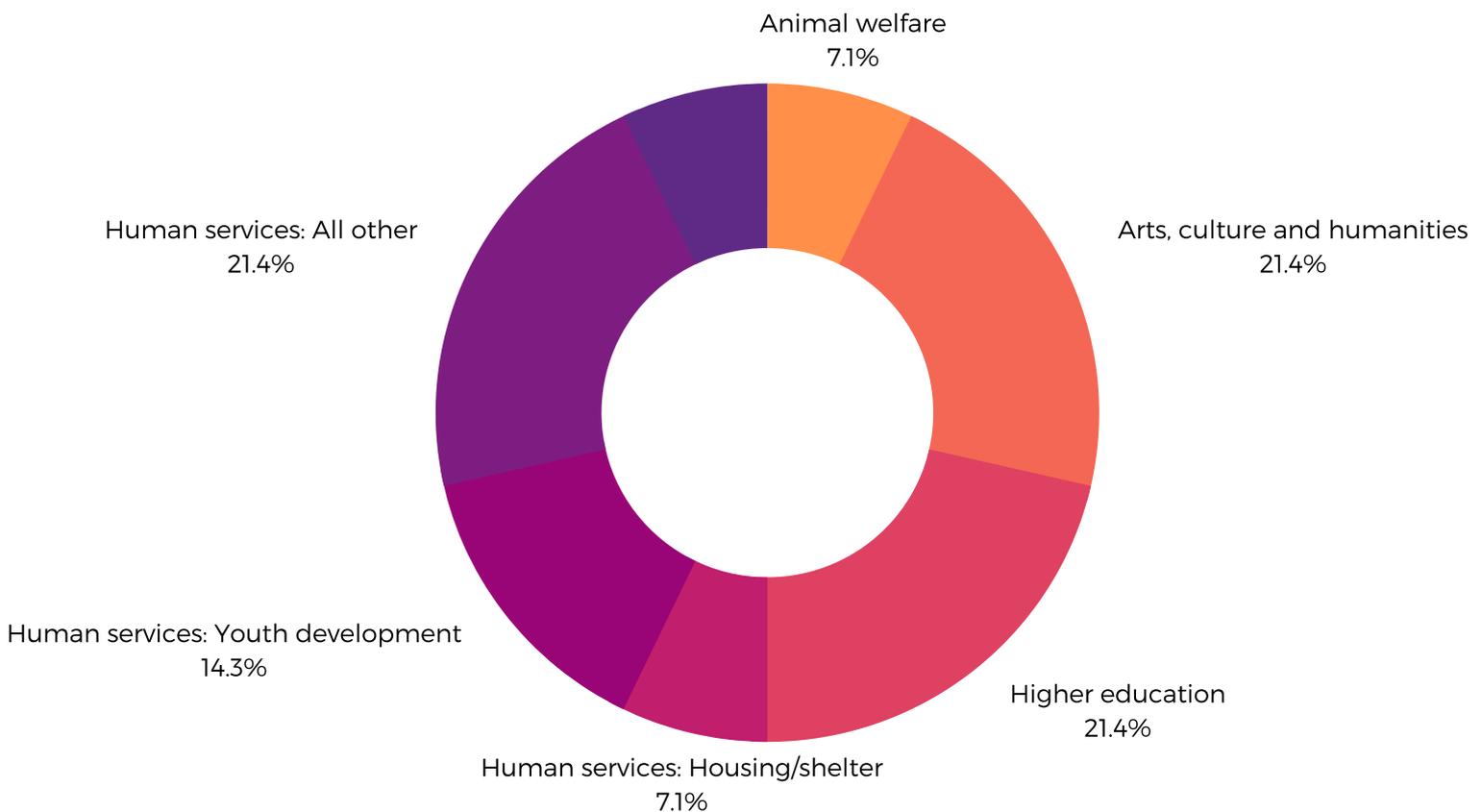
Thirty Alabama and Georgia nonprofits completed the survey between August 27, 2020 and October 10, 2020. The survey asked 25 questions including multiple choice, open ended, and order of needs.

A Profile of Respondents

The survey included 25 questions and was completed by the leadership of organizations. We report responses as aggregates.

Figure 1 shows respondent organizations by programmatic focus, with the majority representing arts, culture and humanities, higher education, and human services.

