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United Way of Delaware

# Covid-19 Impact to Delaware Nonprofits

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## Follow Up Survey 3

June 13-24, 2020

(Revised with Open Ended Question Results)

# Methodology & Perspective



On March 16, DANA, the Delaware Alliance for Nonprofit Advancement issued an online survey to nonprofits in Delaware to understand the impact of the State of Emergency related to Covid-19 on their services and operations. Those restrictions are being lifted.

Since then the DE Governor issued additional orders related to gathering limits, non-essential business closures, and loan opportunities for select industries. The federal government also passed legislation to help nonprofits and businesses with sustaining operations. Job loss, inequities of the Covid impact on minority populations and calls for social justice weigh heavy over the sector.

The Covid-19 Rapid Relief Fund managed by the United Way and the Strategic Response funds managed by Philanthropy Delaware, and DCF have deployed over \$3mm collectively to support critical services and sustain nonprofits.

DANA issued a third survey to understand impact and actions nonprofits have taken (or will take) to navigate this crisis. The survey was deployed between June 9<sup>th</sup> and June 23<sup>rd</sup>. A smaller survey was sent to philanthropy for insights on their views

109 organizations completed, compared to 190 in the Flash 2 survey and 245 in the first. Many dropped out towards the end where open-ended questions on change were asked. The number completing the answer will be noted. Though some organizations participated in all three this is not intended to be a longitudinal study.

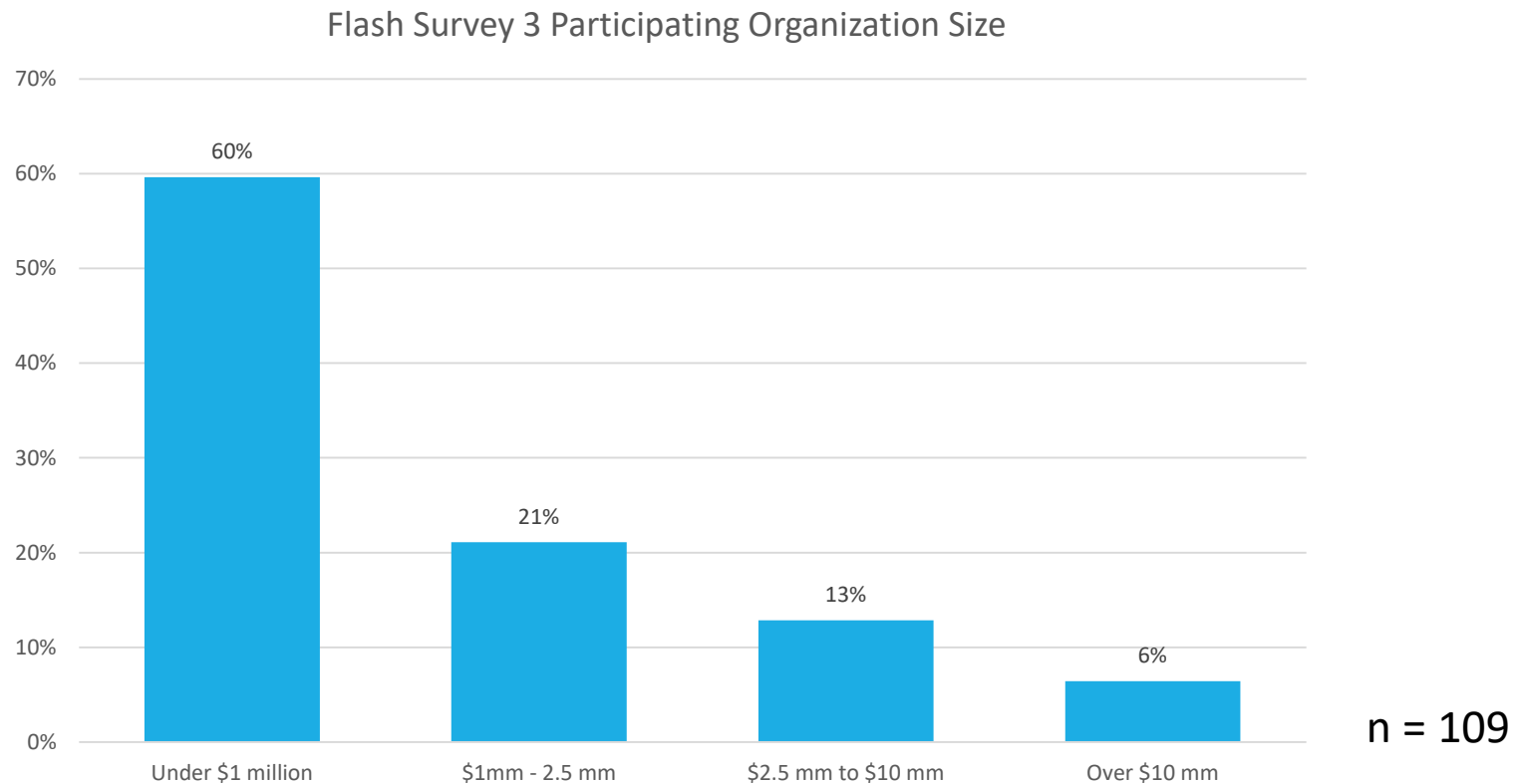
Note it is estimated there are over 900 nonprofits actively operating in Delaware.

