




Covid-19 Impact to Delaware Nonprofits

Follow Up Survey 4.5.20

Methodology



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.

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 those who lost their jobs due to Covid-19 related issues and help nonprofits and businesses with sustaining operations.

In addition, the Covid-19 Rapid Relief Fund managed by the United Way and the Strategic Response funds managed by Philanthropy Delaware, and DCF were launched and began deploying funds into the community.

Given these changes, DANA issued a second survey to understand impact and actions nonprofits have taken (or will take) to navigate this crisis. The survey was deployed between March 30th and April 3rd.

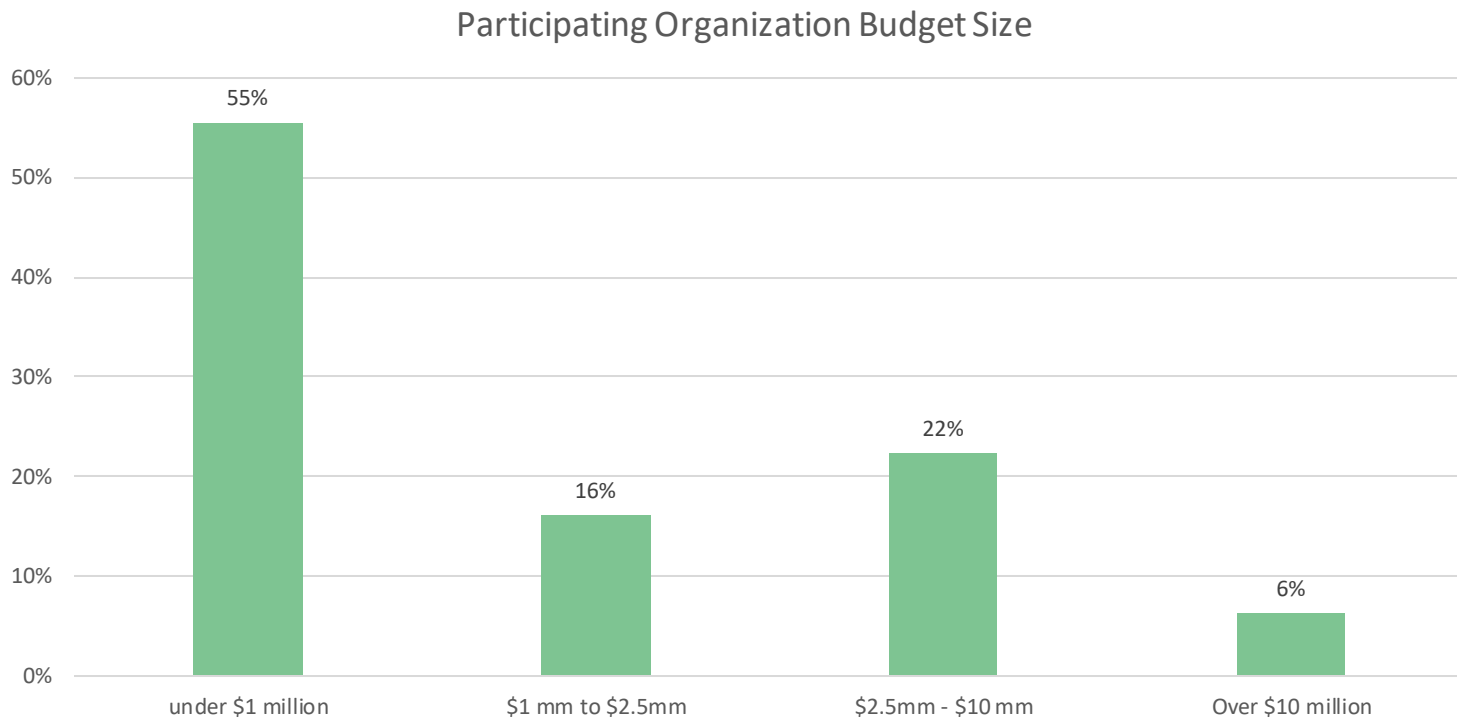
192 organizations participated compared to 245 in the first. Though some organizations participated in both, this is not intended to be a longitudinal study.

