M E M O R A N D U M

TO: Chief of Staff

FROM: Mayor's Office of Policy

DATE: April 14, 2020

SUBJECT: FINAL Topline Findings from the COVID-19 Nonprofit Survey

Purpose

The purpose of the survey entitled *Rapid Response: PHL Nonprofits and COVID-19 Survey* is to help government officials and funders better understand how COVID-19 is impacting nonprofit organizations in the Greater Philadelphia region. The findings will be used to tailor response efforts to support our nonprofit community and ensure those in greatest need can access critical resources.

Executive Summary

Below is a summary of the responses to the Nonprofit and COVID-19 Survey from **its launch on Thursday, March 19, 2020 to its closing on Tuesday, April 14, 2020**. **Updates from the previous reports are highlighted in yellow. This is the final report as the response rate slowed to nearly zero and the survey is now closed (potential respondents will be redirected to the PHL COVID-19 Fund for nonprofits website).**

Please note that these reflect the experiences of the organizations who responded to this survey. While this provides important information that government and philanthropy does not otherwise have, this survey was made available by email lists, press release, and outreach efforts only. It may not provide a *representative* picture of the needs of the entire nonprofit community in Philadelphia.

Summary of Findings

- There are **466 (38.8%) complete responses** (included contact info) out of 1,201.
- Most organizations are **currently experiencing cancelled programs or events, disruption of services, and disruption of funding**. Organizations **anticipate that funding and cash flow disruptions and staff layoffs and furloughs will continue for up to the next 12 months**.
    - Nearly **75% of organizations anticipate losing either between 1-40%** of their **annual revenue**.
    - The biggest barriers to working from home are that **most services can only be provided in person and technology limitations**.
    - Almost **45% of organizations have 20 or more volunteers but have seen most of their volunteer participation cease**.
- **There are differences in current and anticipated impacts by primary field or service area.**
- Organizations want funders and donors to provide:
    - **Continued funding** to organizations whose revenue-generating activities have been disrupted
    - **General operating support** to fund continued operation and enable the adaptation of services to new realities
    - **Flexibility** in funding restrictions, grant deliverables and metrics, and reporting requirements
- Organizations want local and state governmental officials to assist with the following:
    - **Acquiring unrestricted financial support** for day-to-day operations
    - Providing **daily and timely information** from the City
    - **Reducing impacts on vulnerable populations**
    - Increasing **access to technology**
    - Maintaining **public safety** and continuation of **mental health services**
    - Issuing **post-pandemic plans**

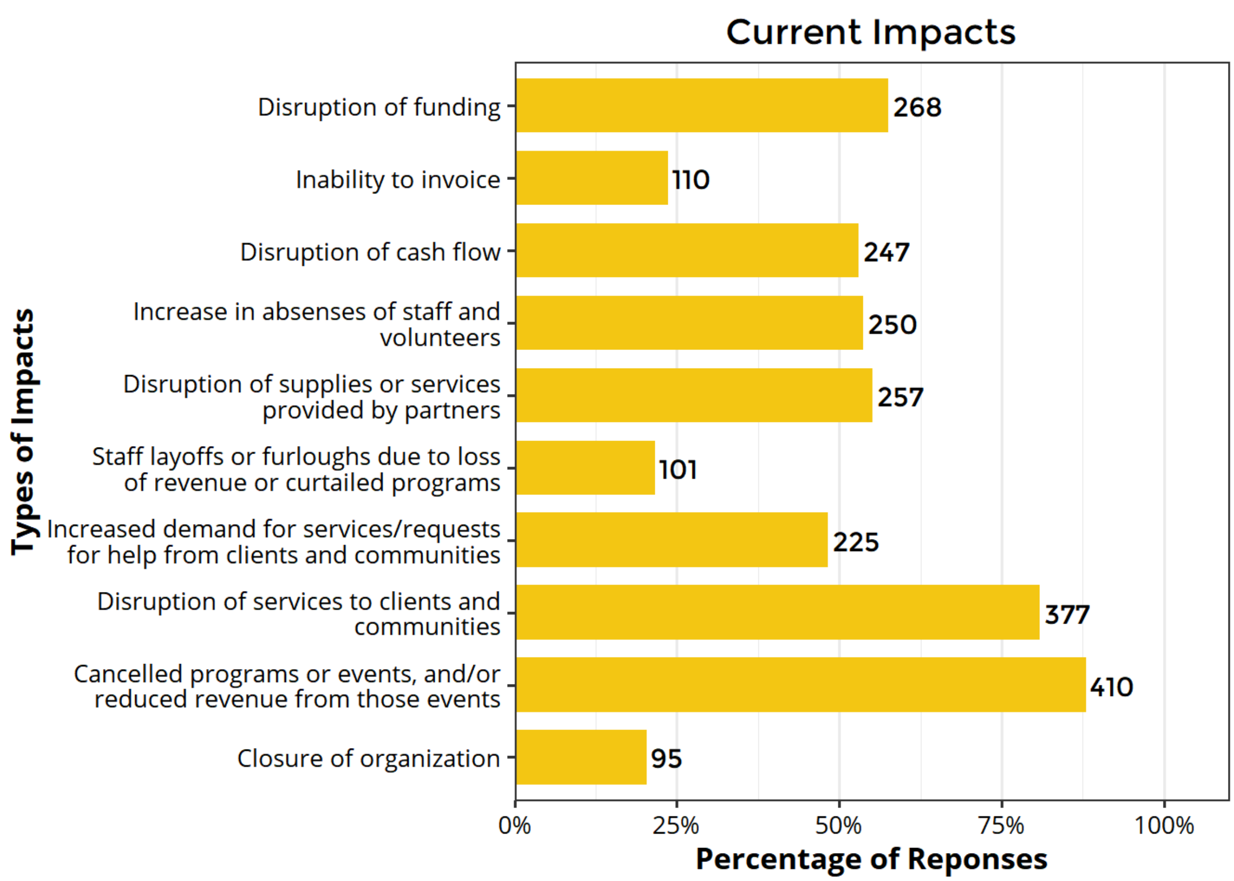
    - **Supporting arts and culture** organizations
- Organizations that responded later in time were reporting:
    - **Revenue concerns especially regarding long-term sustainability.**
    - **Anxiety of clients with the impact of social isolation.**
    - **Staff concerns for the lack of protective equipment and procedures** and finding **service delivery and quality severely hindered by the inability to have interpersonal communication.**

Current and Anticipated Impacts

Note: Differences by primary service / field are highlighted in the next section.