# Highlights of this third survey

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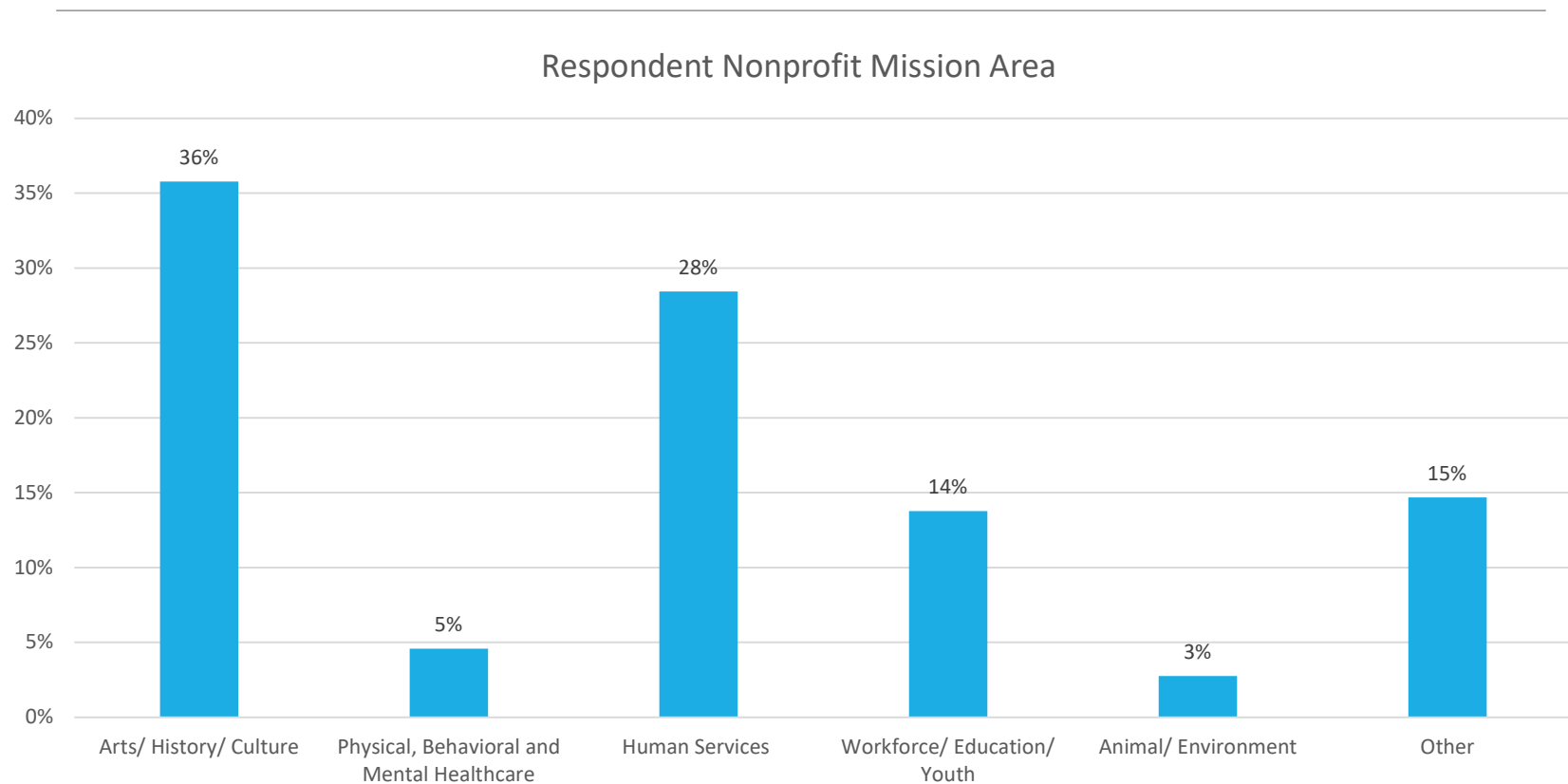
- As of June 15<sup>th</sup>, the date of Phase 2 opening in DE, 73% plan to continue to have closed facilities but are offering services, 17% are offering no services
- 84% cancelled/postponed fundraising events, though 44% have tried to increase fundraising in other ways. 62% plan to bring back in-person fundraising events in Phase 3.
- Asked for what they need funds for: 86% to change programs, 67% for PPE and disinfectant services
- For those who secured PPP loans from the SBA, 52% indicated they will need funding support to retain employees once the loan funds are consumed
- 68% indicated they needed funds to change programs to take action and address racial inequity.
- Of those who knew their future cash position, 29% had less than six weeks of cash on hand (at the end of May), 43% estimated less than 12 weeks
- 60% expect to see less revenue in the second half of 2020 vs 2019 nearly a quarter expect revenue to be less than 50%

# As in prior surveys, small organizations represent most of the survey respondents



Note: The respondents' organizational size skews towards larger organizations. According to Share Delaware.org, 78% of Delaware nonprofits are under \$1 million., and 4% are over \$10 million. (DE Nonprofits who filed 990's in 2017)

# Nonprofit Mission Area

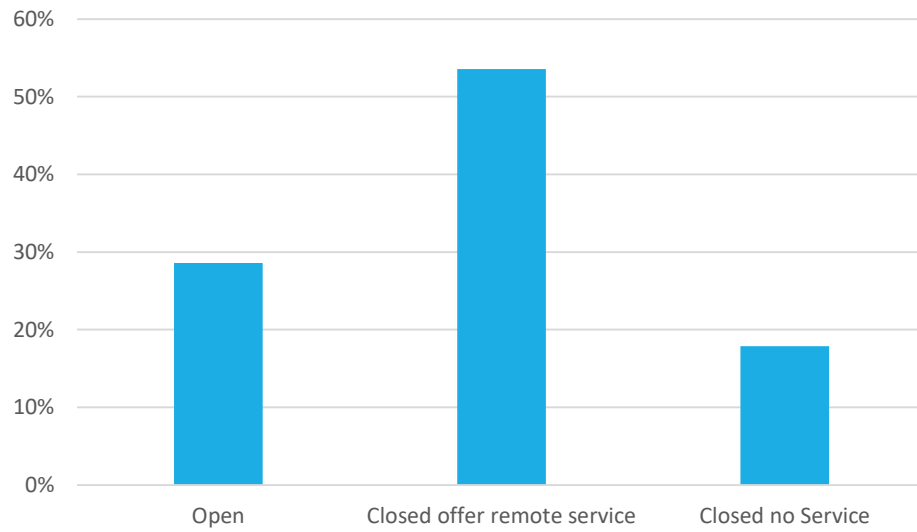


n = 109

Note: The respondents' organizational mission area has a higher percentage of arts & culture and lower representation of health than the Delaware sector as a whole. (ShareDelaware.org, DE Nonprofits who filed 990's in 2017)

