



PANDEMIC RECOVERY

NONPROFIT SURVEY REPORT

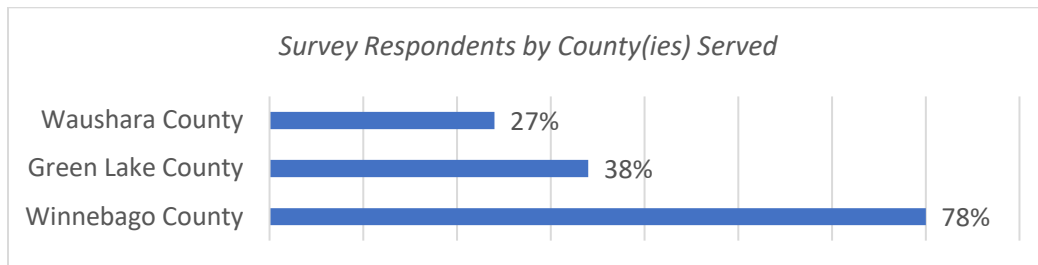


September 8, 2020

ABOUT THE SURVEY

In August 2020, the Oshkosh Area Community Foundation surveyed local nonprofits serving Winnebago, Green Lake and Waushara Counties.

There were 45 respondents to the survey representing a cross-section of agencies from 11 different nonprofit sectors including human services, health, youth services, education, arts/culture, and housing. 29% of the participants indicated that their organization serves two or more local counties.



The survey's narrative questions put an emphasis on looking ahead. This includes estimates on what it will take for agencies to recover and expected barriers to recovery, changes to operations perceived as long lasting or permanent, and areas of emerging innovation.

Two virtual Town Hall meetings with nonprofit leaders were held on August 18 and 20 to discuss the survey findings and identify how the Oshkosh Area Community Foundation might best focus its support in the coming months.

EXECUTIVE SUMMARY

Nearly every aspect of nonprofit operations has been shaken by the COVID-19 pandemic. Two frequently recurring words dominated the Pandemic Recovery Survey comments: *technology* and *fundraising*. Nonprofit organizations are working hard to shift to a new virtual landscape for service delivery, fundraising, and remote work. Many are in a precarious financial situation and need their own safety net right now. Revenue streams have shrunk, but expenses are not going away.

Survey comments provide a sobering snapshot of the impact of social distancing and stay-at-home orders. More than 4 out of 5 nonprofits reported some degree of decreased fundraising or revenue. The pandemic has impacted not only earned revenue from in-person events and classes, but also fundraising events. Among those hardest hit are performing arts organizations and museums who rely on ticket sales for live performances and exhibits.

The survey also reveals that 20% of nonprofits have had to lay off or furlough employees or cut employee compensation. Groups already running on a shoestring have had their budgets stressed by needing to buy protective gear, laptops and tablets, new software subscriptions and additional cleaning supplies and services. Furthermore, leaders are looking for guidance on how to adapt their signature fundraising events to the virtual environment.

There is a great deal of uncertainty about the future, and most survey respondents are anticipating a very long recovery process.

