

DECEMBER 2020

# CLOSING OUT THE YEAR:

## COVID-19 EFFECTS ON NONPROFITS IN 2020

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## ABOUT THE FLORIDA NONPROFIT ALLIANCE

The Florida Nonprofit Alliance provides a collective voice for Florida nonprofits at the local, state and federal levels to inform, promote and strengthen the influence of Florida's nonprofit sector.

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# I. EXECUTIVE SUMMARY

When the COVID-19 pandemic took hold in Florida in March of 2020, Florida Nonprofit Alliance surveyed nonprofit organizations across the state about the immediate effects they were experiencing ([The Effects of COVID-19 on Florida Nonprofits, April 2020](#)). FNA conducted a second round of research in June, focused on what nonprofits expected as they looked forward - past the Coronavirus ([Looking Forward: How COVID-19 Will Affect Florida Nonprofits, July 2020](#)).

Nine months later, our country is in the throes of a second wave of COVID-19 that could potentially be exacerbated by end of year celebrations, and nonprofits are still feeling the impact on their programmatic, financial, and human resources. More than 1,100 Florida 501(c)(3) organizations participated in this third round of research, updating on what they have experienced and what they are expecting as we move into 2021.

Nonprofits have struggled and adapted in order to stay in existence and continue to serve their missions and their clients, while staff and Board members experience burn out and exhaustion. Some organizations have not made it through the pandemic, and Florida is likely to see more nonprofit closures over the next two years. This will leave communities across the state without vital services. However, the sector is showing some small signs of cautious optimism for the future. The sector is resilient and remains committed to serving all the residents of Florida.

## Key Findings:

- Our Florida nonprofit sector consists of organizations of all sizes, including thousands of small organizations, many run only by volunteers.
- Current and future funding remains the top concern for nonprofit organizations. 64% of organizations are somewhat or very concerned with loss of revenue and 59% are somewhat or very concerned with future funding in 2021 and beyond.
- Nonprofits continue to adapt their programs, services, and ways of working. 50% of nonprofits believe that some amount of virtual or remote working is here to stay.
- The lack of volunteers and volunteer experiences in the nonprofit sector has already taken a toll on organizations. 52% of nonprofit organizations have experienced volunteer absences and 29% of organizations are not currently using any volunteers. Fewer volunteers mean increased expenses and limited programs and services.
- 71% of nonprofits have had a decrease in unrestricted revenue in 2020. 69% have had less fundraising success this year than 2019. Nonprofits are looking to individuals in the short term to help raise money to keep their organizations open and functioning.
- Staff and volunteers are burned out, exhausted and stressed. Less than half of nonprofit organizations have engaged in concrete efforts to support their human resources.
- Almost 50% of the organizations that had reserve funds at the beginning of the year have tapped into them, leaving them more financially fragile than before. At least 29% of nonprofit organizations did not have any reserves to fall back on.
- Organizations feel more optimistic about the future than they did in July, with the exception of concerns about funding and fundraising. Fewer organizations anticipate closing and more are hopeful that they will be able to resume programs and services in 2021.

## II. METHODOLOGY

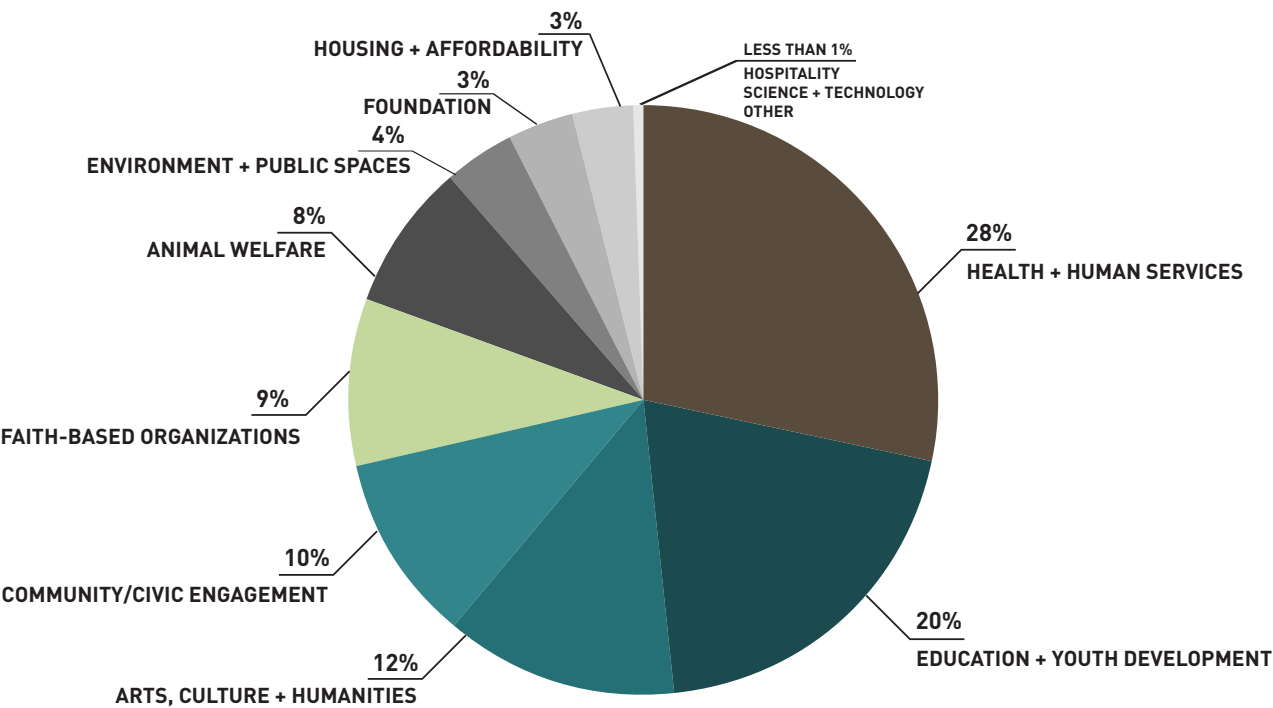
This survey, designed for 501(c)(3) charitable organizations located in and serving the state of Florida, was conducted from October 21 to November 10, 2020. The 33-question, online survey was distributed electronically (email, social media, and website posting) to FNA members and newsletter subscribers. It was also shared by other management support organizations (MSOs) and community foundations across the state. In addition, the Florida Department of Agriculture and Consumer Services shared the survey with all registered nonprofits in the state.

FNA received 1,154 responses. Unless noted otherwise under the tables in the report, that was the number of responses to each question. Many of the questions allowed respondents to select all that applied, so percentages will total more than 100%. If you have any questions about this research, please contact Florida Nonprofit Alliance at [info@flnonprofits.org](mailto:info@flnonprofits.org).

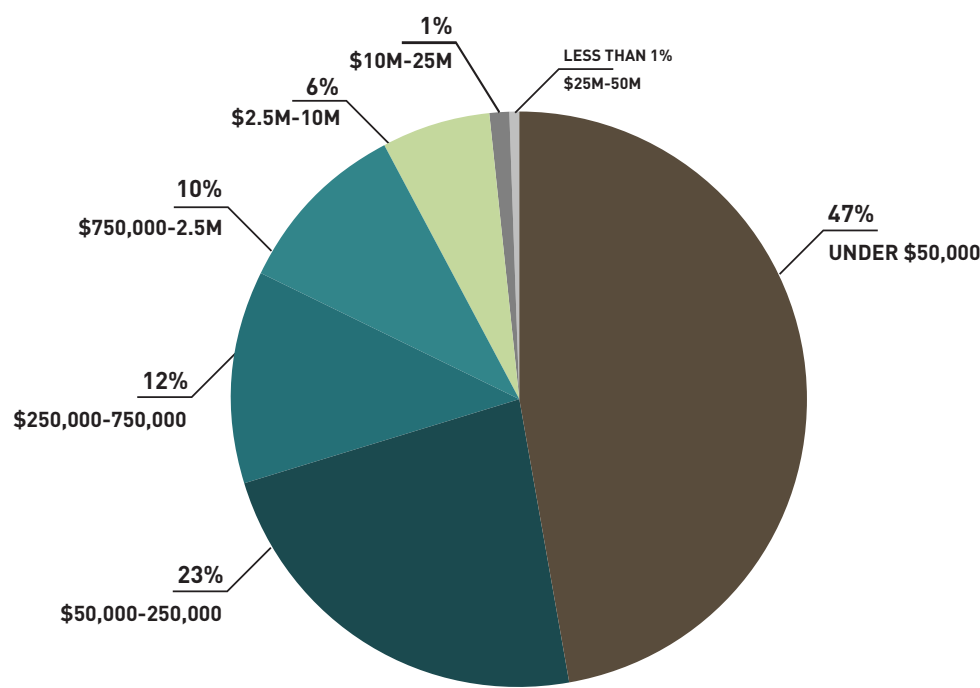
## III. DEMOGRAPHICS OF SURVEY RESPONDENTS

1,154 nonprofit organizations located in and serving Florida responded to this survey. They represent a cross section of mission areas, budget sizes, and communities served within our state. Overall, the profile of responding organizations is similar to the previous two reports. The biggest change is an increase in the number of responding organizations with budgets under \$250,000. In addition, we asked for the first time for the number of paid staff members at each organization. Notably, almost 50% of responding organizations were all volunteer with no paid staff.

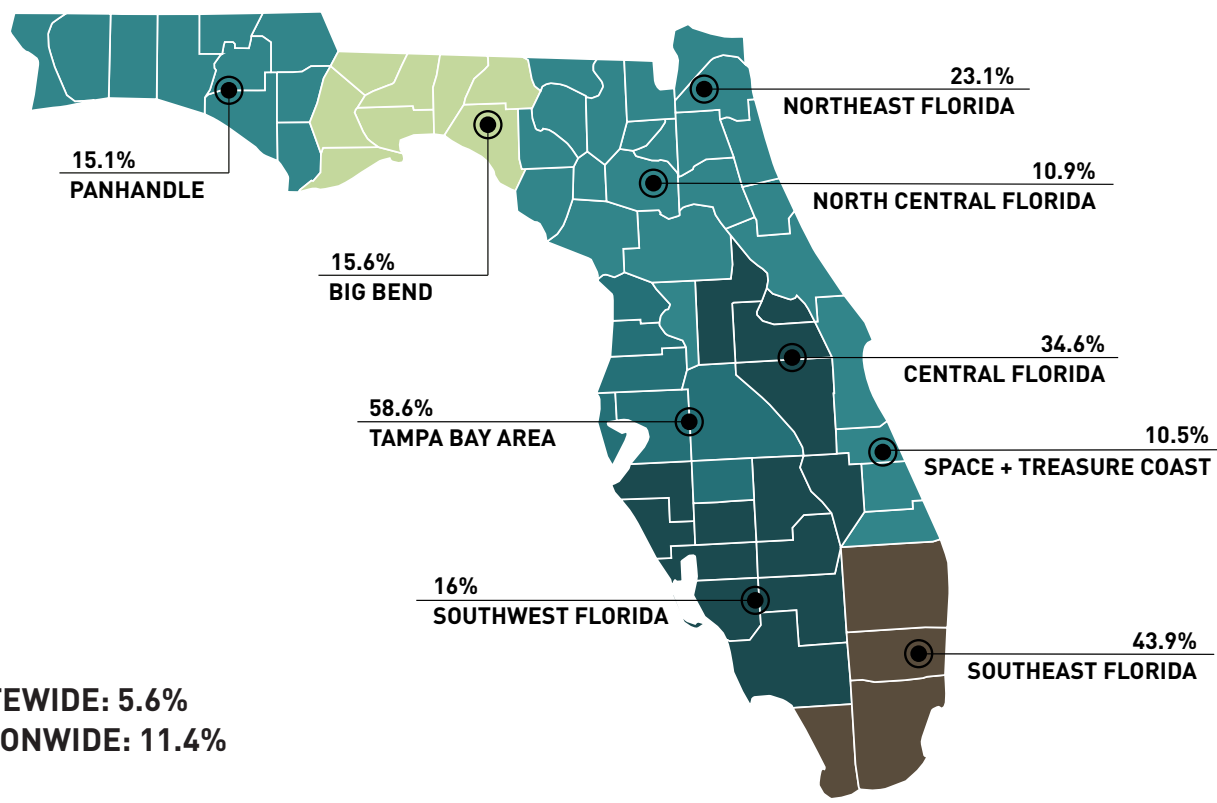
**Q1** What area best describes your mission work?



**Q2** What is the budget range for your organization?

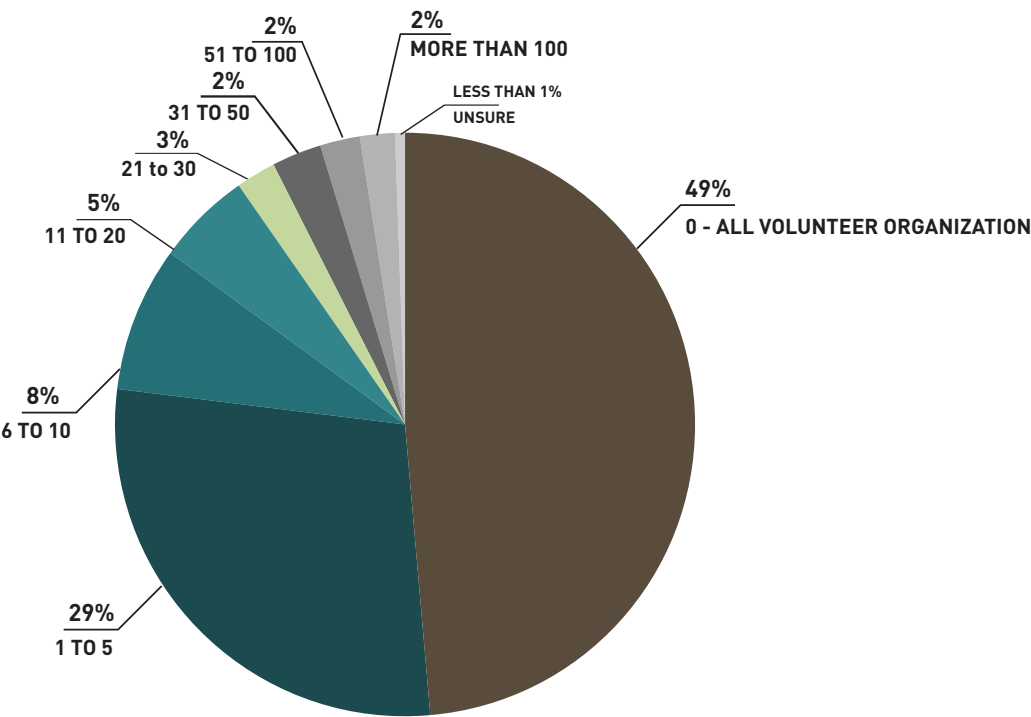


**Q3** What counties do you serve? Select all that apply.



Answers to this question have been condensed into regions. Because respondents could select more than one county, responses add up to more than 100%. Response to this question by county is available upon request.