Figure 1

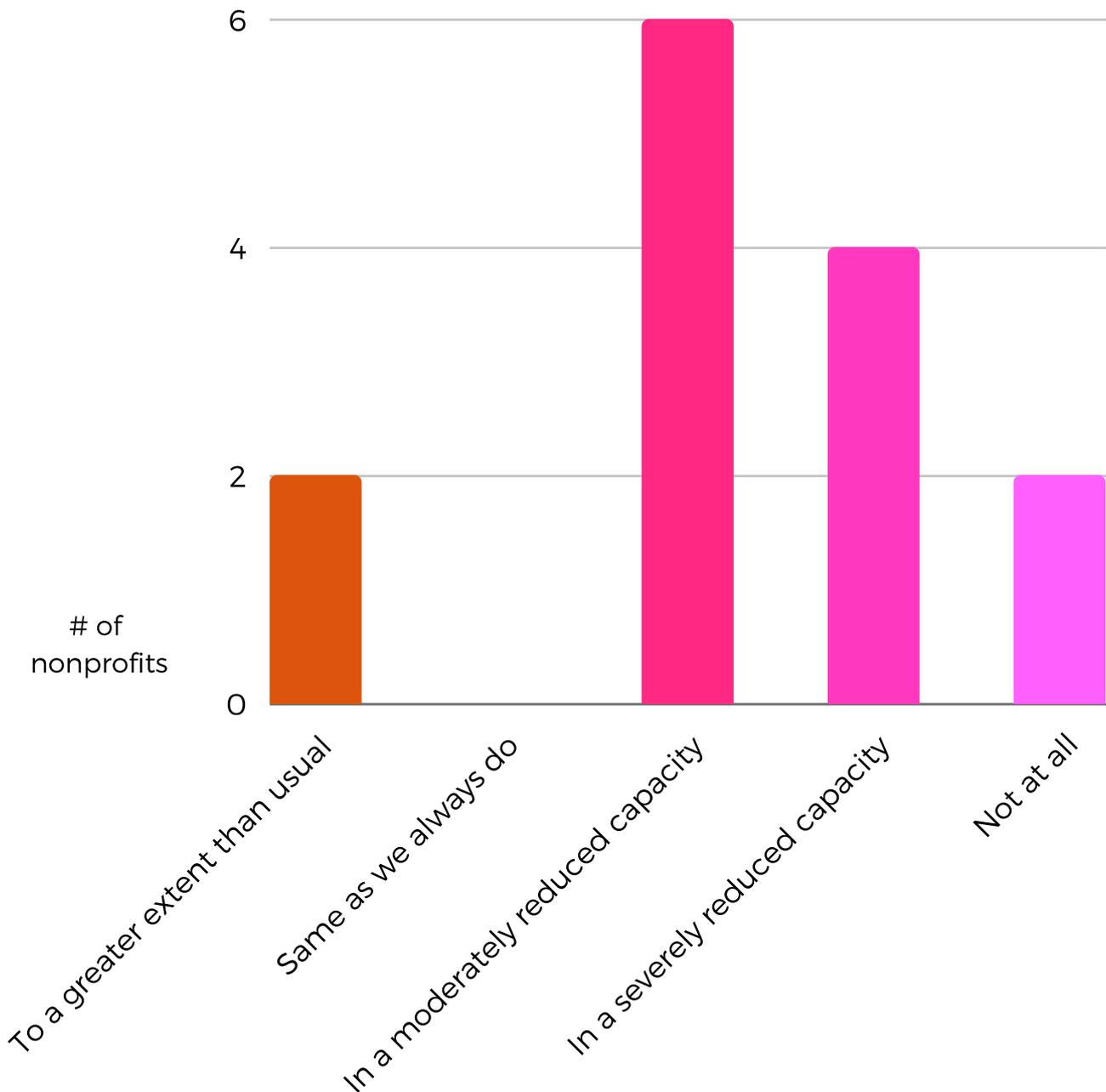


Programming

To what extent are you currently delivering your normal programs and/or services during the COVID-19 pandemic?

Due to evolving health guidelines and alternative delivery methods, more than 70% of nonprofit respondents are delivering programming at a reduced capacity.