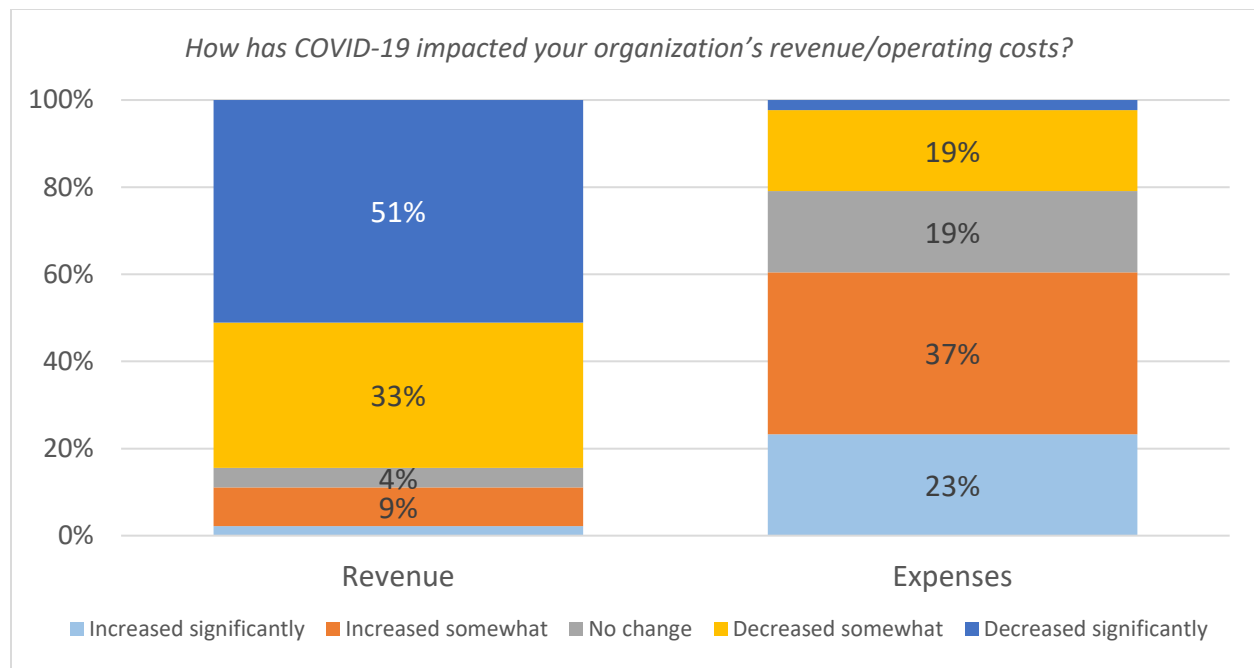
FINANCIAL IMPACT

The financial situation of responding agencies has been impacted significantly by COVID-19 with 84% (38 organizations) reporting some degree of decreased fundraising/revenue and more than half (26 organizations) reporting some degree of increase in operational costs.

Emerging themes on what it will take to recover include returned ability to hold in-person fundraising events (13), increases in program re-opening and/or enrollment (7), access to grant opportunities to support operations (4), additional staff dedicated to fundraising (3), and a change in funder priorities (3).

“Special events made up nearly 40% of our annual operating budget. Until we are able to gather again in groups (and folks are comfortable doing so) AND the economic climate is more stable, we will continue to struggle to bring in the required dollars to fund our general operations.”

Four agencies shared that they have cancelled their fundraising events altogether. A few agencies tried to transition to virtual fundraising events, however securing sponsorships for such events has proven difficult.

