

JULY 2020

# LOOKING FORWARD: HOW COVID-19 WILL AFFECT FLORIDA NONPROFITS

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FLORIDA  
nonprofit  
alliance

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# I. EXECUTIVE SUMMARY

In March of 2020, Florida Nonprofit Alliance (FNA) partnered with Florida Philanthropic Network and other organizations around the state to understand the impact that COVID-19 was having on nonprofit organizations in Florida. The report, titled [The Effects of COVID-19 on Florida Nonprofits](#), was published April 14, 2020.

Now, three months later, COVID-19 is still affecting all aspects of our society, and the number of cases is rising to record numbers across the state. Although there are still many unknowns about what the next few months and years will bring, nonprofit organizations are attempting to plan for the new reality and respond in a way that allows them to continue providing vital services in our communities. More than 1,800 nonprofits gave us updates on how COVID-19 is affecting them and how they are adjusting.

## Key Findings:

- Overwhelmingly, the number one issue for nonprofits in both the short and long term is access to funding.
- Nonprofits have been proactive in adjusting program service delivery to virtual or online platforms. However, this has also come with increased costs in the form of technology, training, and/or staff time.
- Impacts on nonprofit staffing have not been as severe as originally anticipated, likely because nonprofit organizations have been eligible for some federal relief funding. However, this could change once Paycheck Protection Program (PPP) funds are no longer available.
- 44% of nonprofits have successfully accessed some sort of government aid or relief.
- Looking forward into 2021, nonprofits are very concerned about the loss of income, which will reduce their ability to provide programming, while also anticipating an increased need for services.
- Nonprofits know that their clients are personally experiencing a number of impacts, including financial strain and mental health stress.

# II. METHODOLOGY

FNA conducted this research study from June 5-26, 2020. The survey tool was designed for 501(c)(3) organizations in the state of Florida. It was sent out electronically (email, social media, and website posting) to FNA members and newsletter subscribers and shared by the other management support organizations (MSOs) and community foundations around the state, as well as the Florida Department of Agriculture and Consumer Services.

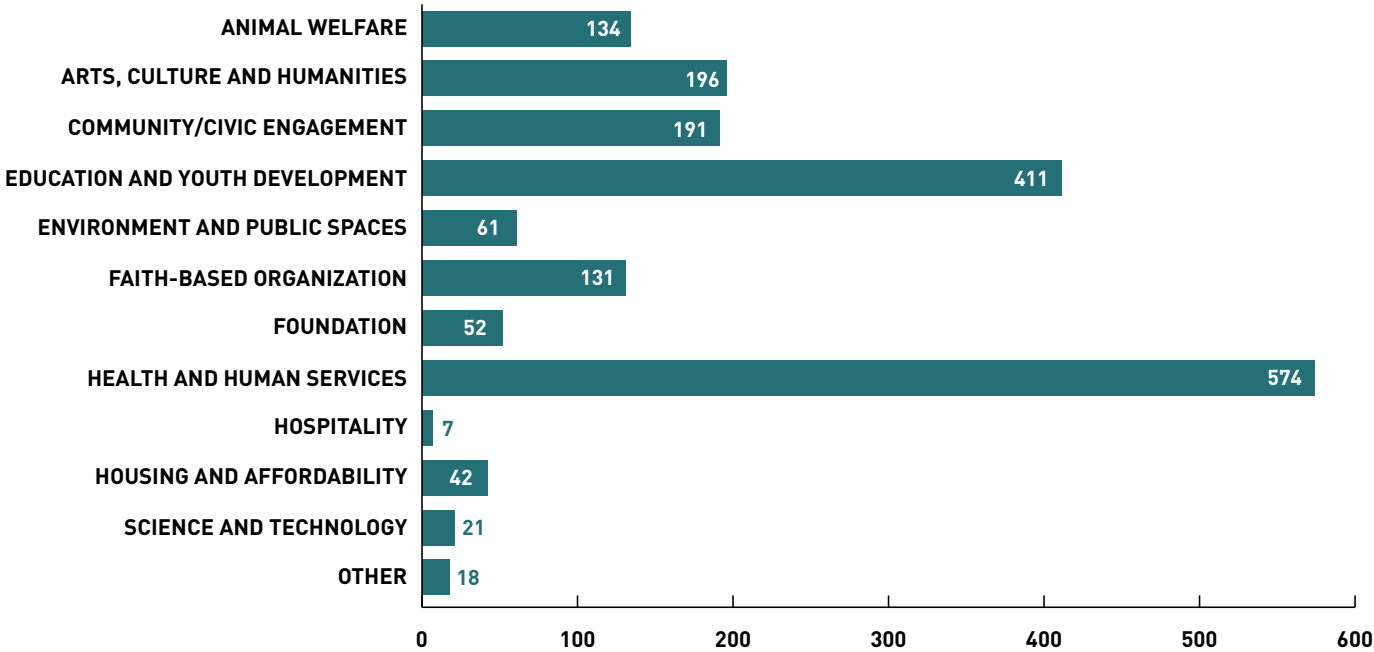
FNA received 1,838 responses – a 25% increase from the survey in the spring. Unless noted otherwise under the tables in this report, that was the number of responses for each question. Many of the questions allowed respondents to select all that applied, so percentages will total more than 100%. If you have any questions about this research, please contact Florida Nonprofit Alliance at [info@flnonprofits.org](mailto:info@flnonprofits.org).