Figure 2

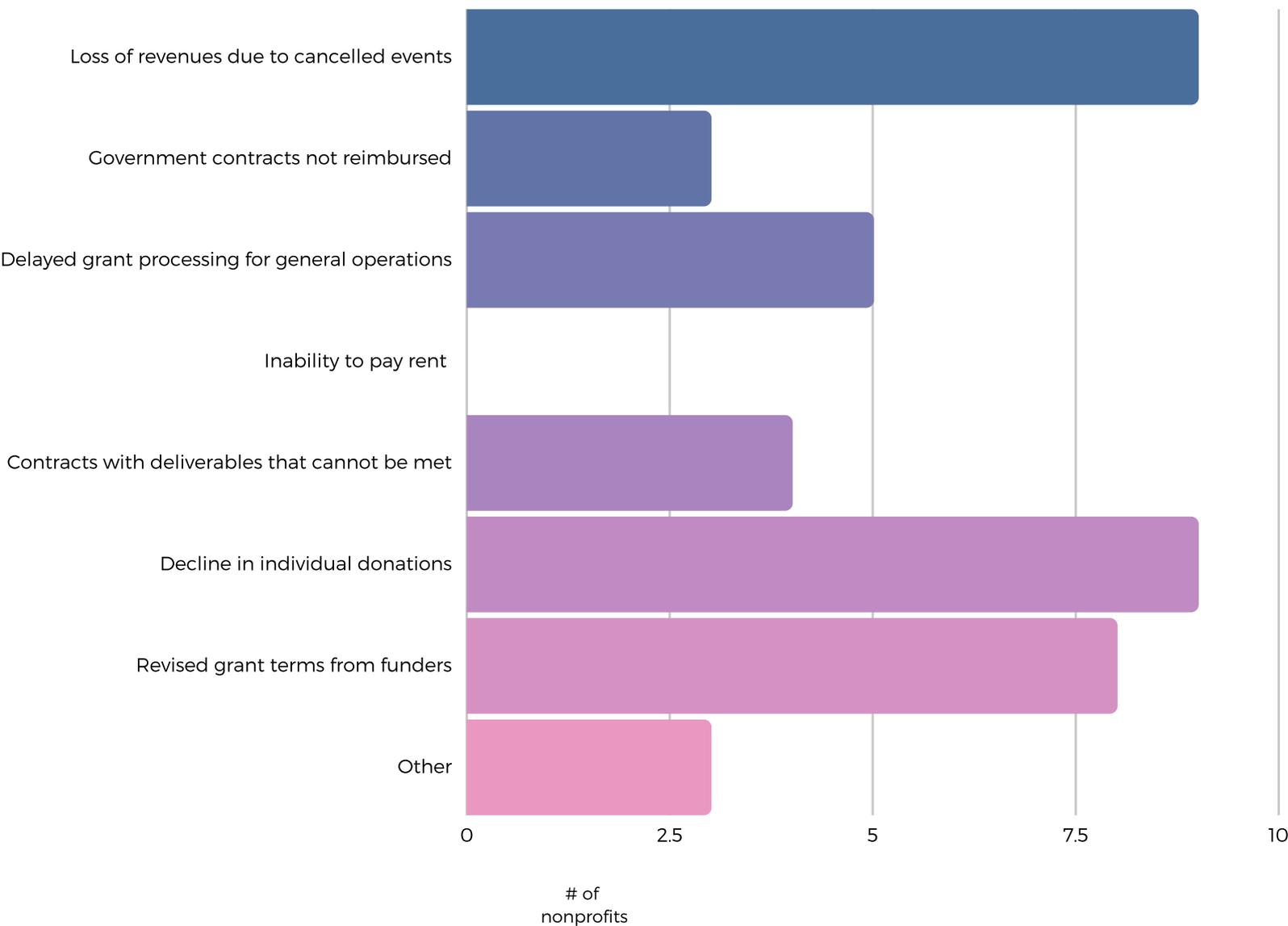


Financial Roadblocks

Since March 1, 2020, has your organization experienced any of the following?

Most nonprofits face major challenges in the decline of individual donations, loss of revenues due to fundraising events, and revised grant terms from funders.

