

States of COVID-19: Synthesis of State-level Nonprofit Reports on the Impact of the COVID-19 Pandemic

Faculty Research Team

Mandi J. Stewart, PhD, School of Public and International Affairs, North Carolina State University,
ajstewa5@ncsu.edu

Kerry Kuenzi, PhD, Department of Public and Environmental Affairs, University of Wisconsin Green Bay,
kuenzik@uwgb.edu

Marlene Walk, PhD, Paul H. O'Neill School of Public and Environmental Affairs, Indiana University-Purdue
University, Indianapolis, mwalk@iupui.edu

Student Author

Abby Klippel, Paul H. O'Neill School of Public and Environmental Affairs, Indiana University-Purdue
University, Indianapolis, aklippel@iupui.edu

For more information on our project see: <https://nonprofiteducationsurvey.com/>

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Introduction

The impact of COVID-19 is hard to overstate as all facets of life and work seem to be touched by either effects of the pandemic itself or precautions related to it. The nonprofit sector is not immune to these effects, and although the pandemic is still ongoing, evidence is compiling about the nature and magnitude of these impacts.

Starting in spring 2020, various nonprofit associations and entities initiated documentation of the pandemic's effects on state and local nonprofit sectors as well as individual organizations using survey research. Through February 15, 2021, 42 such groups have issued reports on their findings about COVID-19's impacts on operations and staffing, and these groups represent insights from 43 states as one entity covered two states (Georgia and Alabama). We have identified 68 reports from these sources since over a third have issued updates to their earlier reporting given the protracted nature of the pandemic.

Each of these reports describe localized impacts, but as a team of researchers interested in how the pandemic is affecting the nonprofit's workforce, we looked to these reports for their descriptive richness. In the absence of a national data collection effort though, we found no easy means to make sense of the common and repeating indicators short of creating one ourselves. Thus, we started on this synthesis for our own purposes, but also saw an opportunity to share this compiled evidence to describe the pandemic's impact on the US nonprofit sector. Thus, this synthesis offers insight about the depth and breadth of impact that the pandemic has had on the nonprofit sector -- a sector that is suffering but still responding to community needs demonstrating why scholars have named it the [resilient sector](#).

Preparing this Synthesis Report

[The National Council of Nonprofits has been maintaining a growing roster of these local COVID-19 impact reports](#), and we created a table ([shared here](#)) to compile these sources along with a description of their data collections methods and a link to the affiliated reports.

The entities primarily used email or online surveys for data collection, and in most cases, the findings in these reports were generated using a convenience sample with solicitations issued broadly among networks for members to respond to the surveys. The data collection sought an organizational level perspective, and the responses reflect the combined experience of 21,409 nonprofit organizations from across 43 states. In preparing this synthesis report, we identified from these reports commonly included indicators of the pandemic's impact according to financial and human resource aspects, as well as the biggest concerns of the nonprofit respondents that the reports revealed.

Key Insights

In the following, we share common themes and findings from the 68 reports we identified. We have summarized these indicators in the following as well as sorted them into a table [located here](#) under the Finances tab and the Human Resources tab. First, we focus on finance-related indicators, followed by human resource-related indicators and then look broadly at the primary concerns raised in these reports as faced by the nonprofit respondents.

Financial Indicators of the Sector's Stress

All of the entities collecting impact data about COVID-19 inquired explicitly, in the form of a question or response options, about the financial implications of the pandemic for the respondent nonprofits. Highlighted indicators of COVID-19 impact are summarized in the following:

- *Nonprofit finances have been negatively impacted:* The majority of respondents in 28 of the reports indicated a negative financial impact to their nonprofit due to COVID-19.
- *Individual donations to nonprofits have been hit hard:* Nonprofits frequently reported a decline in individual donations. Of the 13 reports capturing this type of indicator, the range of impact extended from a high of 90% of nonprofit respondents in Nevada reporting this decline to a low end of just 7% in Washington state.
- *Social-distancing led to event cancellations and related lost revenue:* Nonprofits reported that COVID-19 safety protocols required the cancellation of fundraising events. Of the 18 reports capturing this type of indicator, the range of impact extended from a high of 90% of nonprofit respondents in West Virginia reporting cancelled events due to the pandemic's precautions to a low end of 24.8% of nonprofits according to a joint report from Alabama and Georgia.
- *Nonprofit earned income from fees for services or membership dues declined sharply:* The nonprofit sector's primary revenue source is from earned income, and nonprofit respondents indicated this source was affected negatively by COVID-19. Of the 10 reports capturing this type of indicator, the range of impact extended from a low of 17% of respondents in Louisiana reporting lost earned income to a high of 68.3% of respondents in Texas reporting a decline in earned income.
- *COVID-19 impact extended to nonprofit grant revenues:* Grant-related impacts were identified in just 10 reports, but are important to note since many grant relationships preceded the pandemic. Of these, highlighted indicators include 34.7% of the respondents in Texas and 20.3% of respondents of Alabama/Georgia reporting delayed grant processing due to the pandemic, which could affect nonprofit cash flows. Further, 15.6% of respondents in Connecticut reported reductions in state grants, which could force nonprofits to adapt programmatic activities to the COVID-environment.

