

## IMPACT OF COVID-19 ON NONPROFIT ORGANIZATIONS' ABILITY TO SERVE SOUTHWEST MICHIGAN

SEPTEMBER 2020

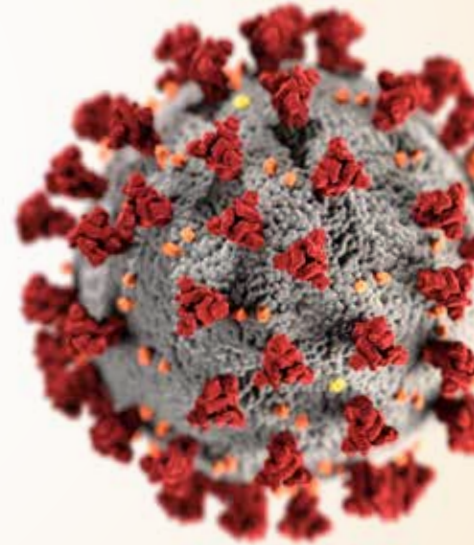
In June and July 2020, nonprofit leaders in Southwest Michigan were invited to complete a survey about how the pandemic and subsequent shutdown impacted their organizations. Eighty-eight (88) organizations responded.

### SUMMARY

#### Overall impact on Organizations

COVID has impacted local nonprofit organizations in multiple ways:

- Reduced financial revenue.
- Increase or steady demand for services.
- Decrease in ability to deliver services due to stay at home requirements.
- Added barriers to connecting with clients.
- Virtual program delivery.
- Increase in staff stress and burnout.
- Ongoing needs for financial support, staffing, and technology.



### GAPS IN NONPROFIT SERVICE

#### The most vulnerable have been left behind

Arts and cultural events, in-school and after-school programming were canceled at the highest rates. Health and human services were also impacted.

From **March to June 2020**, nonprofit organizations had to cancel programming or offer a virtual option, resulting in organizations **not fulfilling over 200,000 service opportunities** they had planned this year.

An estimated **230,000+ service opportunities will not be fulfilled, July through December 2020**, due to COVID-19 restrictions.

These gaps in service impact the most vulnerable in our community: children, seniors, people with disabilities, marginalized cultural groups, low income residents, the homeless and housing challenged, people managing addiction and substance abuse issues, and those with mental health challenges.

March

June July

Dec.



## DEMAND FOR NONPROFIT SERVICES

### Demand stayed steady or increased

For most organizations, demand for services stayed steady or increased since the pandemic began.

- The increased demand most cited was for general service requests and increases in mental health pressures/stressors for clients.
- Most organizations reported up to a **50% increase** in demand.
- Demand increased for organizations that serve Latinx and LGBTQ+ communities, specifically for demand for basic essential items, basic supports for food, housing, and infant/elder care items and increases in mental health pressures/stressors.
- Youth and seniors were two vulnerable populations that more organizations started serving during the pandemic.



DEMAND

## NONPROFIT SERVICE DELIVERY

### Delivery decrease due to closure and cutbacks

Although demand has stayed the same or increased, the ability to deliver services decreased. This was due to stay at home requirements, buildings and schools shutting down, fewer number of people allowed in buildings, staff working remotely, and other general health concerns.

- The increased demand most cited was for general service requests and increases in mental health pressures/stressors for clients.
- Most impacted by the decrease in service delivery were organizations that serve people with disabilities and veterans, as well as organizations that work with Asian and Black communities.
- Respondents are concerned about clients who have issues that may have been exacerbated due to the stay at home orders, such as
  - the elderly who are more isolated,
  - those who have an increased need for mental health services, and
  - youth who face a widening gap of educational outcomes.



DELIVERY

### SHIFTING WAYS TO REACH PEOPLE

Organizations shifted to virtual options for programming.

**64%** of respondents had moved service delivery to a **virtual platform**.

**90%** plan to **continue virtual programming** to complement their face to face programming, once face to face services are able to continue normally.