Figure 3

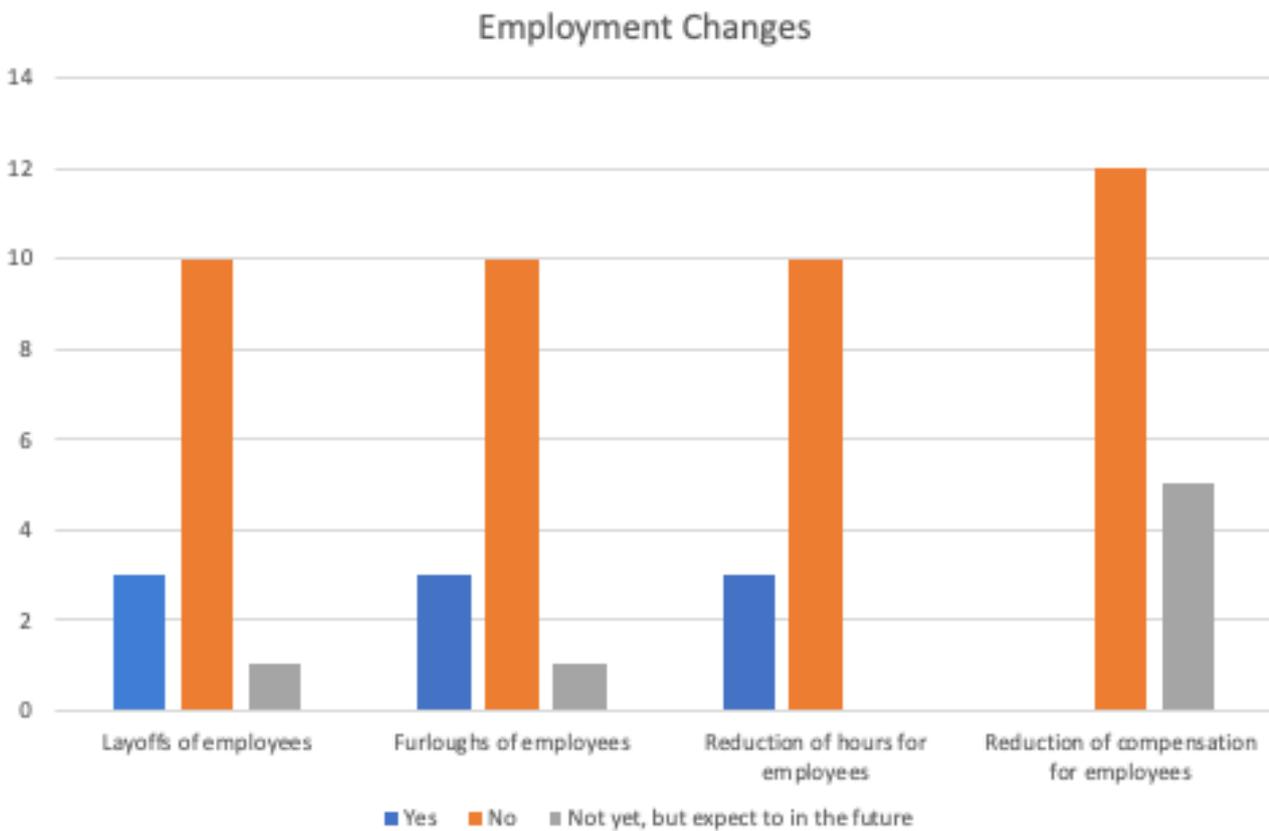


Employment

Since March 1, 2020, has your organization experienced any of the following?

Most nonprofits successfully secured employment, although not without challenges such as layoffs, furloughs, and reduction of hours.

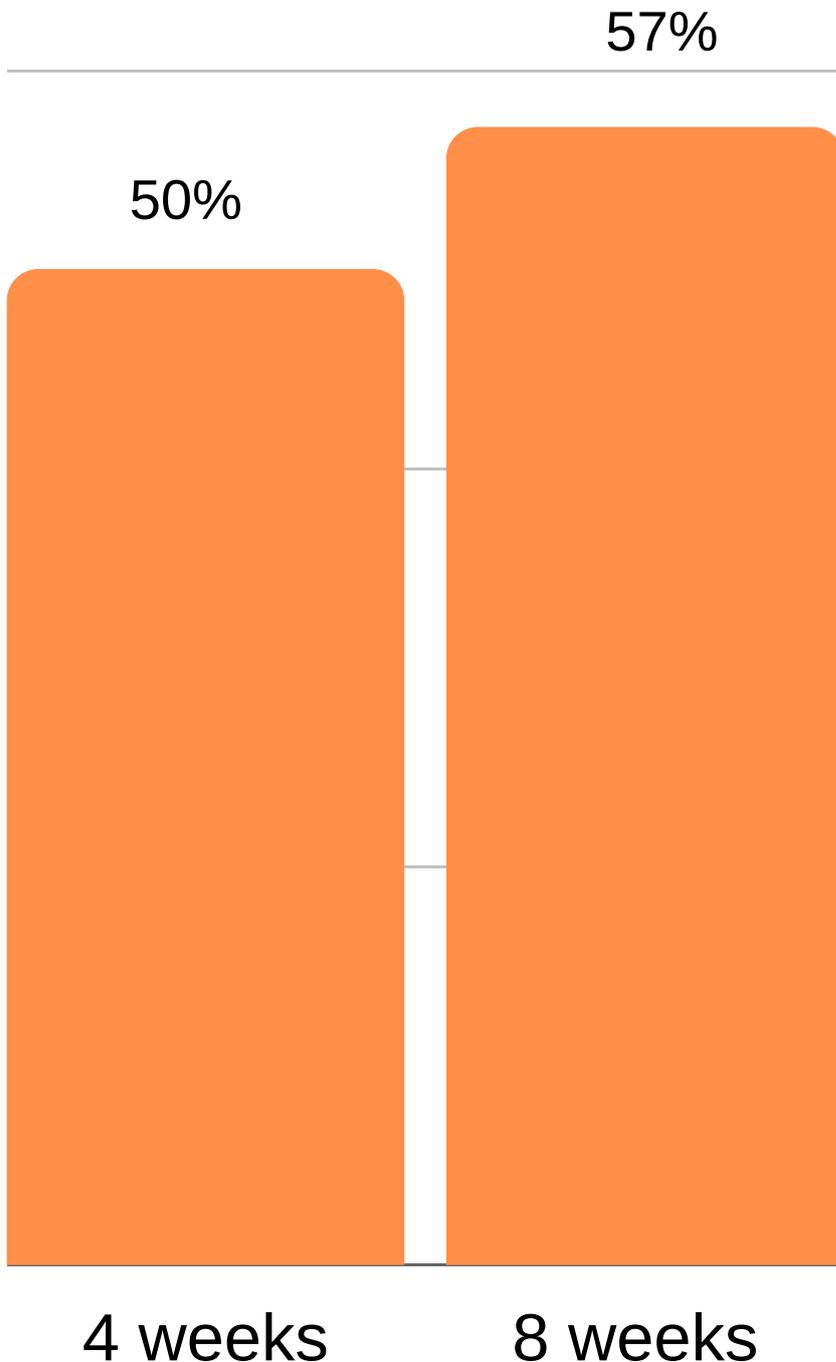
Figure 4



Payroll

If your organization were to not receive federal funding through the CARES Act or other COVID-19 related funding, how likely is it that your nonprofit would be able to fund payroll for the next 4/8 weeks?