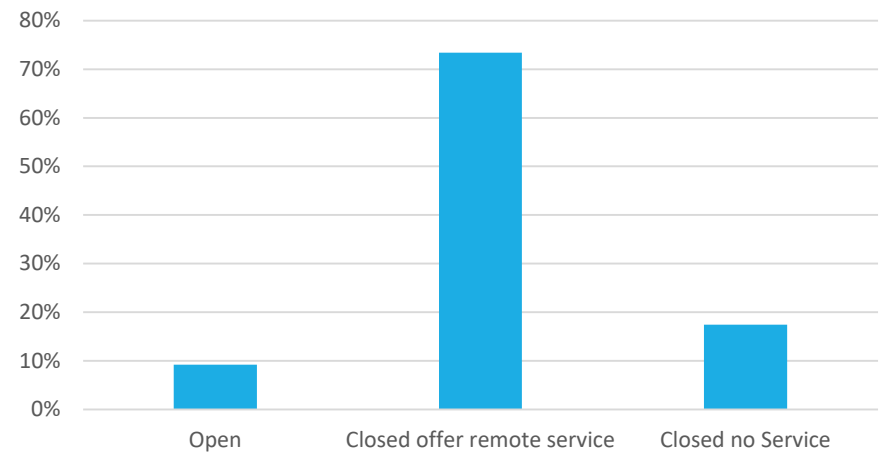
# Despite Eased Restrictions, most nonprofits that closed their facilities plan to remain closed in Phase 2

Status of Nonprofit In Phase 1 of Reopening



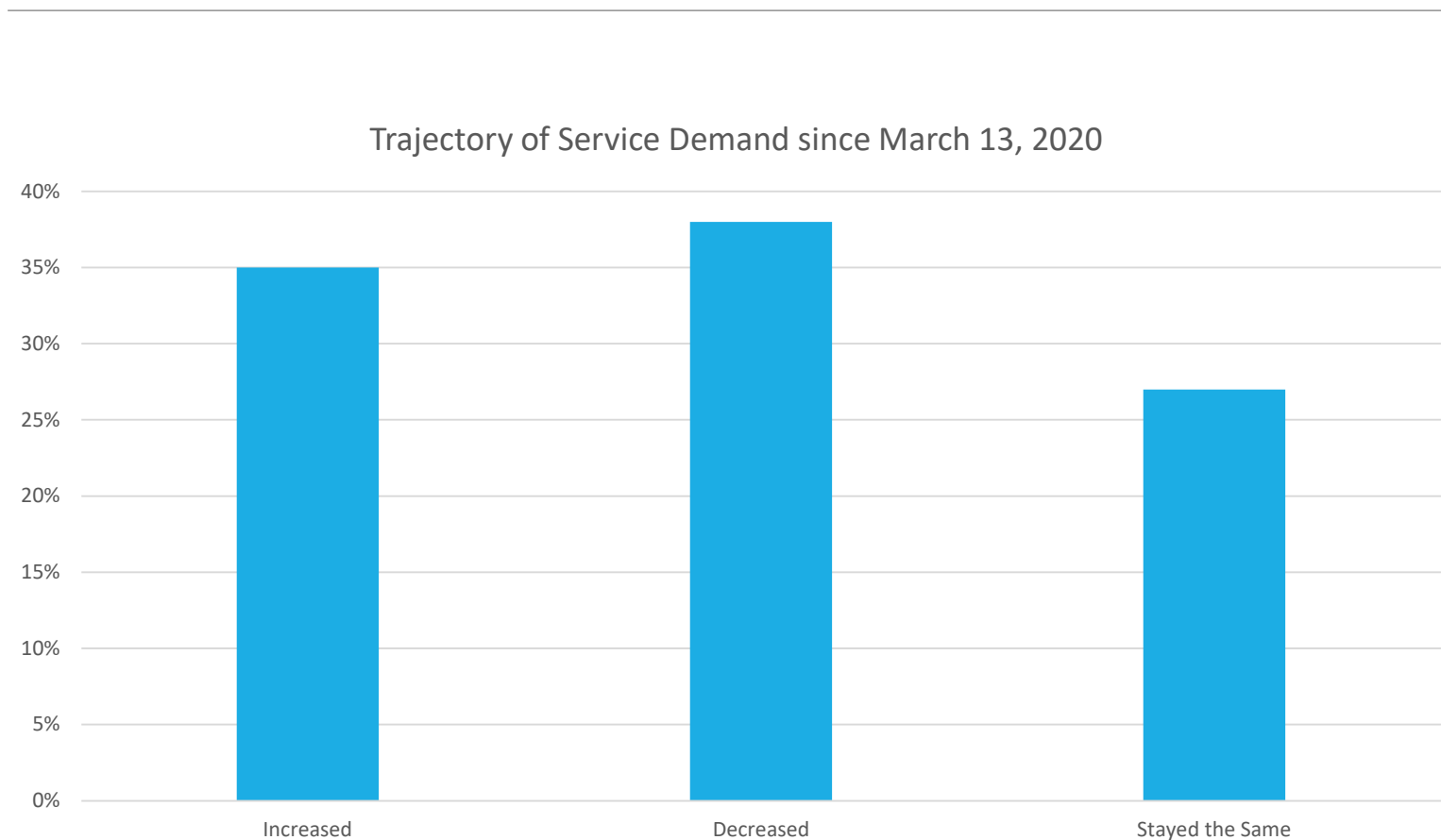
n = 168

Of those not open, status in Phase 2 (June 15th)