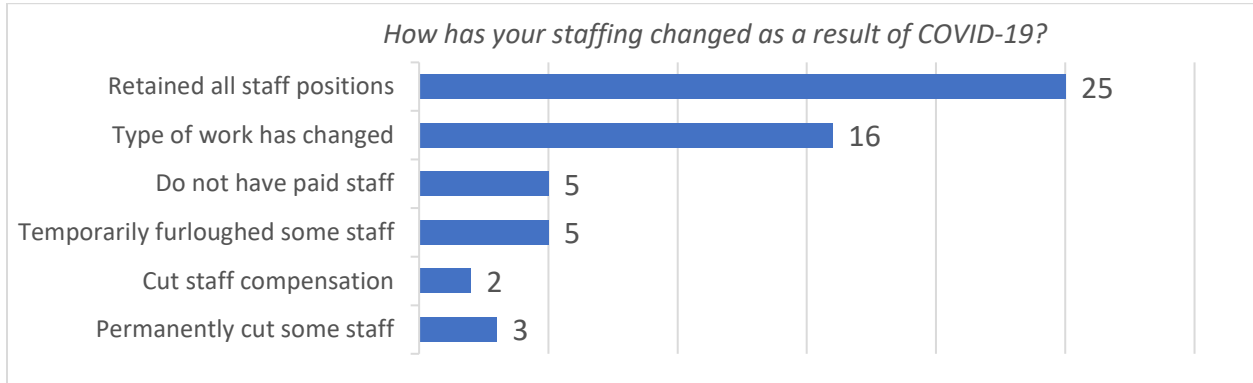


Common reasons for increased expenses include increased personal protective equipment (PPE) and sanitation-related costs to allow staff/participants to interact safely (8), increased technology costs due to virtual service delivery and remote work (3), and increased costs to hire staff to do work previously done by volunteers (2).

Six agencies indicated that they are concerned about the future of ability of donors to continue to invest in their organizations. And another three agencies cite competition/donors having to decide between many nonprofits-in-need as a barrier to bouncing back financially. Those that rely on government funding are nervous about the impact of potential budget cuts at the county and state level.

STAFFING IMPACT

More than half of agencies have retained all staff positions despite reductions in revenue, however they fear having to cut staff in 2021 if they are unable to secure operational funding to cover fundraising gaps.



Not surprisingly, job responsibilities have shifted as organizations scramble to find new ways to re-engage those they serve and re-imagine programs. The five organizations that furloughed employees shared that those employees are now back at work. Agencies that rely on health caregivers and childcare providers said that COVID-19 has intensified already existing worker shortages in these areas.

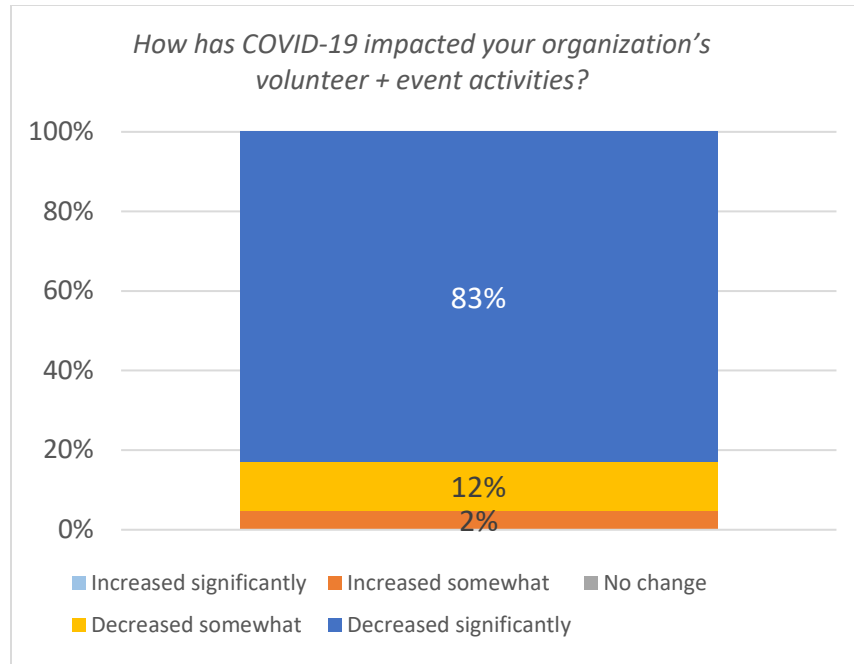
“We have implemented a hiring freeze. We are trying to do more with less. We have asked staff to take on different roles and responsibilities; wear more hats. I have great concerns that this is not sustainable as overflowing plates causes stress and impacts work-life balance during a time when home life is very important. I worry we may lose top talent if we can't find a funding bridge.”

VOLUNTEER & EVENT ACTIVITIES IMPACT

All but two respondents (95%) reported some degree of decrease in their volunteer and event activities. The two organizations that reported an increase in volunteer activities are in the health and childcare sectors.

The decrease in volunteerism has been especially hard on those that rely on volunteers to deliver services like mentoring, tutoring, or home building as well as those with a volunteer base comprising primarily older adults or UW Oshkosh students. Two organizations indicated that they have had to hire staff to carry out work previously done by volunteers.