**Q4** How many total paid staff members (full and part time) does your organization have?



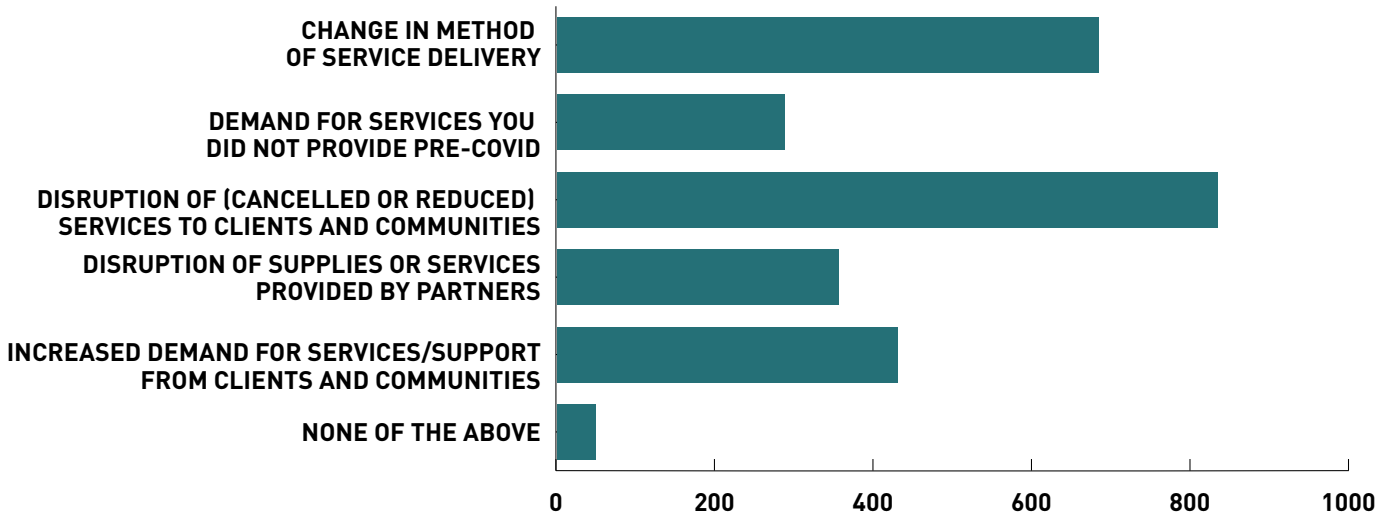
# IV. IMPACT ON PROGRAMS

Approximately 96% of nonprofit organizations report experiencing a change or disruption in their ability to provide programs, up from 93% in July. 71% report canceled or reduced services, down from 81% in July. In addition, nonprofits continue to see increased demand from their clients, both in services they provided pre-COVID (37% - down from 40% in July) and in services they started providing as a result of COVID (24%).

Almost 2/3 of respondents have changed their method of service delivery. 40% of nonprofit organizations are using a hybrid of in-person and virtual programming, while 20% are fully operational in-person and 18% are fully operational virtually. Organizations share examples of moving to contactless delivery of supplies, reducing hours, and moving programs and services outside. Another 19% are not currently providing services, many because they cannot be provided safely in person yet do not effectively convert to virtual offerings.

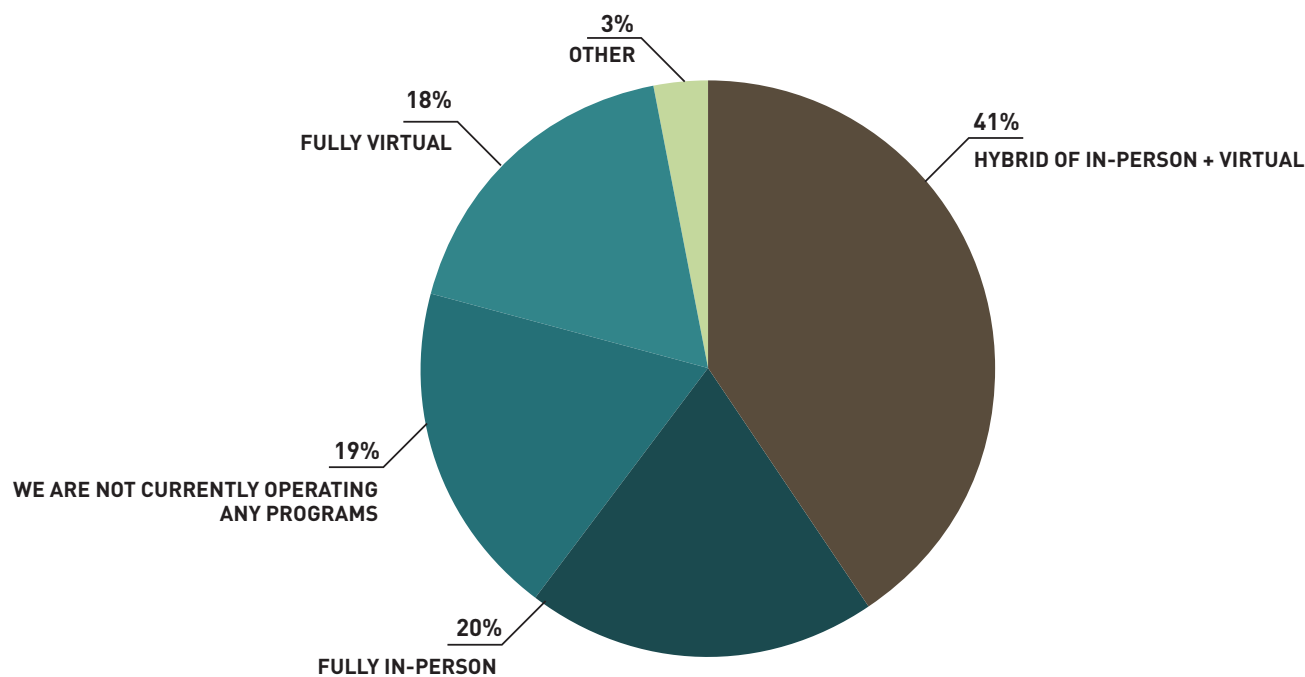
More than half of nonprofit organizations have served fewer clients in 2020 than in 2019, although 23% are serving more. Nonprofits report this changing over the course of 2020 – serving fewer at the beginning of the pandemic but more as the year went on. Others shared they are serving more but with different services, or fewer but with more intensive support.

**Q5** Which of the following programmatic impacts is your organization currently experiencing as a result of COVID-19? Select all that apply.

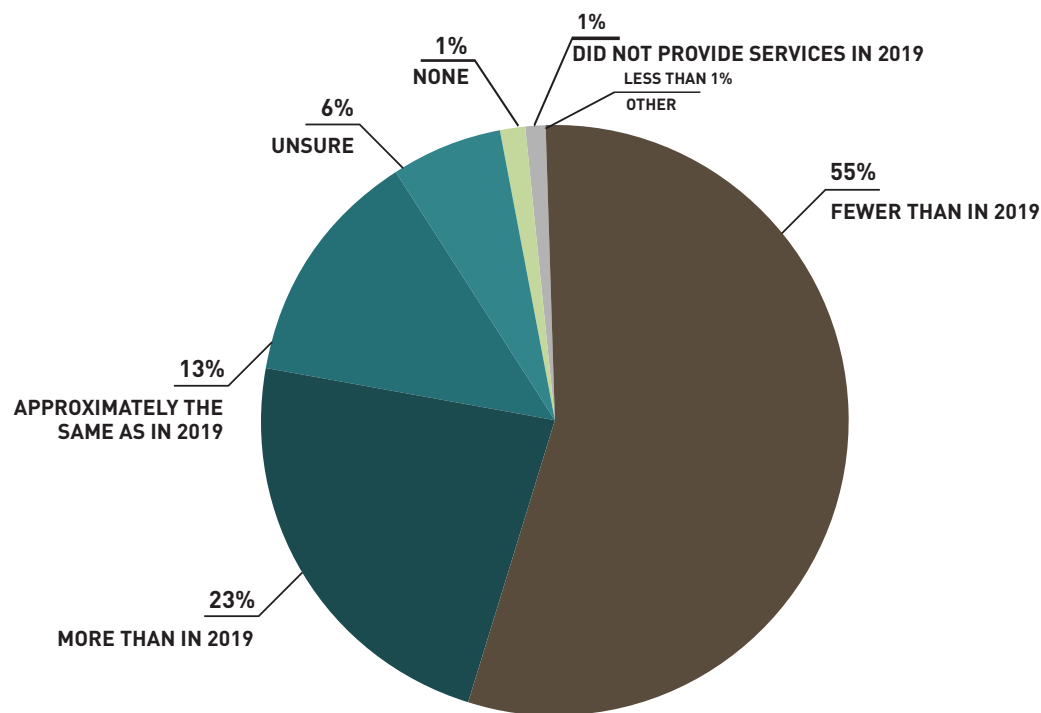




**Q6** How are you currently operating your programs?



**Q7** Compared to 2019, how many clients have you served in 2020?



## V. IMPACT ON STAFF AND VOLUNTEERS

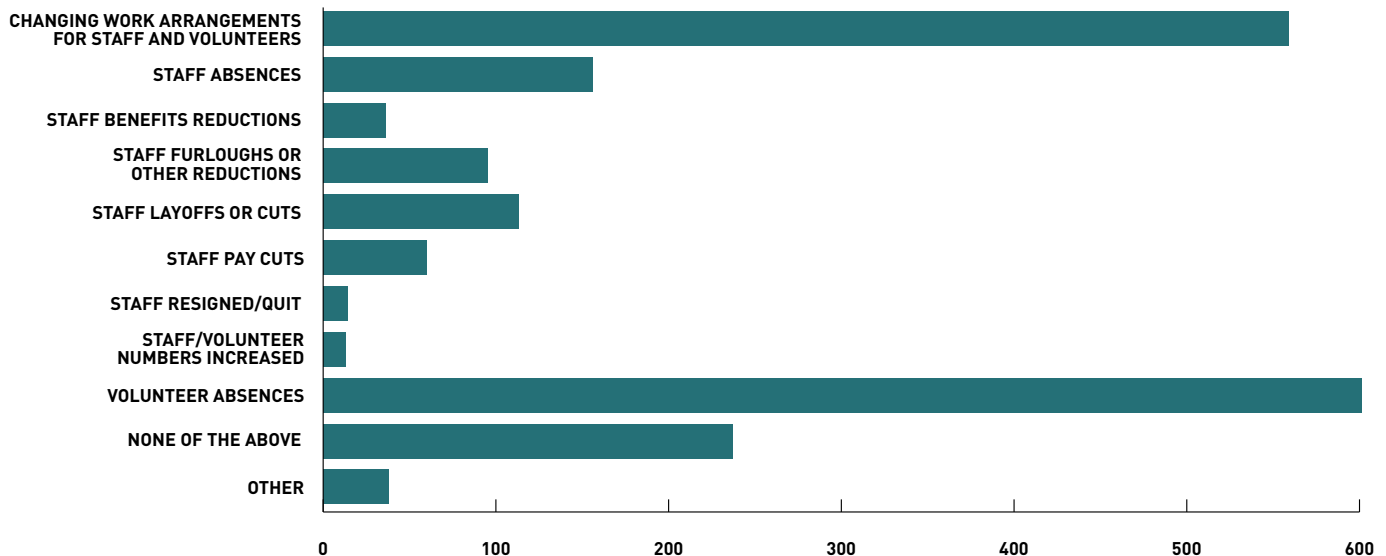
To date, COVID-19 has had a far greater impact on volunteers than it has on staff members of nonprofit organizations. Staff layoffs, furloughs, and pay and benefit cuts remain low, especially compared to what organizations anticipated or had to implement in April. It is worth noting that some organizations report this is only possible because of federal relief programs, like the Paycheck Protection Program (PPP) and the CARES Act.

In contrast, over 50% of organizations have experienced volunteer absences, some reported to be permanent losses of volunteers, which affects both their financial health and their ability to deliver programs and services.

