

THE EFFECTS OF COVID-19 ON FLORIDA NONPROFITS

Report Prepared by



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Special thank you to

Allegany Franciscan Ministries

Florida Philanthropic Network

Dr. Shelley Robertson

Contributing Organizations

Community Foundation for Palm Beach and Martin Counties

Community Foundation of North Central Florida

Community Foundation of Sarasota and the Charles & Margery Barancik Foundation

Community Foundation of Tampa Bay

Heart of Florida United Way

Indian River Community Foundation and United Way of Indian River County

Institute for Nonprofit Innovation and Excellence

Nonprofit Center of Northeast Florida

Nonprofit Leadership Center of Tampa Bay

Southwest Florida Community Foundation

Space Coast Health Foundation of Brevard, Community Foundation for Brevard
and United Way of Brevard

The Miami Foundation, Health Foundation of South Florida and United Way of Miami

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I. EXECUTIVE SUMMARY

In February of 2020, reports of incidences in the United States of a new strand of coronavirus, caused by COVID-19, began to change our daily lives. Individuals began following stay-at-home and/or quarantine directives. Businesses and nonprofits, separated into essential and non-essential services, began adjusting operations to be more virtual or closed their doors.

On March 11, the World Health Organization declared coronavirus a pandemic. Many scientific analyses report that the peak of incidents in the US will happen between mid-April and early May, which means the nonprofit sector, like all other sectors, will experience repercussions for quite some time. However, the nonprofit sector, unlike other sectors, is currently grappling with an increased demand in services. Not only are their business operations disrupted, including traditional and regular forms of revenue, but the clients that many of them serve are now in need of additional or different services than before.

The data was collected through a joint effort with Florida Nonprofit Alliance and Florida Philanthropic Network and supplemented by various similar surveys conducted in regions of Florida. More than 1,400 nonprofit organizations in Florida participated.

Findings

- 98% of nonprofit organizations that responded have been affected by COVID-19
- Almost 80% have experienced a negative financial impact because of the virus
- 73% of nonprofits have had a disruption in their services, and more than 1/3 have experienced an increase in demand
- More than half have had disruptions to the work of their staff and/or volunteers
- Organizations are doing the best they can in a rapidly changing world, but they need additional resources, especially funding, to survive and recover
- Advocacy continues to play a vital role to ensure nonprofits are included in all stimulus and relief packages
- Nonprofit recovery from COVID-19 will not be immediate once the virus is under control, and recovery will require help, especially financial, from funders

Nonprofits are anxiously looking for practical ways in which they can adapt, respond and stabilize. Florida Nonprofit Alliance and management support organizations (MSOs) across the state are responding by sharing strategies, tools and leveraging the power of advocacy to make sure our sector and its realities are not ignored.

II. METHODOLOGY

Surveys, designed for 501(c)(3) nonprofit organizations in the state of Florida, were in the field in March and April, 2020. Florida Nonprofit Alliance and Florida Philanthropic Network launched their survey on March 11th.

Other MSOs and foundations that contributed data include:

- Community Foundation for Palm Beach and Martin Counties
- Community Foundation of North Central Florida
- Community Foundation of Sarasota and the Charles & Margery Barancik Foundation
- Community Foundation of Tampa Bay
- Heart of Florida United Way
- Indian River Community Foundation and United Way of Indian River County
- Institute for Nonprofit Innovation and Excellence
- Nonprofit Center of Northeast Florida
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The surveys were distributed electronically to each organization's network through email, social media, and website postings, as well as word of mouth. The surveys differed in questions and format; Florida Nonprofit Alliance used the questions and responses that aligned in four major areas to compile the results. The areas included in this report are program impact, financial impact, staffing impact, and resources needed to survive and recover.

The total number of respondents to all the surveys was 1,466. We cannot be sure there is no duplication in responses because organizations could have taken both the state survey (FNA/FPN) and one or more other surveys as well.