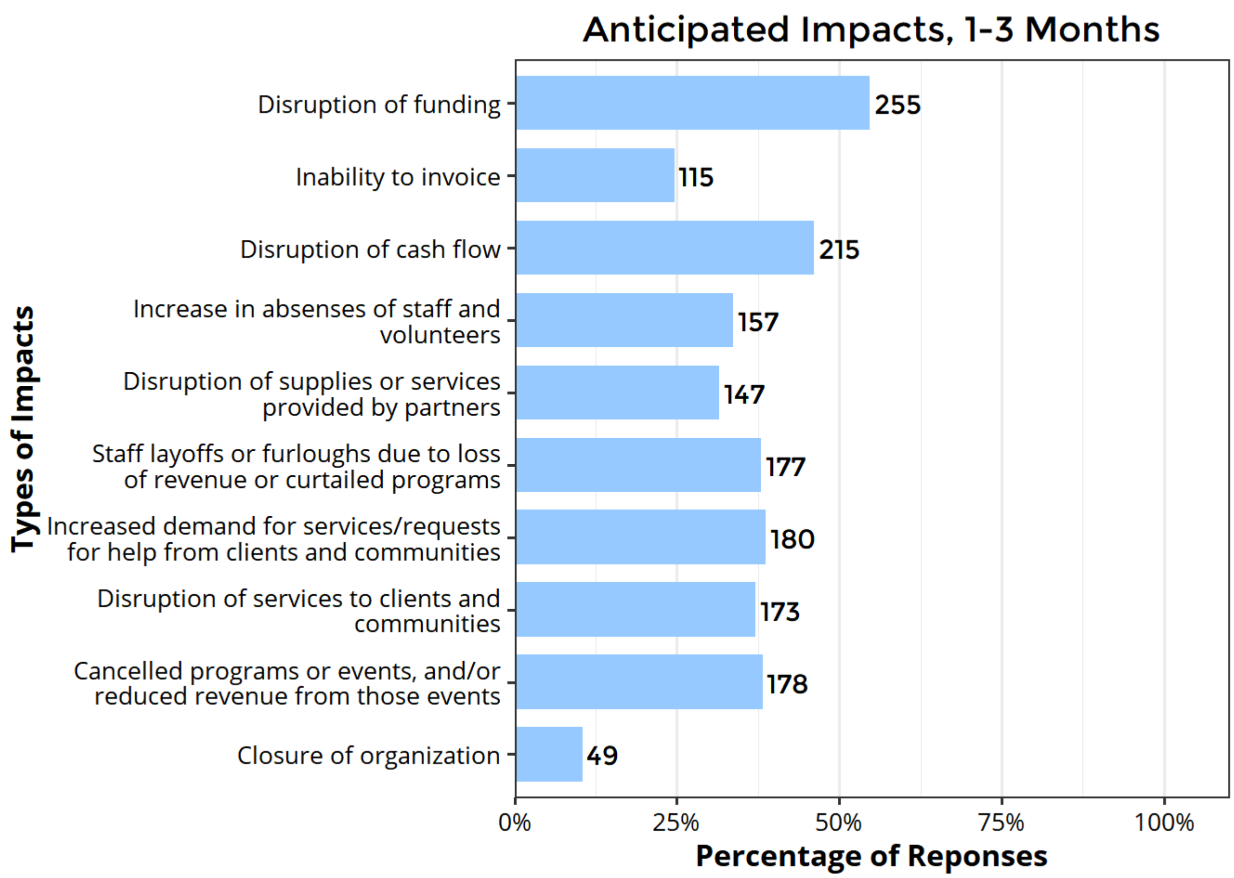
Currently Experiencing

- Over **75% of organizations are experiencing cancelled programs or events and disruption of services**. About 45% are experiencing the opposite with increased demand for services.
- **A majority of organizations are experiencing disruptions to financial and human resources**, specifically for funding, cashflow, staff and volunteer absences, and supplies and services provided by partners.
- Fewer organizations, around 20%, are experiencing inability to invoice, staff layoffs and furloughs, and closure of organization.



