



Summary of Needs Expressed by Nonprofits: NC Center for Nonprofits Survey 03.24.20

**By: Jeanne C. Tedrow,
CEO NC Center for Nonprofits**

While nonprofits attend to the business of providing essential services in the community, they are at risk of not having sufficient funding to maintain their own operations. The flow of funds to support those most in need will tend to be targeted toward direct essential services such as food, clothing, shelter, etc. The nonprofits that provide these services need the philanthropic community and the public sector to directly support their general operations, and their ability to maintain assets, such as real estate; without such support the sector will be diminished and many organizations will not recover.

When the state government requires people to stay at home, and only allows those who provide “essential” services to continue, the declaration will include:

“Organizations that provide charitable and social services (businesses and religious and secular nonprofit organizations including food banks, when providing food and shelter, social services, and other necessities for life for economically disadvantaged or needy individuals, individuals who need assistance, and people with disabilities).”

These are the organizations in the front line providing services, who will be laying off staff or unable to maintain payroll, and are most vulnerable in both the short and long term.

From David Heinen’s Vice President for Policy at the NC Center’s report that we have shared on our website and with state public elected officials:

“Last week, the Center initiated a survey of nonprofit leaders to learn more specifically about the needs of individual nonprofits. So far, we have received about 700 responses from nonprofits in more than 70 counties, and we are working with private funders and state agencies to increase the outreach so that we hope to hear from thousands of additional nonprofits in the next week. Already it is clear that nonprofits, particularly nonprofit service providers, are being called upon to adapt quickly to new operating requirements, educate community members, and support vulnerable populations without any new resources. Initial findings from the survey suggest several types of immediate impact that have been felt by nonprofits:

- 88% of respondents have had to cancel programs or events and have lost revenue from this;
- 74% have had a disruption of services to clients;
- 70% are suffering budgetary challenges due to the economic impacts of COVID-19;
- 57% are having challenges with staff working remotely; and
- 43% are challenged by staff and volunteer absences.

In most cases, nonprofits now have fewer resources to meet greater needs, since most organizations are suffering financial loss, significant reduction in the availability of in-person volunteers, and the reduction in staff capacity as nonprofit employees are sick, at home with children who are unexpectedly out of school, or having to work remotely to avoid in-office interactions.

Given what the North Carolina Center for Nonprofits has heard, there are a few high level themes that, if attended to, may help support short term needs and sustain the infrastructure of nonprofits that provide these essential services.

Funding: Traditionally, nonprofits are not funded at full cost, and they typically use in-kind donated services and volunteers to augment their budgets – to fill the gaps they experience in receiving restricted grants. Many, especially community based organizations, have entered this time of crisis with break-even budgets balancing as best as possible restricted and unrestricted funds. This won't work for most, as they consider the trade-offs of laying off staff while demands for their services rise. We learn from our survey that funders can make a difference if they:

- Provide general operating support
- Convert current restricted grants to unrestricted, general operating funds
- Increase flexibility in reporting requirements (minimizing) and simplifying the application process

Technology:

- High need for access to telecommunications and rapid ramp up for remote work places;
- Many employees are using personal cell phones and tech equipment at home because organizations don't have enough to enable staff to work at home;
- Need for training on telecommunications including using software and online content support
- Free or reduced cost for tech support
- Broadband and free access to internet services
- Lack of hardware
- Easier to use software for elderly clients
- Reimbursement for tech equipment purchased in efforts to ramp up "work at home" stations

Brick and Mortar

Organizations that own assets such as real estate that they use to provide services, will require payment on mortgages, and in other cases, need to pay rent on leases even if workers are

remote for any length of time. Flexible financing and loan deferments and forgiveness may be needed.

Affordable housing providers will continue to provide housing even when their tenants lose their jobs and cannot pay their rent – the inventory of housing stock across the state is already in short supply – losing this inventory will exacerbate the problem and many organizations will not recover – strategies need to be developed to address this.