Four agencies shared that they have cancelled their fundraising events altogether. Even when in-person fundraising events can once again be held, five organizations worry that continued fear/paranoia about being around people might impact attendance. Organizations are also trying to do as many volunteer and event activities as they can do virtually but feel that people are fatigued from virtual engagement.



Survey respondents are still struggling to identify when volunteers or events can make a comeback.

“We hope that with a successful vaccine we will see a return to event activities, but we believe that could be *18 months* from now.”

“We are anticipating a volunteer engagement shortfall for the next *12-18 months*.”

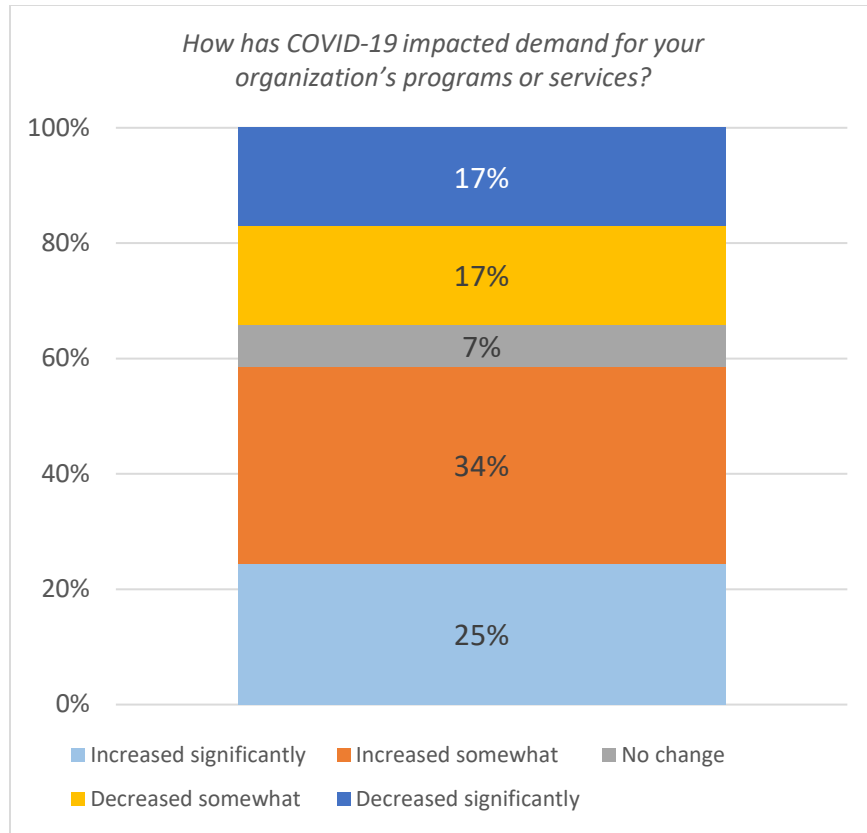
“We expect the pandemic to impact our in-person activities/events for the next *9 months*.”

“We expect things will not return to normal for *one to two years*.”

IMPACT ON PROGRAM/SERVICE DELIVERY

A majority of organizations (95%) are reporting increases in service need, especially those providing services brought to the home like home health care or meals. Many of the organizations (14) whose programs or services have contracted during these times point to the impact of mandated capacity restrictions and social distancing requirements. Activities most impacted include arts exhibitions and concerts, recreation and sports, meal sites, childcare and youth camps, and neighborhood events.

The most common changes to program and service delivery include full transition to or inclusion of elements of virtual program delivery (21), cancelled or discontinued programs (7), adoption of COVID-19 safety procedures (8), reduced group sizes (6), and increased staff due to modified service delivery needs (5).