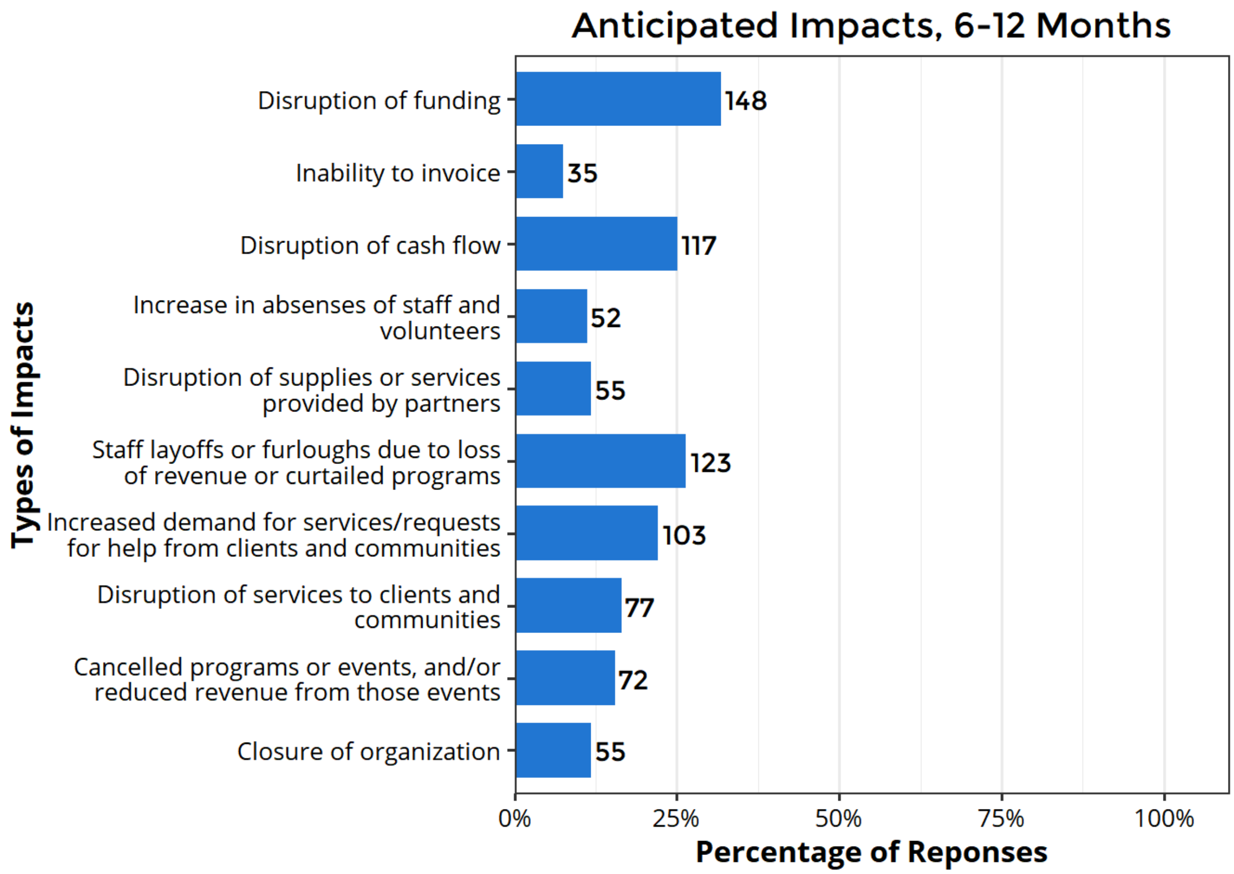
Anticipating in 1-3 Months

- Organizations are **anticipating fewer impacts in 1-3 months. A majority of organizations are anticipating disruptions to funding** and cash flow.
- About **one-third of organizations are anticipating disruptions to human resources and operations**.
- About 10% of organizations are anticipating having to close.



Anticipating in 6-12 Months

- Organizations are **anticipating even fewer impacts in 6-12 months**.
- About **25% of organizations are anticipating continued disruption of funding, cash flow, and staff layoffs or furloughs**.



Other Impacts

Common impacts across all organizations:

- **Increased costs** (i.e. to provide essential services, shift to work from home, emergency and cleaning equipment and supplies, etc.)
- **Restructuring of services** (i.e. shifting to help with the emergency and immediate response and relief, moving to remote services, etc.)
- **Decreased demand for services** (i.e. childcare, after school programs, etc.)
- **Changes to the whole industry** and from the upcoming **recession**

- **Shifts in populations served** (i.e. adding populations who may have lost employment, need basic resources, etc.)
- **Facilities management/security concerns** (i.e. ability to care for animals, plants, etc.)
- **Increased need for staff** (due to staff absences, increased services, etc.)
- Some impacts that were mentioned a once or twice were:
  - Delays in payments from partners (due to closures, reduced services, etc.)
  - Lack of clear communication / policy decisions (i.e. from funders, government officials at different levels, etc.)
  - Travel disruptions (i.e. cancelled tickets, etc.)

Organizations that responded later in time are experiencing:

- **Revenue concerns** (i.e. concerns of sustainability and ability to pay staff due to the lack of revenue as upcoming programs and services have also been cancelled)
- **Increased anxiety of clients and staff** (due to the uncertainty of the situation, concerns of long-term impact on themselves, their families, and the people they serve)
- **Lack of protection for employees** (i.e. lack of protective equipment and procedures to be able to continue crucial services or programs)

Current and Anticipated Impacts by Primary Field / Service

There are differences in current and anticipated impacts by primary field or service area.

- Organizations focused on **human services are experiencing and anticipating more demand for services** compared to average organizations. They are also **anticipating more disruptions of supplies and services provided by partners.**

- Organizations focused on **arts, culture and humanities are experiencing more disruptions of funding, human resources, and operations** compared to average organizations, especially **disruption of cash flow, staff layoffs or furloughs and closure of organizations.**

- Organizations focused on **education are anticipating more disruptions of funding, cash flow, and services to clients and communities, inability to invoice, and cancelled programs or events** compared to average organizations.

- Organizations focused on **health are experiencing more disruptions of funding, cashflow, and supplies provided by partners but anticipating less disruptions** compared to average organizations.

- Organizations focused on **public, societal benefit, or advocacy are experiencing increased demand for services and closure of organizations** compared to average organizations.

- The other primary service / field categories did not have significant differences or enough respondents.

Number of Employees/Volunteers (on average, in the past 12 months)

