CNPE Check-In Survey:
How has the COVID-19 pandemic affected your nonprofit so far?
How will it affect you in the near future?

A survey of nonprofit/social impact organizations in Greater Louisville and Southern Indiana open from May 4 through May 8, 2020

May 21, 2020
Check-In Survey: Respondents and Results

CNPE launched a regional Check-In Survey distributed through its eNews, social media, and partner networks. The survey was live May 4 through May 8, 2020. Two hundred and twenty-seven organizations throughout Greater Louisville and Southern Indiana participated. The purpose of the survey was to gauge nonprofits’ experience since the COVID-19 pandemic began in March 2020 and what they expected to experience from May through July 2020.

Survey respondents represent a thorough cross-section of our nonprofit social impact sector. They ranged in staff size from under 6 to more than 100, with budgets ranging from under $250,000 to more than $25 million. 40% are in human services, while another 21% are in education, 16% are in the arts, and 8% are in health. Below are summary results, followed by the full report.

Highlights:

- **EARNED INCOME DOWN:** Nonprofits’ **earned income is down**: 78% of respondents reported a decrease in March and April, and 80% expect further declines in the next three months. **About one-third of respondents were expecting income declines of 50% or more.**

- **PPP LOANS SECURED; NOW WHAT?** 164 respondents – more than 7 in 10 – applied for **Paycheck Protection Program loans**; over half of respondents actually secured them. But we expect some will be challenged by the complex rules imposed on getting those loans forgiven.
Check-In Survey: Respondents and Results, continued

- **PROGRAMMING DOWN**: Respondents’ ability to deliver programming has been impaired. Only 9% reported that programming is “still on track,” though another 12% expect it to be on track in three months. Almost 3% of respondents to one question (6 out of 225) expect to be permanently closed by July 31. (But note that in a later question, only 1 respondent indicated that it “definitely will close or be merged into another organization – so this response should be considered in that light.)

- **STAFFING DOWN**: 37% of respondents have cut staff since February (and 10% by 75% or more). Another 26% expect to cut staff by the end of July; 12% expect to increase staff by then.

- **ACTIVITY UP**: About 40% of respondents report both that their workflow has increased because of the pandemic and they expect it to increase even further in the next three months.

- **OVERHEAD COSTS**: Respondents identified compensation & benefits, programming, and rent/mortgage as the three areas where they need the most funding support. This underscores the need for **more, not less, unrestricted funding from foundations and philanthropists**. Restricted funds take administrative resources to develop reports; these resources could be better spent shoring up nonprofits’ mission and impactful programming.
Check-In Survey: Respondents and Results, continued

- **MONEY AND FUNDRAISING TOP OF MIND:** 81% of respondents report that funding has become either somewhat harder or much harder than normal to secure. Organizations with budgets under $500,000 are having a harder time getting funding. A surprising note, organizations above $25 million are also struggling more when compared to the organizations in the $1-to-$10-million-dollar range (albeit a smaller sample size).

  When asked what they most need in a forced ranking, 86% named money from earned income and **contributed income** as their first or second choice, and another 63% named money from loans or **grants** as their first or second choice.

  And when asked what topic CNPE can help them with, **7 out of 10 chose “Fundraising”** – more than twice as many as the next-most-requested topic. Clearly, this survey shows a sector in serious financial distress.

- **EXISTENTIAL ISSUES:** We asked two questions about what happens next – whether respondents had considered how to manage the possibility of not being able to stay open through the end of the year, and whether they had any contingency plans to continue their mission. Depending on how the question was asked, between one and six respondents expressed concern that they might not make it through July – and **92% have no plans to continue their mission if their organization does not survive this crisis.**
What This Suggests

The nonprofit sector is even more critical now, as the public sector will face shortfalls in income that reduce already limited social services. As our survey shows, for many nonprofits, earned revenue and staffing are down substantially since the pandemic started. Yet for a plurality (40%), program activity has increased.

Almost all respondents are seeing both dramatic shifts in how they deliver their programs and major disruptions in the revenue streams that sustain them. Further, it is likely these trends will continue for the near and medium term. We expect these factors to impair the ability of our community’s nonprofit sector to deliver the impact needed. Normal operations will not be able to sustain these trajectories.

Instead, both the social impact sector and the philanthropic community will need to find new ways to work together with agility, creativity, flexibility, and close communication.