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

Highlights of this second survey

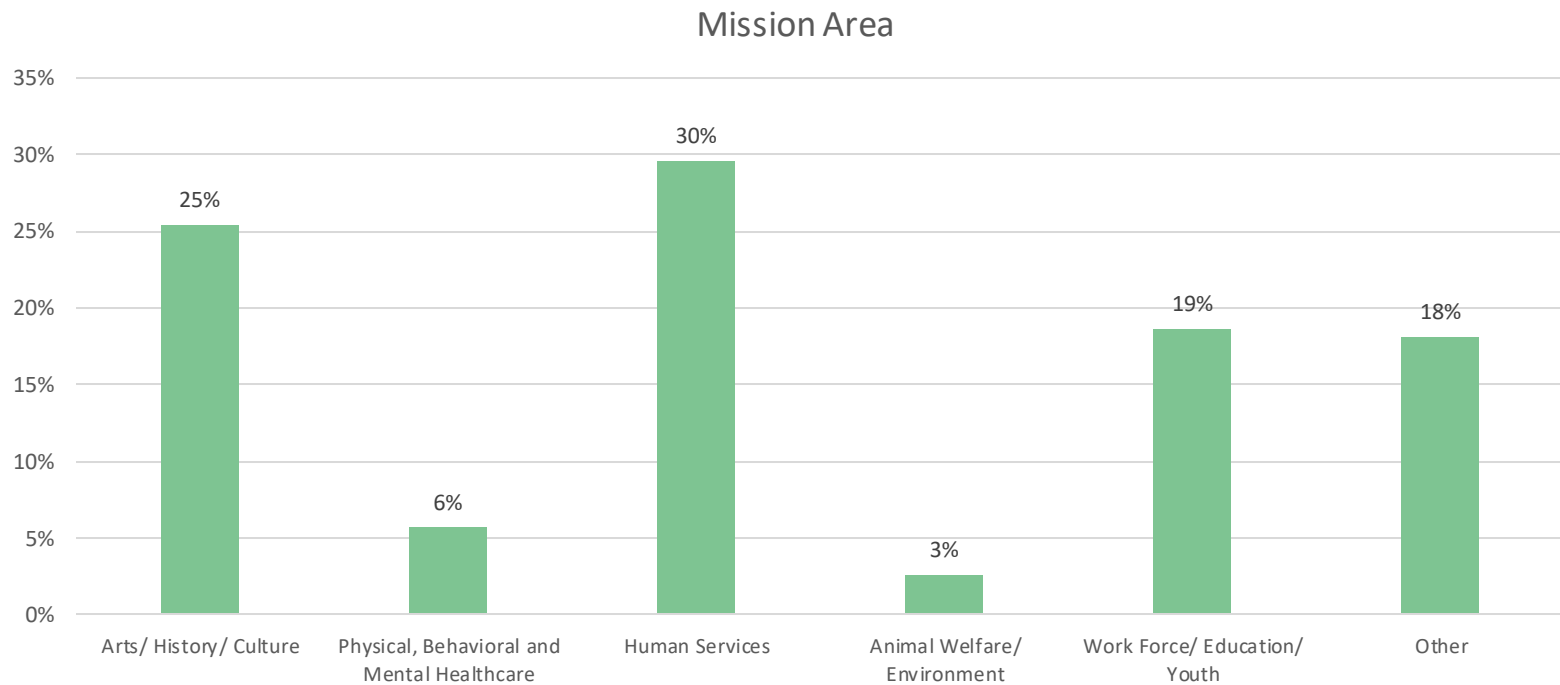
- Participant organizations have laid off 1357 employees
- 78% are providing services, even if their facility is closed and a third indicate service demand has increased
- For those with increased service demand, 40% did not have the resources they needed
- 35% indicated they have less than 10 weeks of unrestricted cash on hand. However over 50% of nonprofits with state contracts had less than 10 weeks
- Most had or intended to cut expenses to improve cash flow, many were unsure about taking out debt (federal loan details were emerging at the time of the survey)
- 116 organizations estimated over \$20 million in lost revenue; compared to the 150 in the first survey which estimated \$21 million. 63 who estimated incremental expenses related to the crisis which topped over \$5 million, higher than the previous survey
- Greatest training/ coaching need is strategies for sustainability and ways to raise money post Covid-19

Participants in the Survey Represent Nonprofits of All Sizes



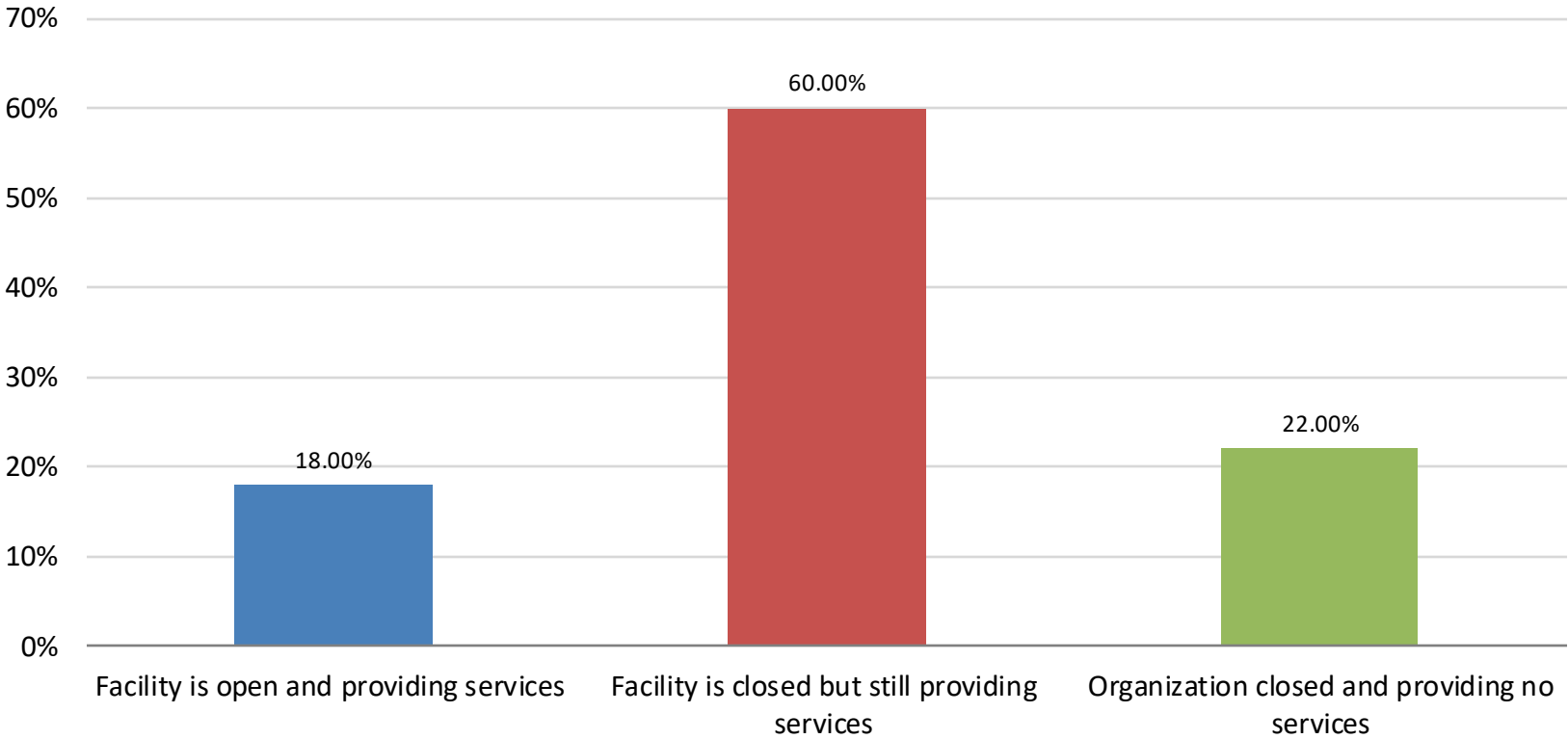
Note: The respondents' organizational size skews towards larger organizations. According to Share Delaware.org, 78% of Delaware nonprofits are under \$1 million., and 4% are over \$10 million. (DE Nonprofits who filed 990's in 2017)