Not every question has responses from all 1,466 organizations because the surveys did not all ask the same questions. The number of respondents is listed below each table or graph. In addition, some per-

III. DEMOGRAPHICS OF SURVEY PARTICIPANTS

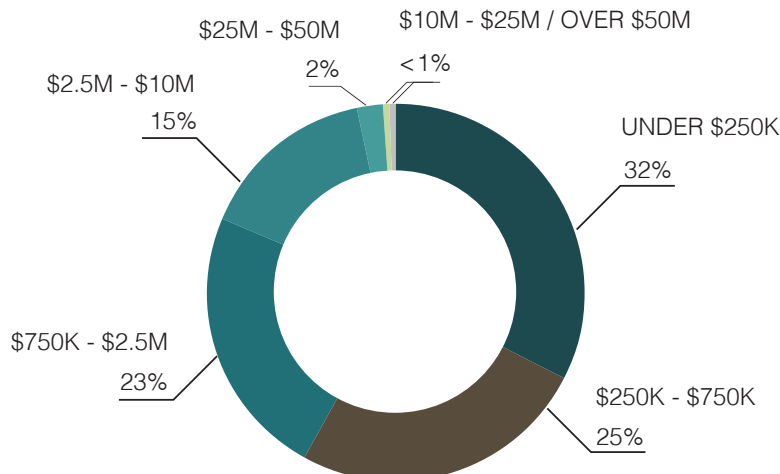
The participating organizations represent a cross section of mission area, budget size, and location in the state.

Q1. What category best describes your organization’s mission?

Mission Area	Percent of Respondents
Animal Welfare	4%
Arts, Culture and Humanities	15%
Community/Civic Engagement	3%
Education and Youth Development	23%
Environment and Public Spaces	4%
Faith-Based Organizations	1%
Foundations	1%
Health and Human Services	37%
Hospitality	1%
Housing and Affordability	2%
Other	1%
Science and Technology	Less than 1%
Unknown	9%

N=1147

Q2. Select your organization’s budget size.



N=154

Q3. What region of Florida do you serve?

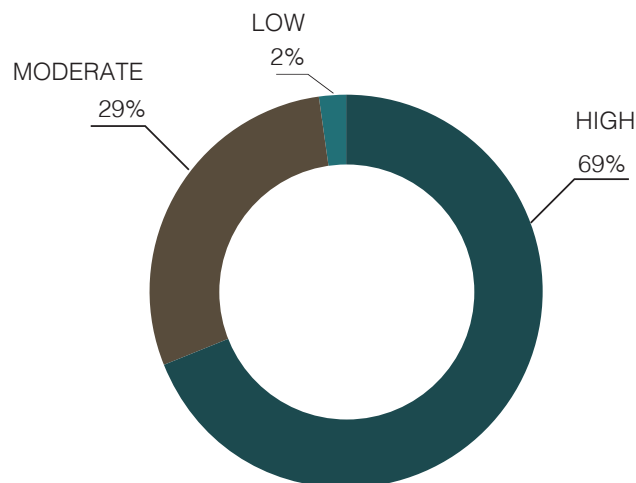
Region	Percent of Respondents
Big Bend	5%
Central Florida	2%
Tampa Bay Area	13%
North Central Florida	7%
Northeast Florida	9%
Panhandle	Less than 1%
Southeast Florida	23%
Southwest Florida	36%
Space and Treasure Coast	5%
Statewide	Less than 1%
National	Less than 1%

N=1235

IV. IMPACT ON ORGANIZATIONS - GENERAL

When asked to estimate the level of severity that any impacts are currently having or are predicted to have on the programs, services, or general operations of their organization, 98% of respondents selected high or moderate.

Q4. Please estimate the level of severity that any impacts are currently having or are predicted to have on the programs, services, or general operations of your organization.