Figure 5



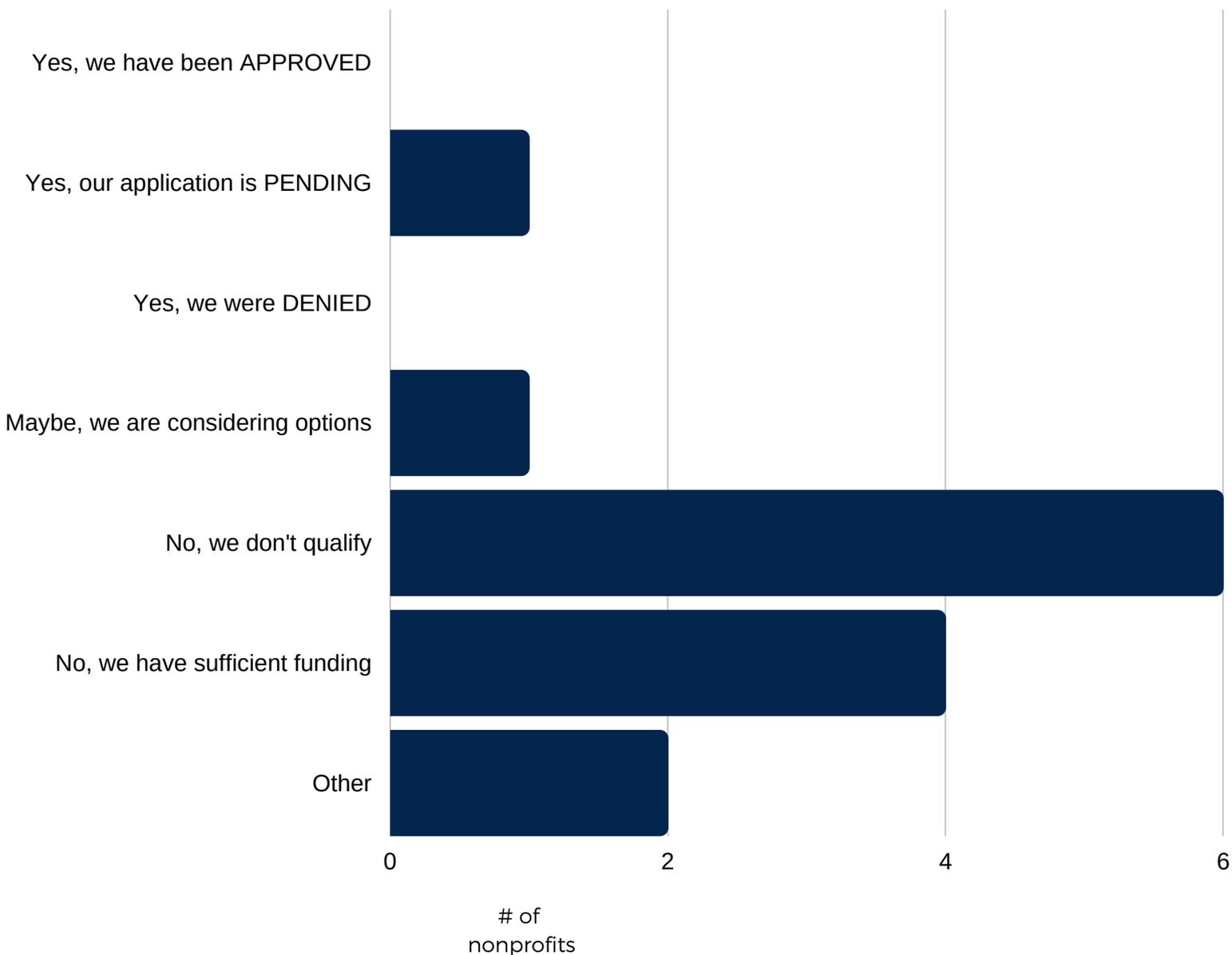
When forecasting the ability to pay employees, the likelihood increases 7% from four weeks to eight weeks.

Funding Opportunities

Is your organization planning to take advantage of the Economic Injury Disaster Loan (EIDL) through the CARES Act?

Most respondents answered that they did not qualify for EIDL or that they had sufficient funding. "Other" respondents voice the role of additional federal, foundation, and state agency grants.