Nonprofit Mission Area



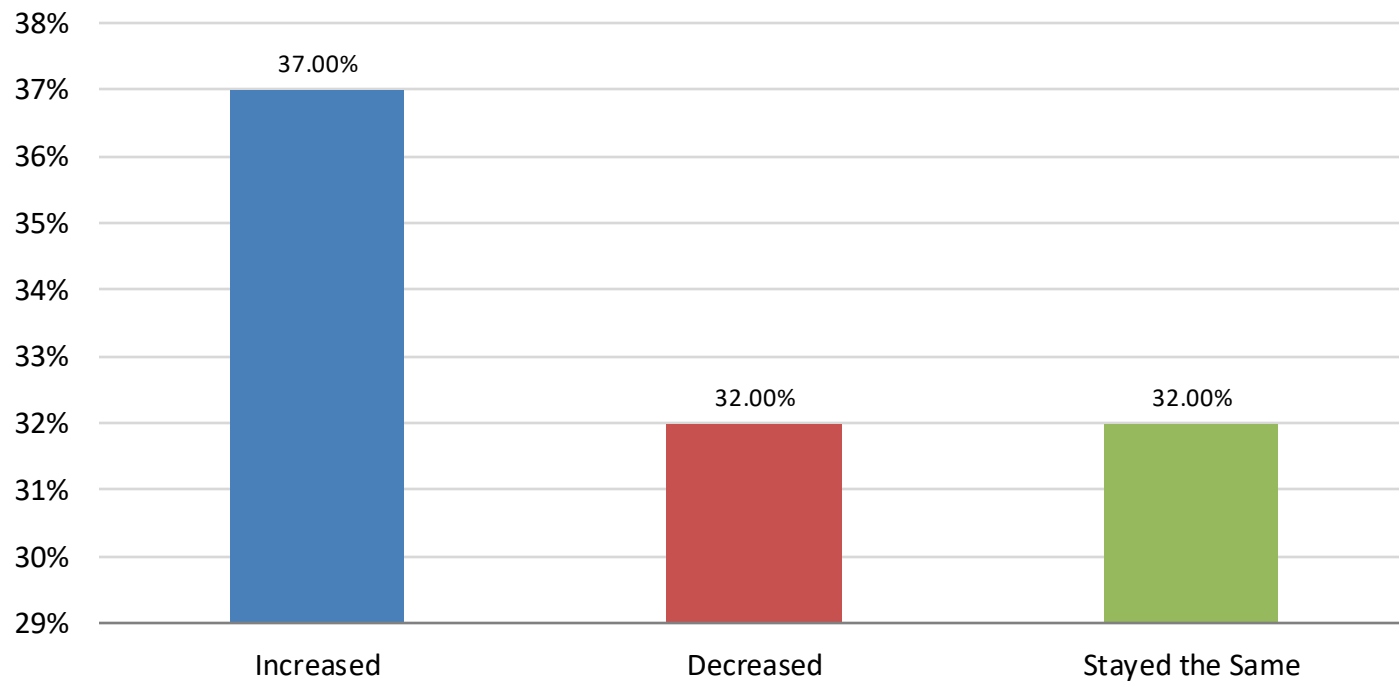
Note: The respondents' organizational mission area has a higher percentage of arts & culture and lower representation of health than the Delaware sector as a whole. (ShareDelaware.org, DE Nonprofits who filed 990's in 2017)