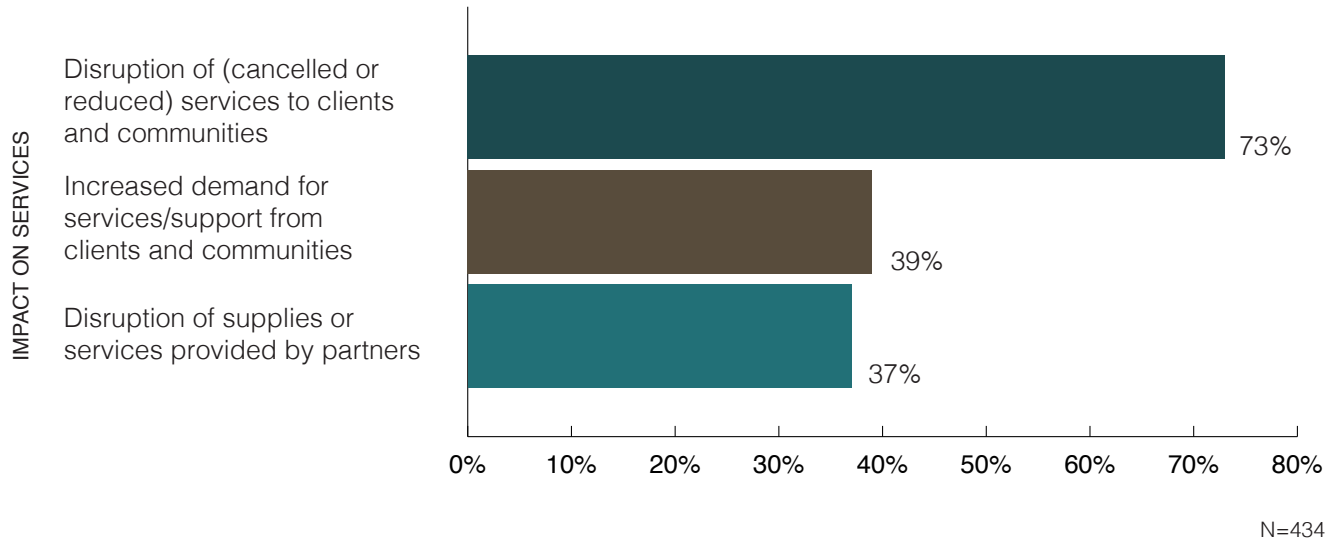


N=154

V. IMPACT ON ORGANIZATIONS AND CLIENTS - PROGRAMS

Organizations report significant impacts on their ability to provide services to their clients and communities, while more than 30% are at the same time seeing an increase on the demand for those services.

Q5. Which of the following impacts has your organization experienced or anticipate experiencing?
Select all that apply.



Nonprofits also shared the impact that their clients and communities were feeling as a result of the virus.

Over 10% of the organizations responding reported that their clients faced:

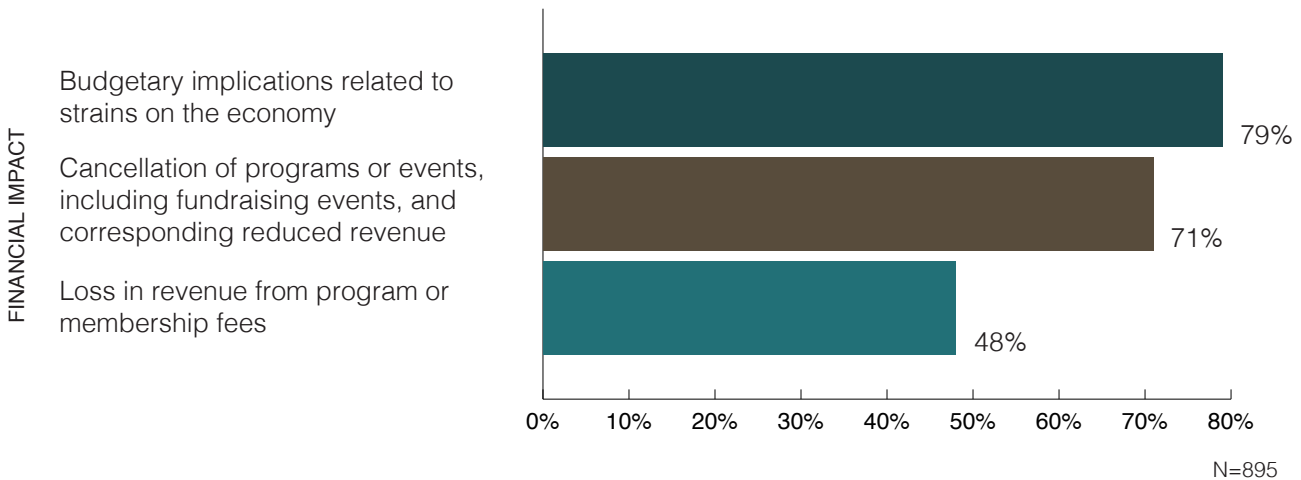
- A lack of food and supplies, including sanitizing supplies
- A loss of services, including cultural and environmental
- Financial strain on their families

Over 5% of the organizations responding reported that students are falling behind due to lack of services and limited technology access.

VI. IMPACT ON ORGANIZATIONS - FINANCIAL

The financial impacts that nonprofit organizations are experiencing are significant. Almost 80% are already experiencing budget implications, over 70% have cancelled programs or events which reduced revenue, and almost half have experienced loss in revenue from program or membership fees.

