

# Connecting Communities



## Impact of COVID-19 on Organizations Serving Low-to Moderate Income Communities

December 2nd, 2021

*Organized by the Federal Reserve Bank of St. Louis*

# Welcome

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**Ellicia Lanier**  
Urban Sprouts Child  
Development Center



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Florida Nonprofit  
Alliance



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National Council of  
Nonprofits



**Nishesh Chalise**  
Federal Reserve Bank of  
St. Louis



**Matuschka Lindo Briggs**  
Federal Reserve Bank of  
St. Louis  
(Moderator)

## Agenda for this webinar

Childcare & Education



Florida's Nonprofit Sector



National Nonprofit Data

Join

- Call-in number **888-625-5230**
- Conference Code: **415 509 30#**
- Webinar link: <https://www.webcaster4.com/Webcast/Page/584/43612>

Questions

- Email us at: [communities@stls.frb.org](mailto:communities@stls.frb.org).
- Type your question into the chat box of the webinar

Website

- Please visit <https://bsr.stlouisfed.org/connectingCommunities>

Fed  
Communities

- Additional resources on this topic available at [www.fedcommunities.org](http://www.fedcommunities.org).
- We encourage you to browse through this site and contact your regional office.

The **Connecting Communities**<sup>®</sup> audio conference series is a Federal Reserve System initiative intended to provide timely information on emerging and important community and economic development topics with a national audience. The audio conference series complements existing Federal Reserve Community Development outreach initiatives that are conducted through our regional Reserve Bank offices and at the Federal Reserve Board of Governors in Washington, D.C.

# Legal Notices and Disclaimer

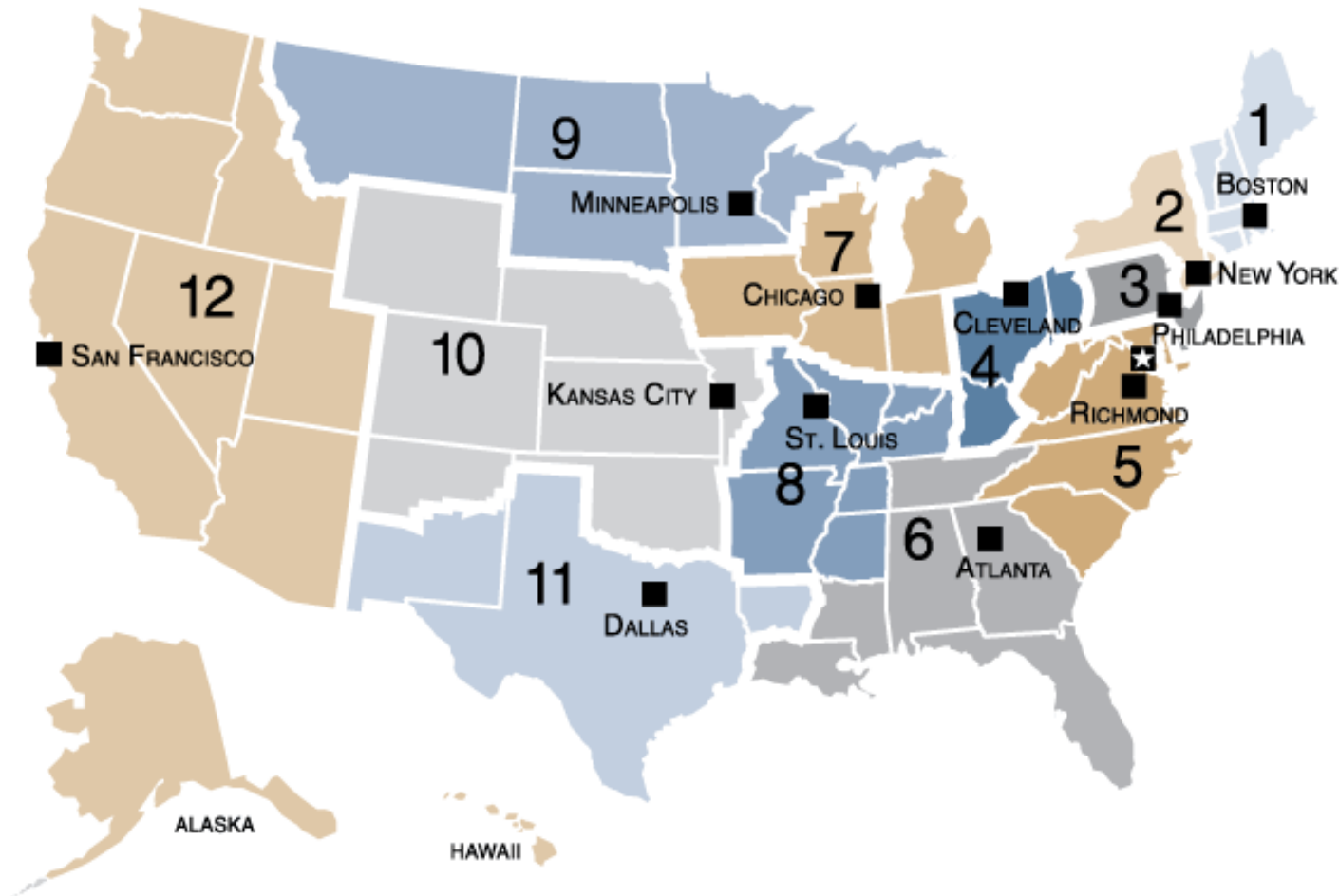
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**The information, analyses, and conclusion set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.**