The nonprofit and philanthropic communities depend on each other to create the thriving community we all aspire to. On the following pages, we set out some recommendations for nonprofits, foundations, and philanthropists on how we all can move forward together.
What This Suggests, continued

**Nonprofits:**

- pivot and develop agility to operate long term
- find additional operational and program efficiencies
- develop new earned revenue streams
- find new ways to connect with donor bases
- communicate more openly with foundations and philanthropists
- co-create new ways to work together
- understand which organizations share your vision and have closely aligned missions
- consider new collaborations, partnerships – even mergers – to ensure that community needs are addressed
- explore “win-win” tri-sector opportunities (public, private, and nonprofit/social impact sectors)
What This Suggests, continued

Foundations and Philanthropists:

▪ bring nonprofits into conversations early to understand the needs and challenges they face
▪ co-create solutions with nonprofit organizations
▪ allow flexibility and fewer reporting requirements
▪ loosen or eliminate restrictions on giving
▪ support overhead capacity-building needs
▪ consider giving in excess of planned budgets to respond to the extraordinary need that has emerged
▪ pay special attention to communities that are least heard and resourced
▪ as appropriate, support nonprofits as they advocate for important public policy changes and funding resources at local, state, and federal levels
What This Suggests, continued

A little more than 70 respondents asked CNPE to follow up with them, most asking for advice on a range of HR, legal, and operational issues – and 7 out of 10 of them asked for help with fund-raising. In addition to providing the assistance requested, CNPE will use these requests to better understand how organizations are doing and how we or our partners might be able to help. This survey and follow-up conversations will also inform our convenings, advocacy, learning opportunities, and customized consulting program.

We will be sharing these survey results with the philanthropic community and other stakeholders so they are better informed about how nonprofits are coping as a result of the COVID-19 pandemic – and what their needs will be over the next few months.

Questions? Email Garrison Cox, our Senior Director of Strategic Communications and Marketing.

We thank all those who participated. Special thanks to Ben Donlon, Metro United Way’s Chief Analytics Officer, who offered invaluable help in interpreting our survey data.
This survey elicited responses from across CNPE’s footprint. About twice as many respondents cover Jefferson County as any of the other counties closest to it.

They represent Greater Louisville and Southern Indiana broadly.
Most of these categories are obvious, but two are not:

- **“Public/Societal Benefit”** nonprofits work in the areas of civil rights and civil liberties, community improvement, philanthropy and volunteerism, and voter education and registration. *Source: GuideStar.*

- In this chart, **“Other”** includes: Environment/Animals (4%), Religion-Related (2%), Mutual/Member Benefit (1%), and International/Foreign (1%)
Respondents’ annual operating budget for current (or most recent) fiscal year:

Answered: 226  Skipped: 1

- **Under $250,000**: 60 (27%)
- **$250,000-$499,999**: 30 (13%)
- **$500,000-$999,999**: 27 (12%)
- **$250,000-$499,999**: 25 (11%)
- **$1M-$2,499,999**: 41 (18%)
- **$5M-$9,999,999**: 23 (10%)
- **$10M-$24,999,999**: 9 (4%)
- **Over $25M**: 11 (5%)

40% have budgets under $500,000
52% have budgets under $1,000,000
70% have budgets under $2,500,000
80% have budgets under $5,000,000
Respondents’ staff size as of February 29 (pre-pandemic): full-time, part-time, contractors

One in 3 have fewer than 6 staffers
Almost 1/2 have fewer than 11
More than 3 in 4 have fewer than 21
Only 2 in 9 have more than 50
Clearly, nonprofits responding to our survey have been hurt by the pandemic, and 37% have had to lay off staff. Among those, 10% have had to cut staff by 75% or more.

By the end of July:

- 12% expect to further reduce staff by 25% or more, but
- another 12% expect to hire (or rehire) staff.

*Includes 1 respondent reporting an increase of 25%-49%

*Includes 2 respondents expecting an increase of 50%-74% and 1 respondent expecting an increase of 75% or more
Earned income has cratered since the pandemic started. More than one-third of respondents saw earned income fall at least 50%, and more than half saw it fall by at least 25%.

The picture in the next three months is even grimmer: The percentage expecting earned income to sink at least another 75% has shrunk to 18% – but 40% of respondents expect further decreases of 25% to 74%.