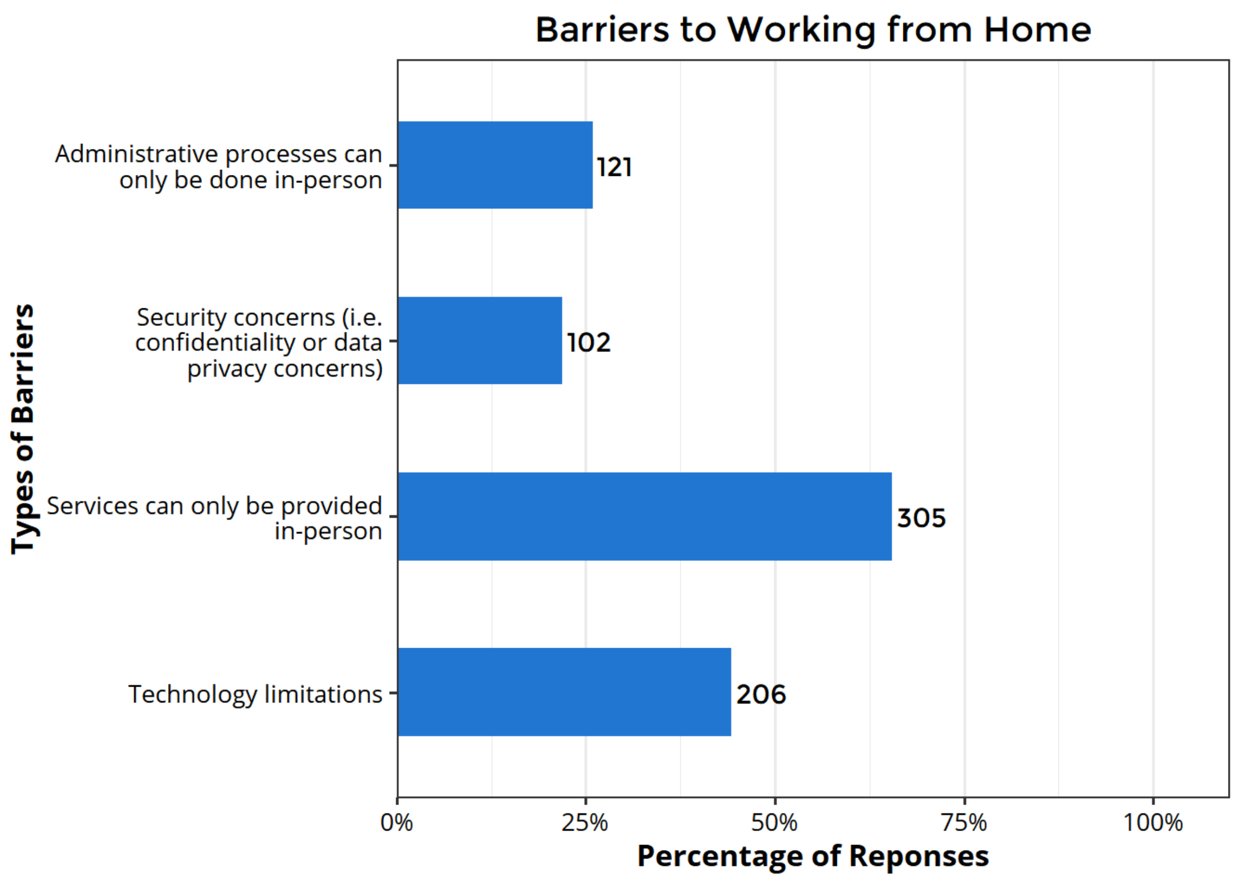
- Most organizations **have few employees**, between 1-20 each of full-time salaried and part-time hourly employees. Few organizations have full-time hourly staff.

- Most organizations have **many volunteers, between 20-100+.**

- Few organizations have contracted staff, and of those who do, most have very few (between one and four).

Barriers to Working from Home

- The **top barrier to working from home was that services can only be provided in person**, about 65% of organizations.
- **Technology limitations were also a significant barrier**, about 40% of organizations.
- About 25% of organizations reported that the fact that administrative processes can only be done in person is a barrier, and about 20% reported security concerns as a barrier.



Other Barriers

Common barriers across all organizations:

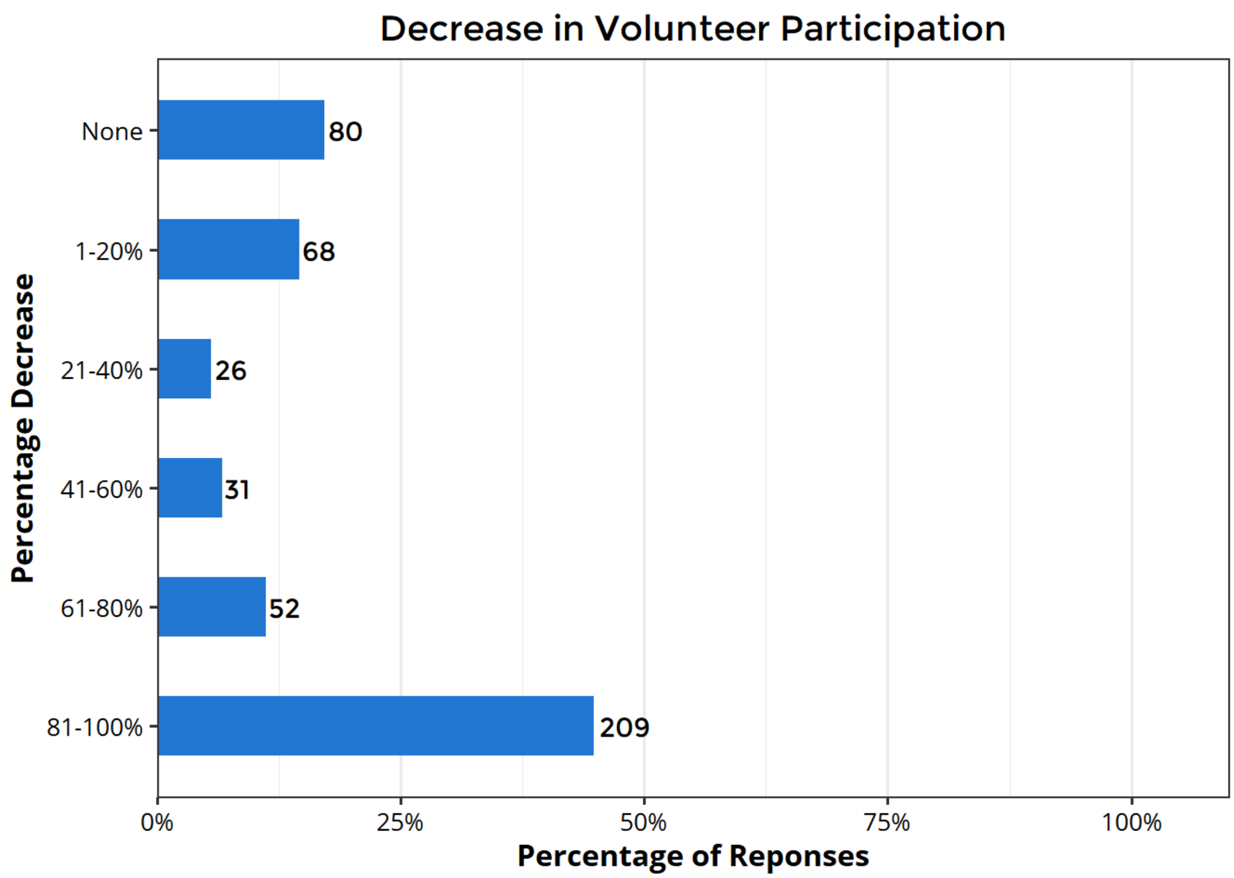
- **Clients having technology** (i.e. clients do not have internet/phones, so remote services are not possible)
- **Stress/distractions and lack of space at home** (i.e. care of young children at home)
- **Partners organizations and sites are following various protocols** (i.e. schools closed)
- **Some staff can work on site with proper social distancing** (i.e. in warehouses, etc.)
- Some barriers that were mentioned a once or twice were:
    - Protocols prohibiting work from home.
    - Insurance concerns prevent change in service procedures.
    - High cost of purchasing work-from-home technologies.
    - Language barriers of staff.