### III. DEMOGRAPHICS OF SURVEY RESPONDENTS

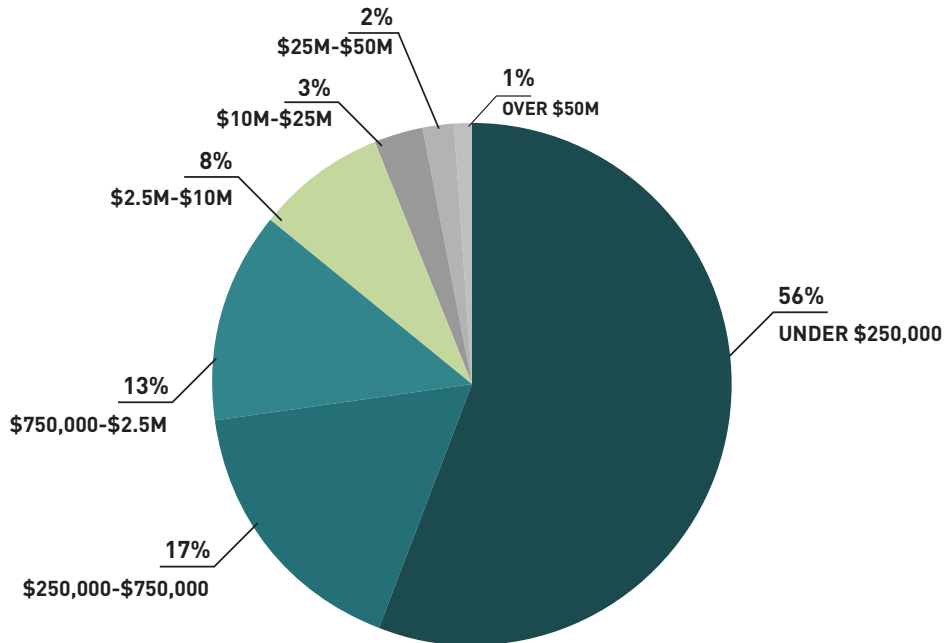
1,838 nonprofit organizations located in Florida responded to the survey. They represent a cross section of mission areas, budget sizes, and location served in the state.

The demographics in this report are similar to the demographics in the first report, with two exceptions. The first is that organizations participating this time tend to have smaller budgets – 55% of participating organizations have budgets of less than \$250,000, compared to 32% in the previous report. The second is that participants this time were more likely to serve statewide or nationwide – 12% and 11% respectively, compared to less than 1% for each in the previous report.

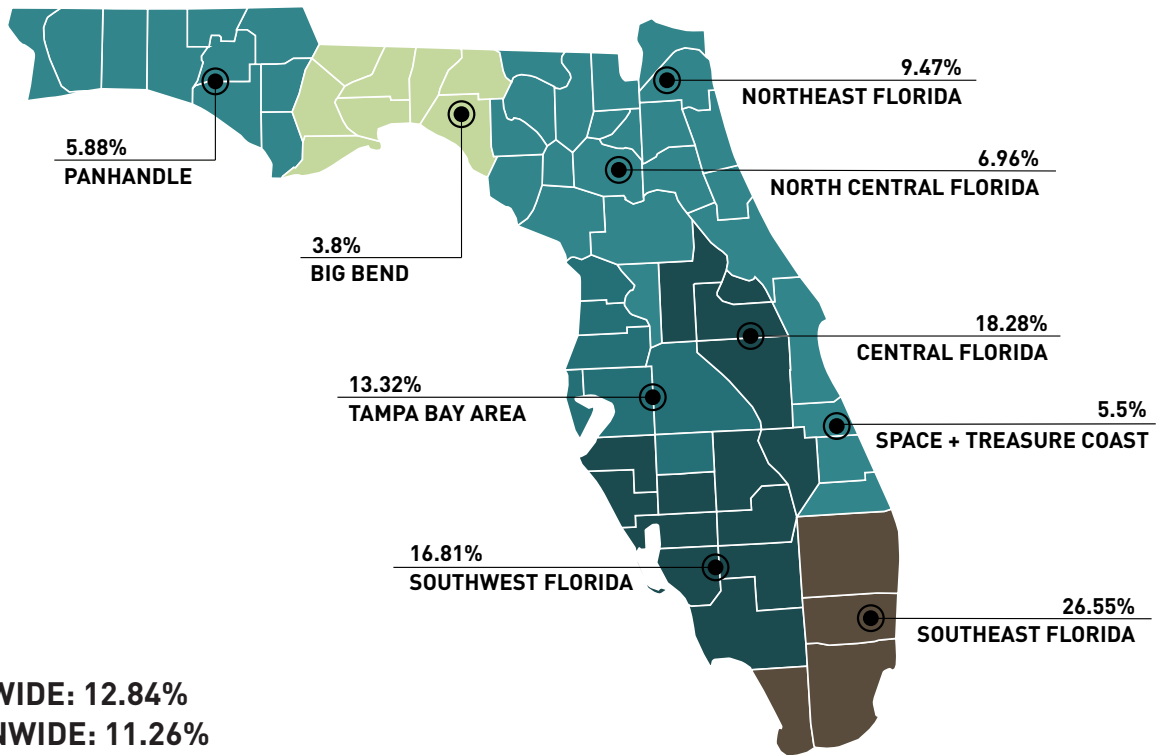
**Q1** What area best describes your mission work?



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



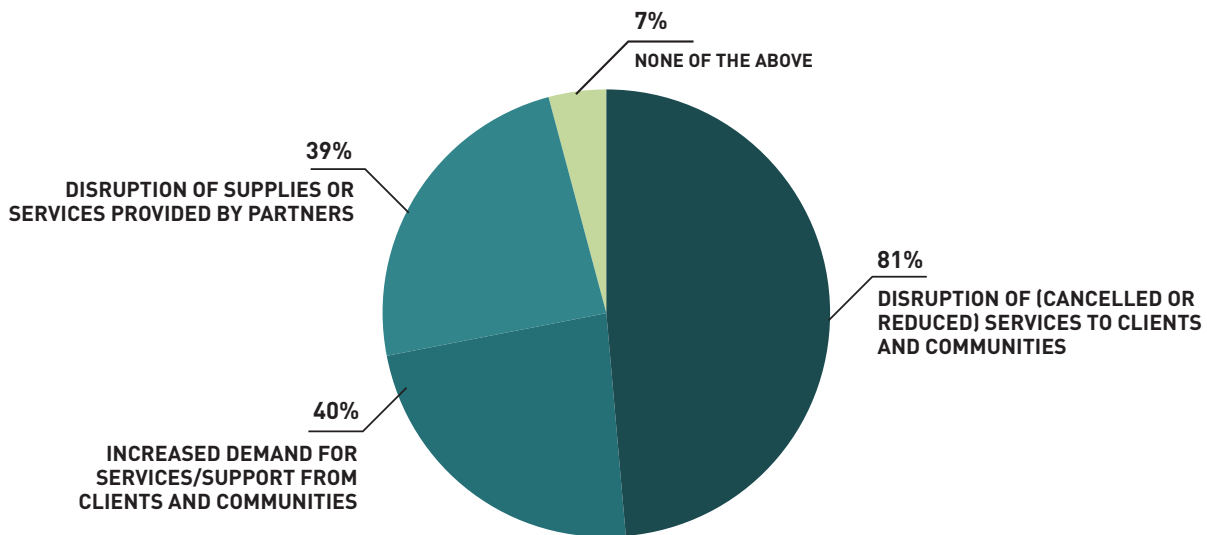
**Q3** What region(s) of Florida do you serve? Select all that apply.



