

Nonprofit COVID Impact Survey Results

Summary

In partnership with the Small Business Development Center, Foraker surveyed the nonprofit sector to learn more about the impact that the pandemic has had on their organizations. We received responses from 157 organizations across the state and over half (56%) responded that COVID is currently having a **significant** impact on their programs, operations, and general services. The largest challenge organizations have been facing is cancellation of programs or events (74%), followed by disruption of services to clients and communities (60%), and the loss of revenue from the inability to fundraise (53%).

When asked “What does your nonprofit need funding for most?” organizations responded that they need funding for program expansion to meet the demand for services (39%), pay employees (38%), increase staffing to meet increased client demand (35%), and infrastructure investments, maintenance, and technology (28%).

Relief programs were successful in keeping organizations afloat -- 97% of organizations applied for and received funds from the Payroll Protection Program (PPP), 89% applied for and received AK CARES funds, and 73% applied for and received support from the Coronavirus Nonprofit Relief Fund at the Alaska Community Foundation. Some noted specifically that access to funding for nonprofits at the local level had a significant impact in a few regions of the state. Because of these funds, many organizations were able to remain at their pre-COVID staffing levels. However, organizations are now facing uncertainty on many levels. For those that do need to hire to meet demand, a national labor shortage is making it difficult to find qualified applicants. In addition, many organizations have partnerships with state, local, and tribal governments and are uncertain of their future funding and partnerships. Overall, there were a great deal of comments about staff burnout and the ability to meet increased demands.

While the total number of responses to the survey was small, they do closely represent the ratio of nonprofits distributed across the state. The results were more prevalent in larger organizations (likely those with staff based on the PPP response) than for those with budgets under \$1 million, which is more representative of nonprofits across the state. That said, this report provides a snapshot in time and likely represents many of the larger issues facing the sector for the next 12-18 months.

Additional considerations will certainly be state budget cuts that have been enacted since this survey was taken as well as the decisions on how ARPA funds will be distributed both at the state and local levels.

Foraker stands ready to support nonprofits and the funding community to move toward resiliency in this pandemic.

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Participant Demographics

Service Region

Which area of Alaska do you primarily serve?	Count	% of Organizations
Anchorage/Mat-Su	49	31.21%
Southeast	34	21.66%
Statewide	34	21.66%
Interior	15	9.55%
Gulf Coast	12	7.64%
Southwest	8	5.10%
Northern	5	3.18%

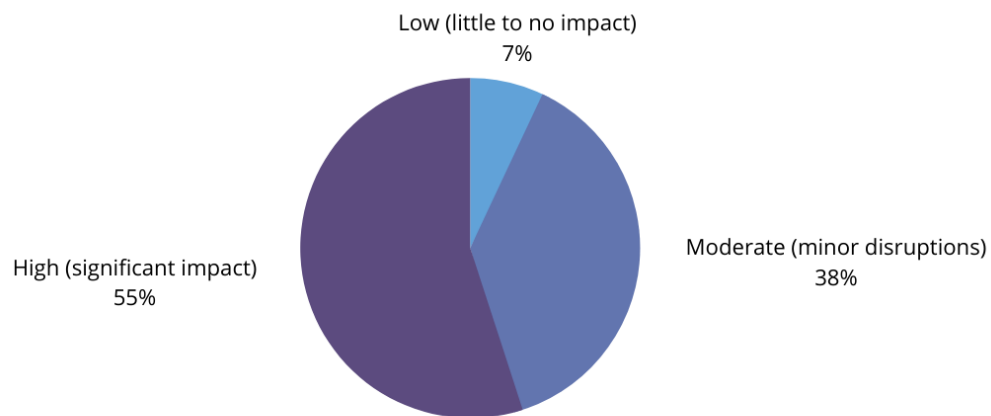
Revenue Size of Organization

Please select your organization's annual budget size.	# of Responses	% of Organizations
Under \$50,000	15	9.55%
\$50,000 to \$100,000	13	8.28%
\$100,000 to \$250,000	19	12.10%
\$250,000 to \$500,000	28	17.83%
\$500,000 to \$1 million	15	9.55%
\$1 million to \$3 million	37	23.57%
\$3 million to \$10 million	21	13.38%
Over \$10 million	9	5.73%