Four organizations report positive experiences with their moves to virtual service delivery finding that virtual appointments address common client barriers and provide more equity in service delivery. Virtual appointments offer a soft entry to services for those dealing with shame and stigma while also catering to clients with barriers such as transportation (especially in rural communities), childcare, and anxiety. One organization shared that cancellation rates for virtual appointments have been much lower than for in-person appointments.

Although virtual delivery has been great for some agencies, others are struggling in implementing this strategy. Challenges include the increased staff workload associated with offering virtual services, client demand for technical assistance to participate virtually, absence of high-speed internet in many rural communities, and difficulty convincing clients to try virtual for the first time. With the increase of virtual, also comes the cost of maintaining and implementing virtual services for the future.

LONGER-TERM IMPACT

The need to quickly pivot on so many fronts has ignited support for innovation and willingness to experiment. It has also resulted in much needed technology updates or increased/deeper use of existing technology in many organizations. Survey respondents pointed to investments in virtual program delivery (21), new software or increased use of specialized software (7), enhanced social media presence (3), and a new website (1) as some of the changes that will last beyond the short-term.

SECTOR ANALYSIS

The following analysis does not reflect all nonprofit sectors, only those for which we received responses from three or more organizations in the same sector.

Arts + Culture

- The arts + culture sector reports a dire financial situation given performances, venue rentals, galleries, events, etc. have been halted.
- While some have pivoted to online programming, it is not coming close to making up for lost revenue from canceled in-person activities.
- Immediate needs include payroll costs, general operating costs, and COVID-19 safety supplies (PPE, masks, sanitizer, etc.)

Sector opportunities

- Broader geographic reach with virtual programming
- New educational initiatives like virtual tours/field trips

Sector challenges

- Socially distanced seating models
- Funder emphasis on basic needs over arts
- Reliance on tourism to drive participation numbers

Education and Youth Services

- Concern for youth's lost socialization, isolation, family stress, education, missed meals, etc. and the capacity to adequately serve them.
- The reduced staff to youth ratio for in-person services has greatly increased expenses.
- Sports and recreational programming has been greatly reduced.
- Immediate needs include family emergency funds (basic needs and services), payroll costs, general operating costs, and technology for both nonprofits and students.

Sector opportunities

- Stronger community bonds
- Engaging volunteers virtually

Sector challenges

- Meeting basic needs of children/families
- Limited childcare options
- Variation in school district plans and need to adapt quickly if plans change
- Youth access to high speed internet especially in rural communities

Health

- The transition to telehealth helped, but some clients are uncomfortable or unable to use technology.
- The demand for in-home care is outpacing the availability of caregivers.
- Immediate needs include general operating costs, technology for both nonprofits and clients, and COVID-19 safety supplies (PPE, masks, sanitizer, etc.)

Sector opportunities

- Expanded reach with telehealth
- Reduced transportation barriers with telehealth

Sector challenges

- Mental health concerns for patients and caregivers
- Uncertainty of future of telehealth insurance reimbursements
- Technology barriers for patients

Housing

- Work is being spread out over longer periods of time with smaller daily crews.
- Having to pay contractors to do work that was previously done by volunteers.
- Immediate needs include staffing costs, general operating costs and COVID-19 safety supplies (PPE, masks, sanitizer, etc.)

Sector opportunities

- Safer at Home highlighted need for year-round shelter

Sector challenges

- Increased material costs
- Heavy reliance on UW Oshkosh and older volunteers

Human Services

- More people are needing services at a time when organizations are facing large deficits due to cancellation of fundraising events.
- New safety procedures and policies are increasing labor and supply costs.
- Immediate needs include client emergency funds (rent, utilities, food), payroll costs, general operating costs, technology for both nonprofits and clients, and COVID-19 safety supplies (PPE, masks, sanitizer, etc.)

Sector opportunities

- Reimagined service models
- Ability to experiment
- Virtual appointments

Sector challenges

- Growing needs and number of clients
- Technology barriers for clients
- Paid caregiver shortage
- Staff burnout and compassion fatigue