## IV. PROGRAMMATIC IMPACTS

More than 93% of nonprofit organizations have experienced negative effects on their programs and services because of COVID-19. 81% have had a disruption in services, and almost 40% have seen an increased demand for their services.

**Q4** Which of the following programmatic impacts has your organization experienced as a result of COVID-19? Select all that apply.



These numbers are very similar to responses from the previous report; disruption of services went up from 73% to 81%. The disruption of services included everything from disconnecting with clients, stopping programs, and shutting down organizations.

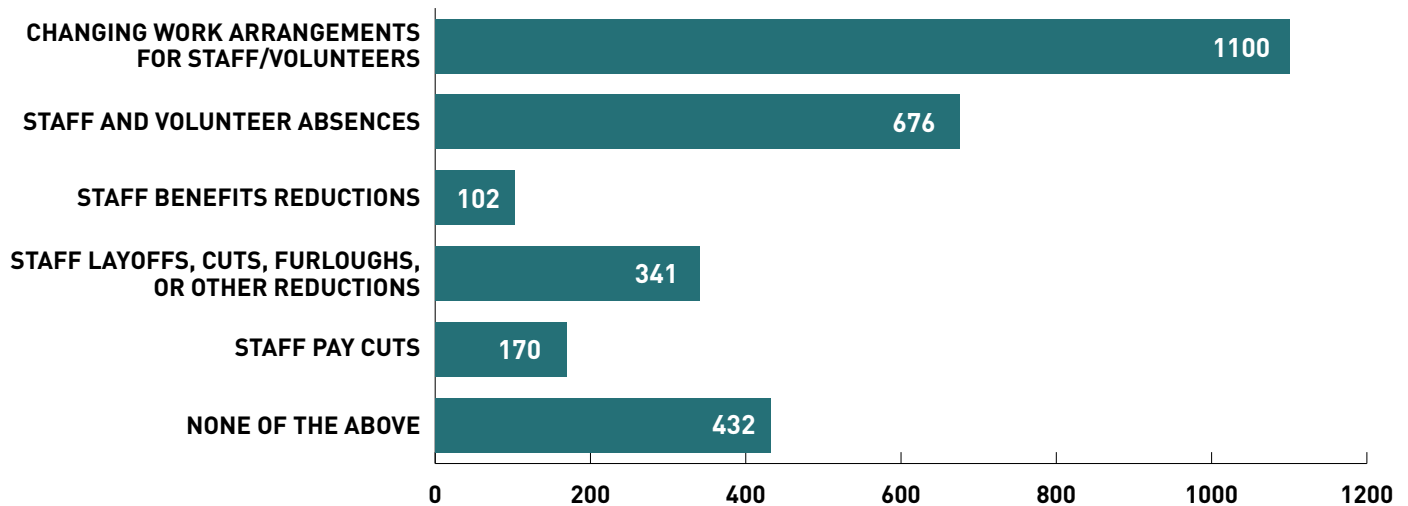
Examples of supplies or services provided by partners that have been disrupted include medication shortages, disruption in the food supply chain, and increased delivery times. The most common examples of increased demand for services and support include essential and safety net services, financial need, mental health counseling, and pet adoption.

Organizations also told us that they have begun to change their service delivery to virtual or online platforms.

## V. STAFFING IMPACTS

Fortunately for the sector and for the people it serves, more than 76% of nonprofits have not had to furlough or lay off any staff. Almost 2/3 of survey respondents have changed their working arrangements to allow for remote work from staff and volunteers or flexing work hours to account for children being home. 14% have cut salaries or benefits in response, including raise or bonus freezes.

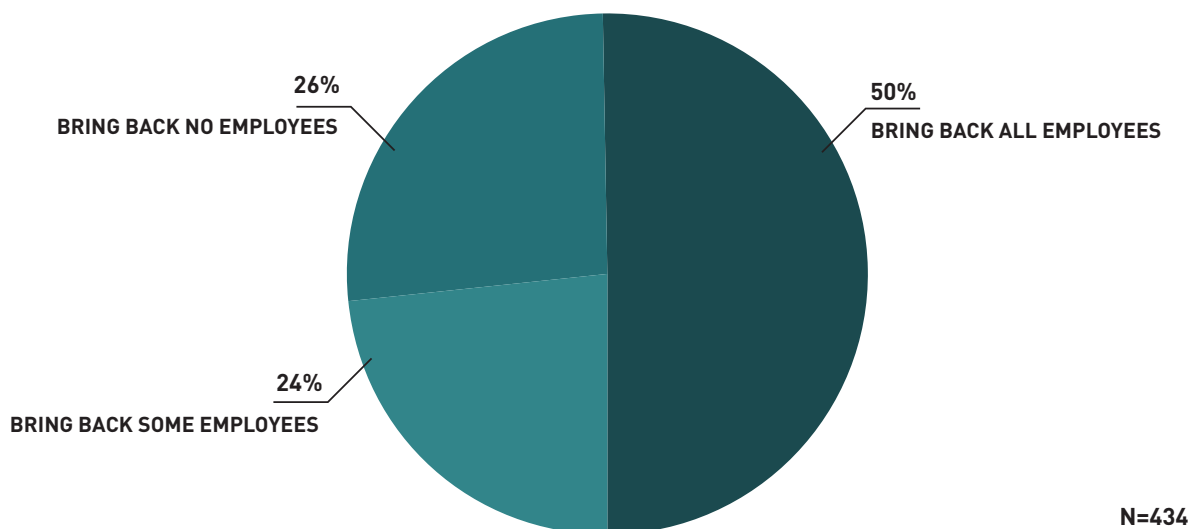
**Q5** How has your staffing changed as a result of COVID-19? Select all that apply.