Organizations that responded later in time are experiencing:

- **Service delivery and quality severely hindered by the inability to have interpersonal communication** (i.e. teletherapy is not the same as in person therapy)
- **Receiving and sending mail** (i.e. for finances, pre-made meal packages)

Decrease in Volunteer Participation

- About **45% of organizations have seen most of their volunteer participation cease**.
- The rest are experiencing varying degrees of disruption from none to 80%.



What They Would Like Donors and Funders to Know

- The top priority that organizations want donors and funders to know is that COVID-19 has **disrupted their funding,** limiting their ability to fundraise and/or to earn revenue. Uncertainty about future funding from all sources (individuals, foundations, government, events, ticket sales etc.) and cash flow is a concern.
  - Increasingly, organizations are concerned about their ability to generate **revenue in the longer term**, beyond the immediate disruption. Some organizations are **concerned about their long-term sustainability** if they are not able to secure revenue soon.
- The crisis has also caused some organizations to be **unable to provide services** and/or to **cancel events or programs.** A number of organizations are limited in their services because of having **reduced availability or use of volunteers**.
- At the same time, many organizations are **adapting their services**, including by providing services remotely, reducing services (but remaining open), and pivoting to providing basic needs or supplies. Some are also experiencing **increases in demand** (especially emergency food and housing providers) and **new technology needs** (for staff and participants).
- To meet their ongoing needs and address new challenges, organizations are seeking **general operating support** and **flexibility** from funders, including by allowing them to convert restricted funds into unrestricted and relaxing reporting requirements and timelines. Organizations want funders to **continue to provide funding** in order to meet new supply needs and other costs and help them stay afloat in uncertain times until they can resume regular programming and/or meet increased need after the immediate crisis has subsided.
  - Some organizations are already **unable to pay staff or contractors** or **concerned about their ability to do so in the near future** and they are concerned about needing to continue to **pay operating expenses** like rent, utilities, and administrative costs.
  - Arts and theater organizations in particular are concerned about the extent to which their programming **relies on large gatherings and the labor of freelance artists** to be viable.

- Organizations expressed concern with the **impact of social isolation on already vulnerable populations' material and emotional well-being,** as well as the impact of **stress and anxiety on their workforce** who are continuing to provide services.
    - Some organizations are concerned about **lack of protective equipment** for staff who are continuing to provide in-person services.

What They Would Like Local and State Government Officials to Know

- The top priority that organizations want local and state government officials to know is the severity of need for **financial support**. This includes funding to remain open to serve vulnerable populations, and unrestricted grant dollars and direct relief to support day-to-day operations. Many programs have already cancelled a substantial number of programs and have started to lay off staff.

- How local and state government officials communicate with organizations is of prime importance. Organizations are looking for **clear, concise, and daily communications**, which are **translated in multiple languages** that address the latest developments on COVID-19; how to access relief being provided; intolerance of xenophobic behavior; and how residents can connect with services that are still in operation.

- Organizations highlighted **disparate impacts of COVID-19 on vulnerable populations,** and how the crisis is exacerbating the structural and systemic inequalities that existed before the pandemic. They emphasized that responses must consider long-term impacts, and that those most impacted by these inequities must be at the table. This will be especially true during recovery, when measures like evictions, utility shut offs, and other punitive legal actions resume.

- Organizations want local and state government officials to understand that there are **barriers to technology** and barriers to access to work-from-home technology platforms. This includes the digital divide facing students from online learning, and organizations that need support in order to provide information and services virtually.

- Organizations have concerns about **how the City will sustain their safety and the public's safety.** Organizations expressed uncertainty about what to do if a staff member contracts COVID-19, especially if the services they are providing are critical to residents. Prioritizing the development of quarantine plans for all front-line staff in service organizations, and post-pandemic plans for the city as a whole should be made a priority.

- Organizations expressed **concern for the survival of arts and cultural organizations and** have communicated that they want to hear from local and state government officials about these organizations specifically.
- Organizations already receiving public funding noted that some **changes in service** (such as moving face-to-face consultations to remote systems**) would be unavoidable** and asked the City to take this into account or **consider special clauses to allow these changes,** when reviewing and renewing existing contracts or grants.

Needed Resources, Info Legislation, Advocacy, or Training

- The greatest resource needed is **financial support,** specifically in the form of government grants. Many organizations have identified their primary source of funding as fundraising; therefore, they are not able to take loans. Applications for **flexible funds should be simple and reduce burdensome reporting requirements.**

- Several organizations have growing HR related concerns. They are seeking clear guidance on **unemployment filing, paid sick leave, overtime pay for staff providing service, and limitations set by unions.** There are additional concerns about direct financial support to assist their employees who may have challenges with mortgage payments, eviction relief, utility bills, food, and other expenses.

- Organizations Identified numerous **challenges with technology**, including access to equipment such as laptop, iPads, smartphones, and hotspots. There are also requests for expanded internet access, subscriptions to virtual meeting service providers, technology options for school students, and training opportunities for their employees in using technology in new and innovative ways.