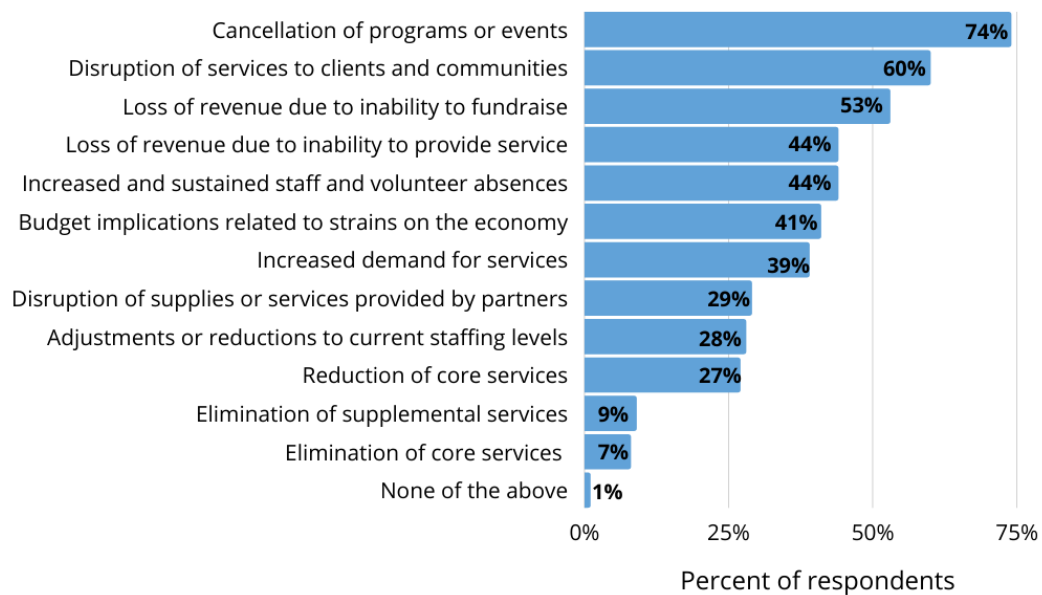
Subsector

Which subsector best defines your organization?	Count	% of Organizations
Human Services	46	29%
Arts, Culture, and Humanities	28	18%
Education/ Youth Development	24	15%
Health	18	11%
Public, Societal Benefit	15	10%
Environment/Animals/Recreation	14	9%
Local or tribal government	3	2%
Mutual/Membership Benefit	2	1%
Religion Related	2	1%
International, Foreign Affairs	0	0%