Staffing impact changed dramatically from the first survey. Staff layoffs, cuts, and other reductions dropped from 53% to 18%, most likely because of nonprofit inclusion in the federal CARES Act funding, including the Paycheck Protection Program (PPP). Some nonprofits worry that this could change again as PPP funding expires.

Staff and volunteer absences dropped from 57% to 36%, with volunteer absences being a much bigger burden than staff absences. And changing work arrangements increased from 55% to 59% as the duration of the stay at home/safer at home mandates and campaigns took hold across the state.

**Q6** If you have laid off or furloughed employees, do you believe that in the next three months you will:



18% of organizations have laid off or otherwise reduced the size of their staff. The good news is that 73% of organizations that did reduce their staff anticipate bringing back all or some of them within the next three months.

Of note: at least 2% of survey respondents have no paid staff and rely solely on volunteers. With the current and anticipated changes in volunteering, including fewer opportunities, a lack of virtual volunteer jobs, and volunteers being in high COVID-19 risk populations, the services of those all-volunteer organizations will certainly be affected.

## VI. FINANCIAL IMPACTS

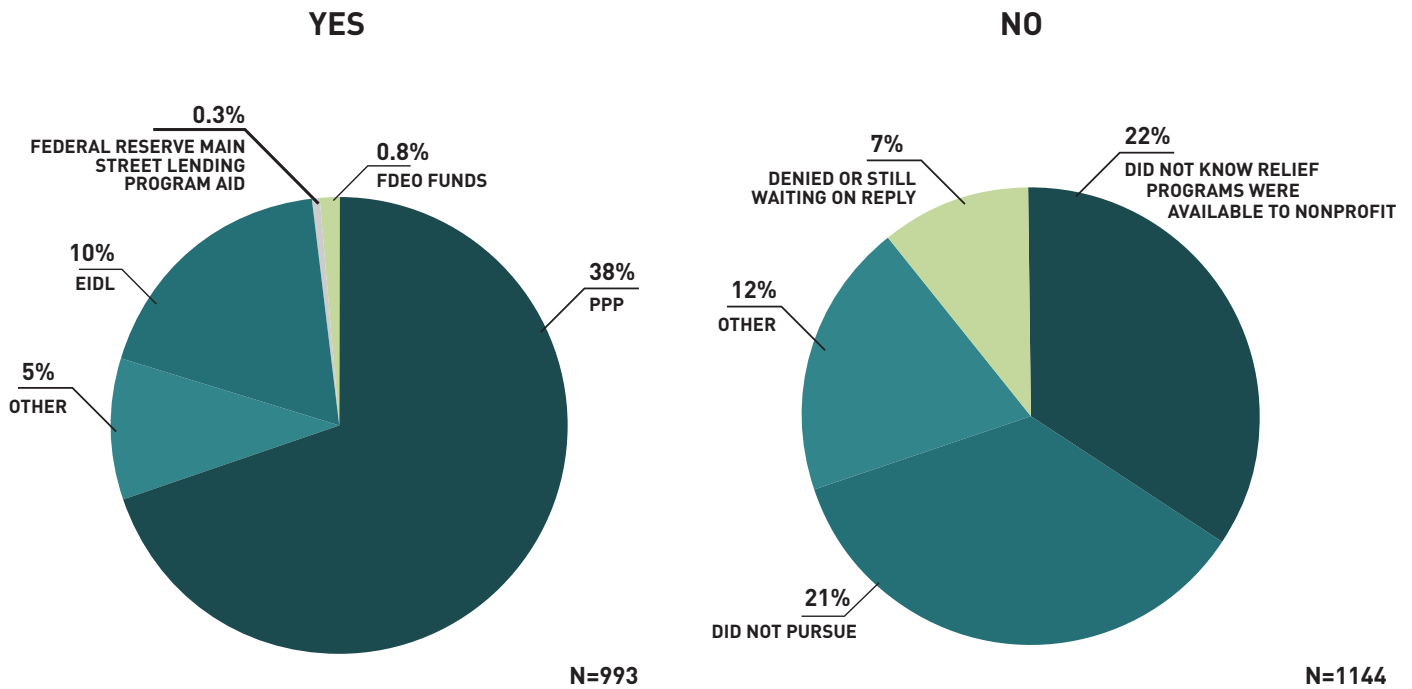
Many nonprofit organizations, like most other types of businesses, have felt financial repercussions from COVID-19. Thanks to the lobbying efforts of FNA, the National Council of Nonprofits, and other state nonprofit associations around the country, nonprofits were included in some of the COVID-19 relief packages at the federal, state, and local levels, which provided some relief.

When asked if they had successfully attained government aid or loans related to COVID-19, 44% of respondents said “Yes.”

The specific types of government aid or loans are described in the next table.