Organizational Status



Most are closed because of the Governor's gathering limits

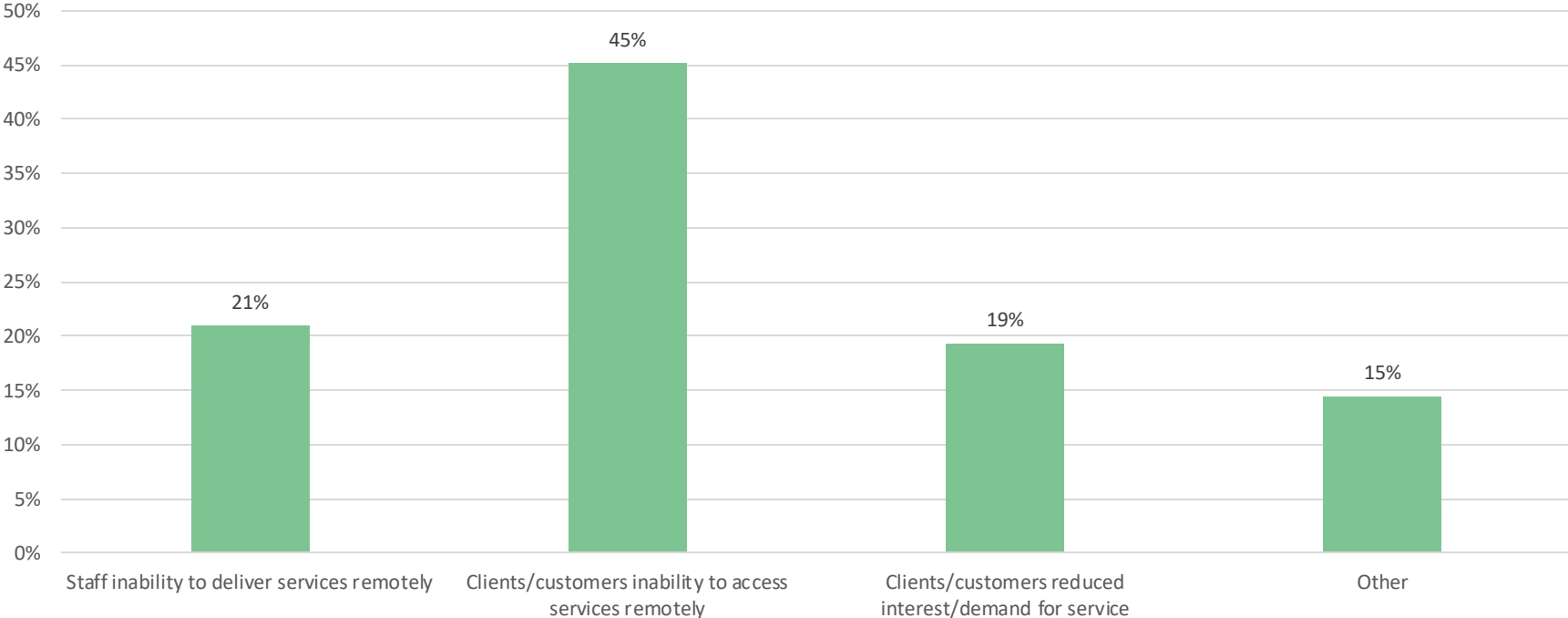
For those organizations offering their services nearly 40% have seen an increase



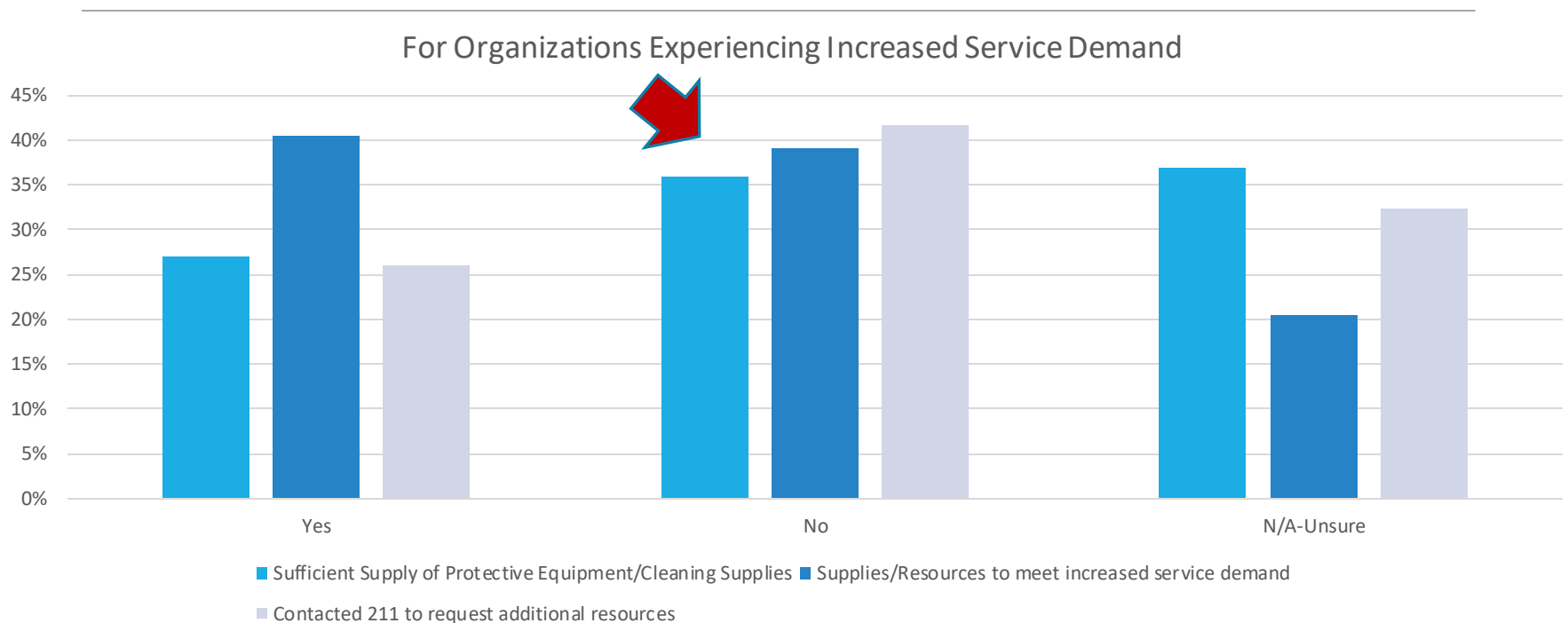
57% plan to move services to an online format