n = 109

# For those organizations offering their services nearly 40% have seen an increase



# Respondents Were asked to identify greatest challenge

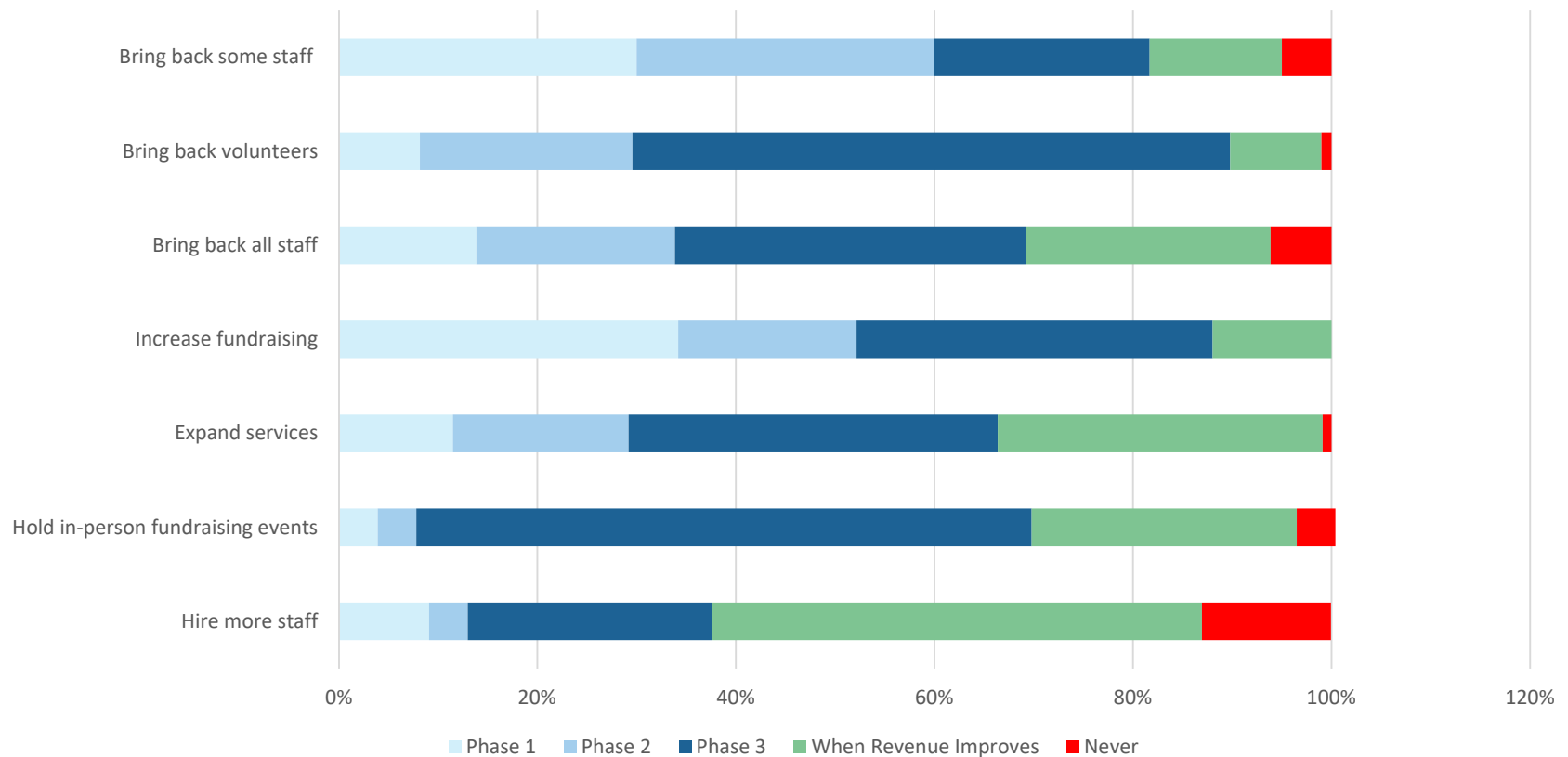
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- ❑ 31% indicated financial challenges – either due to increased expenses to deliver mission or create a health-safe space, or lost fundraising
- ❑ 22% indicate limited ability to offer services, or trying to offer services but limited number of clients/patrons can participate
- ❑ 20% expressed concerns for clients. Either the dramatic increase in those who need services, or the client's challenges in accessing services
- ❑ 14% cited health-safety concerns for staff, clients or visitors.
- ❑ 9% mentioned uncertainty, making multiple plans for different opening scenarios, and changes in government guidance or directives
- ❑ 4% shared they were still figuring out how to message to their clients and reach them