Figure 6

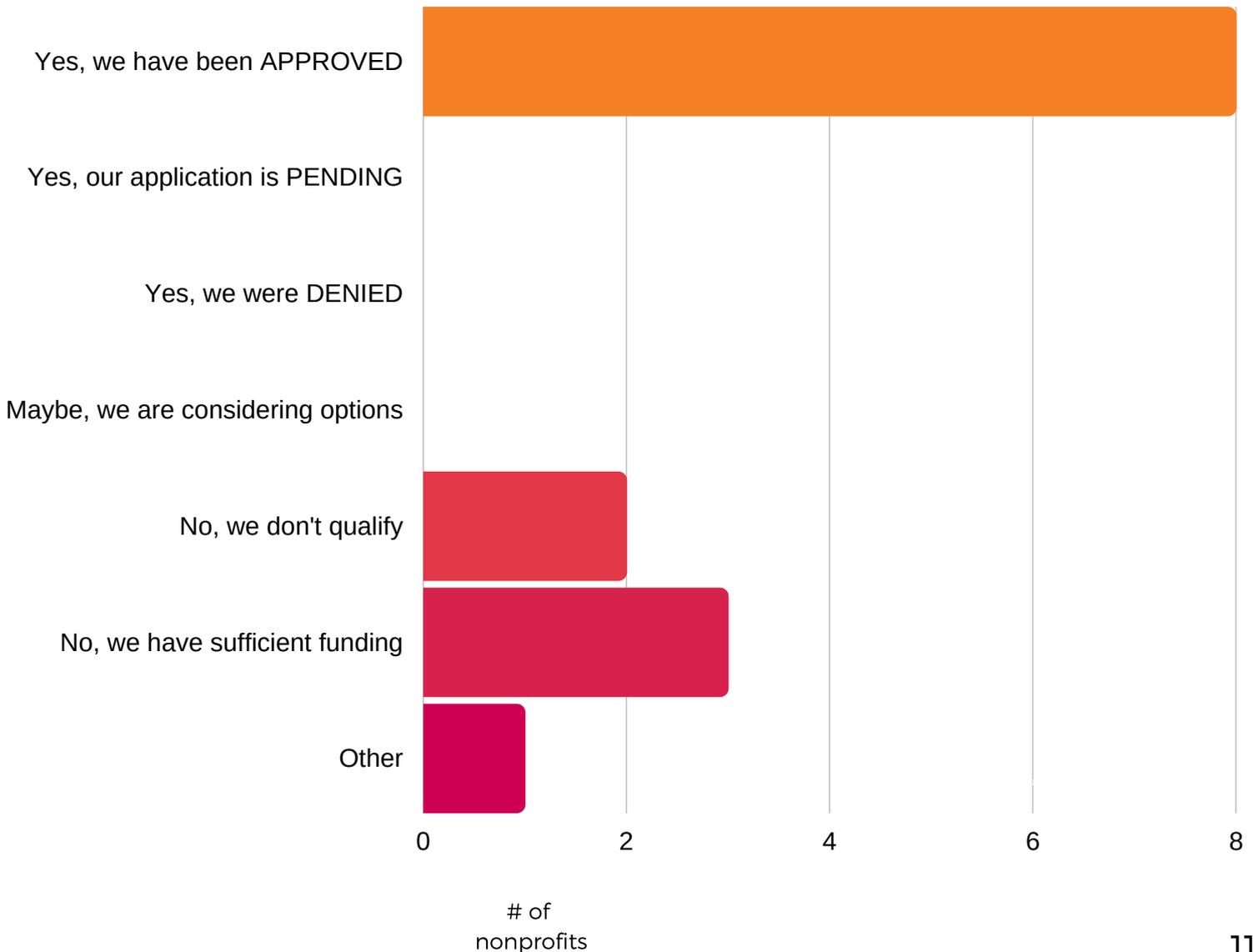


Funding Opportunities

Is your organization planning to take advantage of the Paycheck Protection Program (PPP) available through the CARES Act?

An overwhelming majority of nonprofits responded that they have applied for PPP and have been approved. There are some who did not apply due to sufficient funding and a couple of nonprofits that did not qualify.

Figure 7



Organizational Support

To what extent do you feel supported in your work by the following groups (i.e., getting the guidance, information, connection to resources that you need to effectively lead?)

Boards of Directors have been instrumental in responding to the challenges of COVID-19. The results below show who has been helpful to a "very great extent."