Service declines are due to client access issues

Reason Service has Declined

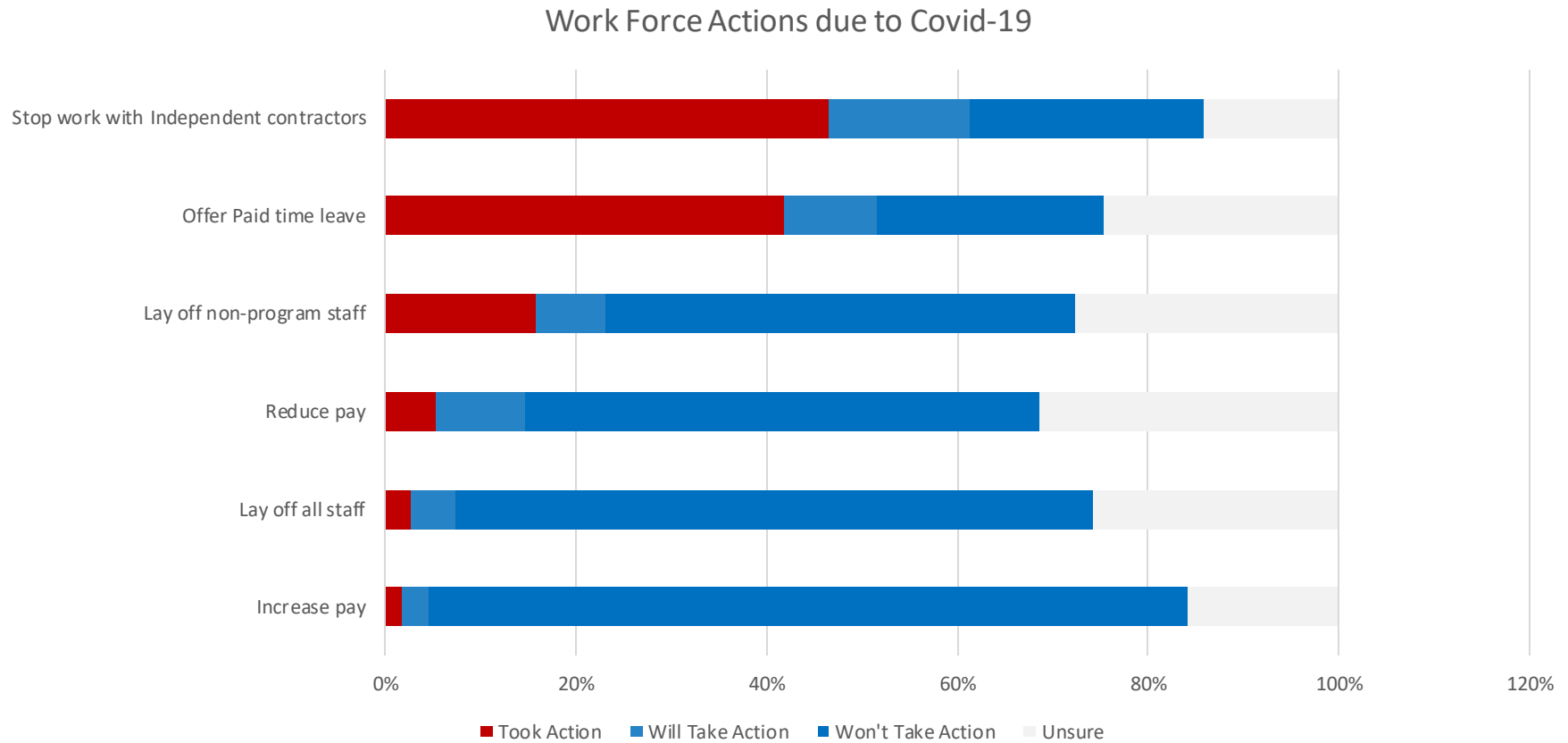


A nearly 40% of organizations with increased service demand did not have the supplies/resources they needed