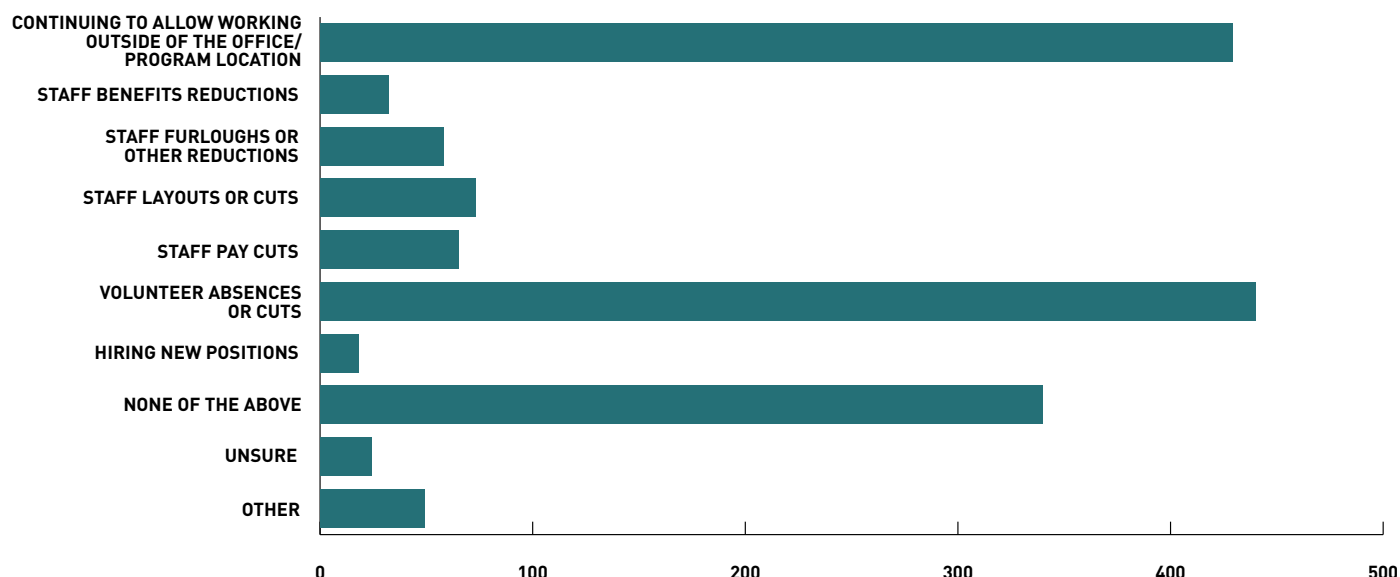
About half of Florida nonprofits are changing or have changed work arrangements for staff and volunteers.

Looking forward into 2021, 29% of nonprofits do not anticipate any additional changes to staff and volunteers. Of those that do anticipate changes, just over half will continue to allow working outside of the office or program location, and 54% expect to see additional volunteer absences or cuts.

**Q8** How has your staffing changed as a result of COVID-19? Select all that apply.



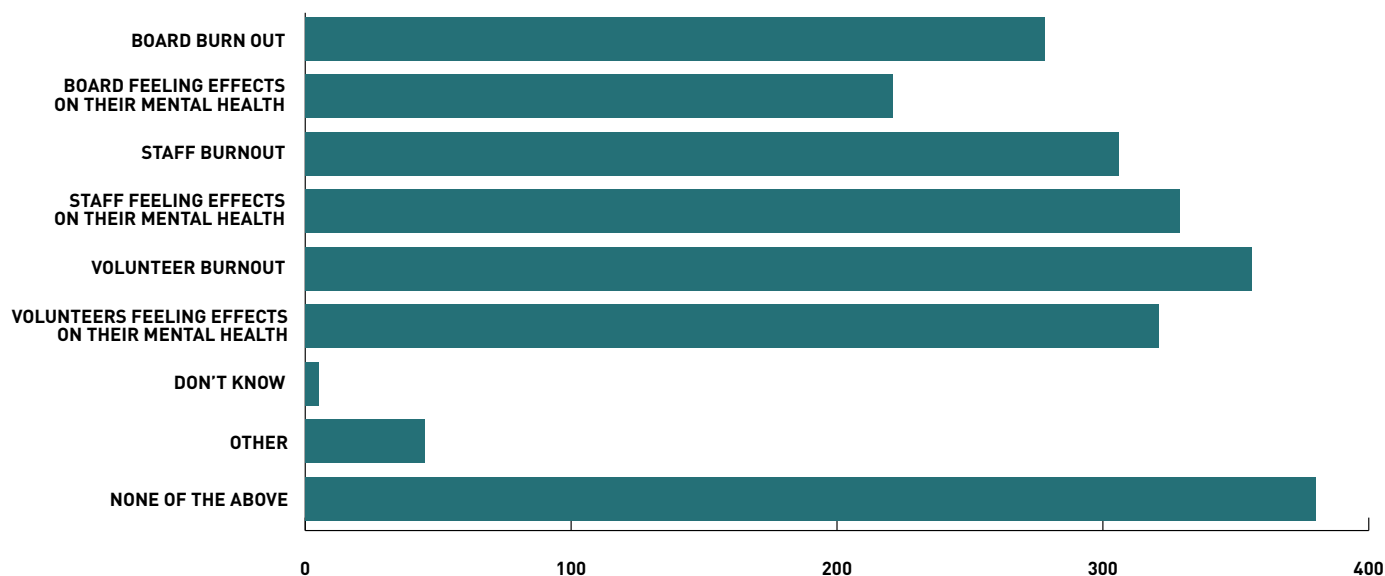
**Q9** How do you anticipate your staffing changing in 2021? Select all that apply.



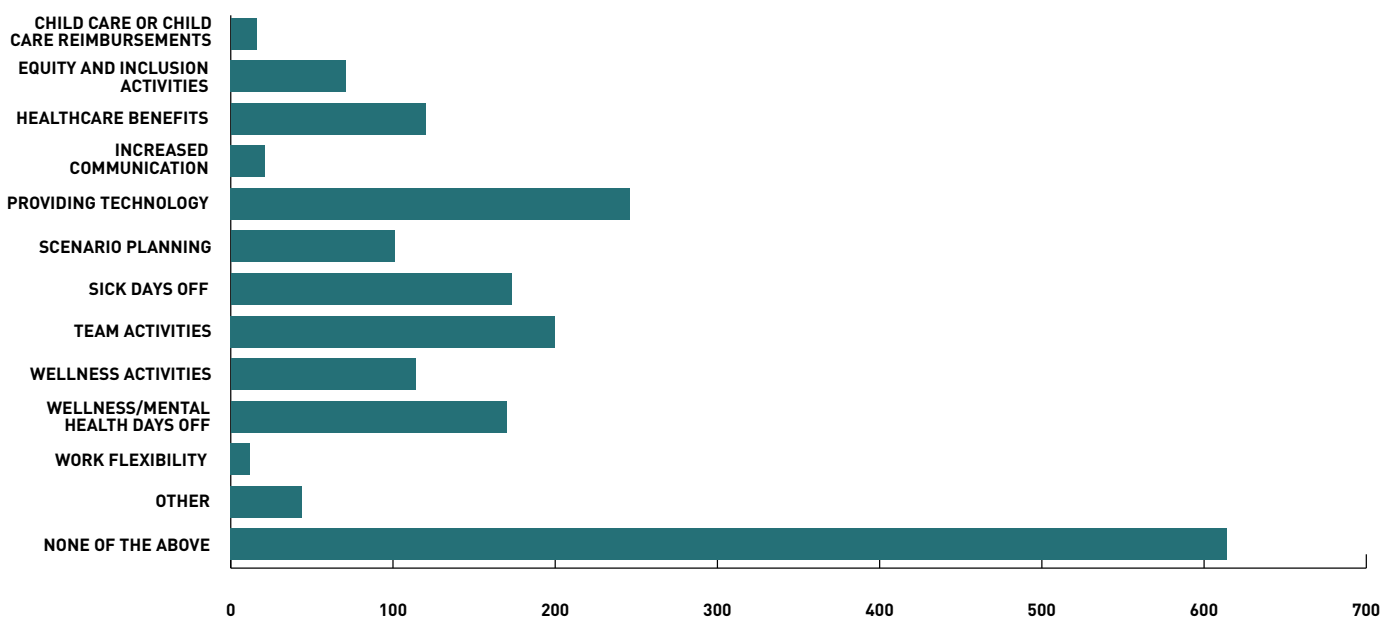
## Health Effects

Approximately 2/3 of nonprofit organizations are experiencing negative effects on their staff and volunteers, including burn out and mental health impact. These negative effects are described as fear, frustration, exhaustion, and being concerned both about the long-term viability of their organization and their personal health. About 47% of nonprofits have tried various ways of supporting their paid staff, including providing technology (46%), team activities (37%), sick days off (32%), and wellness/mental health days off (31%).

**Q10** Is your organization currently experiencing any of the following? Select all that apply.



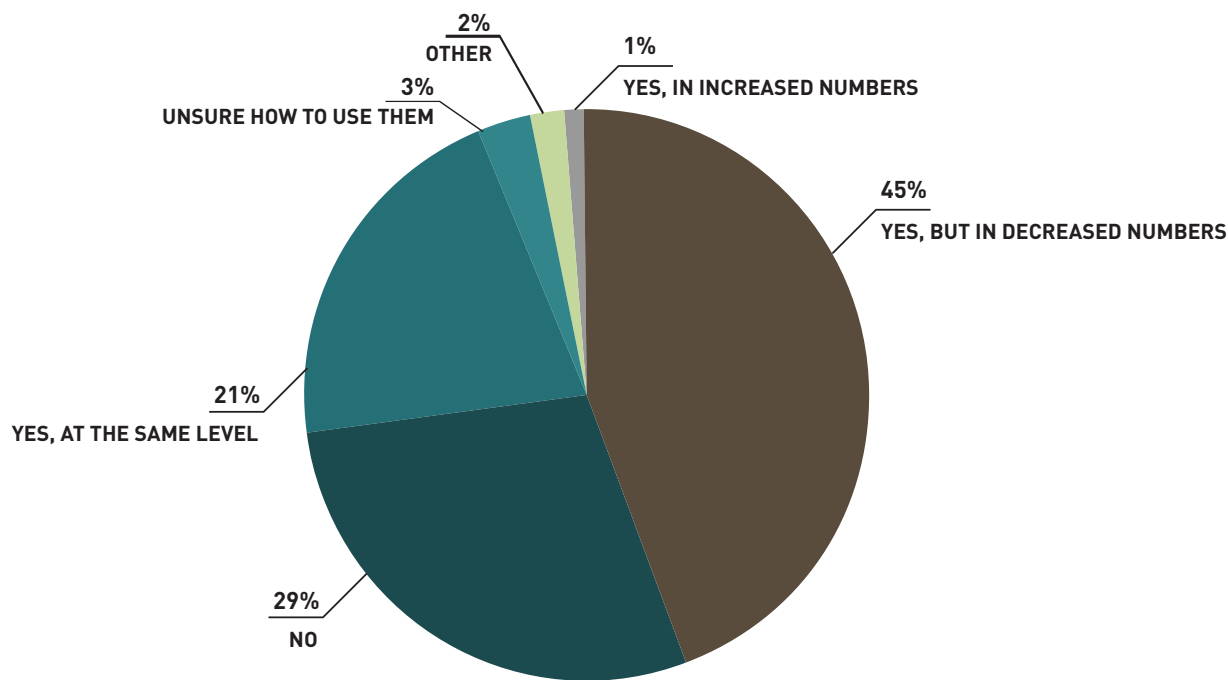
**Q11** How have you been able to support your staff during the pandemic? Select all that apply.



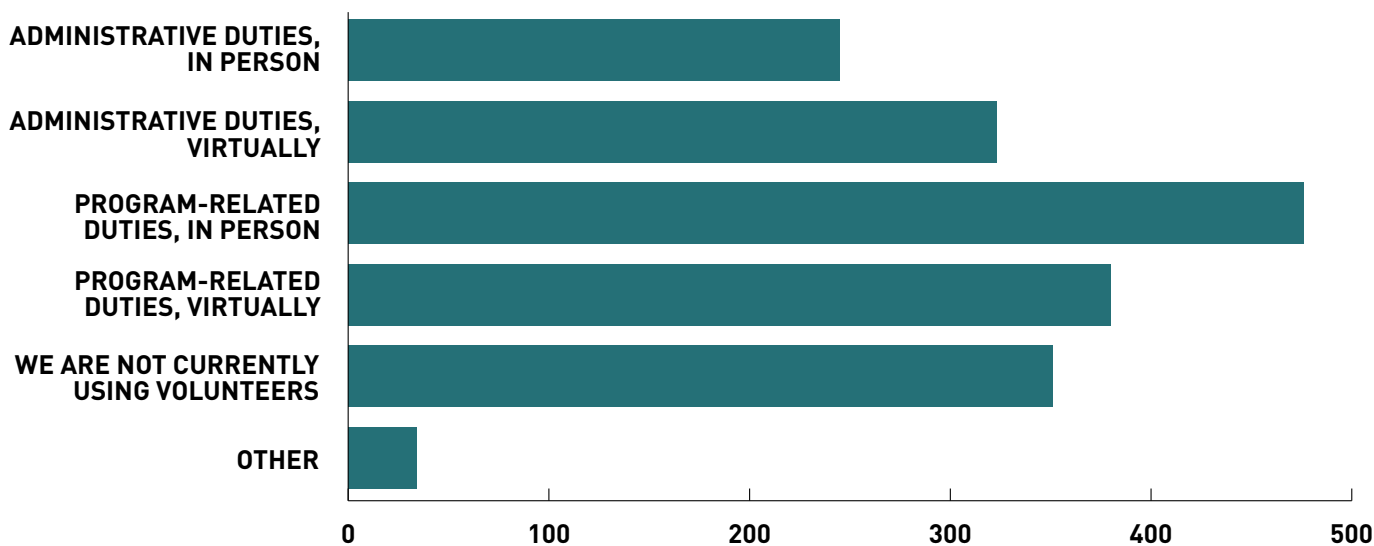
Volunteer Activity

About 70% of nonprofits are using volunteers in some way, although 44% are using them in decreased numbers as compared to pre-COVID times. Organizations describe shifting duties and creating additional safe opportunities to re-engage volunteers. Of the 769 organizations that are currently using volunteers, more are using them for program related duties in person (61%) than any other way. Creating virtual administrative volunteer roles seems to be an easier task than creating virtual program volunteer roles.