**63%** of organizations say **virtual programming reaches an additional audience** that face to face programming doesn't reach.

Those who were planning to discontinue virtual programming were doing so because clients are not able to access virtual programming due to technology barriers.

“We had to really pivot in some ways. Early education had to instead start focusing on health and safety, funding, and collaboration (on top of everything they normally think about). We had to find new ways to support providers and families, which we did virtually. Some of these supports were so successful that we will continue them after the pandemic.”

## BARRIERS

70%

### Technology limitations

of respondents report that the pandemic and resulting shut-down exposed multiple barriers to continuing to provide services to clients. The technological limitations of clients were identified as the biggest barriers.

66%

Cancellation of programs

61%

Not being able to see clients face to face

51%

Health and safety concerns of clients

“Our organization provides live performance and classes to the community. With the inability to gather, we had to completely shift what and how we were delivering our services. This adaptation has taken a lot of time and we are still figuring out how to reach people.”



### Staff stress and burnout has increased

- Nonprofit organizations report an increase in staff stress and burnout since the pandemic started.
- Nonprofit leaders reported the stress levels of their employees as **5 out of 10** before the pandemic and, after the pandemic started, rated their staff stress level at nearly **7 out of 10**.
- Organizations that are health-related reported the greatest increase in staff stress and burnout.
- On top of all the other issues related to COVID-19, organizations are reaching out to staff to help them manage stress and burnout. Organizations are taking time to check-in with staff, providing them with more time off, sharing resources related to self-care, and adapting work schedules.
- Staff stress and subsequent burnout are also high on the minds of nonprofit leaders. Stress is not only linked to COVID-19; the ongoing racial unrest plays a part in staff stress.

“We are not only addressing COVID 19 when addressing staff burn out. We are also addressing the distress caused since George Floyd tragedy and helping staff support callers and communities reacting to these tragedies and moments. Our workload increased, our staff are tired and it is very hard to hire and train remotely.”

## Organizations identify funding as their greatest need in the next six months

**63%** of respondents report the greatest need in the next six months is additional financial support.

- Organizations are struggling due to lost revenue, canceled programming, loss of volunteers, and canceled fundraising events.
- Additional burdens of technology and PPE costs have been placed on organizations.
- Many organizations face reduced funding which means having to lay off staff.
- Having resources to obtain **general operating funds** and resources for obtaining **emergency funding** are organizations highest priorities.
- Organizations all need additional resources for **sustaining virtual service delivery**, as well as additional expertise for **financial issues** and **IT support**.



“We lost program grants this year prior to COVID. These deficits are coupled with reopening equipment and needing additional staff. We are not sustainable. I’m looking at staffing reductions for next year due to decreased revenues. This will limit service levels - today we are beginning to look like a sinking ship. We did receive emergency grants, to help float us but long-term I’m planning cuts.”

## ONGOING NEEDS

### Financial support, staffing, and technology

Organizations most need financial support right now.

- “Fundraising - but with flexibility. It’s not helpful when funders ask more of us or more questions right now.”
- “[We need] operating funds that do not have strings attached and are multi-year. Funding beyond COVID crisis funds.”

Nonprofit leaders have concerns about how to support their staff throughout the pandemic. The majority of concerns (30% of respondents) are related to the financial health of the organization; having enough funding to continue work and avoiding layoffs (11% of respondents).

Help with technology and obtaining PPE are also major concerns, as organizations continue virtual programming and open their doors to face to face programming.

### Major areas of concern for nonprofit leaders.

Staff stress **17%**

and subsequent burnout **11%**

Protecting staff from COVID **15%**

“My concern is that we will need to lay staff off because we do not have enough income to support a fully staffed organization. Securing the appropriate PPEs, opening slowly and methodically has been extremely expensive. I do not know if all of the work we have done will “be enough” to sustain us over the next six months. We have cut costs where we can. The next step will be to reduce pay/benefits and maybe positions.”