

# The COVID-19 Effect on Wisconsin's Nonprofit Sector

Dane County

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This report, which focuses on Dane County, is part of a statewide effort to study the response of nonprofit organizations to the COVID-19 pandemic. This study aims to provide real-time data to government officials, foundations, and other decision-makers about the current socio-economic conditions facing nonprofits, and the need for immediate and long-term support to ensure the ongoing provision of critical services throughout Wisconsin. The hope is that, by understanding the pandemic's effect on the nonprofit sector, we can also better understand the recovery process required afterward.

## Background

Nonprofit organizations are often on the front lines of crisis – frequently referred to as "second responders," serving as a resource for individuals after emergency aid has been provided. As a result of the COVID-19 pandemic, many Wisconsin nonprofits are experiencing increased demands for food, shelter, and other necessities, yet have been hindered or completely cut off from responding due to school closures, stay at home orders, and social distancing. In Wisconsin, one in twelve employees work at a nonprofit, representing a total of \$14.6 billion in annual wages – making the programs and services provided by statewide nonprofits an essential component of the economic engine that ensures Wisconsin is a thriving, vibrant state.

Our highest priority is to learn directly from Wisconsin nonprofit leaders by connecting with a broad range of organizations and missions. Based on an established online survey by the University of San Diego, data collection efforts focused on the following nonprofit capacities potentially affected by the ongoing pandemic:

- Human Resources, including staffing and payroll
- Finance & Revenue, including access to federal stimulus funding
- Effect on Programs & Service Delivery

The survey also collected information on needed resources, to better understand ways academic and community partners can assist Wisconsin's nonprofit sector through these developing challenges and beyond.

The initial online survey was made available for participation from April 14-29, 2020. Additionally, a series of brief quarterly follow-up surveys will be released throughout 2020 to track change, stimulus funding effectiveness, and overall sector recovery. The intention is to continue the project until it is determined to be no longer necessary. Statewide, 526 nonprofit organizations responded to the survey.

Dane County data was collected from 26 responding organizations, including organizations with service areas and related to the environment (5), education (4), societal benefit and community programming (4), human services (3), arts, culture, and humanities (3), and other areas (3). One-half of responding organizations had annual budgets of less than \$500,000, and the other half had greater annual budgets.

**Table 1: Sector of Nonprofit Respondents from Dane County**

Sector	No. of Respondents
Environment	5
Education	4
Health (non-hospital)	4
Mutual societal benefit	4
Arts culture humanities	3
Human services	3
Higher education	1
Religious	1
Other	1
Total	26

**Table 2: Budget Range of Nonprofit Respondents from Dane County**

Budget Range	No. of Respondents
Over \$3,000,000	4
\$1,000,001 to \$3,000,000	6
\$500,001 to \$1,000,000	3
\$100,001 to \$500,000	10
Under \$100,000	3
Total	26

## Research Team

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## Findings from Dane County

### Finances and Human Resources

Dane County organizations reported immediate decreases in resources and staffing during the COVID-19 pandemic. 31% reported they had already made reductions in staff, and 70% reported reductions in volunteer contributions. A vast majority (81%) reported the cancellation of a major fundraising event and also expressed “some” or “great” concern about the loss of fee-for-service revenues (77%) or declines in donations (77%). However, organizations were also poised to take advantage of relief funds, as a majority of organizations (69%) had already applied for or intended to apply for the Paycheck Protection Program. A majority of responding organizations (84%) had already conducted budget scenario exercises to address uncertainties in and threats to funding due to COVID-19.

Most organizations (92%) reported an uptick in their efforts to conduct virtual outreach and engagement at this time, as well as targeted engagement with donors. Many also reported close collaborations with other nonprofit organizations (85%) or local government entities (69%).

### Programs and Services

About 40% of responding organizations reported reductions in programming due to COVID-19, with two fully shuttered at the time of the survey. An additional 9 organizations (35%) reported that programs continued to be delivered but with notable adjustments. These adjustments often involved shifting to virtual program delivery and making adjustments to accommodate social distancing (e.g., no-touch delivery of food or medical supplies), but also included creating emergency funds for clients to tap as needed and providing support services to other organizations, like online technology tutorials. These adjustments can present their own challenges, however, as one respondent noted:



*We have had to shift all of our programming that happens in person to an online format. This has raised issues as not all of our constituents have access to technology."*

Many others are tired of being online and so do not participate as they have in the past. Six organizations, nearly one-quarter, reported that they had increased programming due to COVID-19 circumstances. While the majority of respondents (73%) reported that they would likely be able to “adequately” deliver services for clients in the near term, 7 reported this to be “very unlikely.” A majority of responding organizations (70%) expressed “some” or “great” concern about being able to address the needs of their most vulnerable clients.

### Leadership

While a majority of reporting organizations (65%) expressed that their Board of Directors was prepared to handle the challenges presented by COVID-19, organizations also expressed concerns that some boards were not sufficiently engaged or tech-savvy to provide optimal guidance.

## Resources Needs

Organizations reported that they would most like support from academic and community partners in the following areas: Communicating the needs and experiences of the nonprofit sector with elected officials, government entities, and funders (62%) Fundraising strategies (50%) Effectively sharing their organizations' messages (46%) Technology support (42%).

Figure 3: What could academic and community partners assist you with the most? (check all that apply)



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