NONPROFIT IMPACT SURVEY

Understanding the Impacts of COVID-19 on South Carolina’s Nonprofit Community
OVERVIEW OF RESPONDENTS

• 190 responses
• 55% of organizations have operating budget of less than $500,000
• 68% of organizations get more than 40% of their funding from one revenue stream - individual donations and grants are the top sources of revenue
• 42% of respondents have their employees working from home; 16% have had to lay off, furlough, or reduce employee hours
CASH FLOW / RESERVES

- Without additional funds, **54%** of participating nonprofits can last no more than three months (June)
- By September, **85%** of those responding will be out of money without additional resources
- No significant difference in reserves by organizational size

Q: Given the amount of cash you have on hand, how many months could you operate without additional revenue coming in the door?

- <1 Month, 10%
- 1-3 Months, 43%
- 4-6 Months, 29%
- 7-9 Months, 7%
- 10+ Months, 11%
NEGATIVE IMPACTS

96% of organizations have been or expect to be negatively impacted by COVID-19. Top impacts cited include:

Reduced revenue/contributions
- Unable to carry out programming and events that generate revenue
- Donations have drastically decreased
- Foundations/grantors delaying or cancelling grants
- Fundraising campaigns interrupted
- Clients unable to pay mortgage/rent
- Membership renewals decreased

Increased Expenses
- Extra costs associated with work from home technology, loss of volunteers, admin costs, etc.

Inability to effectively carry out mission
- Forced to close and unable to provide key services
- Progress toward goals and projects has stalled
- Shortage of volunteers
- Food supply chain issues
CAPITAL NEEDS

74% of responding organizations are in need of capital as a result of COVID-19:

- 42% would be interested in accessing a bridge loan or working capital loan
- 28% cited need for grant or forgivable loan
- 52% of the organizations who need capital said $100,000 or less in funding would meet their current capital needs
- Terms needed include low interest rates, long payment terms, deferred repayment plans, and quick deployment
KEY TAKEAWAYS

There is no one size fits all approach or solution.

A loan will not fit everyone’s needs. While many respondents are interested in accessing a working capital loan, many cited a need for a forgivable loan or grant, and a lack of comfort with debt funding. Both grants and flexible loans will be needed to meet the need for capital that exists.

We need to act quickly but think long term.

The need for capital will not end any time soon. We need to be thinking about two strategies: 1) how will we address the immediate capital needs that exist and 2) how will we support the nonprofit community long-term in the aftermath of this crisis.

Ongoing coordination and communication will be key.

This survey reveals a need for a coordinated cross-sector approach. To have a true impact financial institutions, foundations, government entities, and membership organizations will have to continue working together to understand and respond to the needs of the organizations we serve.
CONTACT
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