**Q12** Are you currently using volunteers at your organization, excluding your Board members?



**Q13** If you are currently using volunteers, how are you using them? Select all that apply.

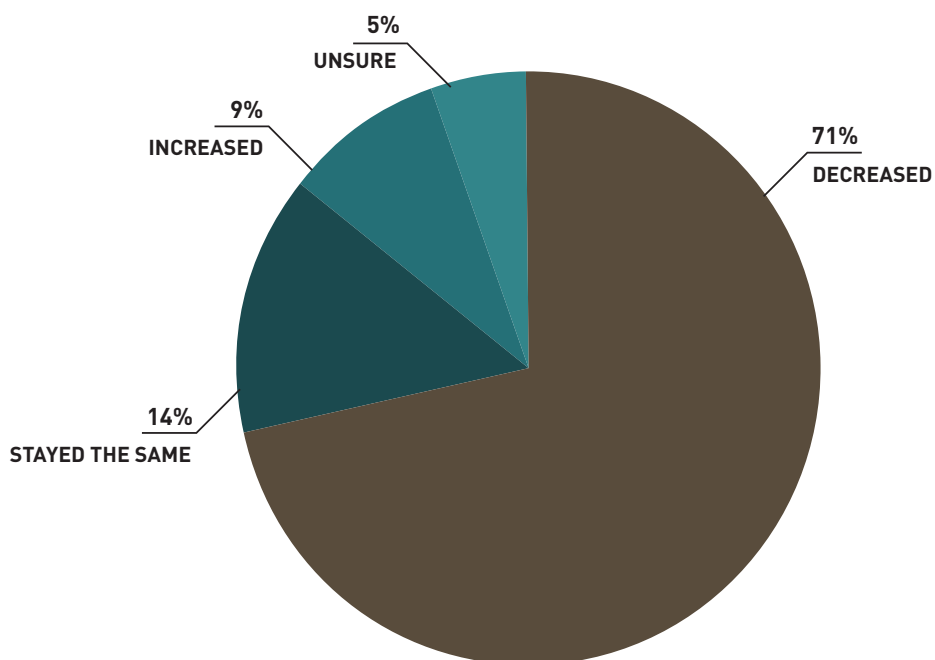


## VI. FINANCIAL IMPACT

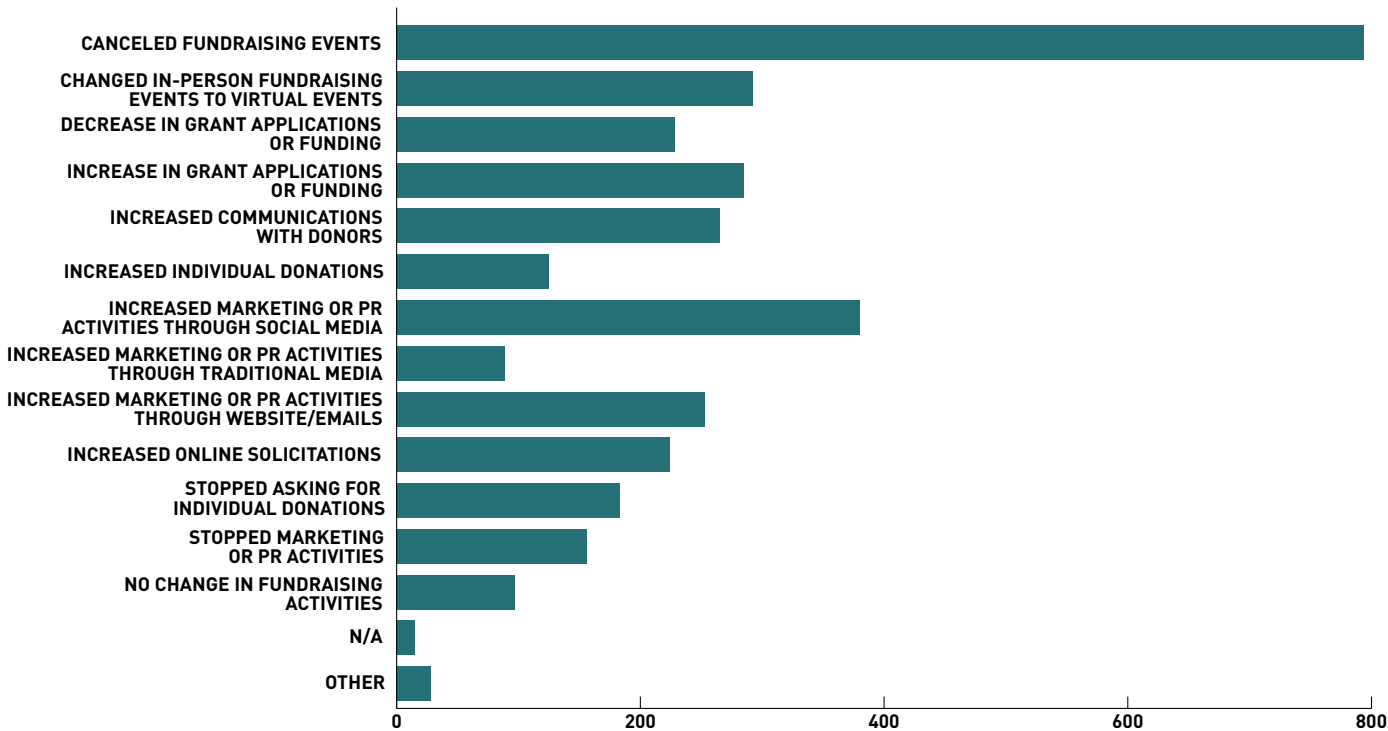
Financially, most nonprofit organizations in Florida are feeling COVID-19 effects. 71% have seen their unrestricted revenue decrease in 2020, and 69% have had less fundraising success this year compared to last. 68% have canceled fundraising events, and 25% changed their originally scheduled in-person fundraising events to virtual ones. 63% of organizations have increased their marketing and PR efforts, especially through websites, emails, and social media. Some organizations also describe delaying appeals to past donors and other individuals, and others say that they had to lay off their fund development staff members, which makes fundraising efforts tougher.

29% of organizations do not have any reserve funds. Of those organizations that do have reserves, 46% of them have used part or all of them this year. 11% have depleted them and not been able to replenish them; 30% have used part of them and not replenished them yet.

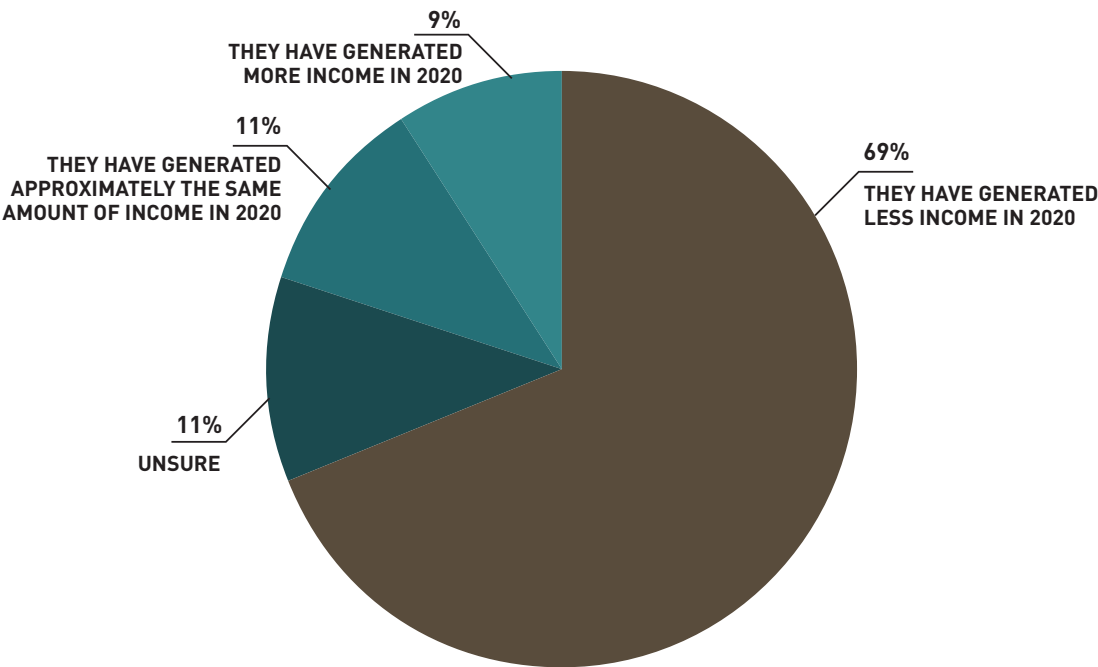
**Q14** Has your unrestricted revenue in 2020:



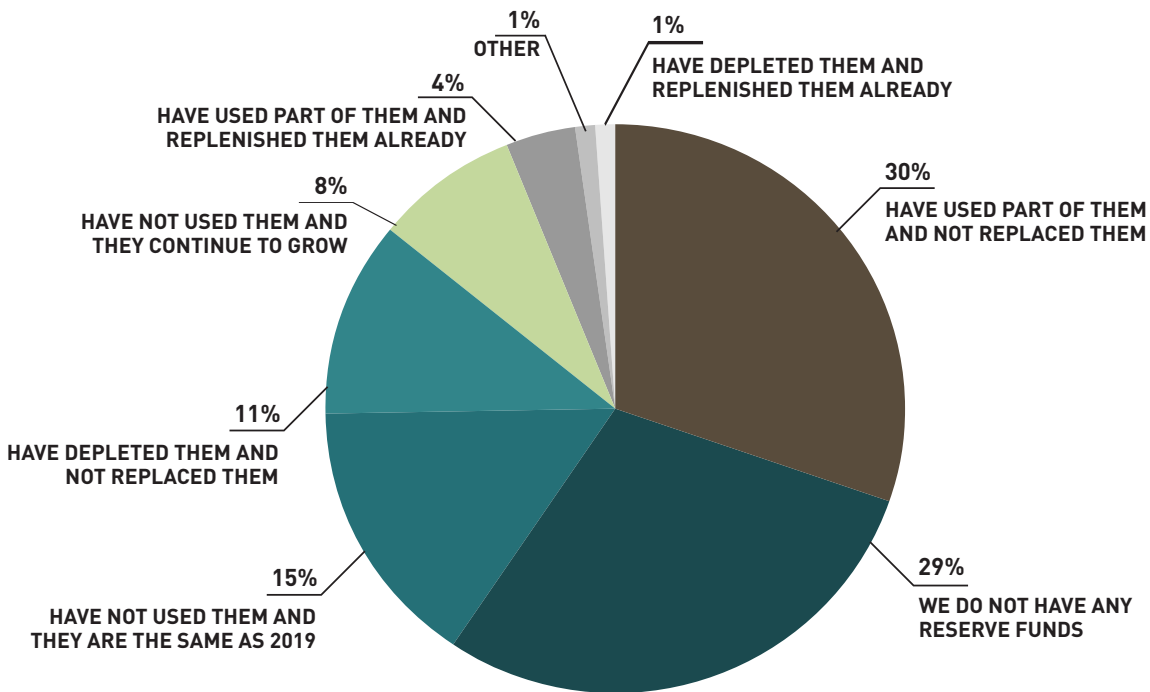
**Q15** How have you altered your fundraising activities in 2020? Select all that apply.



**Q16** How do your fundraising activities in 2020 compare to your fundraising activities in 2019?



**Q17** How have you used reserve funds in 2020?



Fundraising Sources

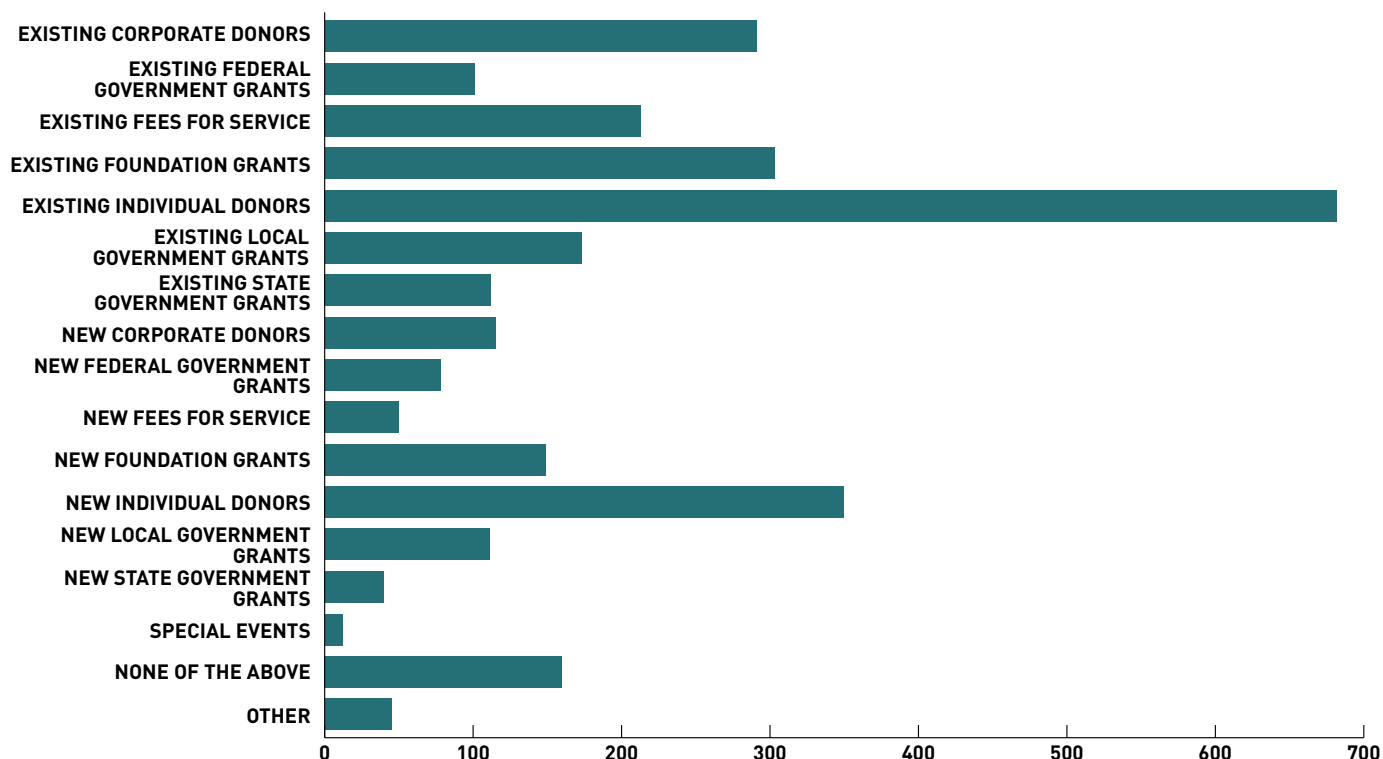
Currently, about 60% of nonprofit organizations get a significant portion of their revenue from foundation and government grants. Nonprofits do not see as much opportunity in accessing new grants in 2020 (32%), but are slightly more optimistic about grant possibilities in 2021.