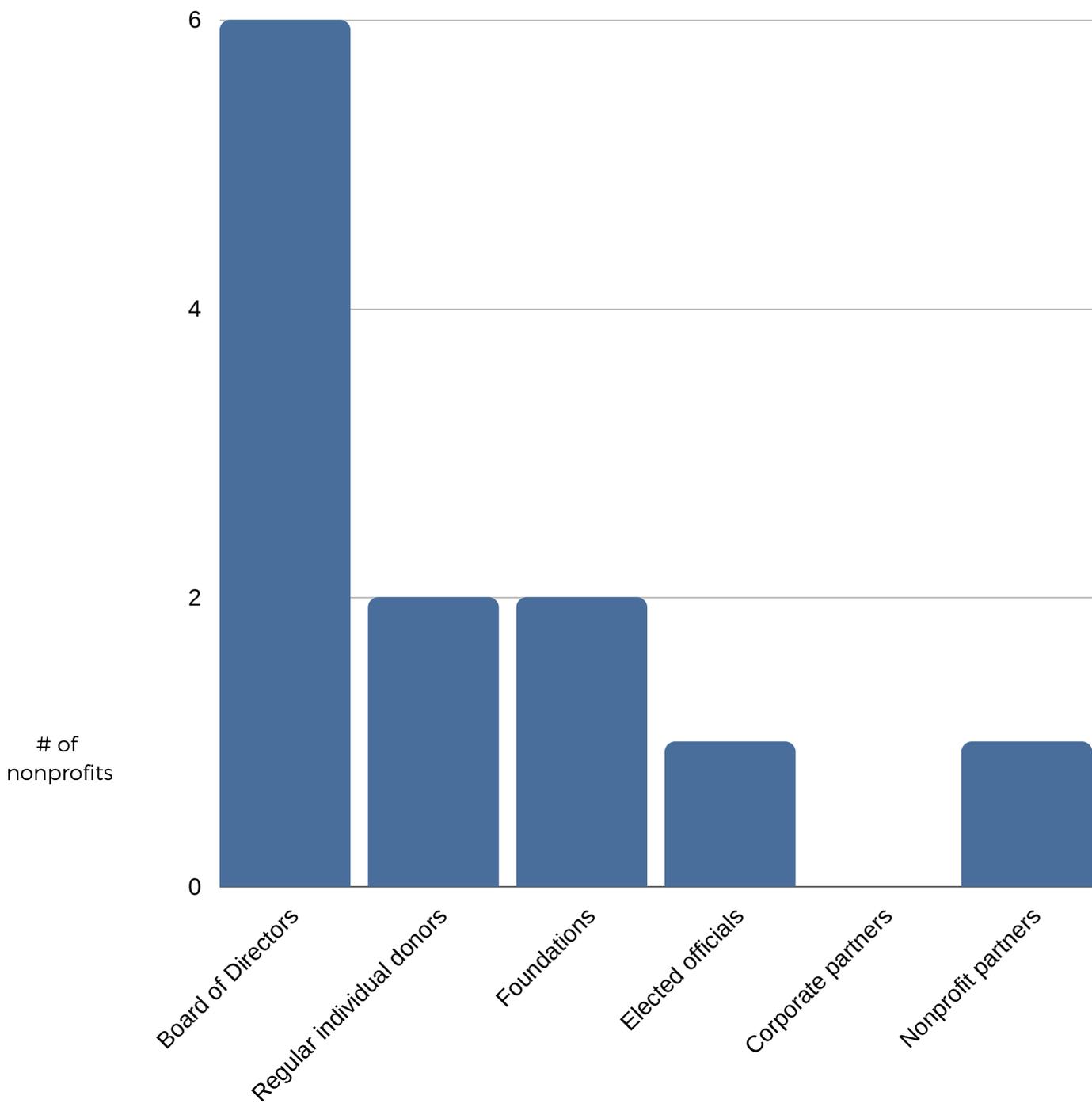


Figure 9

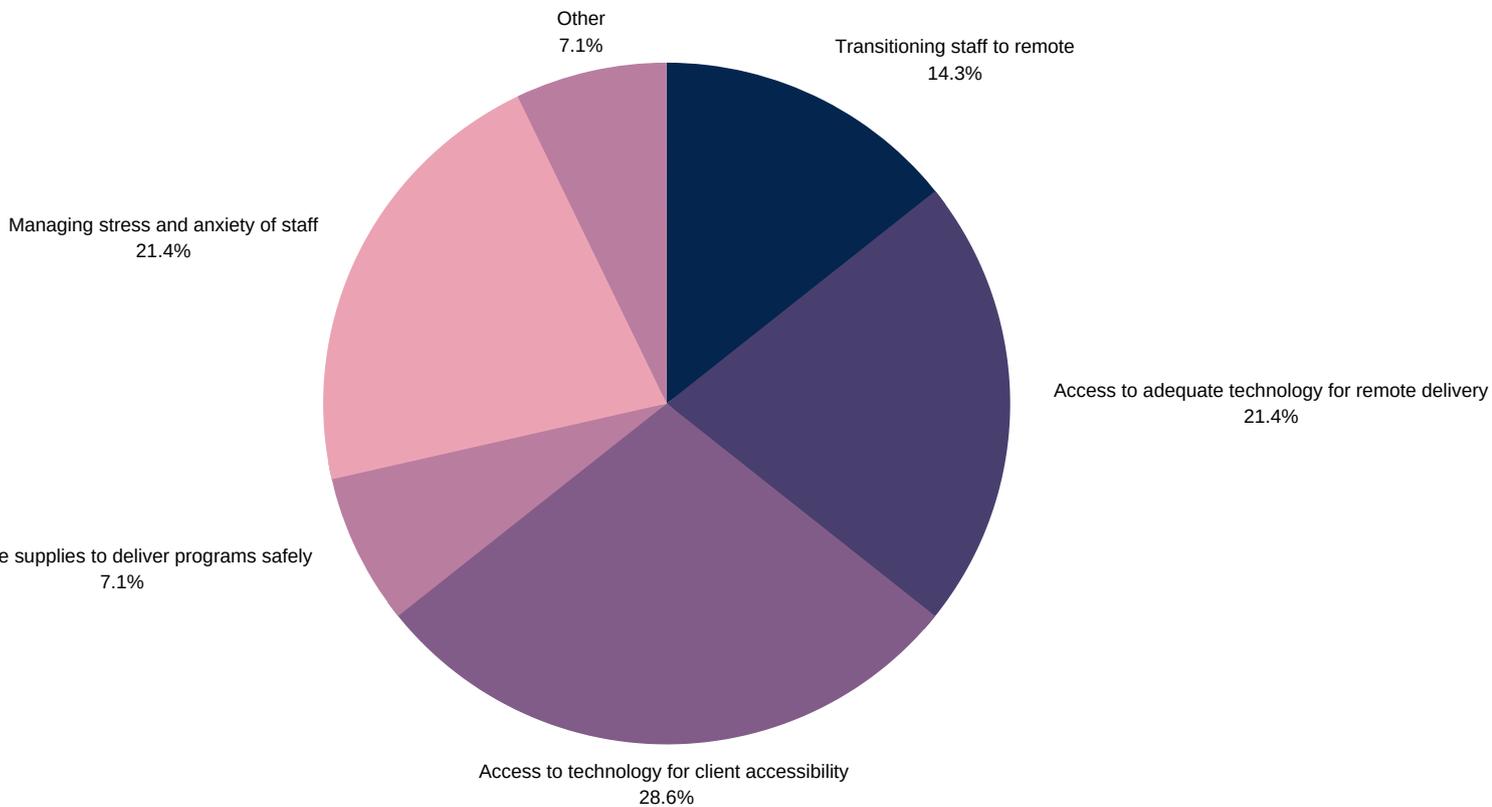
Organizational Support

To what extent does your organization need support in the following areas?

The results below represent where nonprofits need help to a "very great extent". Access to technology is a common denominator in terms of program delivery and client accessibility.

There is also a significant need for managing the stress and anxiety of staff.

Figure 10



Nonprofit Needs

Looking forward, over the next four weeks, what are the most urgent challenges your organization may face due to the COVID-19 pandemic?

The following statements encapsulate the major themes of the responses.

Receiving funding for programming

"The nature of our work is solely dependent on what school systems do across the state. Most being in a virtual environment has impacted our programming. We have to figure out a new way to reach this population to continue our services."

Transitions to remote working/program delivery

"Keeping in communication and staying relevant."

How To Help

The survey asked to identify ways The Cary Center and local partners can help. Respondents ranked options from a list of ten, including: financial scenario planning, reevaluating fundraising strategies, board guidance, sharing real time data with funders, government officials, and corporate leaders, guidance on employment issues, volunteer recruitment and management, coaching sessions for coping with emotional stress of the pandemic, and other.

These are the top 5 responses, in order of priority:

Volunteer recruitment and management

Reevaluating fundraising strategies

**Financial scenario planning/
Share needs with community leaders**

Guidance to Board of Directors

Guidance on employment issues

CONCLUSION AND RECOMMENDATIONS

Though the COVID-19 pandemic has presented a magnitude of challenges, nonprofits have evolved and adapted. From reducing, increasing, and pivoting services to a decline in donations, nonprofits are not exempt from the distress that has accompanied the pandemic. Still, they continue to serve their communities.