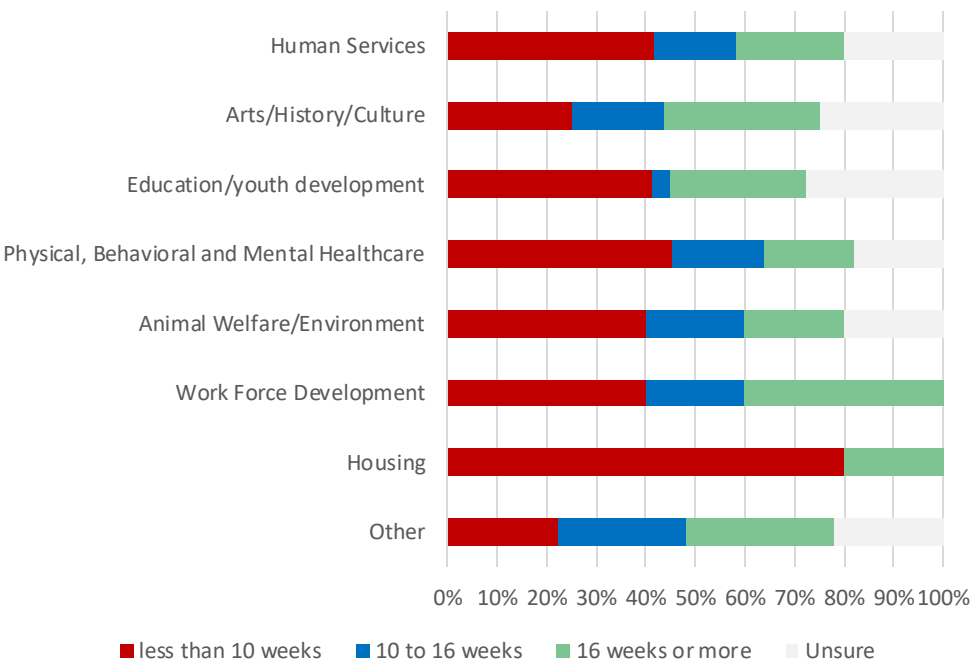
Less than half of organizations that indicated they did not have sufficient PPE and resources contacted 211 for resource needs

In the last survey 45% indicated they would lay off staff. Survey participants indicated 1357 employees have been laid off, a small percentage of this sample's total

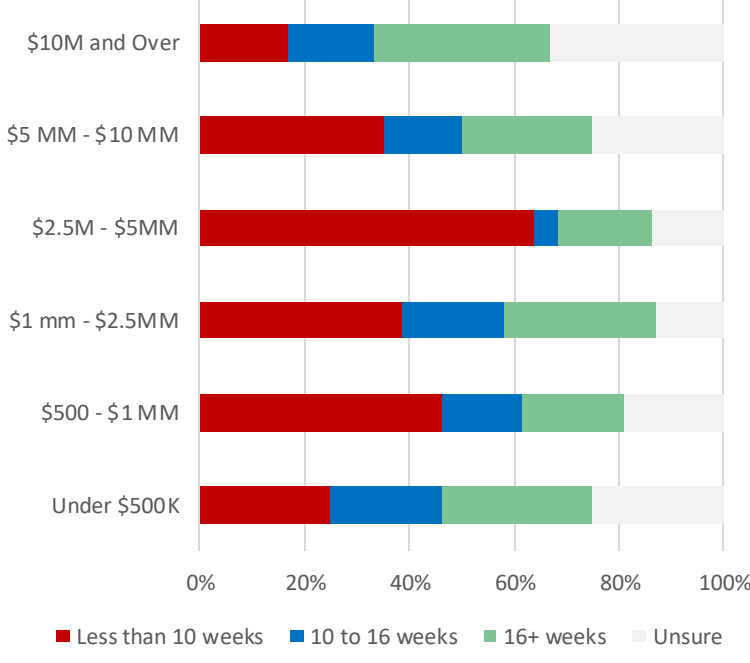


35% of survey participants have less than 10 weeks of unrestricted cash on hand – and it varies by mission area and organization size