60% of nonprofits receive a significant amount of funding from individuals that are current donors, and 30% expect significant funding to come from individual donors who are new to the organization.

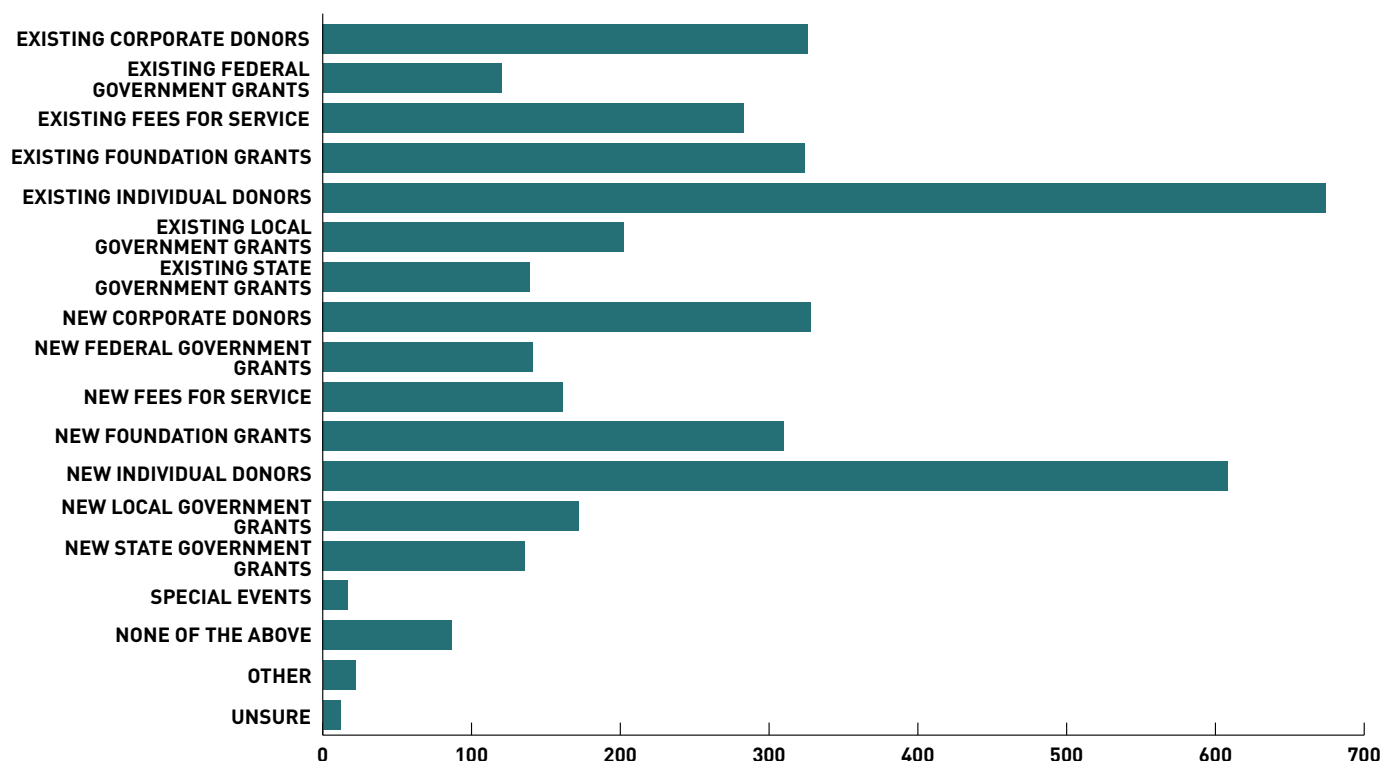
When we compare the significant sources of funding for 2020 against what nonprofits expect in 2021, nonprofits are hoping for revenue from mostly new sources, rather than expanding their current funding sources. The top answers are existing and new service fees, new corporate donors, new foundation grants, new individual donors, and new government grants, especially state grants.



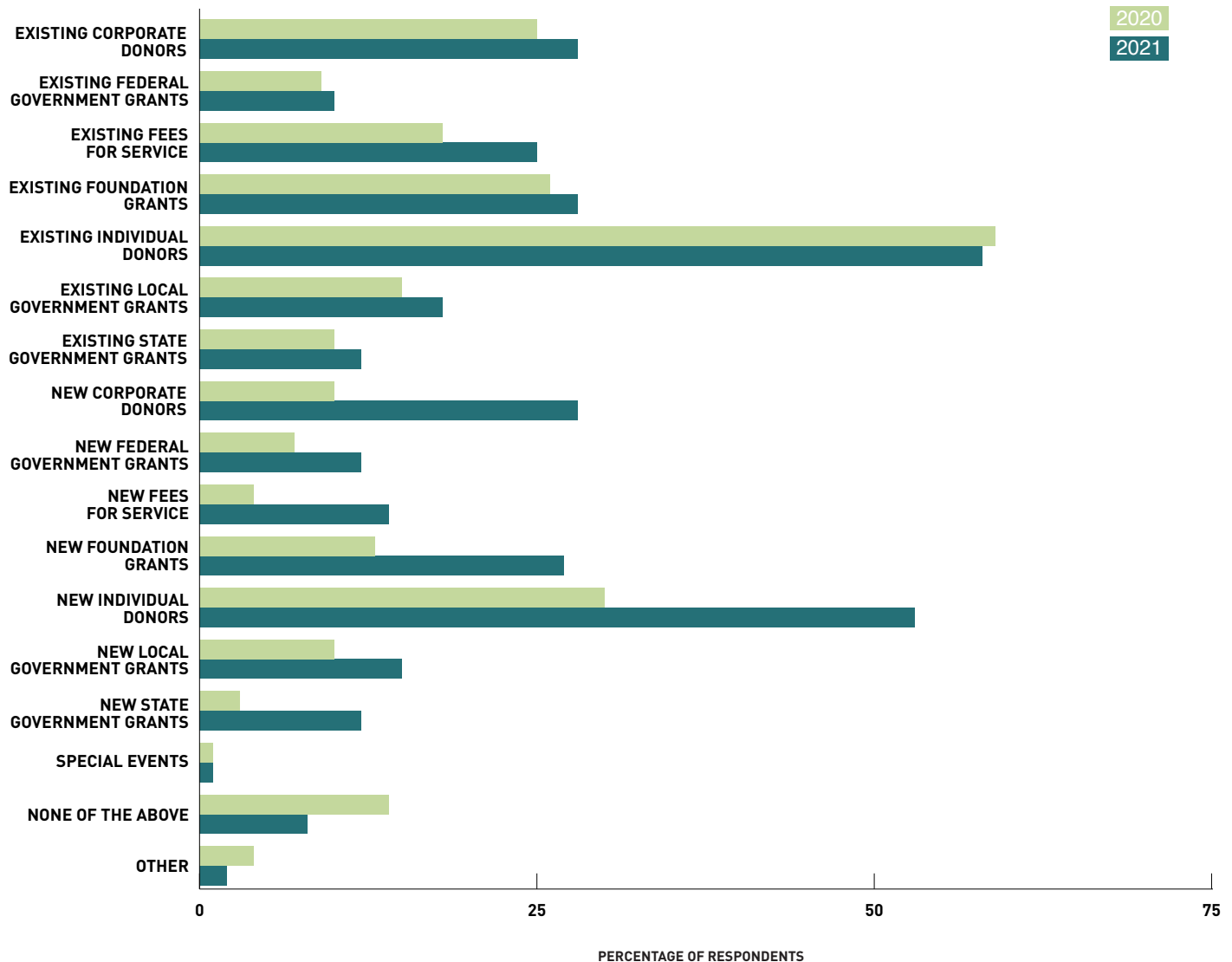
**Q18** What are the significant sources of your current fundraising dollars? Select all that apply.



**Q19** Where do you expect significant sources of funding to come from in 2021? Select all that apply.



## Comparison of Funding Sources for 2020 vs 2021



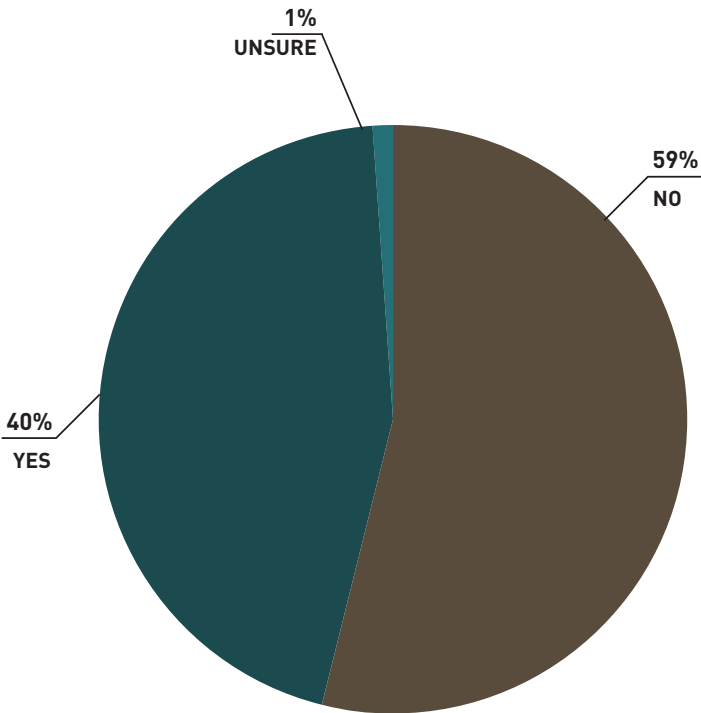
## COVID-19 Relief Aid

40% of respondents said they have received some kind of government relief aid to date, which aligns with the July research (44% responded yes in July). 56% of organizations said they would apply for additional government relief aid, if it becomes available. Another 23% were unsure if they would apply.

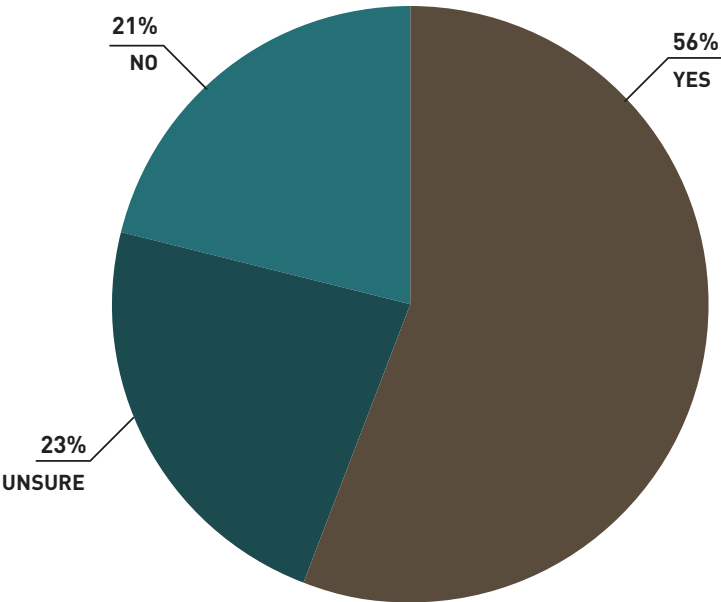
For the 21% who would not apply, the most likely reasons why were not having paid staff/employees and assuming they would not qualify for aid. 19% believed other organizations would need it more, and 15% would not need aid.

Only a quarter of nonprofits received one-time COVID-related funding from a source other than government. 13% of those received more than \$10,000 that will not reoccur.

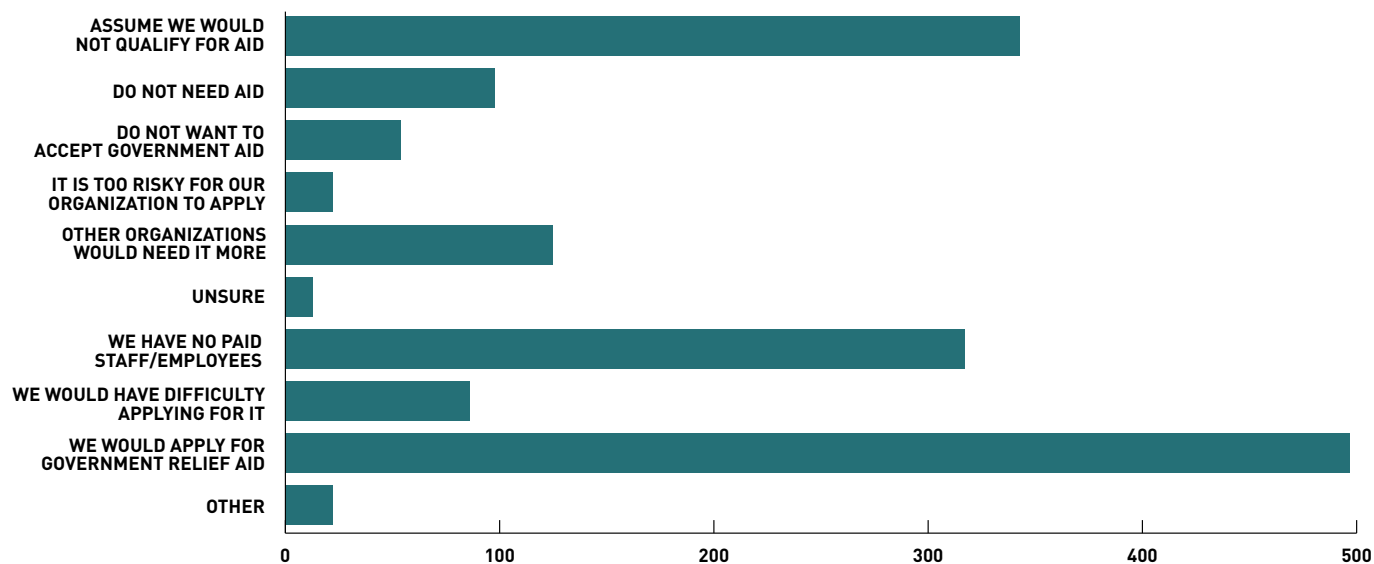
**Q20** Have you received any government relief aid to date?  
(This would include PPP, EIDL, Florida Department of Economic Opportunity, etc.)