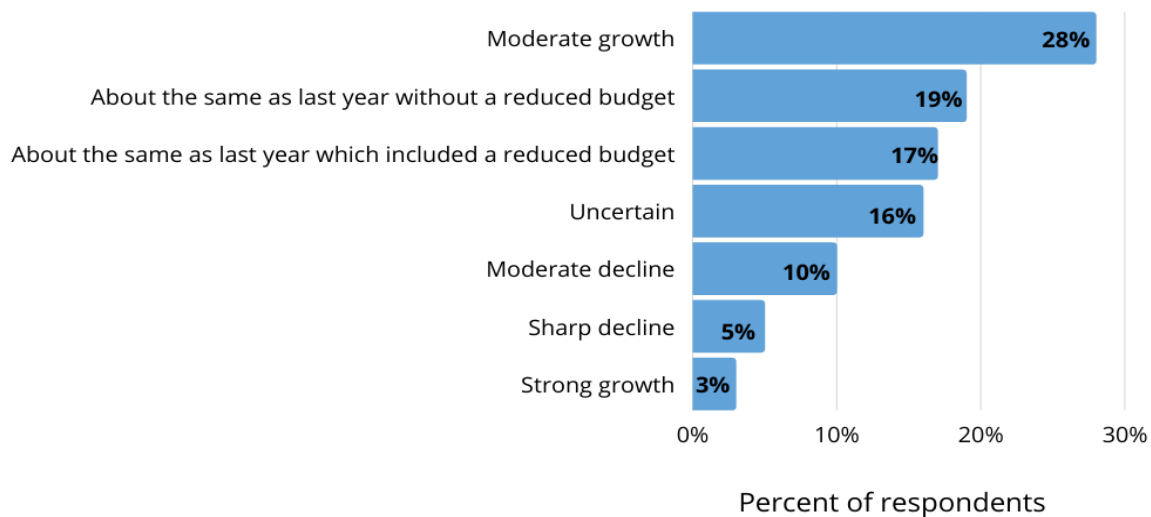
Level of COVID Impact on Organization



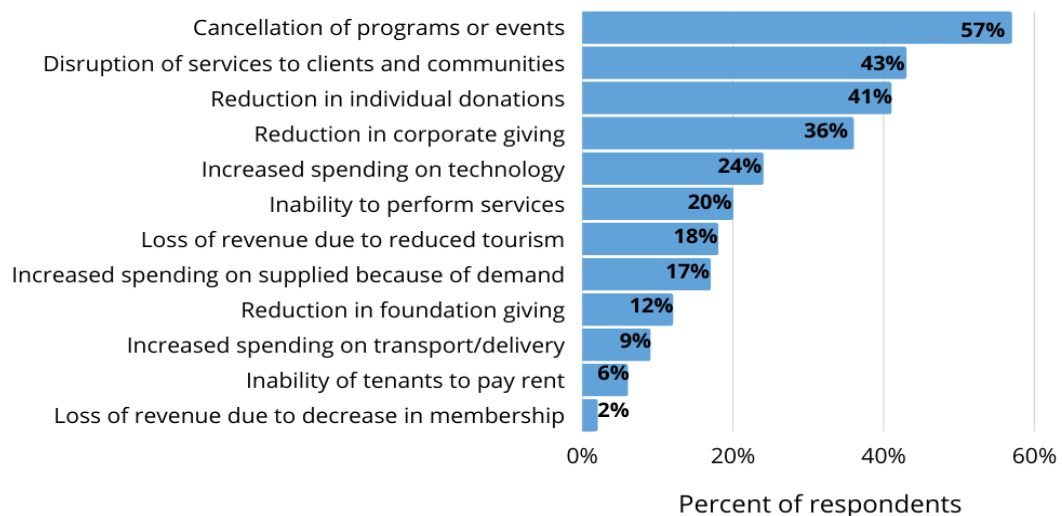
Challenges Experienced or Expected in 2021



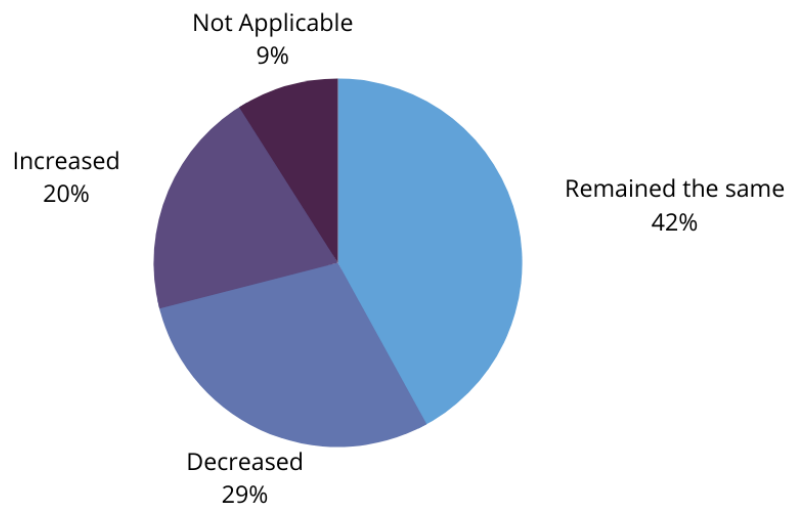
Expected Financial Projection for the Next 12 Months