While some nonprofits have secured funding, many have not qualified for emergency government or foundation grants. In addition to economic assistance, nonprofits strive for training to help their organization survive and thrive.

Recommendations for Funding Agencies

The theme of unrestricted funding continues as organizations are searching for ways to upgrade technology to better reach their clients.

In addition to funding availability, providing training from volunteer recruitment to fundraising strategies will give nonprofits the knowledge they need to weather this storm.

Just as everyone is experiencing stress during the pandemic, nonprofit professionals are struggling to keep their heads above water with life's demands and changing priorities at both work and home. Agencies stepping in to address these stressors will improve the lives of those who selflessly serve.



CONCLUSION AND RECOMMENDATIONS, CONT.

Recommendations for Policy Makers

Numerous nonprofits have not qualified for supplemental grants for different reasons. When deciding the parameters of grants and legislating their approval, it is vital that policy makers confirm that no one is left out.

It is also critical as ever to insure all Alabamians and Georgians have access to high-speed internet as most nonprofits have pivoted to virtual delivery. Without reliable internet nonprofits and their clients are unable to deliver and access essential programming. Policy makers have the ability to advocate for this infrastructure.

Recommendations for Community Leaders & Members

Community leaders and members must use their influence to bring attention to problems local nonprofits are facing. Advising in board meetings, collaborating on fundraising efforts, and creating opportunities to serve nonprofits in their time of need allows community leaders and members to provide nonprofits with the volunteers, funding, and relief they so desperately need.

One important piece of the pandemic that has been overlooked is its effect on mental health, particularly for nonprofit professionals. Simple acts of kindness from providing lunch to treating a team with a yoga class or massage can greatly improve the morale and mental wellness of nonprofit professionals.