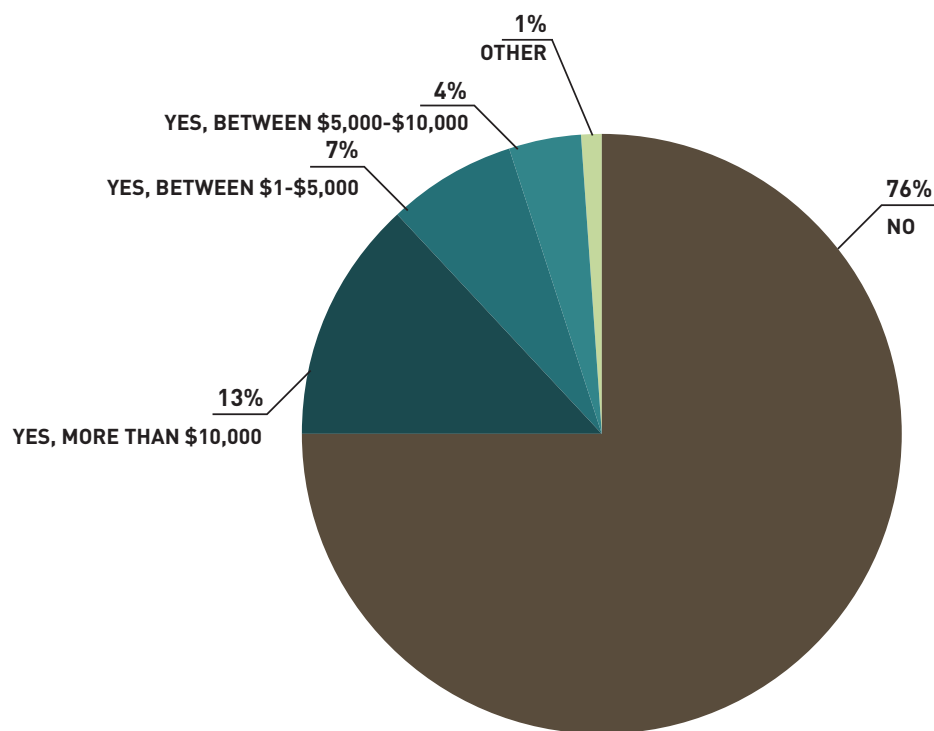
**Q21** If additional government relief aid becomes available, would you apply for it?



**Q22** If you would NOT apply for government relief aid, why not? Select all that apply.



**Q23** Have you received any additional funding from a source OTHER than government specifically because of COVID-19 that you do not expect to reoccur?



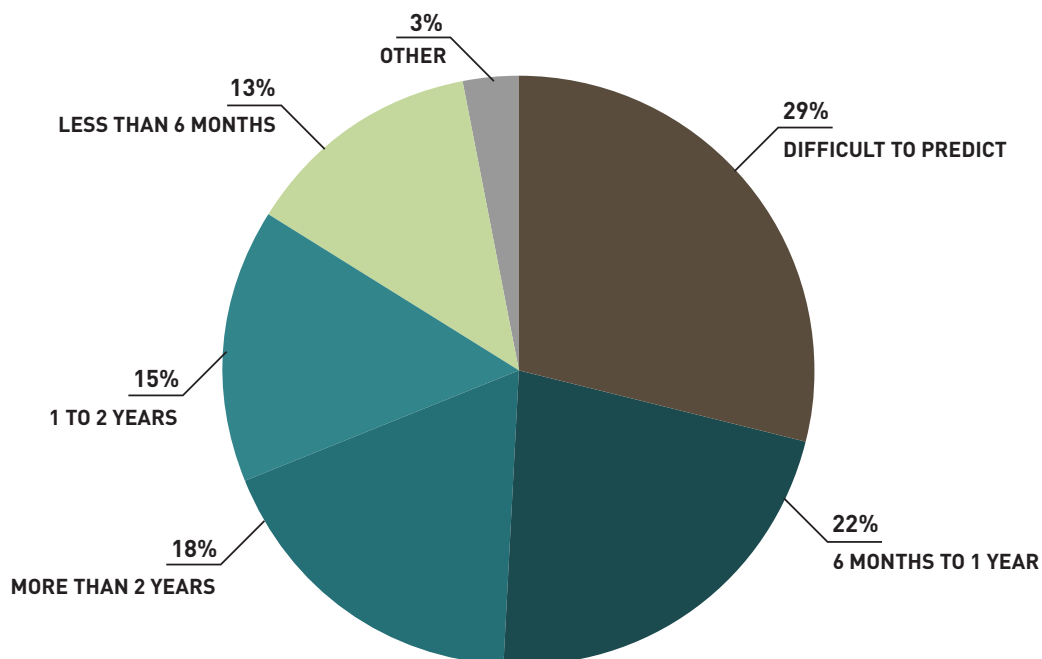
## Looking Forward Financially

When asked how long organizations could stay open with current cash flow and fundraising plans, 50% of respondents said less than two years (34% said less than one year).

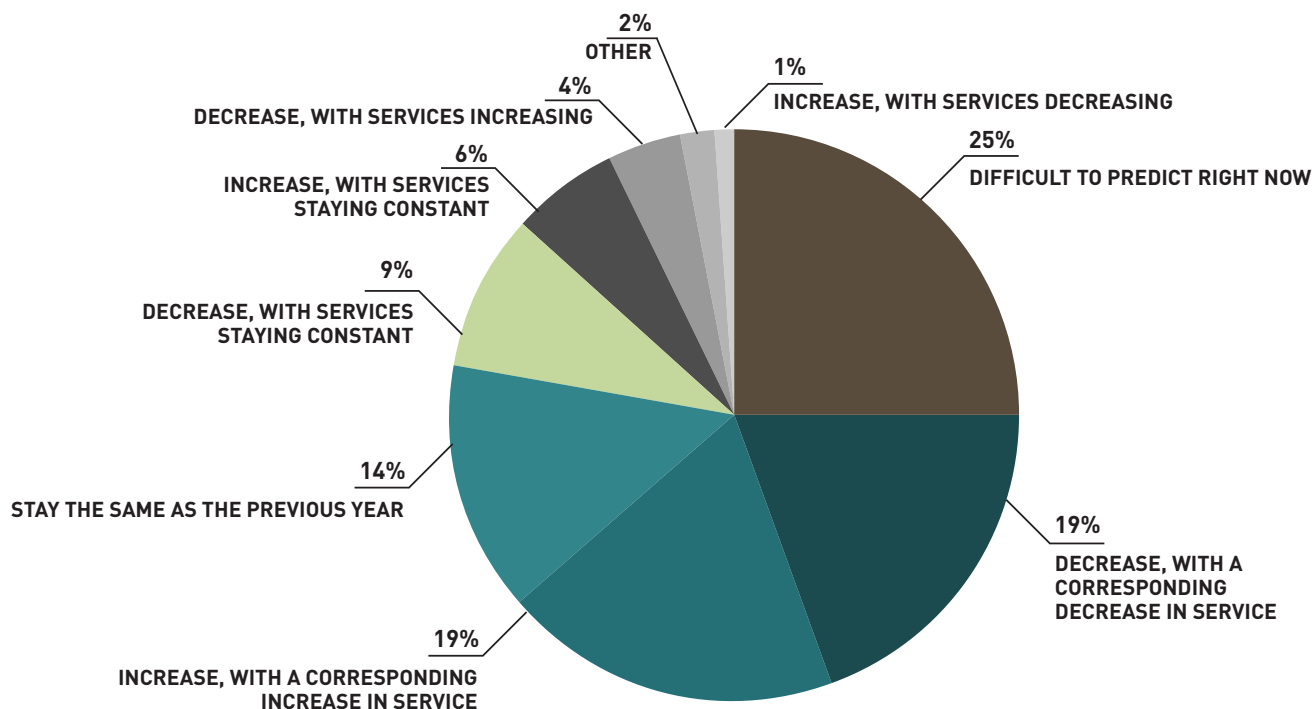
As nonprofits plan for 2021, 32% expect their budgets to decrease compared to 2019, 26% expect their budgets to increase, 14% expect them to remain the same, and 25% are currently unsure what to expect. In most cases, a decrease in budget also means a decrease in services, and an increase in budget means an increase in services.

For those organizations planning for budget cuts in 2021, they are prepared to cut expenses across the board. The most common answers were equipment purchase and maintenance (38%), professional development, training, and/or conferences (35%), travel (33%), programs (30%), and marketing/PR (27%). All of those cuts could also have negative effects on fundraising success in 2021.

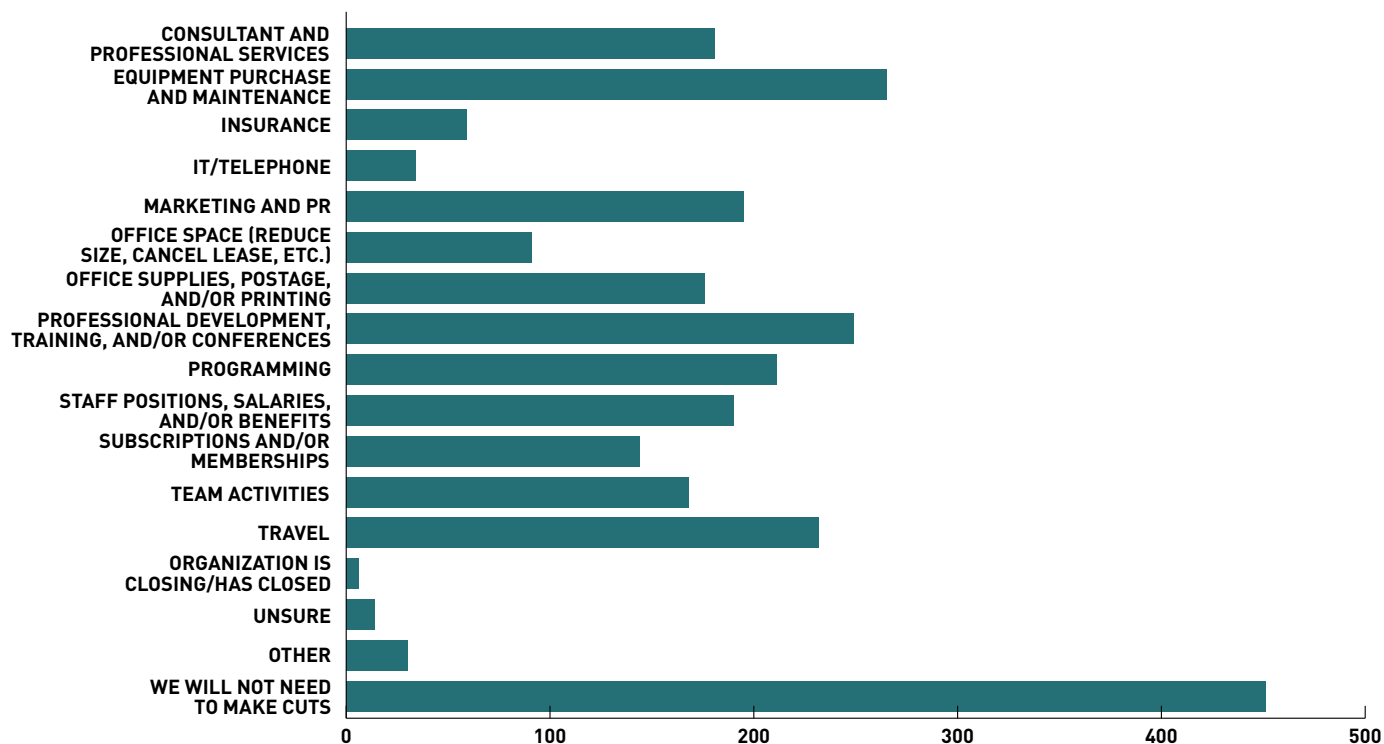
**Q24** With your current cash flow and fundraising plans, how long can you continue to operate your programs and services?



**Q25** Compared to your 2019 budget, do you expect your 2021 budget to:



**Q26** If you expect your 2021 budget to decrease, what type of expense will you cut? Select all that apply.

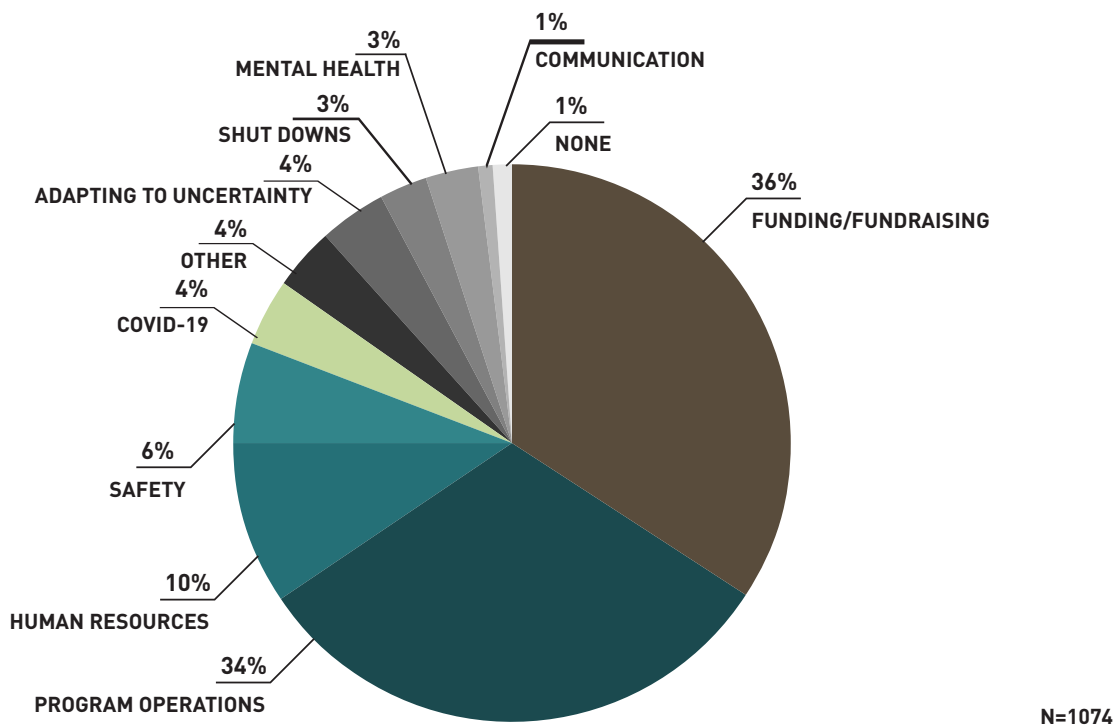


# VII. BIGGEST NONPROFIT CHALLENGES

All respondents were given the opportunity to share their biggest challenge of the year in short answer format. The 1,074 answers were wide-ranging and told specific stories of hardships from organizations across the state. After compiling the responses into themes, the number one challenge remains funding/fundraising (36%), followed by changes or interruptions to program operations (33%).