*9 respondents reported an increase: 7 saw an increase of 1%-24%, 1 saw an increase of 25%-49%, and 1 saw an increase of 75% or more

*13 respondents expect an increase: 8 expect an increase of 1%-24% and 5 expect an increase of 25%-49%
Change in contributed income from INDIVIDUALS

As among individual, corporate, and foundation giving, survey respondents saw the most marked decline in contributed income from individuals. Three in five respondents saw individual contributions shrink, and more than one in three by 25% or more.

The outlook through July is a bit worse, with two out of three expecting further declines. Interestingly, 13% expect contributions to increase by then.

*Includes one respondent reporting an increase of 50%-75%
Change in contributed income from CORPORATIONS

One in five respondents saw corporate giving decline by at least 50% since February, and almost half saw some decline.

While these declines are less pronounced than declines in individual giving, they are still problematic, as individual corporate gifts tend to be larger than individual gifts.

The outlook for corporate giving is a bit worse: three in five respondents expect further decreases, and twice as many respondents expect decreases of 25% to 49%.

*Includes 2 respondents reporting an increase of 25%-74% and 2 respondents reporting an increase of 50%-75%

*Includes 4 respondents expecting an increase of 25%-49%
On balance, foundations seemed to be holding steady since COVID-19 hit. Respondents report that one in three foundations decreased giving, while one in five increased it.

The outlook isn’t much worse from what respondents saw in the last two months: About two in five expect declines in foundation giving, while almost one in five expect continued increases.

*Includes 2 respondents reporting an increase of 25%-49% and 1 respondent reporting an increase of 50%-75%
These pie charts show how evenly respondents were split in describing the effect the pandemic has had (and will have) on their ability to deliver their usual programs and services.

About 40% said that the pandemic has affected (and will affect) their programs and service delivery either only slightly or not at all.

At the margin, though, it is notable — and alarming — that six respondents (out of 225) expect to be shut down by July 31.
Both in the last two months and in the next three months, about 40% of respondents—a plurality—reported that they were (or will be) busier as a result of the pandemic.

Exactly 40% of respondents identify as being in “Human Services,” and they may be the ones that responded that they are busier. Another 8% each said they are in “Health” or “Public/Societal Benefit,” and they could be part of the group that is finding their programs and services in higher demand.

Some of the respondents reporting “a lot less busy” may be in the 16% in “Arts | Culture | Humanities.” We hope they are able to get a lot busier soon.
What are your top three funding needs? (forced ranking; multiple answers allowed)

<table>
<thead>
<tr>
<th>Category</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>TOTAL</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff compensation and benefit costs</td>
<td>66.34%</td>
<td>23.41%</td>
<td>8.29%</td>
<td>0.49%</td>
<td>0.49%</td>
<td>0.49%</td>
<td>0.49%</td>
<td>205</td>
<td>6.51</td>
</tr>
<tr>
<td>Rent/mortgage</td>
<td>11.24%</td>
<td>32.58%</td>
<td>37.08%</td>
<td>5.62%</td>
<td>5.62%</td>
<td>5.62%</td>
<td>2.25%</td>
<td>89</td>
<td>5.12</td>
</tr>
<tr>
<td>Facilities maintenance</td>
<td>3.85%</td>
<td>23.08%</td>
<td>45.19%</td>
<td>14.42%</td>
<td>6.73%</td>
<td>1.92%</td>
<td>4.81%</td>
<td>104</td>
<td>4.78</td>
</tr>
<tr>
<td>Personal protective equipment for staff/clients/visitors</td>
<td>8.82%</td>
<td>14.71%</td>
<td>45.10%</td>
<td>8.82%</td>
<td>10.70%</td>
<td>8.82%</td>
<td>2.94%</td>
<td>102</td>
<td>4.64</td>
</tr>
<tr>
<td>Sanitation</td>
<td>3.77%</td>
<td>11.32%</td>
<td>11.32%</td>
<td>11.32%</td>
<td>26.42%</td>
<td>28.30%</td>
<td>7.55%</td>
<td>53</td>
<td>3.40</td>
</tr>
<tr>
<td>Programs</td>
<td>31.25%</td>
<td>56.00%</td>
<td>13.54%</td>
<td>2.08%</td>
<td>0.00%</td>
<td>3.13%</td>
<td>0.00%</td>
<td>192</td>
<td>6.01</td>
</tr>
<tr>
<td>Other</td>
<td>4.55%</td>
<td>7.95%</td>
<td>46.59%</td>
<td>3.41%</td>
<td>3.41%</td>
<td>4.55%</td>
<td>29.55%</td>
<td>88</td>
<td>3.75</td>
</tr>
</tbody>
</table>
Have you had trouble getting funding (from any source) since the pandemic began?