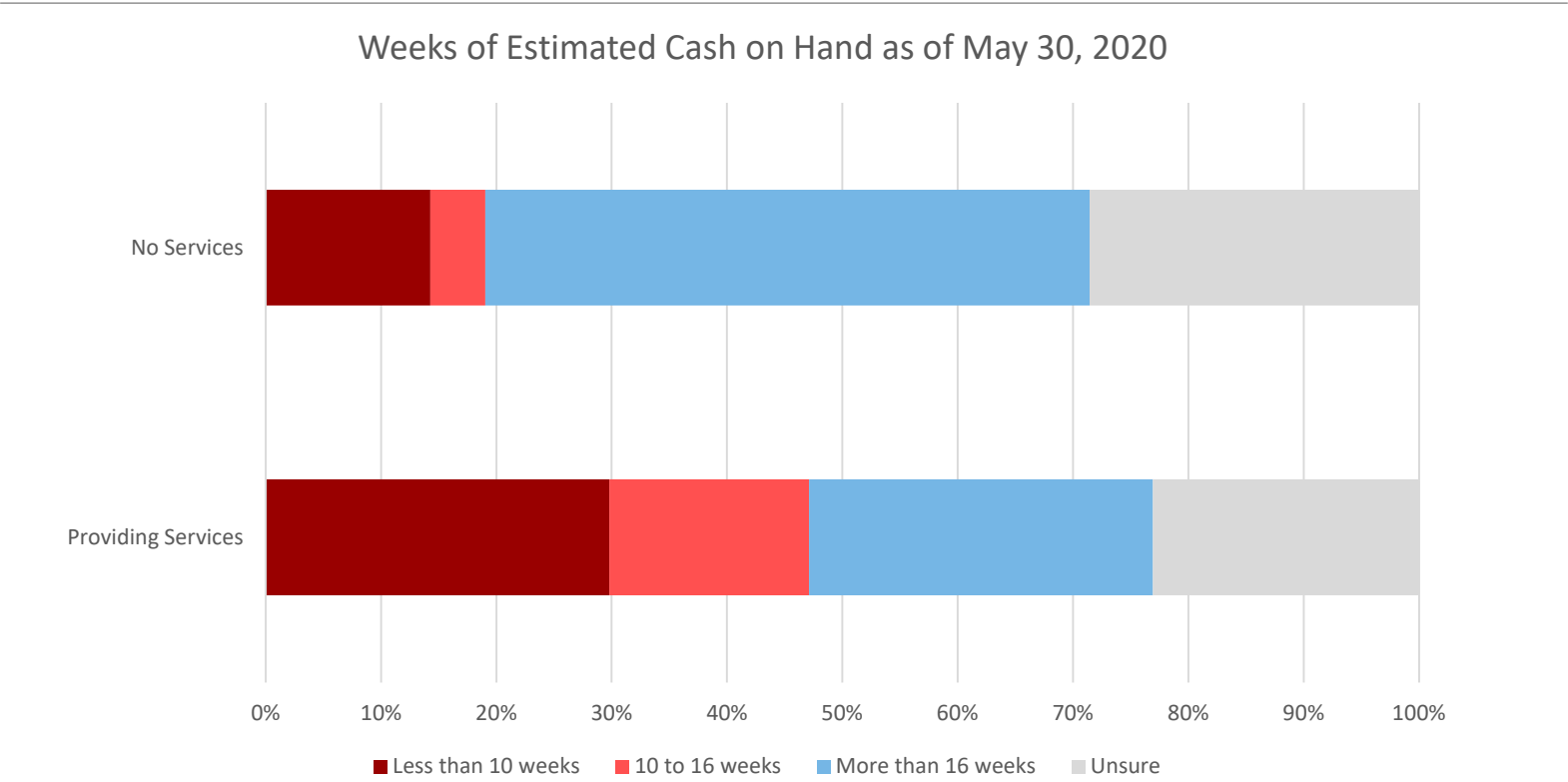


In Phase 2, 60 % of respondents planned to bring back some staff only  
 38% planned to bring back all staff. Very few planned to return  
 volunteers or hold in-person events until a Phase 3 level opening

Anticipated Actions as of June Relative to Governor's Phased Opening



27% have less than 10 weeks of cash on hand, compared to 35% in the last survey. This may be due to PPP loan access and grant receipts.