Of note – mental health concerns for staff, volunteers, and clients was mentioned by 3% of the respondents, and challenges with staff, volunteers, and Board members were mentioned by 10% of respondents, indicating that we must take care of the people providing the services in order to keep providing for our Florida communities.

**Q27** What is the biggest challenge you have faced this year?



## VIII. LOOKING AHEAD TO 2021

2020 has been a year of uncertainty. Nonprofits, like all other sectors of our state, have navigated this uncertainty to the best of their ability. Our Florida nonprofits tell us that their expectations from this summer in eight categories have turned out to be relatively accurate or things were worse than expected. This indicates that nonprofits have good instincts on what will happen in the future, and may even tend more to the optimistic side. The category that was much worse than expected was fundraising activities, echoing funding concerns shared throughout this report.

As nonprofit organizations look ahead to 2021, they anticipate some changes they made over the course of this year becoming permanent, including increased cleaning practices (53% - down from 59% in July), allowing for remote or hybrid remote-in person working (50% - up from 43% in July), and keeping collaborations that formed during the pandemic (39% - up from 28% in July). 20% expect program cuts or reduced services/programs to become permanent, which both decreased from July. Permanently closing or merging your organization also decreased from 8% in July to 2% in December.

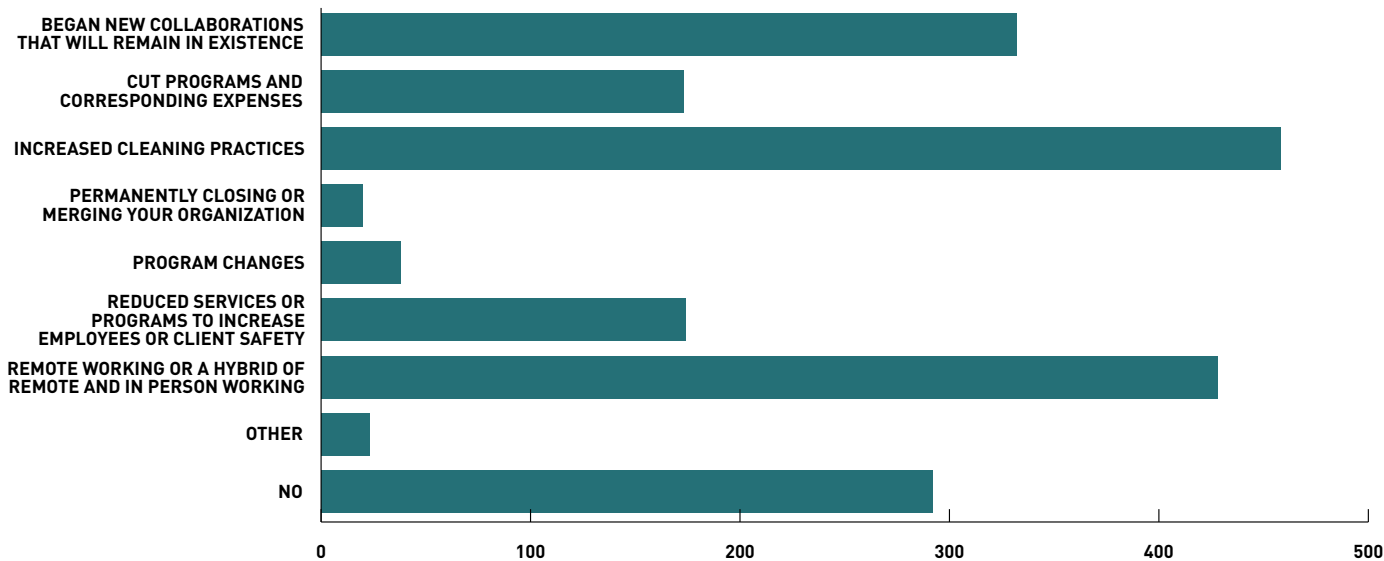
Nonprofits show signs of optimism when asked how concerned they are about nine categories. Although nonprofits remain concerned about lost income and reduced future funding, they are less concerned than in July. All categories except one had decreases in level of concern, including re-opening and re-engagement, reduced ability to provide programs, and increased need for services. The one category that increased in concern was merging your organization with another one. When asked what resources they need going forward, the top three answers from nonprofits all relate to money – funding (84%), fundraising assistance (59%), and government relief aid (35%). The next most requested resources are technology (30%), information on nonprofit collaborations (30%), and assistance keeping staff, clients and volunteers safe (28%). Compared to July, nonprofits are more likely now to say they need resources of all kinds.

**Q28** Think about what you expected to happen in June/July. Would you say the following are now better or worse than your expectations?

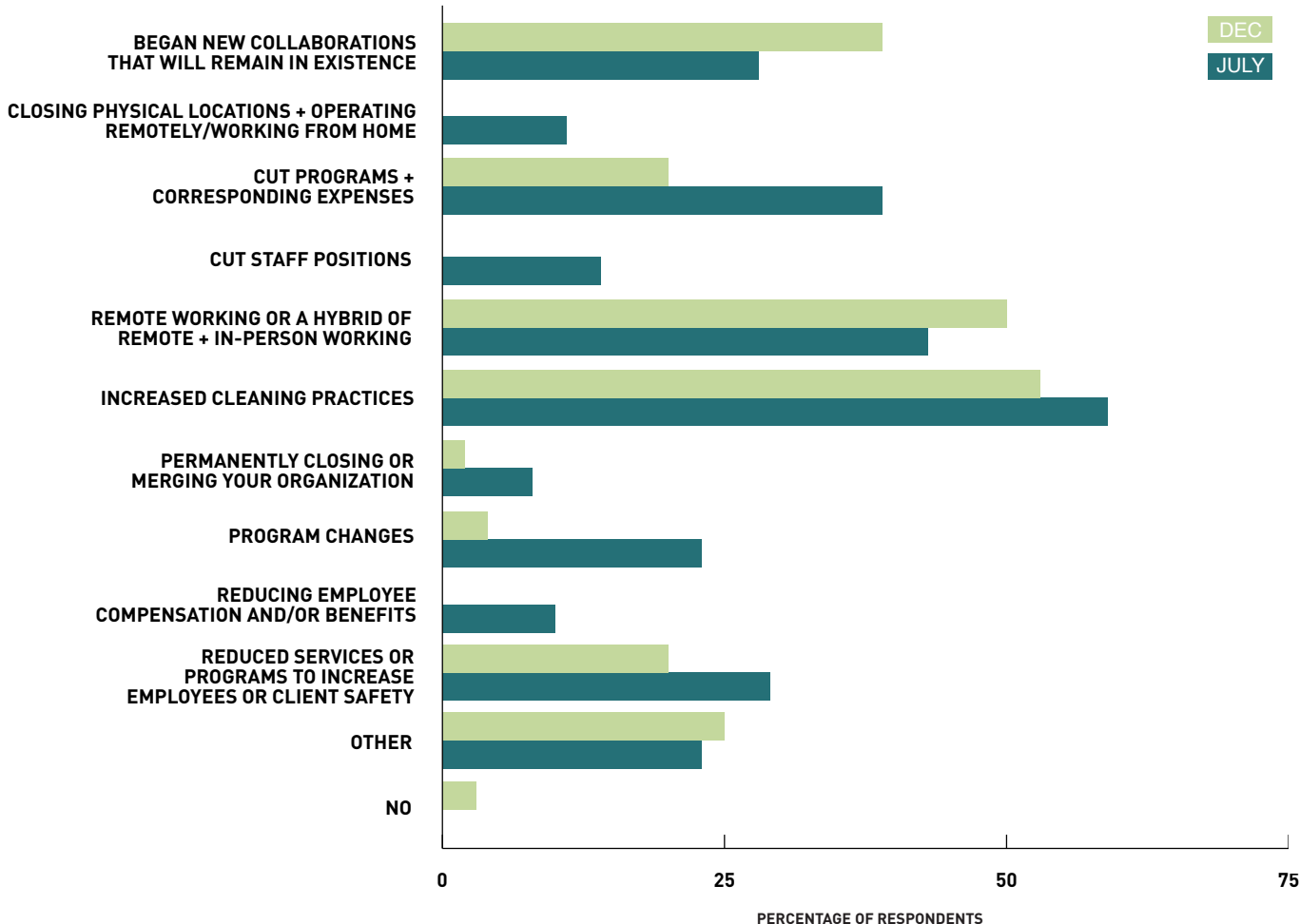
	MUCH BETTER	SLIGHTLY BETTER	SAME	SLIGHTLY WORSE	MUCH WORSE
ACCESS TO FUNDS	7%	14%	36%	19%	24%
ACCESS TO VOLUNTEERS	4%	8%	39%	25%	24%
CLIENT NEEDS	5%	10%	46%	19%	20%
FUNDRAISING ACTIVITIES	2%	7%	27%	25%	39%
KEEPING STAFF IN PLACE	5%	8%	54%	17%	16%
PROGRAM DELIVERY	7%	14%	34%	24%	21%
RE-OPENING + RE-ENGAGEMENT	5%	12%	32%	26%	25%
STAFF/VOLUNTEER MORALE	5%	13%	41%	24%	17%