**Q7** Have you successfully attained government aid or loans related to COVID-19? Select all that apply.



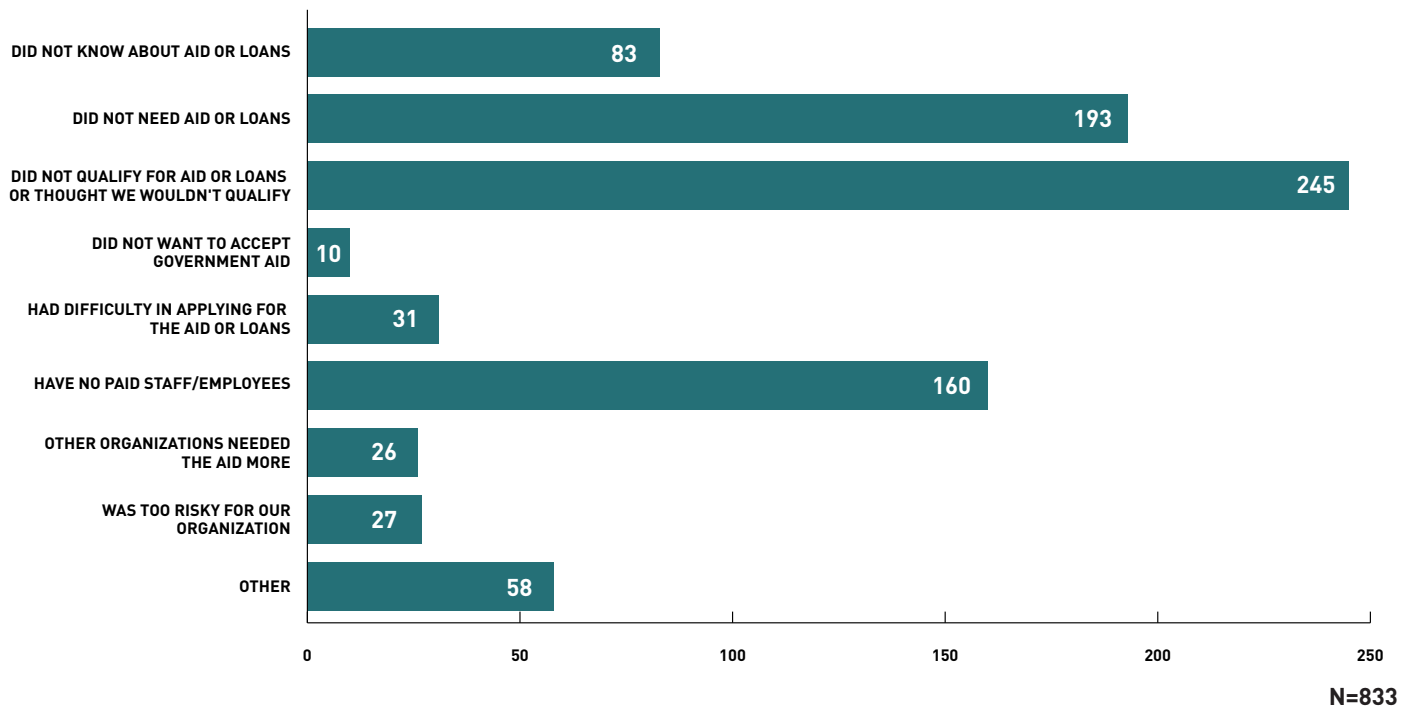
9% of respondents applied for more than one source of government aid. 5% applied for both EIDL and PPP funding and 2% applied for PPP and at least one other source of funding.

Of the more than 900 organizations that did not apply for government aid or loans, 833 provided an open response answer as to why they did not. Knowing that the relief and aid opportunities were available was not the issue. Because of the partnership between FNA and the Florida Department of Agriculture and Consumer Services, all nonprofits registered in the state received FNA's [COVID-19 Toolkit for Nonprofits](#), and more than 90% of survey respondents said they were aware of the aid available to nonprofit organizations.

The most common reason for not applying was that the organization either did not qualify for aid or loans or believed they did not qualify (29%), and the second most common reason was because the organization did not need assistance from the government (23%). 19% of respondents to this question did not have any paid staff and therefore either didn't qualify for or need aid or loans.

Of note – just over 3% of nonprofits specifically did not apply for funding because they believed other organizations needed it more. And the same amount – 3% - did not apply because they believed the government aid to be too risky for their organization.

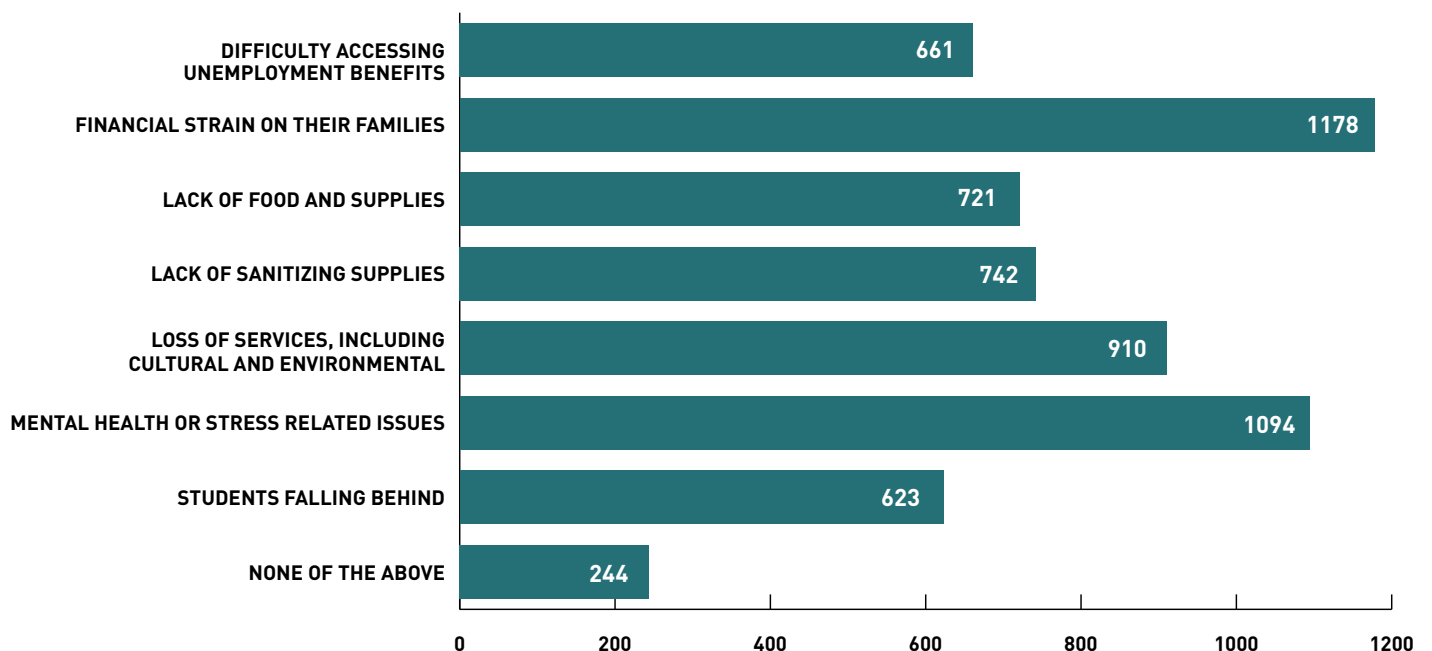
**Q8** If you did not apply for government aid or loans related to COVID-19, why not? Select all that apply.