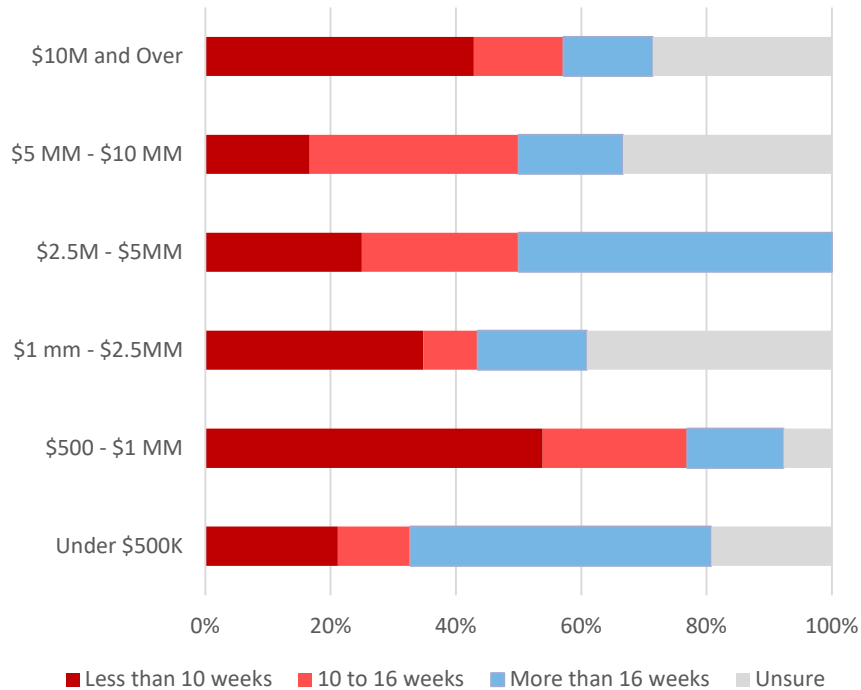


24% were not sure of their cash position

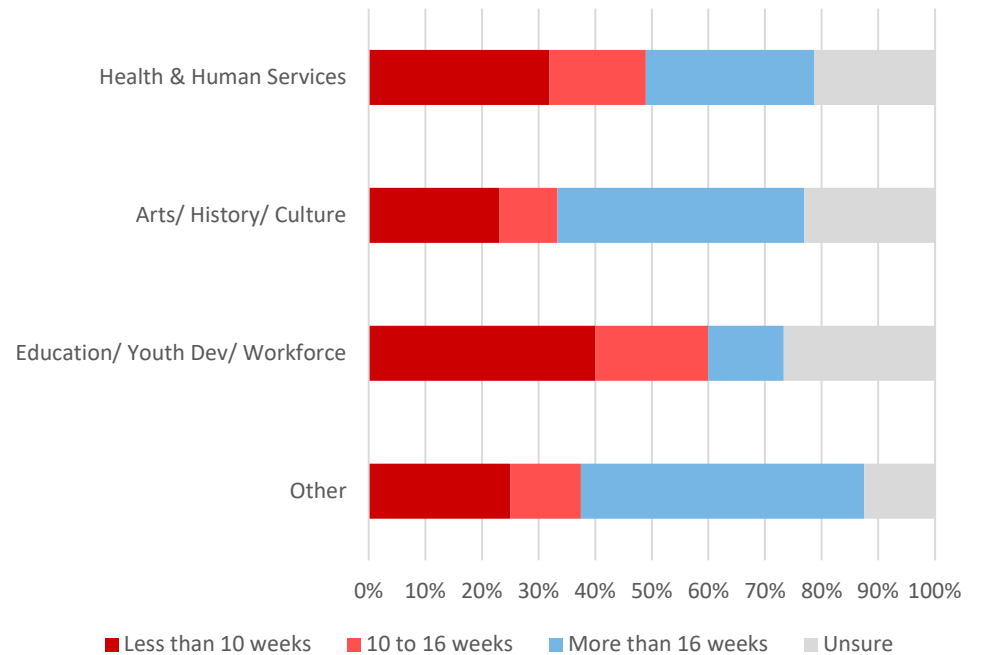
N = 125

# Small organizations and education-based missions tend to have less cash on hand

Cash on Hand by Organization Size as of May 30, 2020

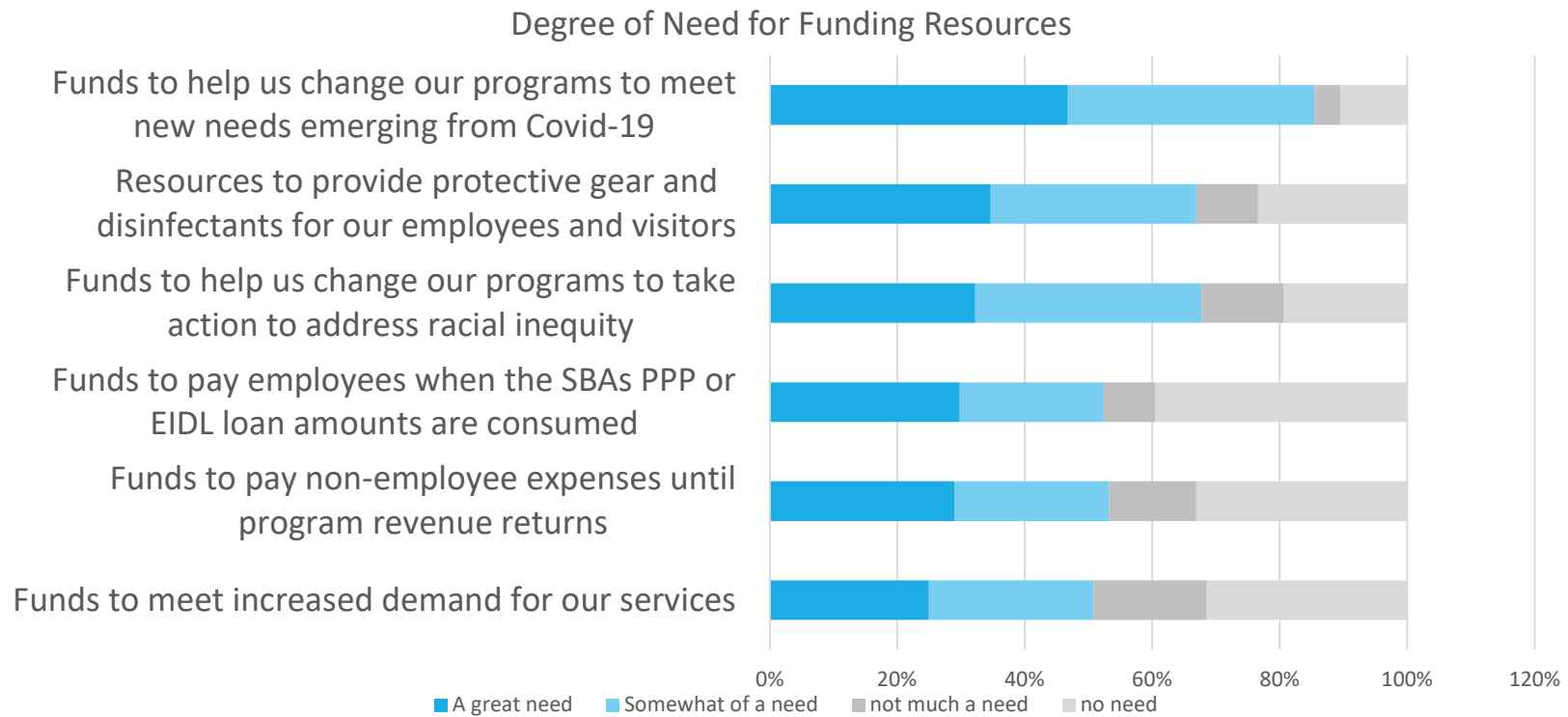


Weeks of Cash on Hand by Organization Mission as of May 30, 2020



N = 125

# Most respondents need funds to help them pivot services and create health-safe environments, followed by addressing racial inequity