**Q29** Have you made any changes that you anticipate being permanent? Select all that apply.



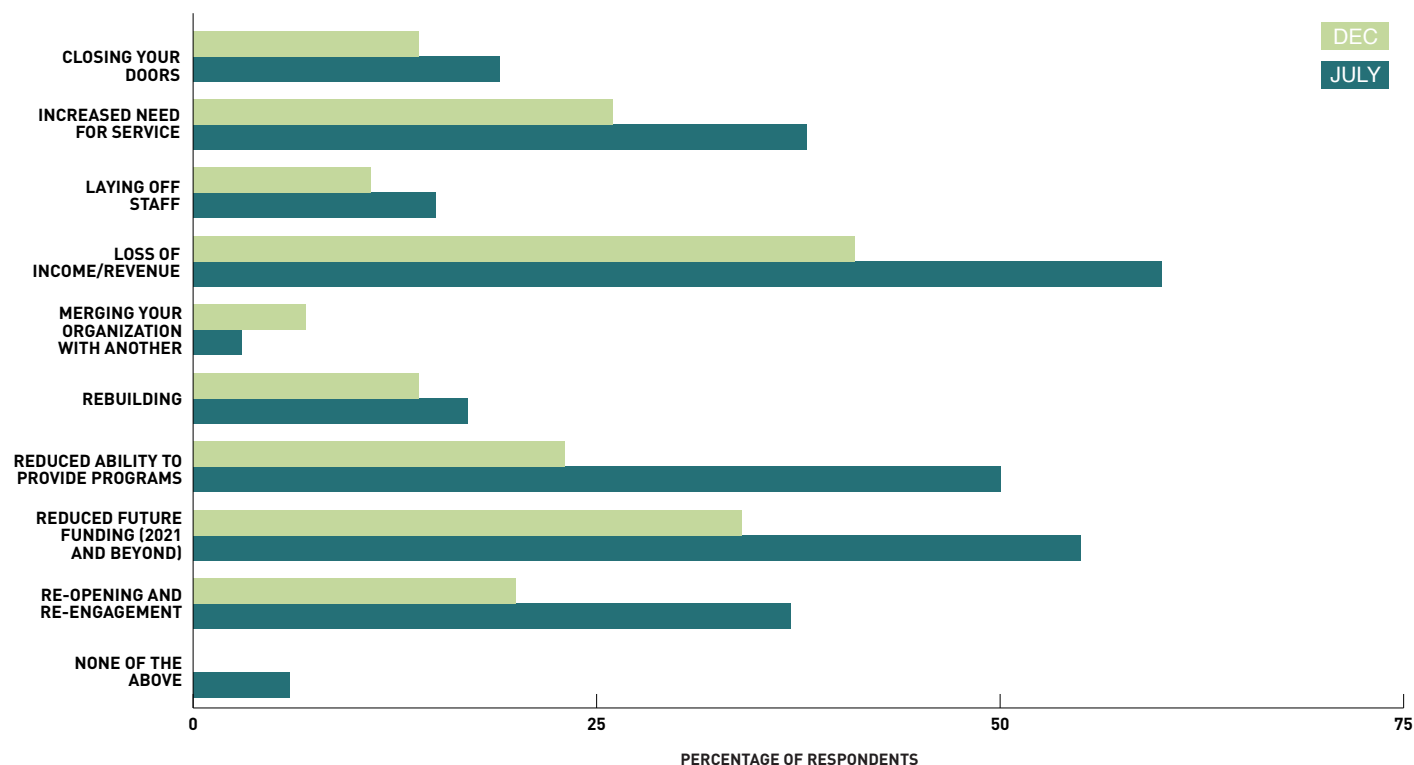
Comparison July vs December



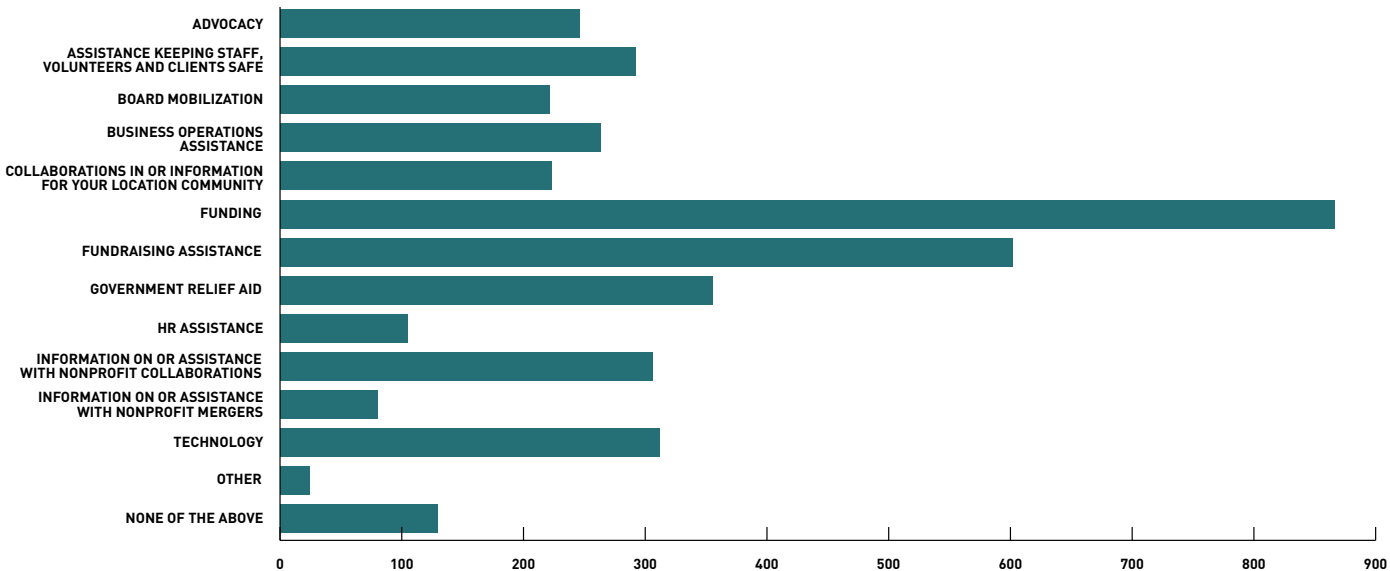
**Q30** How concerned are you about the following issues in the next 12 months?

	NOT AT ALL CONCERNED	A LITTLE CONCERNED	SOMEWHAT CONCERNED	VERY CONCERNED
CLOSING YOUR DOORS	44%	24%	18%	14%
INCREASED NEED FOR SERVICES	23%	27%	24%	26%
LAYING OFF STAFF	58%	20%	11%	11%
LOSS OF INCOME/REVENUE	11%	25%	23%	41%
MERGING YOUR ORGANIZATION WITH ANOTHER ONE	77%	10%	6%	7%
REBUILDING	43%	23%	20%	14%
REDUCED ABILITY TO PROVIDE PROGRAMS	22%	30%	25%	23%
REDUCED FUTURE FUNDING (2021 AND BEYOND)	14%	27%	25%	34%
RE-OPENING AND RE-ENGAGEMENT	30%	28%	22%	20%

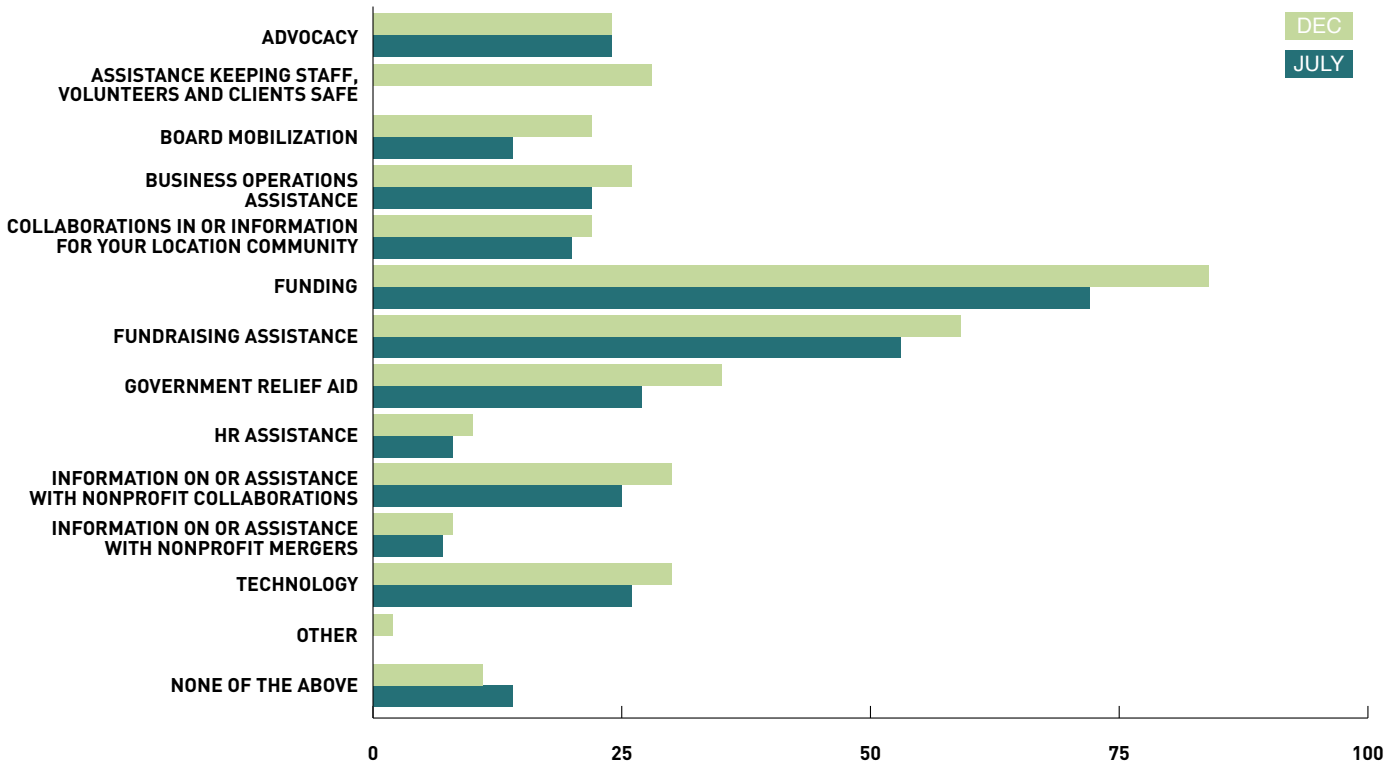
Comparison July vs December - What are you most concerned about?



**Q31** What resources does your organization need going forward? Select all that apply.



Comparison July vs December

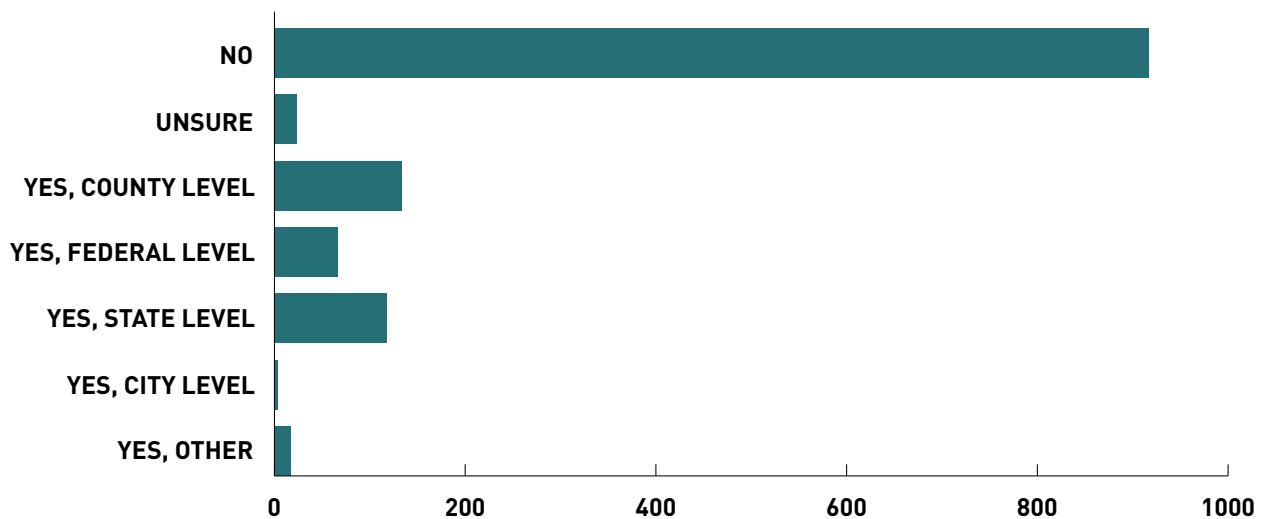


## Advocacy Efforts

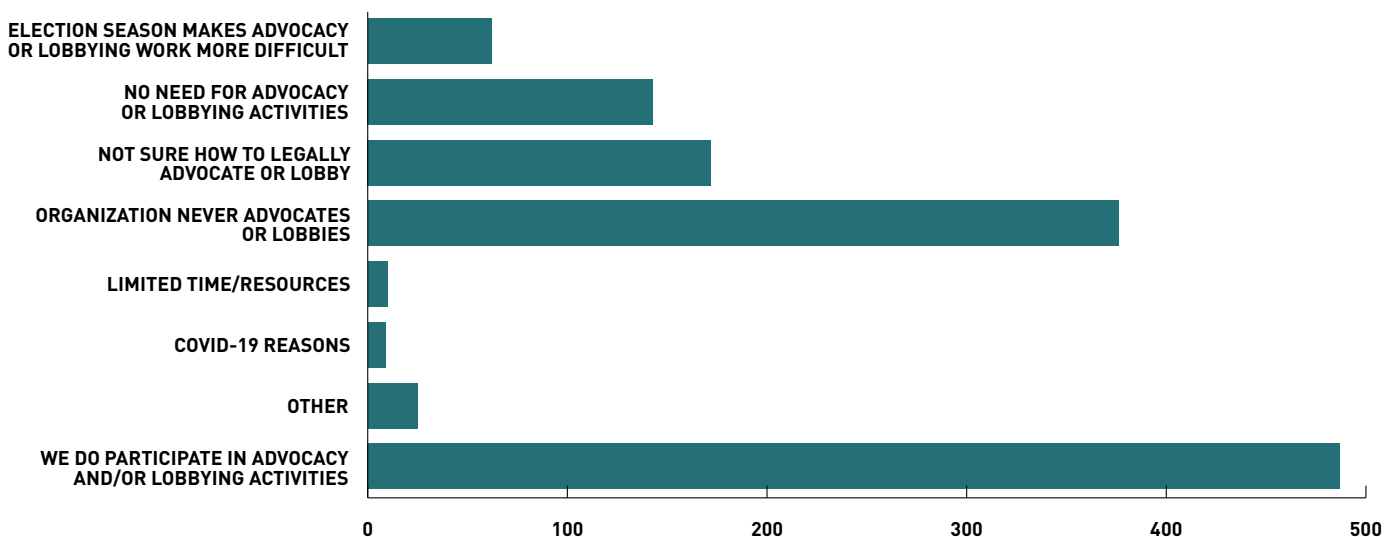
Although 42% of respondents say they normally participate in advocacy and/or lobbying activities, only 21% have done so since the start of the pandemic. For those who are currently engaged in advocacy and/or lobbying activities, 63% are active at their county level, 55% are active at the state level, and 31% are active at the federal level.

For organizations who are not lobbying or advocating, the most common reasons are that the organization never does (56%), the organization is not sure how to do so legally (26%), and/or the organization does not need to (21%).

**Q32** Has your organization participated in any advocacy or lobbying activities since the start of the pandemic (late February/early March)? Select all that apply.



**Q33** If you have not participated in any advocacy or lobbying activities, why not? Select all that apply.



## IX. TAKEAWAYS AND NEXT STEPS

Nonprofits remain financially fragile and resource-strapped. Nonprofit staff and volunteers have worked tirelessly over the last nine months to support their fellow Floridians. Our state is not out of the COVID-19 danger zone yet. As we move into a new year, we hope the following takeaways provide inspiration and promote action for all who care about and are supportive of the nonprofit sector.

- Funding is a real, and large, concern. It will take individual, foundation, government, and business giving efforts to support the vital work of nonprofit organizations.
- At the same time, new government grants and contracts, especially at the state level, seem unlikely at this time.
- If no additional government relief measures are passed, the sector will be impacted. To help ensure that relief measures are passed and include nonprofits in the relief provided, nonprofits need to understand that they can and should advocate in a legal and ethical manner.
- For nonprofits that have tapped into reserves this year, replenishing them will need to be a priority.
- Nonprofits most need unrestricted operating funding, including grants, to address increased demand, closures during the pandemic, adapting their programs to a new reality, and covering unexpected expenses.
- It is time to re-envision and reimagine the roles of volunteers. Nonprofits need people to re-engage as volunteers, but we must keep them safe and provide different kinds of volunteer opportunities than we have in the past.
- Besides funding, organizations are also looking for resources for technology, collaborations, safety, and business operations.
- Nonprofit organizations are feeling slightly more optimistic than they did in July. However, demand remains high, service cuts still exist, and staff and volunteers are burned out and feeling effects on their mental health. We must take care of ourselves as a sector while we also take care of our communities.
- Many nonprofits remain fragile; some organizations have already shut their doors, and more will have to in the future. 14% are very concerned about this possibility; 34% only have enough income to stay open a year or less. These organizations will need technical, and potentially financial, assistance if they have to close.

Florida Nonprofit Alliance stands ready to assist our Florida nonprofits. Our [2021 Legislative Agenda](#) addresses several of the above takeaways, including increasing volunteerism, advocating for nonprofit economic relief, improving the public's understanding and awareness of nonprofits and charitable capital, and encouraging advocacy activities in and by the sector.

We know we will need the efforts of our entire Florida community – nonprofits, foundations, civic leaders, elected officials, businesses and their leaders, and residents – to make sure every Floridian has the services and programs they need to survive and eventually thrive.

We send our immense gratitude to the organizations, staff, volunteers, Board members, donors, funders, and supporters of the nonprofit sector.