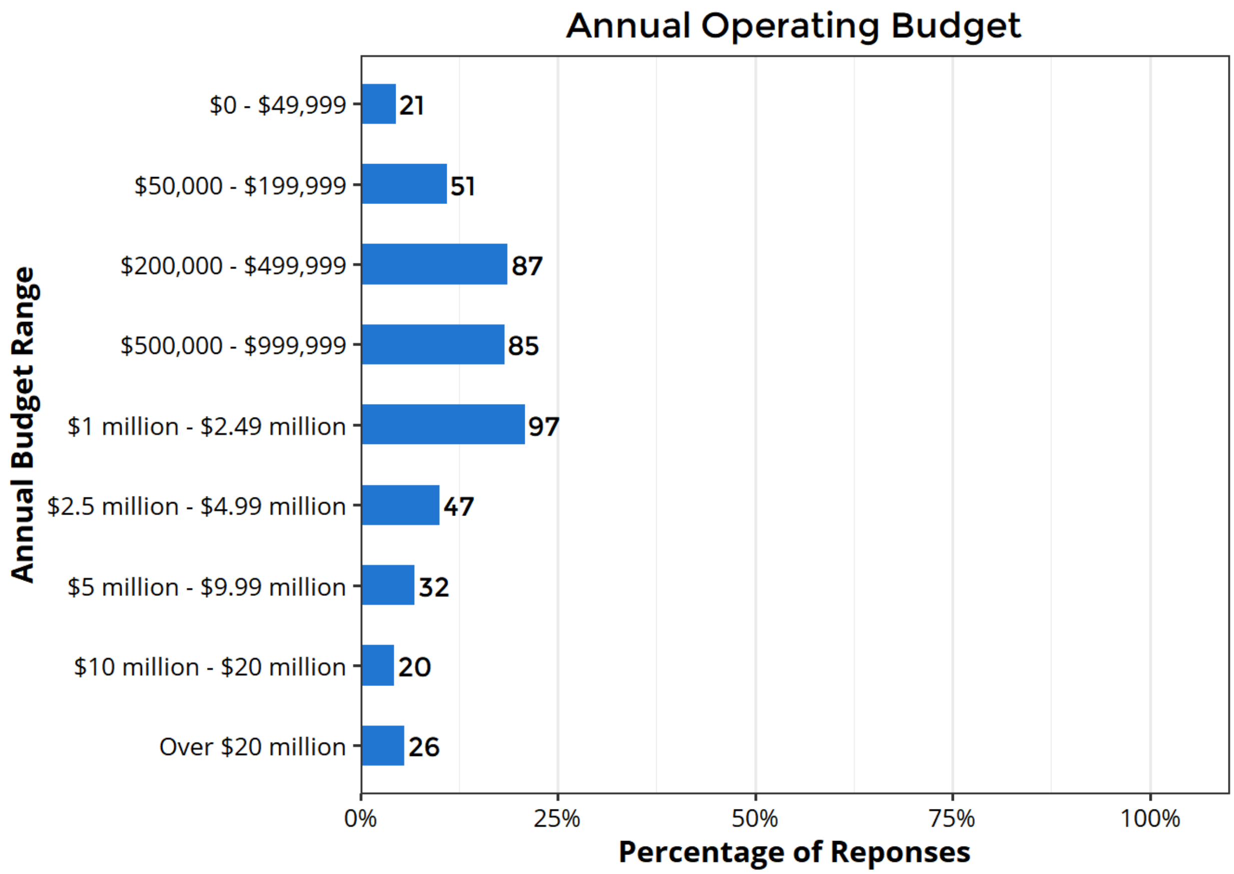
- **Credible and consistent information** from the City is another primary concern. The list of **essential businesses, labor guidance, length of closures, eviction and economic relief, and access to testing and health care** were all expressed as information needed. There is increasing interest in the details about how the nonprofit fund will grant awards, and how stimulus funding will be disbursed. Information provided in both English and Spanish is also requested.

- Many of the organizations want access to resources for employee wellbeing, such as **cleaning supplies, training on appropriate hygiene standards, access to mental health/self-care resources to address anxiety, and social isolation.**

- Finally, organizations have asked the City to **advocate at the federal and state level** for the **sustainability of the nonprofit organizations** to be able to help the most vulnerable populations and **continuation of childcare subsidies, expansion of SNAP benefits, expansion of HIPAA to offer medical and mental health services, tax relief, and extensions for voting and voter registration.**