## VII. CLIENT IMPACTS

The impacts that nonprofit organizations are seeing on the clients they serve are significant. 87% of organizations know their clients are experiencing at least one of the impacts below, with financial strain and mental health stress being the most common effects.

**Q9** What impacts are your clients/community residents experiencing? Select all that apply.



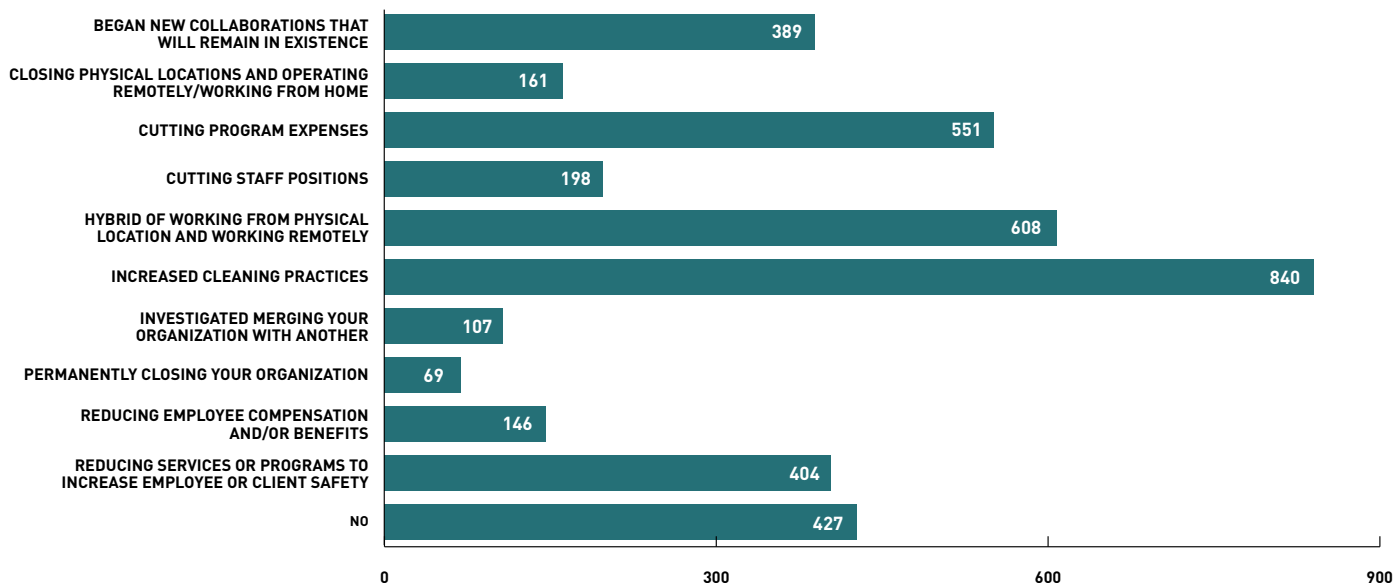
In addition to the impacts listed in the question, organizations also included the following as concerns for the people they serve:

- Health and medical access and costs
- Support for vulnerable populations, like people with disabilities, caregivers, abuse survivors, and the elderly
- Work force/job availability
- Housing and transportation access
- Pet care or surrender

## VIII. FUTURE CONCERNS

Nonprofits have made many changes and adjustments over the last three months, and some of those changes will become permanent. As of now, 23% of nonprofits view any changes made as temporary, and more are uncertain whether there will be any permanent changes. For many nonprofits, however, a hybrid of remote and in-person working and increased cleaning practices are very likely to become permanent.