- *Federal COVID-related relief reached the nonprofit sector:* Nonprofit respondents reported that they were able to access Paycheck Protection Program or SBA loans specific to the COVID-19 pandemic. Again, of the 18 reports asking about this access, the range of loan participation extended from 21% of nonprofit respondents in Massachusetts to 73.1% of respondents in Texas.
- *The perfect storm of COVID-19 meant that many nonprofits faced increased expenses at the same time revenues were declining:* A lesser reported indicator but important to note given the preceding indication of lost revenues, 12 of the reports highlighted the extra responsibilities COVID-19 placed on nonprofits as service providers due to enhanced safety precautions. For example, 57.8% of respondents in Connecticut reported additional COVID-19 related expenses due to personal protective equipment and cleaning protocols. Florida respondents indicated that fewer volunteers contributed to higher paid staffing expenses. Missouri respondents indicated an average increase of expenses to the amount of \$302,417 per nonprofit, and Pennsylvania respondents indicated an estimated total of \$95.3 million in added operating costs for their state's sector.

The Nonprofit Human Resource Toll of the Pandemic

As with financial indicators, all of the entities collecting impact data about COVID-19 inquired explicitly, in the form of a question or response options, about the human resource implications of the pandemic for the respondent nonprofits. Highlighted indicators of COVID-19 impact are summarized in the following:

- *Nonprofit workers had their hours cut due to the pandemic:* Of the 8 reports capturing this type of indicator, the range of responses extended from a low of 11% of Oklahoma nonprofit respondents reporting cuts to working hours to a high of 40.1% of Texas nonprofit respondents reporting these types of cuts.
- *Nonprofit workers had their pay cut due to the pandemic:* Of the 5 reports capturing this type of indicator, the responses ranged from a low of 8% of Arkansas nonprofit respondents reporting pay cuts to 32% of Massachusetts nonprofits reporting these cuts.
- *Nonprofit workers were furloughed or laid off due to the pandemic:* Of the 19 reports capturing this type of indicator, the responses extended from 6% reporting furloughs and 8% reporting layoffs in Oklahoma to a high end of 45% reporting either a furlough or a layoff in New Hampshire.
- *The modality of nonprofit work was shifted to virtual or changed locations:* Like the workforce of other sectors, nonprofit worker locations also shifted due to the pandemic. Of the 9 reports capturing this type of indicator, the range extended from 5.6% of Connecticut nonprofit respondents reporting remote work to 88% of New Jersey nonprofits utilizing this option.

COVID-related Concerns weighing on the Nonprofit Sector

To make sense of their findings, 13 of the entities included a ranking of concerns in their reports, which helps emphasize what was most pressing or troubling to the nonprofit respondents.

Though the nature of these concerns took different forms, some higher level coding enables us to see what weighed heaviest for these nonprofit organizations.

- *Finances were the most pressing concern to nonprofits:* Of the 13 entities ranking concerns, finances were highest for nine, with four others rating finances as their second top concern. These were most commonly expressed as concerns about lost revenue (7) and more specifically cash flow challenges (2).
- *A responsibility to offer their services in a COVID-environment weighed heavy on nonprofits:* For eight of the 13 entities ranking their top three concerns, how to continue to provide the services that their mission required of them was a top priority. This priority was expressed as a concern for how to avoid any disruption to services (4), safely offer the services (3), and pressure due to increased need for services (1).
- *Nonprofits were also mindful of human resource considerations:* For six of the 13 entities ranking concerns, human resource considerations ranked in the top three most pressing concerns. These concerns included health and safety considerations of having staff work during a pandemic (3), reductions in staff or meeting payroll (2), and the added stress staff would experience in the pandemic (1).