Weeks of Unrestricted Cash on Hand

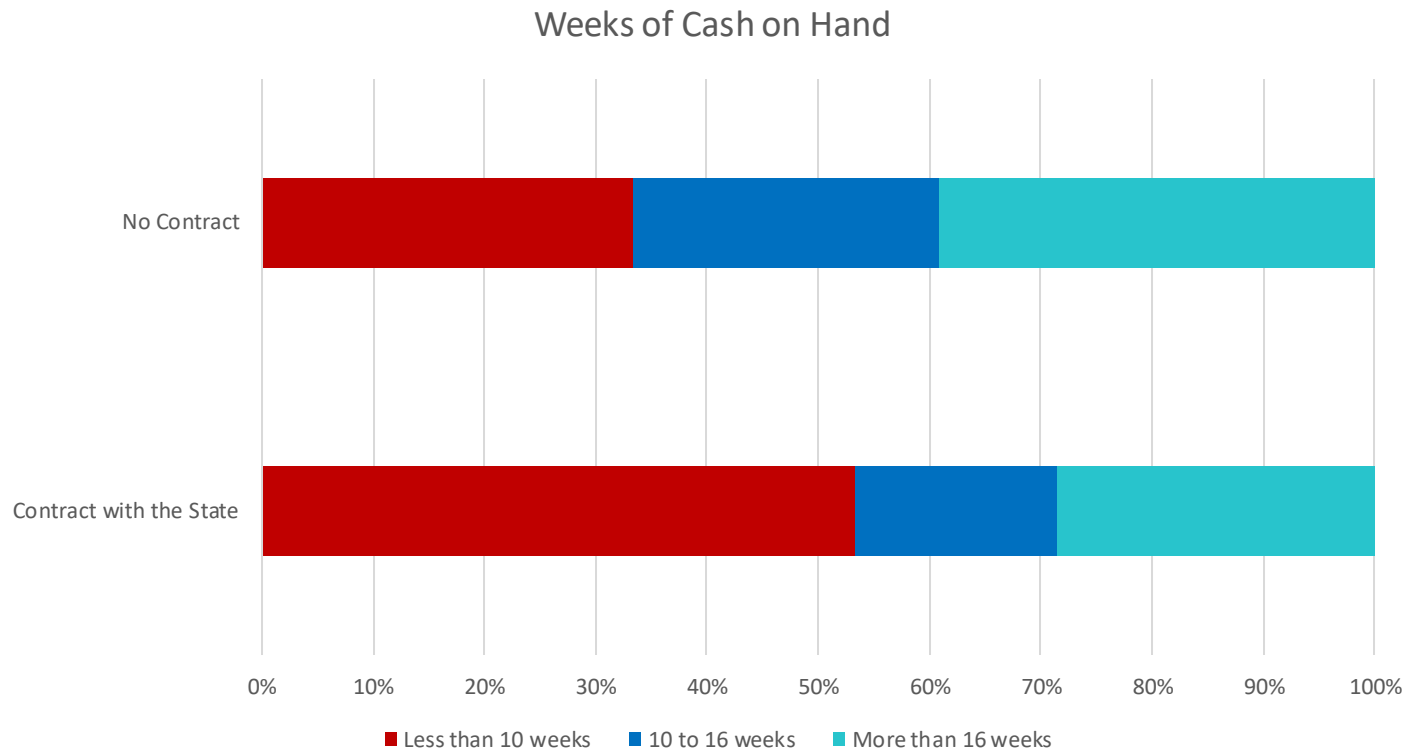


Weeks of Cash on Hand



22% were unsure about their cash position

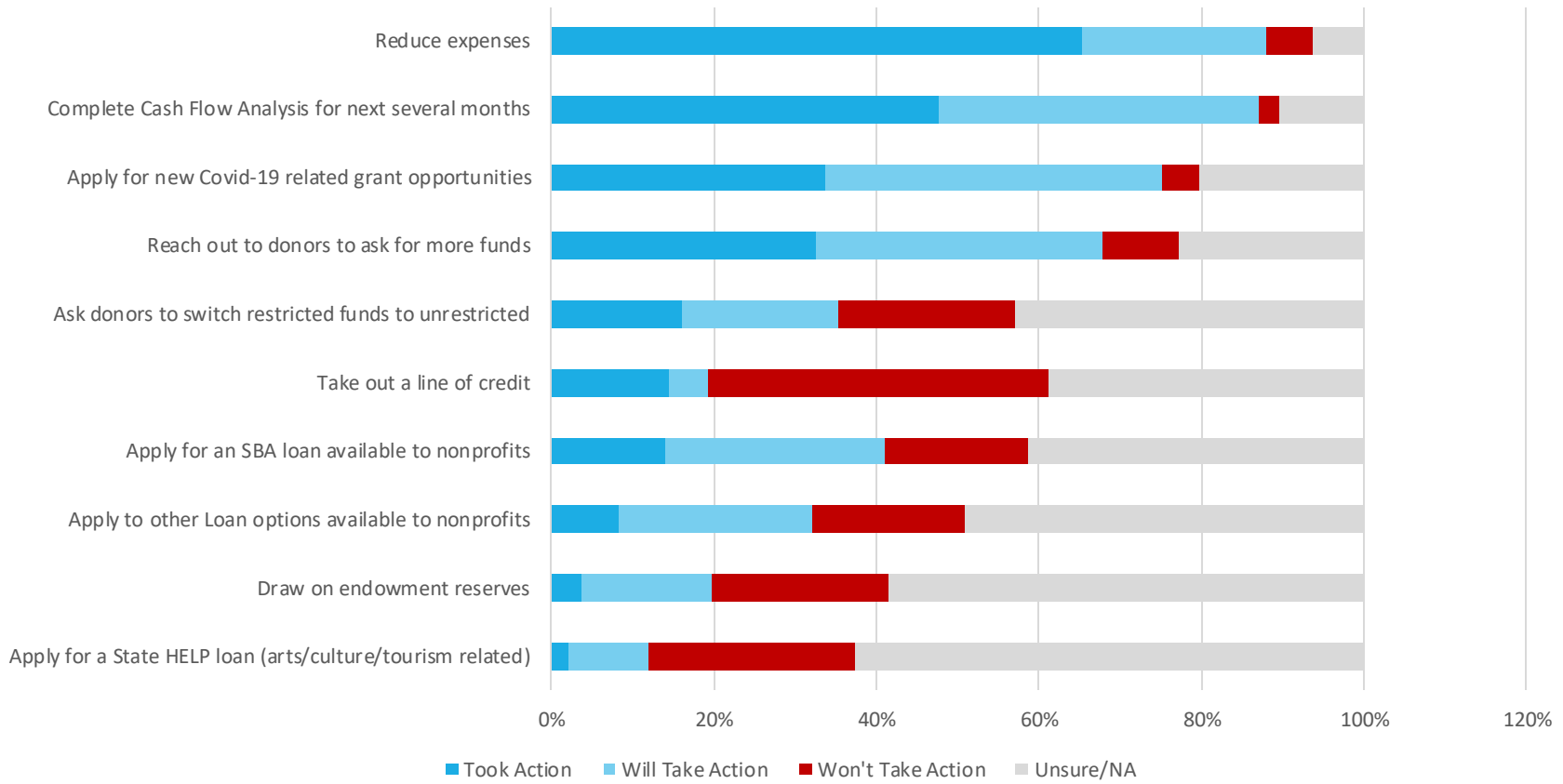
Half of the surveyed nonprofits have a state contract. Those with state contracts - more than half have less than 10 weeks of unrestricted cash