**Q10** Have you made any changes that you anticipate being permanent? Select all that apply.

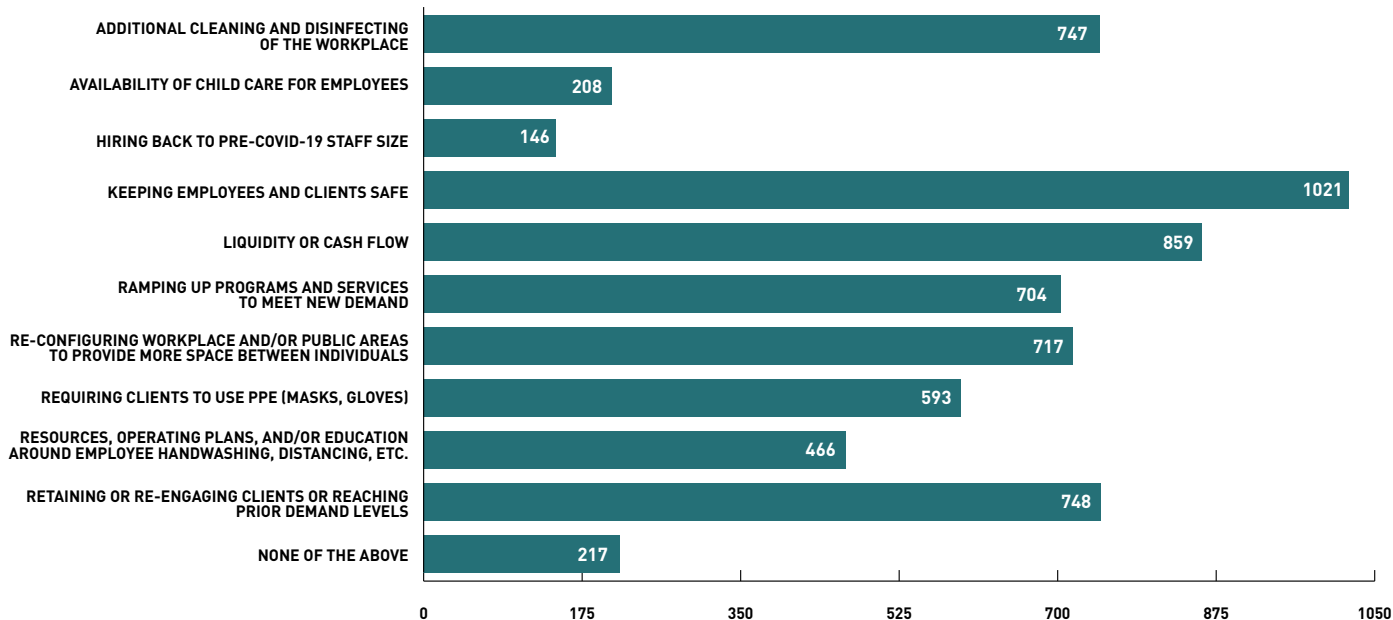


Looking forward, nonprofit organizations have concerns about re-opening their organizations and re-engaging with clients, operating over the next 12 months, and in budgeting for 2021.

Although a small number of nonprofit organizations never closed or closed only for a few weeks, most were closed for months. For those nonprofits who are planning for re-opening and re-engagement, one of the top concerns is how to keep their staff, volunteers, and clients safe. This includes reconnecting with past clients and/or reaching previous demand levels.

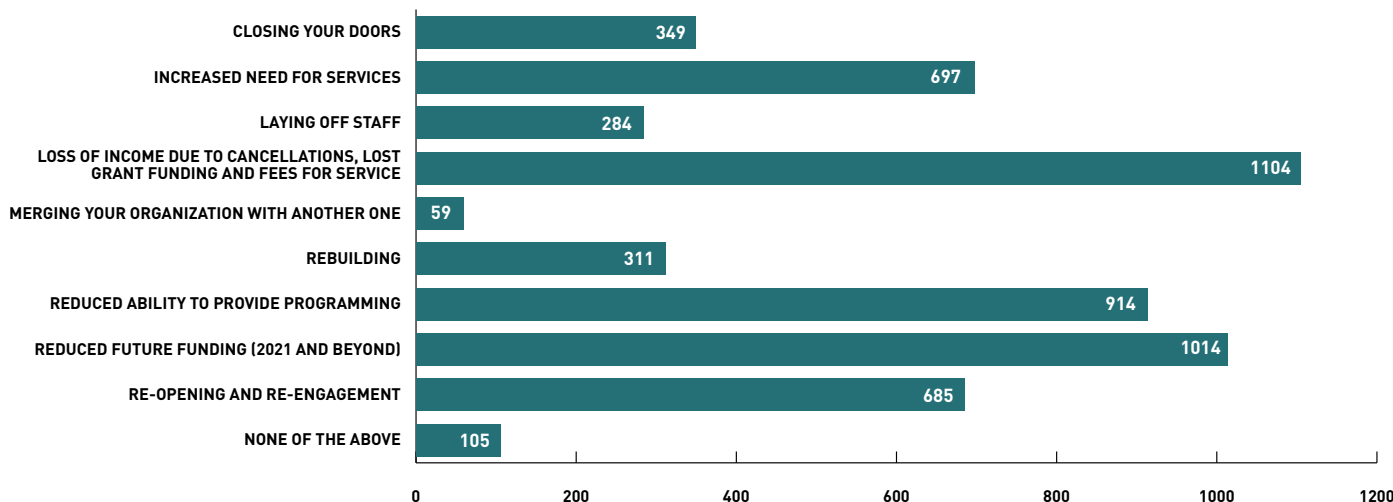
Nonprofits also anticipate having trouble re-configuring work spaces, adjusting programming, doing additional cleaning and disinfecting, and setting guidelines for personal protective equipment (PPE) use for staff, volunteers, and clients, especially since there is no uniform guidance on PPE use across the state.

**Q11** What concerns do you have about re-opening and re-engagement? Select all that apply.



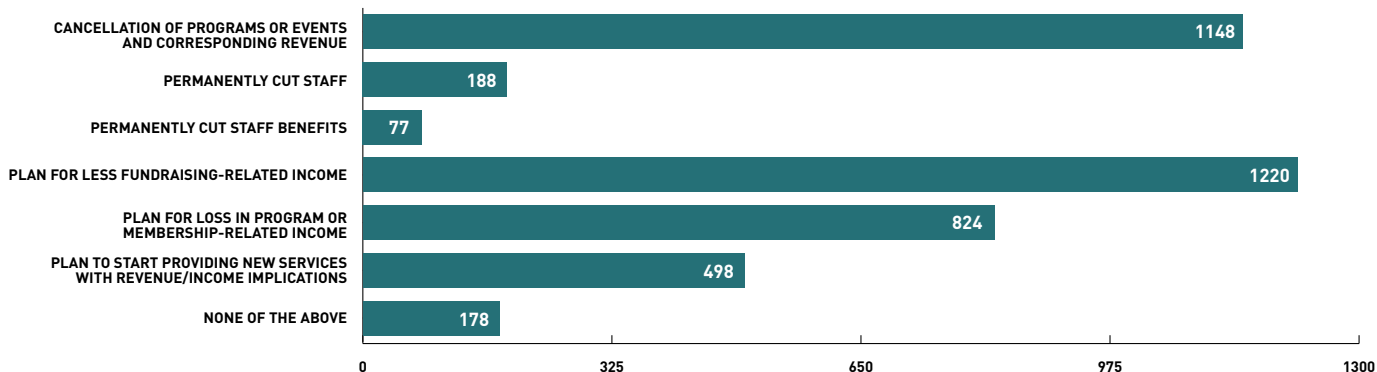
As nonprofits think about the next 12 months, they are concerned about loss of income that contributes to a reduced ability to provide programming, while also trying to plan for an increased need in services. They anticipate the loss of income to come from cancelled fundraising events, donor fatigue, fewer donations from individuals or businesses, and paying back relief loans (if they are not forgiven).