# Community Development

The mission of the Federal Reserve's community development function is to promote the economic resilience and mobility of low- to moderate-income and underserved individuals and communities.



## *Opening Remarks*



**Nishesh Chalise**  
Community Affairs Manager



*Impact of COVID19 on Childcare & Education:  
Perspective from a provider*



**Ellicia Lanier**  
Founder and Executive Director



*COVID-19's Impact on Florida's Nonprofit Sector*  
*Florida Nonprofit Alliance*



**Sabeen Perwaiz**  
President and CEO







F L O R I D A  
nonprofit  
alliance

Florida Nonprofit Alliance is the state's collective voice, respected advocate, effective connector, and powerful mobilizer for the nonprofit sector.

# Challenges

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## **Nonprofits are not recovering quickly financially.**

- 53% had a decrease in unrestricted revenue, and 48% have budgets that shrunk. And although COVID-19 relief funding was vital to 80% of nonprofit organizations making it through the pandemic, those sources are largely no longer available.
- 49% of nonprofit organizations have spent some or all of their reserve funds, making them more financially fragile than before the pandemic.

## **Fundraising and funding remains both the largest concern and a challenge for nonprofit organizations.**

- In 2020 there was a 69% drop in fundraising. In 2021 the problem was compounded with half of nonprofits generating less income from fundraising. In addition, new sources for funding are not materializing in the way nonprofits have hoped they would.

# Challenges Cont.

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## **Nonprofits are still seeing an increase in the demand for services.**

- 38% of organizations experienced increased demand in 2021.
- 36% of organizations have served more clients in 2021 than in 2020
- 30% said they served more this year than in 2019, pre-pandemic

## **The COVID-19 pandemic continues to take a toll on volunteering.**

- 44% of organizations are experiencing volunteer absences, and about half of the organizations are using fewer volunteers now than they did in 2019.
- 55% of organizations have altered their volunteering opportunities and/or experiences.

# Next Steps

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**Nonprofits have prioritized providing programs and services and are slowing getting back to pre-pandemic ways of doing so.**

- This is good news because nonprofit programs and services are vital to the success of a community.
- However, because human and financial resources are not showing as much of a recovery, nonprofits should be careful not to resume services without the resources available to support them in the long term.

**The financial ramifications for nonprofits from the pandemic are significant.**

- Although nonprofits are resilient and optimistic, that doesn't take away the need for continued financial assistance to recover.
- There is especially opportunity in growing individual giving in the state of Florida, but it will take the corporate community, foundations, and government to help nonprofits replenish reserves, cover their current operating costs, and grow their budgets to ensure programs are fully funded.

# Next Steps Cont.

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## Challenges and opportunities for nonprofits

- After funding, the greatest challenges for nonprofits are adapting to uncertainty and keeping people safe and healthy, especially with the return to in-person services. Both of these require up-to-date information about the virus; best practice sharing across industries; and staff leadership and Board members who feel empowered and ready to make the best decisions for their organization.
- The pandemic inspired and/or forced new collaborations and partnerships throughout the sector, and nonprofits are seeking resources to support those. Nonprofits are also aware of their responsibilities to engage the communities in which they work and looking for resources to help them.

## ARPA advocacy

- Government relief funding, especially PPP funding, was vital to the survival of nonprofit organizations during 2020 and 2021. The sector should be advocating at the local (city and/or county) level for American Rescue Plan Act funds to be spent on nonprofits.