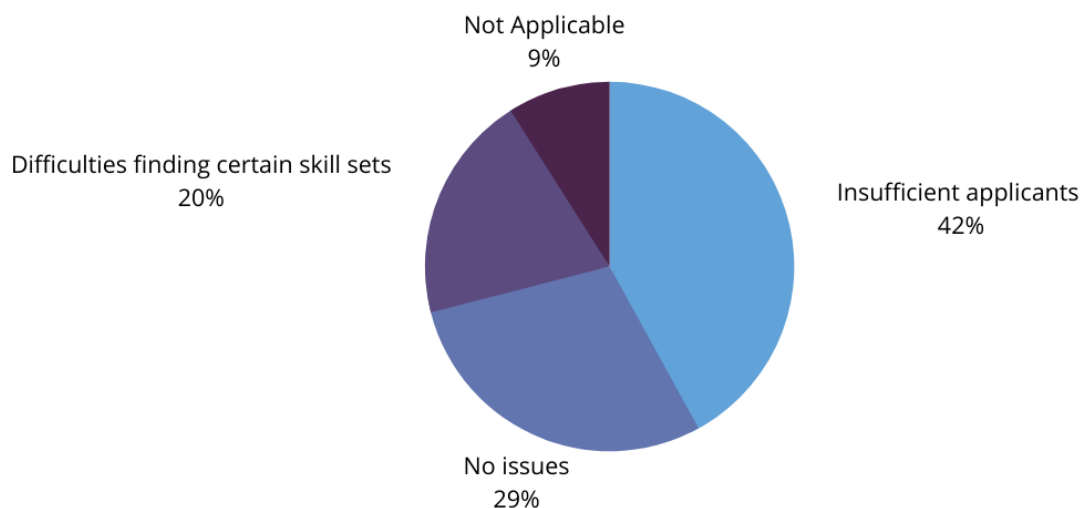
Causes of Lost Revenue Due to COVID



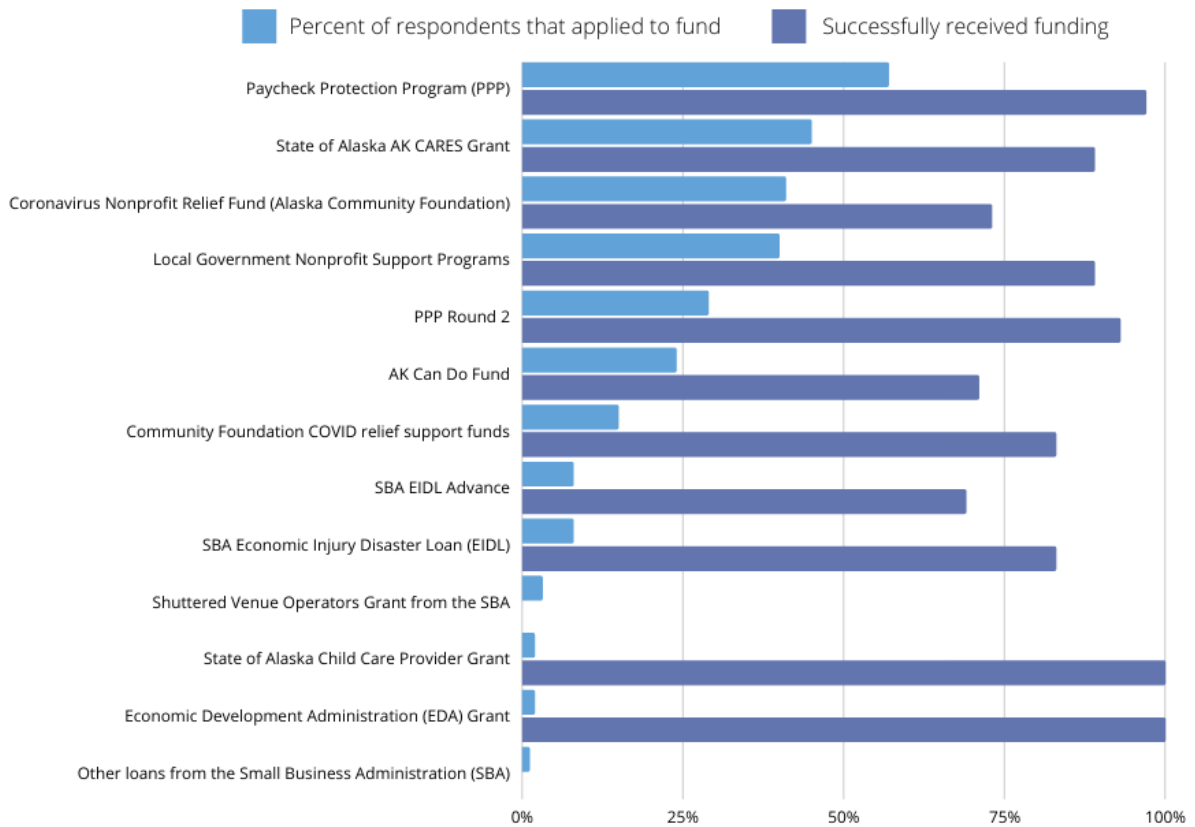
Employment Changes Due to COVID



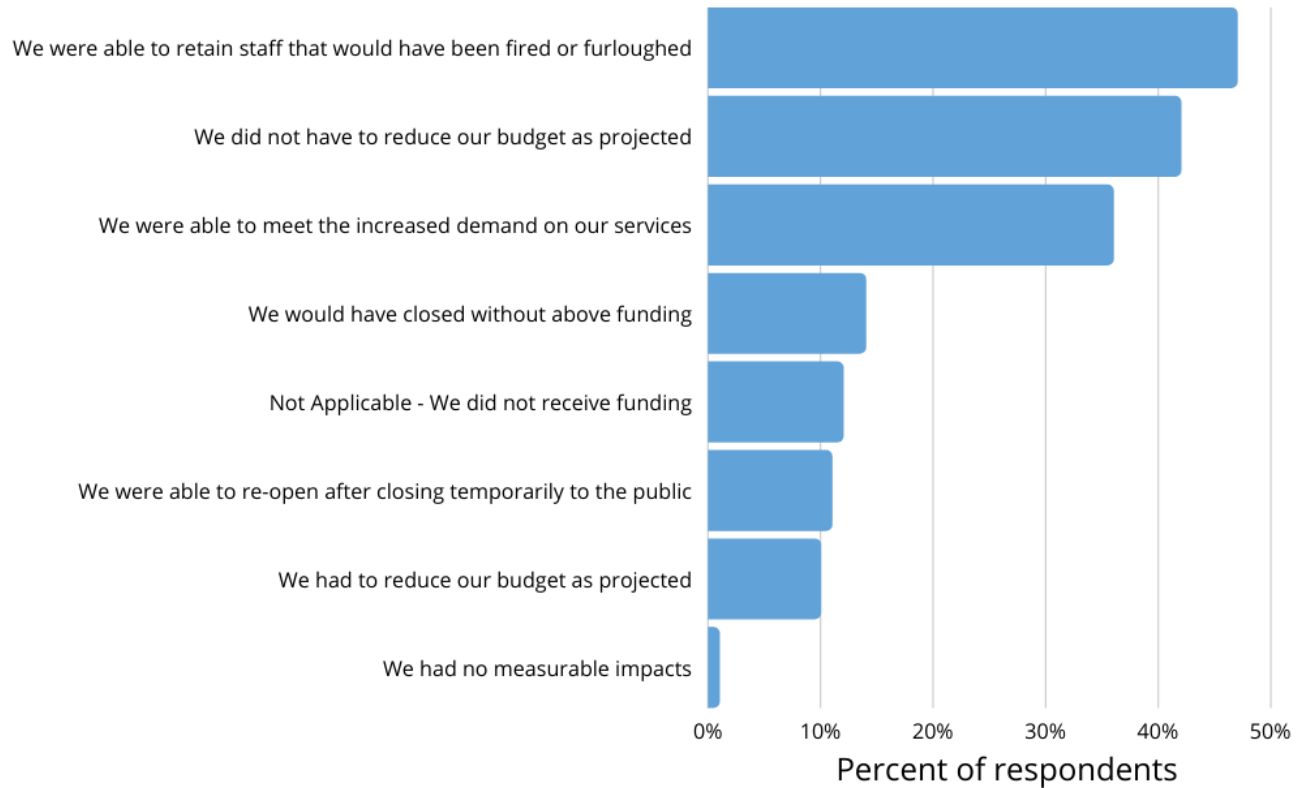
Hiring Difficulties During COVID



Relief Funding Programs Successfully Received



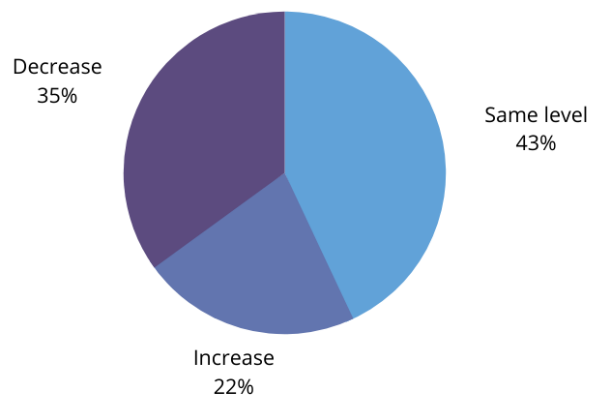
Impact of Relief Funding



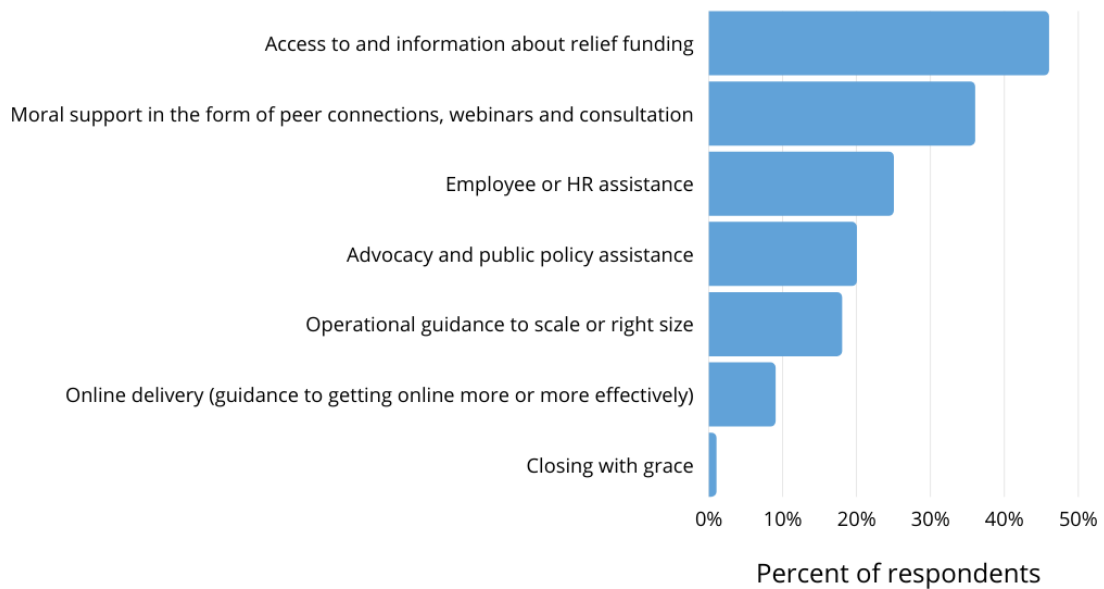
Articulated Funding Needs



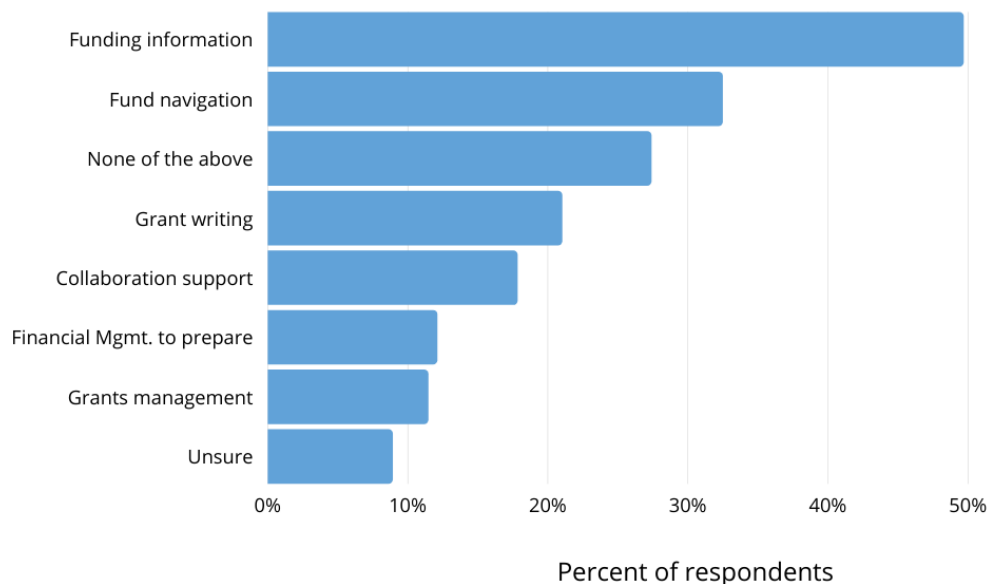
Level of Philanthropic Support Anticipated in 2021



Types of Support Needed from Foraker



Anticipated Needs to Access ARPA Funds



Past Funding Relief