Obtaining funding has clearly become more of a problem.

81% of respondents report that funding has become either somewhat harder or much harder than normal to secure.
Have you applied for SBA loans or relief from other government sources since March 1?

**Answer Choices**

- Yes, we applied for a Paycheck Protection Program loan from the SBA.
  - 72.25%  164

- Yes, we applied for an Economic Injury Disaster Loan or Emergency Advance from the SBA.
  - 2.20%  5

- No.
  - 21.59%  49

- Yes, we applied for assistance from another source
  - 3.96%  9

**Total**

- 227
If you did apply for SBA loans or other relief since March 1, did you receive funds?

Answered: 211    Skipped: 16

Note: 72% of respondents applied for PPP loans, but only 72% of those who applied received funds. So only about 52% of respondents overall received PPP funds (72% of 72%). Another 6% applied for either EIDL money or funding from another source, and 2% got funding that way.
The COVID-19 pandemic has put the future existence of many nonprofits in doubt. How worried are you that you will have to close your organization before 2021?

Answered: 226    Skipped: 1

Note: In an earlier question, six respondents indicated that they would be out of business by July 1. We plan to contact the respondents to that question to clarify the response above, which shows only one respondent closing or merging.
Have you considered how to preserve your mission if your organization does not survive this crisis?

Answered: 219    Skipped: 8

Answers to this question indicate that most respondents expect to be continuing their mission indefinitely.

<table>
<thead>
<tr>
<th>ANSWER CHOICES</th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes. We have already identified at least one other organization that could take over our programming/services/mission.</td>
<td>2.29% 5</td>
</tr>
<tr>
<td>Yes. We have already identified at least one other nonprofit we could merge with.</td>
<td>6.42% 14</td>
</tr>
<tr>
<td>No. We have not considered it.</td>
<td>91.74% 200</td>
</tr>
</tbody>
</table>

Total Respondents: 218
What do you most need to restore your current mission/programming to pre-crisis levels? (forced ranking; respondents asked to pick top three)

Answered: 223    Skipped: 4
As noted, CNPE will keep survey responses confidential and will report only aggregated responses. But we are here to help you. What area(s) do you want us to contact you to offer help with?

Answered: 64    Skipped: 163

More than two-thirds of respondents chose “Fundraising” as an area of major concern.

<table>
<thead>
<tr>
<th></th>
<th>RESPONSES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ANSWER CHOICES</strong></td>
<td></td>
</tr>
<tr>
<td>Fundraising</td>
<td>68.75%</td>
</tr>
<tr>
<td>HR issues: retention, furloughs, morale, rehiring</td>
<td>23.44%</td>
</tr>
<tr>
<td>High-level legal advice on COVID-related issues</td>
<td>21.88%</td>
</tr>
<tr>
<td>High-level accounting advice on COVID-related issues</td>
<td>25.00%</td>
</tr>
<tr>
<td>Advice on business models, cooperative arrangements with other nonprofits, mergers, etc.</td>
<td>32.81%</td>
</tr>
<tr>
<td>Consulting on a specific issue</td>
<td>25.00%</td>
</tr>
<tr>
<td><strong>Total Respondents:</strong> 64</td>
<td></td>
</tr>
</tbody>
</table>
Connect with the Center for Nonprofit Excellence

CNPE has pivoted during the COVID-19 pandemic to support the nonprofit/social impact sector in Greater Louisville and Southern Indiana more fully than ever. We encourage you to check out our resources:

▪ Our Facebook Group, **Nonprofit Community Connection for Greater Louisville & Southern Indiana**; tagline: “Learning through Crisis to Build a Better World.”

▪ Our continually updated **COVID-19 Nonprofit Resources List** – a curated list of links with everything from official updates to HR issues to fundraising to self-care.

▪ Our **resource page** for the latest SBA forms and guidance.

▪ Access to **free consulting**.

Sign up for our **eNews blast** to stay current on fast-changing developments affecting non-profits in the region. If you are not already a CNPE member, please **join us**. And, whether you are a member or not, we welcome your **financial support**.