# Next Steps Cont.

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## Protecting human resources

- The sector still has work to do to re-imagine volunteering and re-engage volunteers in a safe way. This re-imagining and re-engagement could also encourage people who have not been volunteers to begin doing so.
- The sector still has work to do to re-imagine volunteering and re-engage volunteers in a safe way. This re-imagining and re-engagement could also encourage people who have not volunteered in the past to begin doing so.

## *National Nonprofit Perspective on the Data*



**David L. Thompson**  
VP of Public Policy



**NATIONAL COUNCIL OF  
NONPROFITS**

National voice. State focus. Local impact.



# America's Nonprofits





# Community Impact Survey Results

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## Impact on Nonprofits

**1. Demand for services increased**




**> 75%**

# Community Impact Survey Results

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## Impact on Nonprofits

1. Demand for services increased 
- 2. Ability to meet needs decreased** 

45%

# Community Impact Survey Results

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## Impact on Nonprofits

1. Demand for services increased
2. Ability to meet needs decreased
3. **Expenses up**



Nearly 3 of 4  
Organizations

# Community Impact Survey Results

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## Impact on Nonprofits

1. Demand for services increased
2. Ability to meet needs decreased
3. Expenses up
4. **Staffing down**



40%

# Community Impact Survey Results

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## Impact on Nonprofits

1. Demand for services increased
2. Ability to meet needs decreased
3. Expenses up
4. Staffing down
5. **Indiv. & corp. donations declined**



**≤ 50%**

# Community Impact Survey Results

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## Impact on Nonprofits

1. Demand for services increased
2. Ability to meet needs decreased
3. Expenses up
4. Staffing down
5. Individ. & corp. donations declined
6. **Foundation contributions mixed**



Down for 32%, Up for 40%, but ...

# Community Impact Survey Results

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## Impact on Nonprofits

1. Demand for services increased
2. Ability to meet needs decreased
3. Expenses up
4. Staffing down
5. Individ. & corp. donations declined
6. Foundation contributions mixed
7. **Looming financial distress**

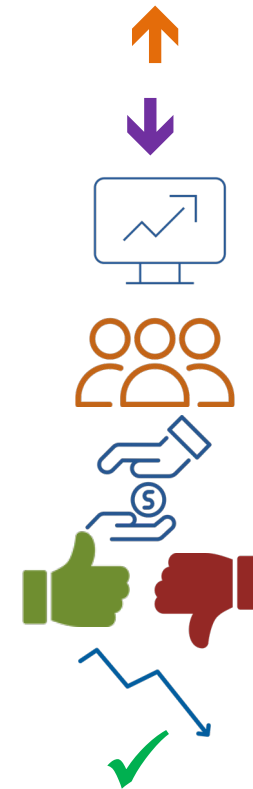


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4. Staffing down
5. Individ. & corp. donations declined
6. Foundation contributions mixed
7. Looming financial distress
8. **Government funds increased**





# What Do We Know About the Causes?

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- People turn to charities in times of crisis
- The Pandemic hit low- to moderate-income individuals hardest
- Burnout existed pre-pandemic; **exacerbated**
- Generally lower-wage sector
- Fixed Government Grants/Contracts prevent flexibility
- All sectors experiencing challenges, but ...

# Policy Solutions

## ✓ State & Local Fiscal Recovery Funds (ARPA)

- Nonprofits as Recipients of Relief AND Providers of Relief
- General and Targeted Grant Programs
- Essential Workers Supports
- Pandemic Expenses / Personal Protective Equipment (PPE)



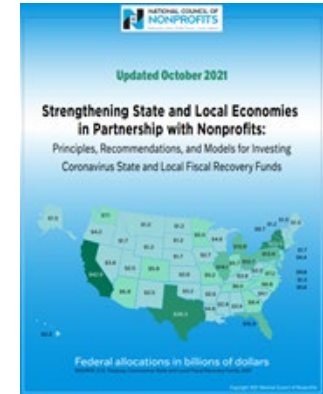
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## ✓ Government Grants/Contracting Reforms