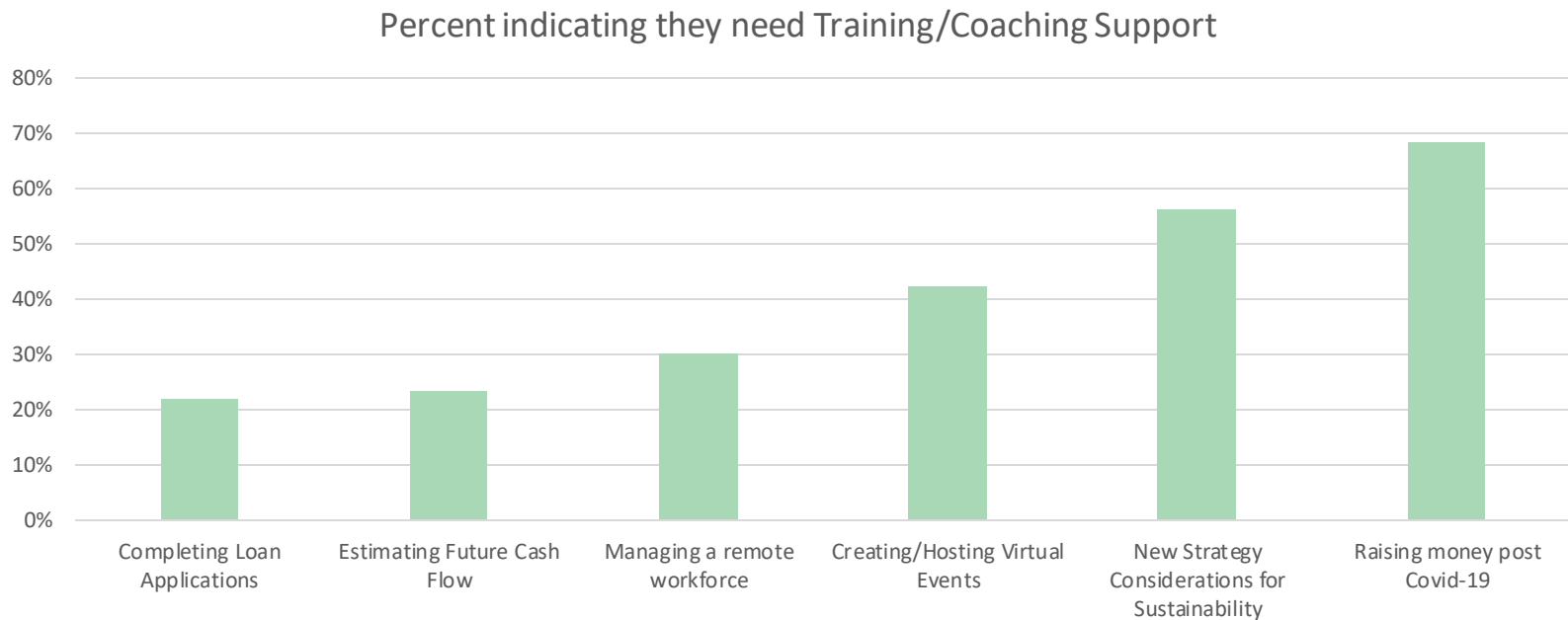
Only 33% of those with contracts indicated State agency will relax payment terms and reporting requirements

Most organizations are looking at reduced expenses to manage cash flow. With the details of the Federal Stimulus still unfolding, many were unsure on whether they would take out a loan

Actions Taken to Manage Cash Flow



Sustainability and Raising Funds are a top training need



Most organizations indicating need for estimating cash flow or loan application support were under \$500K in budget size

Respondents were asked to provide revenue loss they could not recoup, and expenses incurred because of Covid-19

Expense Increase due to Crisis

N = 63

\$5,343,757

Up from previous survey by
\$2 million

Revenue Loss due to Crisis

N = 116

\$20,453,000

Last survey from 150 organizations
indicated \$21 million

With the sample representing 10% of the sector – actual revenue loss could exceed \$100 million

Note: Some offered ranges and the analysis took the average, or if a monthly or weekly estimate was given then the analysis assumed 8 weeks or 2 months of impact. ShareDelaware list of DE nonprofits (excluding Hospitals and Universities) generate \$1.4B in revenue annually, that equates to an average \$227 million per eight-week period.



Questions

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