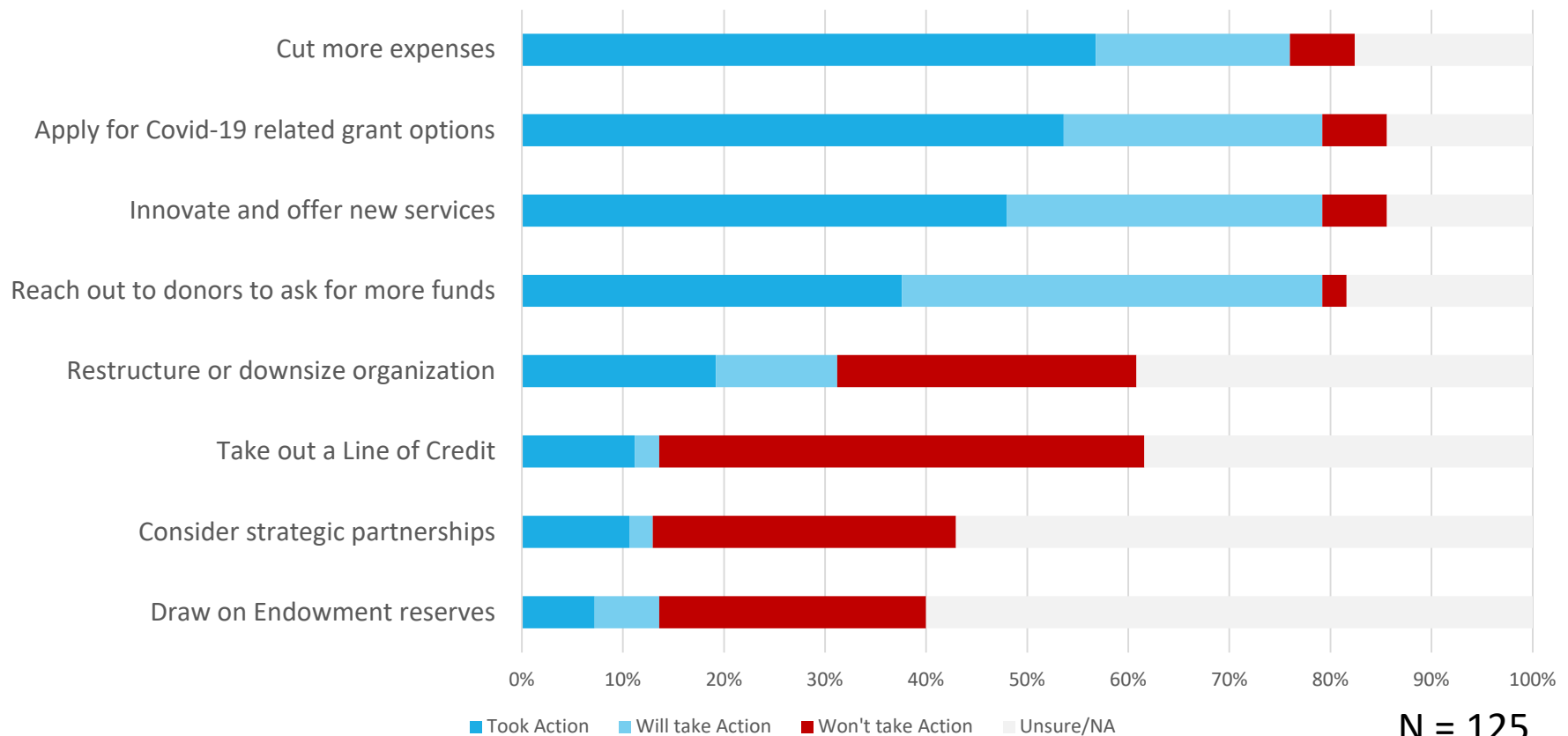


Those who listed other resource needs included program supplies, technology costs, operations, consulting or technical assistance

N = 124

# Other than cut expenses, most respondents are looking to do more or ask for more, rather than downsize, take on debt or partner

Actions Nonprofits Will take to Sustain their Mission



60% of nonprofits expect revenue to be less than last year and nearly half of those expect a loss of over 50%

Expected Revenue Difference in 2H 2020 vs 2019



N = 125

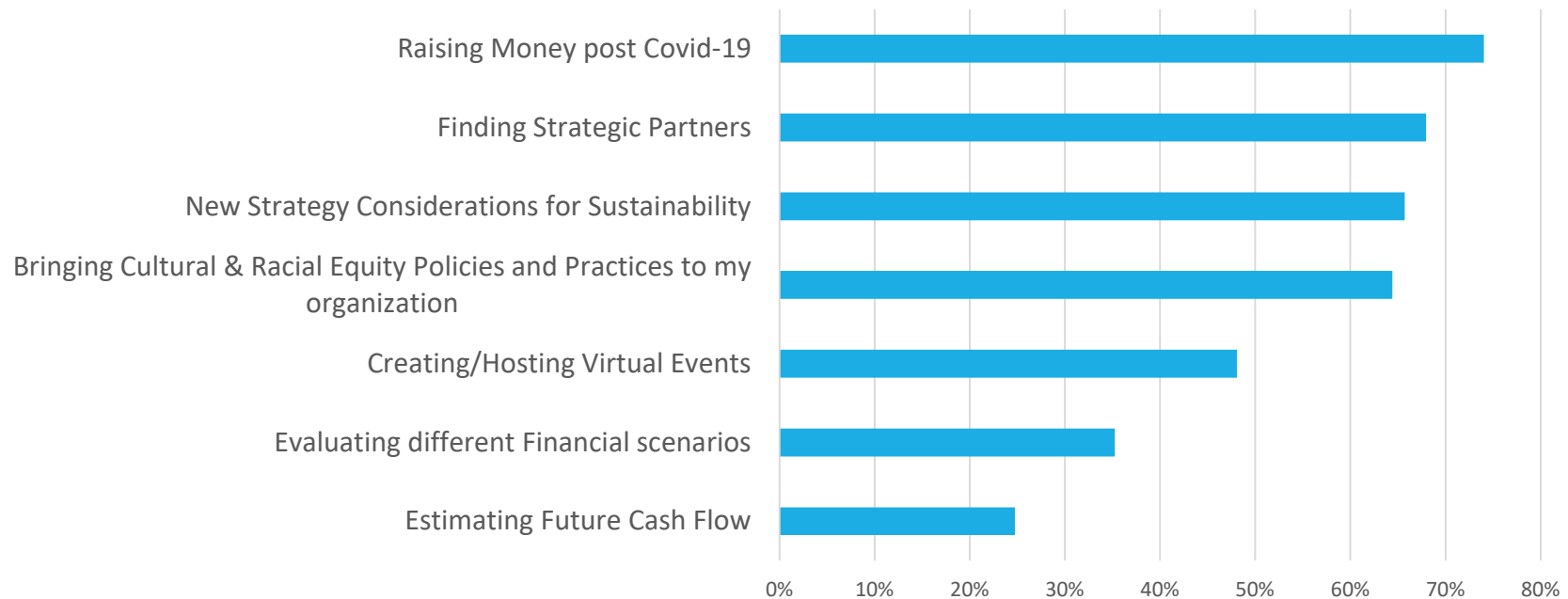
# Access to Funding Resources

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- 41% respondents have a state contract and nearly all (94%) indicated the payments are made regularly and to the terms. However, only 31% were able to change the contract terms to address increased service demand.
- 81% applied for a Covid-19 grant with 37% receiving their asked amount, 42% receiving a partial amount and the rest not awarded
- have applied for grant-in-aid (which we now know was granted at last year levels for those who received grant-in-aid in 2019)