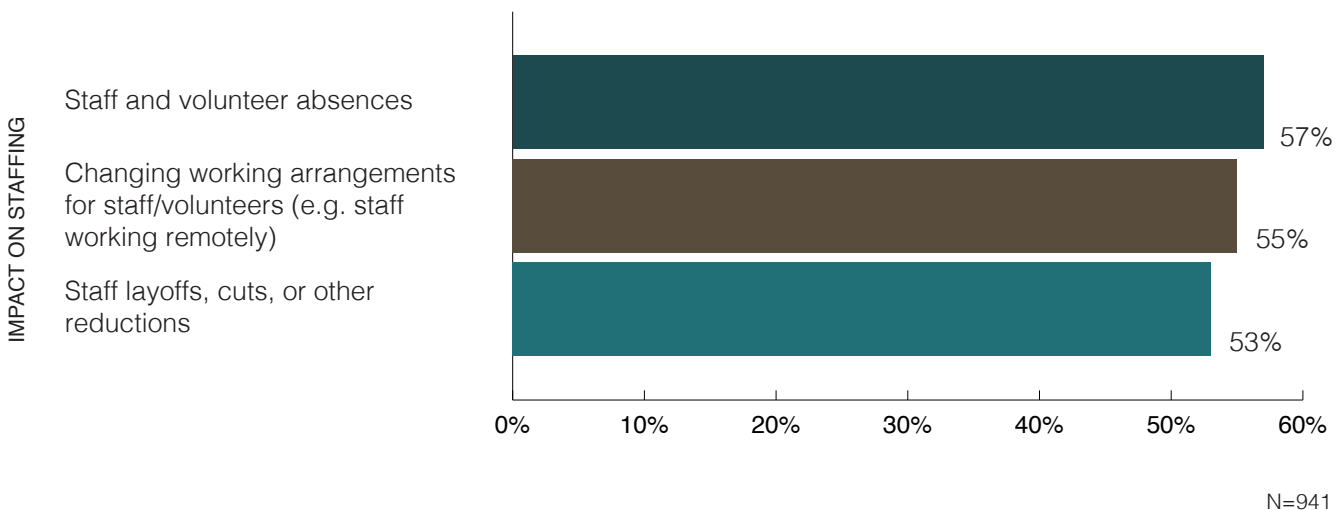
Q6. How has your organization been financially impacted by COVID-19? Select all that apply.



VII. IMPACT ON ORGANIZATIONS - STAFFING

More than half of the respondents have experienced changes to staff or volunteers. There is still a great deal of uncertainty about what will happen to staff if revenues continue to decrease – many organizations have either laid off or furloughed some of their staff, and many more may still have to make hard decisions about staffing in the near future. Some organizations are looking for resources to handle employee effectiveness and management while everyone works remotely. Others are looking for guides on how to discuss new financial realities with their staff.

Q7. How will your staffing change as a result of COVID-19? Select all that apply.



VIII. RESOURCES NEEDED - IMMEDIATE AND LONG TERM

Because of the various challenges organizations are facing, nonprofits can share both their immediate and long-term needs.

Their immediate needs are necessary to operate and survive in this new environment, continue to provide the services they can, and support their clients and communities. Immediate needs shared include:

Q8. What resources do you need?

Area	Specific Need
Advocacy	<ul style="list-style-type: none"> • Advocacy to state/local government on funding contract flexibility and reimbursement timeliness • Advocacy to state and federal government for inclusion in stimulus/relief packages • Advocacy to private funders for general operation grants and removing restrictions on current grants • Updates from state and federal government funding and legislation and their effects on nonprofits
Fundraising	<p>More than 10% requested:</p> <ul style="list-style-type: none"> • Alternate fundraising strategies to maintain revenue, including digital options <p>More than 5% requested:</p> <ul style="list-style-type: none"> • Philanthropic relief to offset lost revenue • Money/financial resources • Grant writing training <p>Other requests:</p> <ul style="list-style-type: none"> • Grant opportunities • How to fundraise in times of crises • How to communicate with funders/donors • Gap funding options that are not government sponsored
Government Funding	<ul style="list-style-type: none"> • Understanding of federal and state funding available • Help in applying for federal and state funding • Legislative interpretation and updates for all stimulus bills
HR	<ul style="list-style-type: none"> • Mitigating risks for employees in remote workplaces • How to humanely handle furloughs and layoffs • Updating HR policies • How to avoid layoffs