- On-time Payments
- Indirect Costs
- Cost of Living Adjustments



# Policy Solutions

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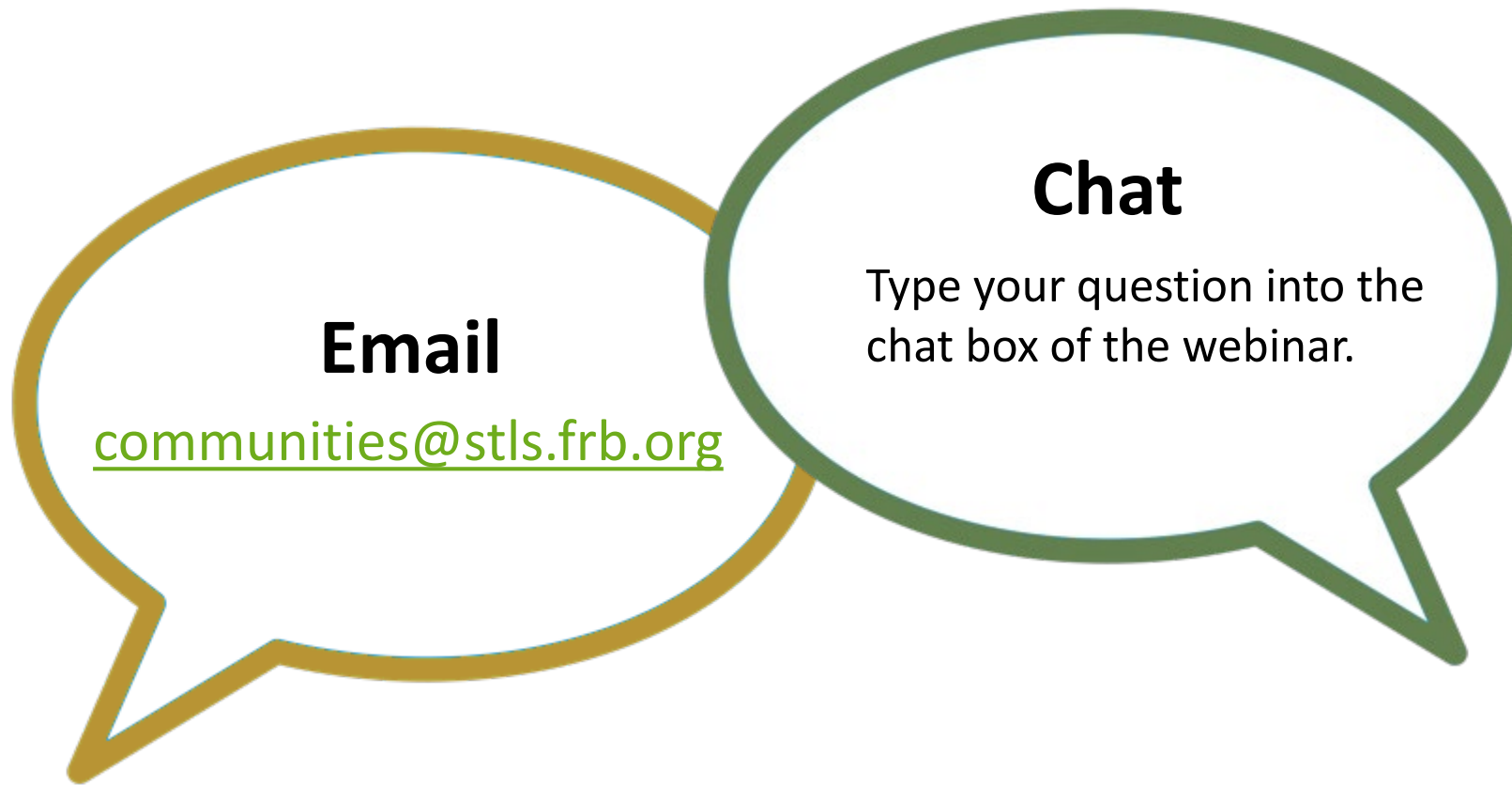
## ✓ Funder Focus

- Prioritize community-based nonprofits serving low- to moderate-income individuals



# Questions

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# Next Steps

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- All session materials are available on our website, and in the next few days, we will post an audio file of today's session.
- If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at [communities@stls.frb.org](mailto:communities@stls.frb.org).
- Information about future sessions will be posted on our website along with archived materials from past sessions: <https://bsr.stlouisfed.org/connectingcommunities>.



## Related Resources

- In connection with this session, you can find a variety of additional resources on this topic, available at [www.fedcommunities.org](http://www.fedcommunities.org).
- It provides an array of practical resources to help you in your role as a community development professional, whether your work involves supporting people, places, the policy and practice of community development, or small business development.