# Raising Funds, Finding Partners, and New Strategies a top training need

**% Said they Need Training/Coaching in the following Areas**



**N = 104**

Other included: HR/staff support, collaborations, advocacy, communications & legal support



# Issues Covid-19 Has raised relating to gaps in the system

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Respondents were asked if their services could help to address some the inequities and gaps in the system raised by Covid-19 and subsequent awakening to racial equity & social Justice. A separate survey sent to DE foundations contributed to the responses below

- 77% of nonprofits felt their mission could help address these issues
- 87% of philanthropy
  
- Solutions offered included:
  - Collaboration in identifying the solutions and funding them
  - Making sure the populations impacted are at the table for planning solutions
  - Understanding who is doing what where
  - Supporting those agencies already working in these areas
  - Fund access to healthcare, mental health, arts, culture, financial assistance
  - Advocacy
  - Look internally at organization's own polices, practices

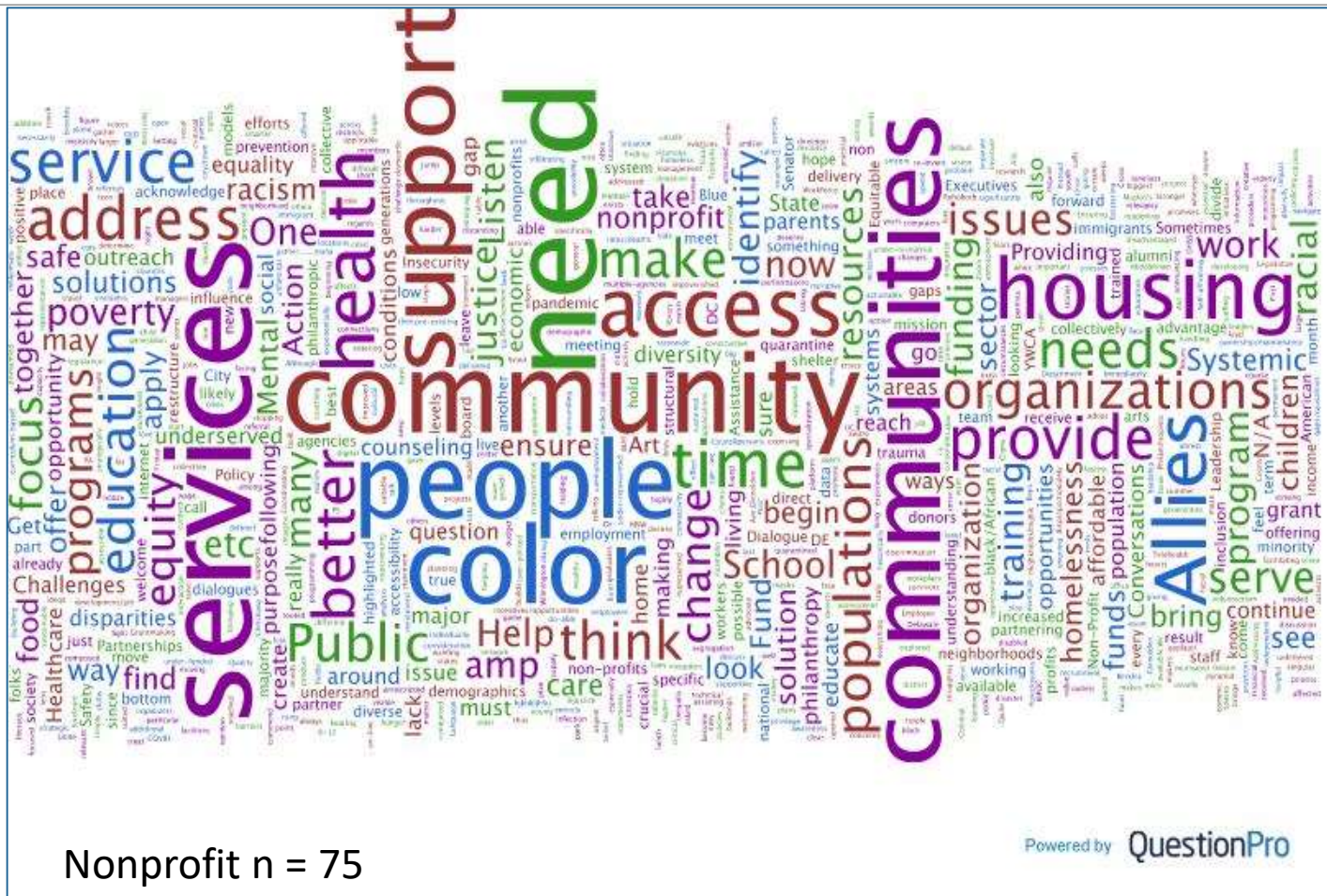
## Given gaps of service and support to communities of color, immigrant populations, and those who live in poverty. What issues do you believe, we as the nonprofit, philanthropic, and government sectors should collectively address over the next 18 months?

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- ❑ 39% identified the need to direct funding and programs towards marginalized populations. There also was a recognition that increased outreach and access to services were required.
- ❑ 16% stated the need to understand the issues and develop strategies collectively to address the issues. Several wanted to know who was already doing this work and partner with them – rather than trying to work on their own
- ❑ 14% recognized their processes and programs need review to confirm they are not contributing to systemic oppression, but rather dismantling it
- ❑ 11% cited hiring practices, creating pathways for leadership
- ❑ 11% desire conversations and planning across populations – reducing the divide of us and them
- ❑ 8% addressed the concerns of kids out of school, not having equitable learning opportunities
- ❑ 7% felt advocacy and changes in public policy were necessary

Note: survey sent to philanthropy asked the same question and enhanced this response n = 83

Given gaps of service and support to communities of color, immigrant populations, and those who live in poverty. What issues do you believe, we as the nonprofit, philanthropic, and government sectors should collectively address over the next 18 months?







# Questions

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