Area	Specific Need (continued)
Local Resources	<p>More than 5% requested:</p> <ul style="list-style-type: none"> • Ongoing local/regional calls and information • Closer communications among similar organizations <p>Other requests:</p> <ul style="list-style-type: none"> • Concise and clear list of local resources for financial and safety net resources • Testing availability
Operations	<p>More than 10% requested:</p> <ul style="list-style-type: none"> • Best practices in remote working, including managing people, accountability, and processes • Tips on leadership in tough times and maintaining morale • Crisis communications <p>Other requests:</p> <ul style="list-style-type: none"> • Best practices on cutting expenses, fiscal responsibility, and organization policies • How to safely interact with clients
Technology	<ul style="list-style-type: none"> • Access to web-based platforms and software at low or no cost • Guidance on which platforms are best for each organization • Hardware donations to support virtual working • Access to technology for clients, including internet access

N=340

In the longer term (six months to one year from now), more than 10% of responding nonprofits are concerned about:

- Loss of income due to cancellations, lost grant funding, and fees for services
- Reduced future funding (2020 and beyond)
- Reduced ability to provide programming
- Increased need for services

More than 5% of respondents are concerned, long term, about:

- Laying off staff
- Rebuilding
- Closing their doors

IX. RESPONSE

Florida Nonprofit Alliance remains committed and available to inform, promote and strengthen the nonprofit sector across the state.

To support organizations, FNA has already:

- [Created a toolkit](#) on the SBA loans and shared it with all registered nonprofits in the state of Florida through our partnership with Department of Agriculture and Consumer Services
- Reached out to our Congressional Delegation to share why nonprofits need more relief
- Created a Florida specific sign on letter for Congress and shared it with Florida's delegation to help pass the CARES act
- [Shared multiple letters and policy recommendations](#) with Governor DeSantis and State Agencies
- Created a [specific webpage for the virus](#) and [resources for our sector](#)
- Sent out numerous newsletters to keep nonprofits informed on the legislative process
- Participated in many calls with numerous partners regarding the state's response to COVID-19 as nonprofits grapple with how to proceed

Two MSOs – Edyth Bush Institute for Philanthropy and Nonprofit Leadership and Nonprofit Center of Northeast Florida – have responded by instituting weekly calls to help nonprofit executives discuss challenges and crowdsource solutions. Many have also setup resource pages on their websites, including Community Foundation of Sarasota, Edyth Bush Institute for Philanthropy and Nonprofit Leadership, Institute for Nonprofit Innovation and Excellence, Nonprofit Center of Northeast Florida, Nonprofit Leadership Center of Tampa Bay, and Nonprofits First.

X. TAKEAWAYS AND NEXT STEPS

It is clear that COVID-19 and the coronavirus have already had a significant, negative impact on nonprofit organizations in Florida. The research tells us that:

- Advocacy is more important than ever, to be sure that all government relief and stimulus bills include nonprofits
- The impacts of COVID-19 affect both staff and clients of nonprofit organizations
- The uncertainty and constant changes create stress for staff and clients
- There are not enough services right now to serve the needs of clients and communities
- Nonprofits and private funders/foundations must work together to improve both the short and long-term impacts
- Recovery as a sector will be long-term, and some nonprofit organizations will not recover
- Funding, especially unrestricted funding, will be vital to short and long-term recovery

Nonprofits have withstood major extended crises before, and with the public's trust and support, we will do so again. Survival and recovery will require funders to be nimble and for all of us to have open lines of communication and be receptive to innovation and creativity as we search for new ways in which we can fulfill our missions.



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ABOUT THE FLORIDA NONPROFIT ALLIANCE

The Florida Nonprofit Alliance (FNA) 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. FNA continually advances the nonprofit sector by releasing research that provides a better understanding of the sector. FNA uses advocacy to bring attention to legislative gaps, address needed reforms, preserve nonprofit resources, and more.

REPORT PREPARED BY

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Leah Donelan McDermott is the Program Manager for Florida Nonprofit Alliance. She has been working and volunteering in the nonprofit sector for more than 20 years. She specializes in helping organizations grow their capacity to meet their mission through training, leadership development, strategic thinking and planning, research, and processes and procedures implementation. Leah conducts and facilitates trainings on various topics including board roles and responsibilities; board governance and engagement; advocacy; starting a nonprofit organization; volunteer engagement; logic model creation; and trends in the nonprofit sector, among others.