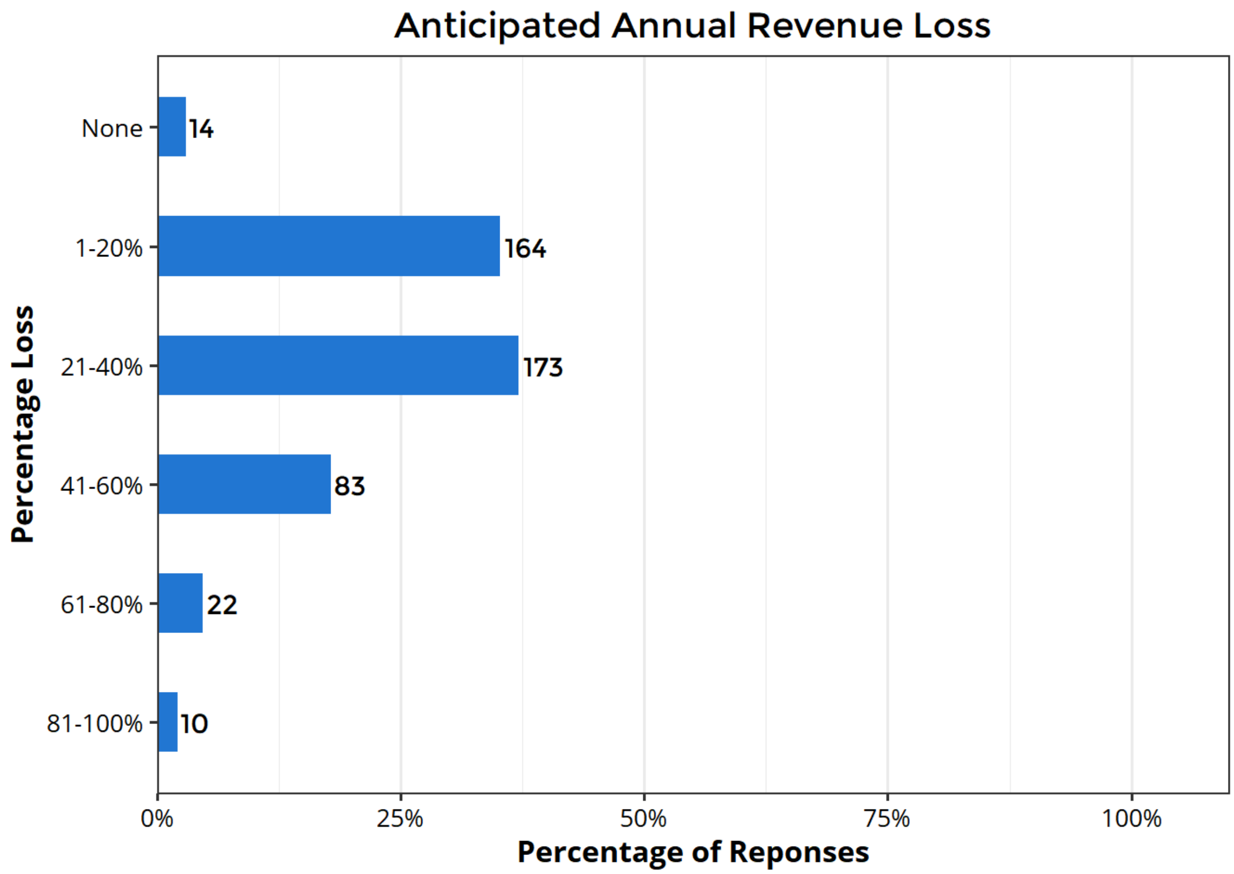
Annual Operating Budget

- Slightly over **half of organizations have budgets under $1 million**.
- About **25% of organizations** have annual operating budgets that range from **1 million to $2.5 million**.
- **25% of organizations** have annual operating budgets that **exceed $2.5 million**.



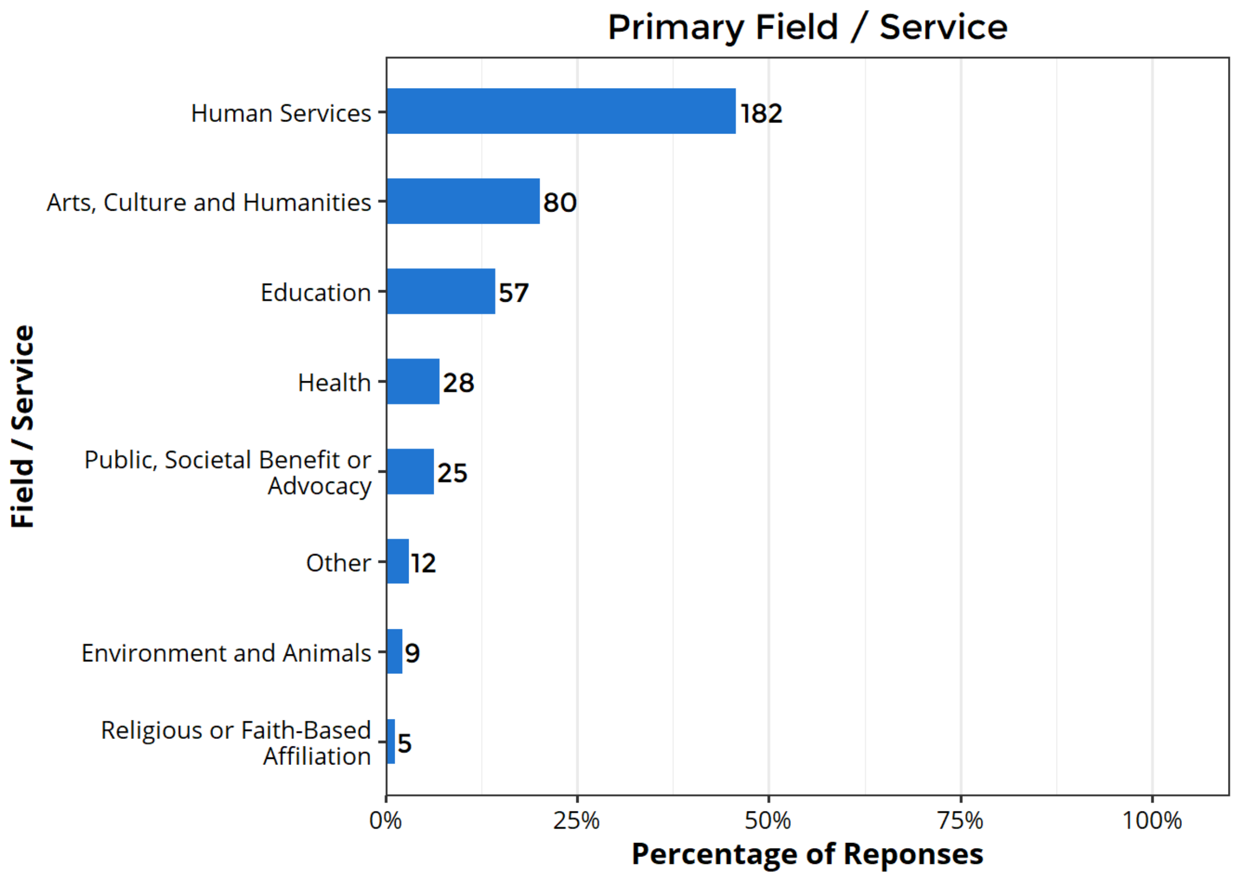
Anticipated Annual Revenue Loss

- Nearly **75% of organizations anticipate losing either 1-20%** (about 36% of organizations) **or 21-40%** (about 37% of organizations) of their annual revenue.
- Less than **25% of organizations anticipate revenue losses greater than 40%**.