**Q12** What are you most concerned about for the next 12 months? Select all that apply.



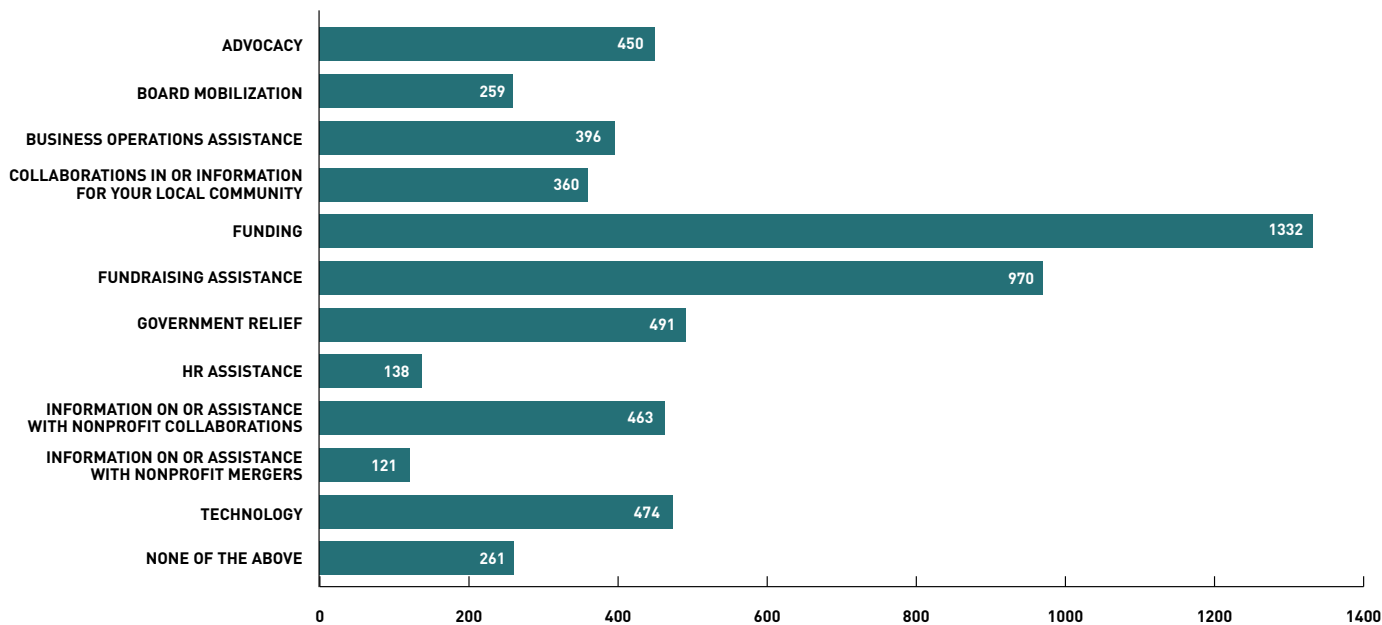
As the sector looks ahead to budgeting in 2021, the most common concern is the loss of income and revenue – from cancelled programs or events, less fundraising, and less program or membership-related income. Some organizations are also predicting an increase in expenses in 2021 related to greater demands for services, increased supplies or space needs, and program adjustments.

**Q13** How will COVID-19 affect your 2021 budget? Select all that apply.



Overwhelmingly, nonprofits are looking for assistance with obtaining funding. 72% need more funding, and 52% need fundraising assistance, while 26% are interested in government relief. Survey respondents are also looking for assistance with technology, collaborations with other nonprofits, and advocacy leadership.

**Q14** What resources and/or assistance does your organization need moving forward? Select all that apply.



## IX. TAKEAWAYS AND NEXT STEPS

We stated in April “it is clear that COVID-19 and the coronavirus has already had a significant, negative impact on nonprofit organizations in Florida.” That remains true. The sector now also has a better idea of the virus’s long term effects, and it is a bleak picture. Nonprofits, funders, and community members who volunteer their time and donate their dollars must work together to ensure the residents of Florida receive the services they need.

Based on this research, we recommend the following:

- Funding will be a serious issue for almost every nonprofit in the state of Florida. Encouraging foundations to give unrestricted grants, educating the general public on the importance of their donations, and advocating for the charitable deduction extension will help.
- Those actions alone will not solve the funding issue. Nonprofits must also think about new ways of providing services that generate revenue, collaborations and/or mergers, and other creative ways to either cut expenses or raise revenue.
- It is vitally important that nonprofits continue to be included in relief bills and efforts at the federal, state, and local levels, and nonprofits should engage in advocacy efforts to make sure that happens.
- The negative impact on volunteering may be significant in the long term, especially for those organizations with no paid staff. Most at risk are volunteer opportunities that can only be done in person or those that rely on volunteers most at risk for COVID-19, like people over the age of 60. Reimagining volunteer opportunities will also be important to keep people engaged with nonprofit work.
- Keeping clients, staff, and volunteers safe and healthy is key to being able to successfully carry out an organization’s mission, which means nonprofits need supplies, more cleaning, policies, and operating and communication guidelines in place to do so.
- Re-engaging clients may be difficult for an organization, including to in part because of individuals’ fear of being in public spaces. But we know people need services, so finding ways to provide additional virtual services and communicating about new guidelines is important.
- Although the number is small right now, there are nonprofit organizations that will not survive this pandemic or have already shut their doors. Nonprofits who close will need technical, and potentially financial, support.
- There are still many unknowns that make it hard to plan ahead – nonprofits will need to continue to monitor and adjust accordingly.

Our Florida nonprofit sector is important to the well being – and success – of our state. Florida Nonprofit Alliance stands ready to help nonprofits navigate the new reality.