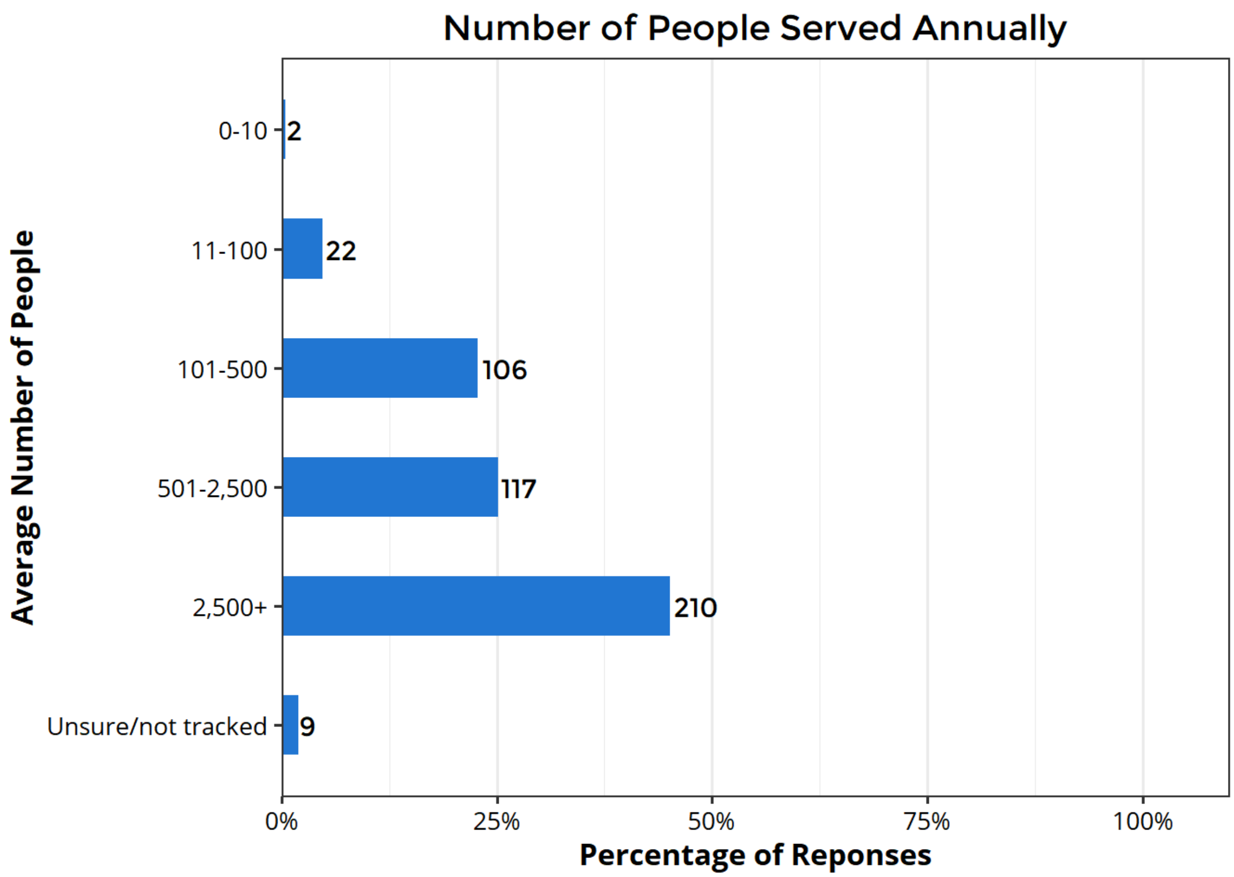
Primary Field / Service

- More human service focused organizations responded later so now about **40% of organizations focus on human services.**
- About **17% of organizations focus on arts, culture, and humanities, followed by education (12%).**



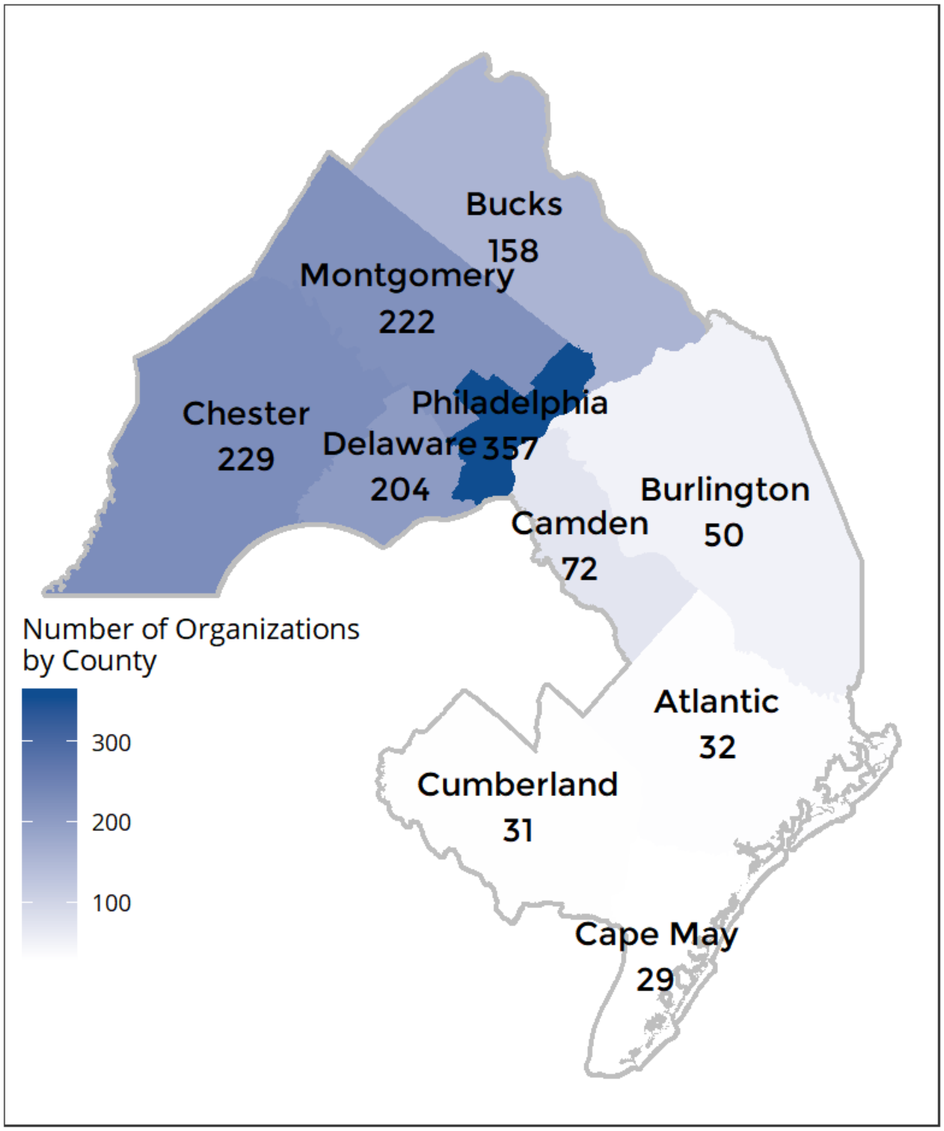
Number of People Served Annually

- **Most of the organizations serve over 2,500 people**.
- About 25% of organizations serve between 500 and 2500 people.
- About 20% of organizations serve less than 500 people.



Counties Served

- **Most organizations serve PA counties. About 75% of organizations serve Philadelphia County.**
- The highest counts are in Philadelphia, Chester, Montgomery, and Delaware Counties.



Zip Code Location of Organizations (within Philadelphia)

- Within Philadelphia, **most organizations were in Center City**.