State Deficit Impacts on Mission Delivery Beyond COVID Impact

(Note that this survey was conducted prior to the budget cuts)

	Count	% of Respondents
No	79	50%
Yes	76	48%

For those who answered “yes” to this question, a number of comments focused on the **impacts of Medicaid; for-shadowing of budget reductions and the reality that state funding has not kept pace with the past and future demands for services in Alaska**. The majority of the comments reflected a clear inability to deliver essential services while also creating more uncertainty for the overall operations of missions. Many comments focused on the negative impacts on children and families and also on the arts.

Two overarching comments captured the challenges:

- *“The State's long term budget woes threaten all of Alaska. The uncertainty and lack of 5 year plan, or even a 2 year plan, means everyone must remain on tenterhooks. Schools can't make long-term plans, City budgets are impacted, and road projects may or may not get postponed. Alaska needs stability but is spending all of its time in-fighting instead of finding an all-in solution of taxes, PFD spending, PFD distributions, and a reasonable estimation of how "big" Government should be as a % of Alaska's GDP.”*
- *“The cost of doing business (food, fuel, supplies and wages) has increased, and the number of clients served has dramatically increased in the past few years, but state funding for our primary programs has remained flat for many years so the gap between funding and expenses continues to grow and requires ongoing efforts to find new revenue (both grants and donations)”*

Local Government Budget Impacts on Mission Delivery Beyond COVID Impact

	Count	% of Businesses
No	94	59.87%
Yes	60	38.22%

For those who answered “yes” to this question, a number of comments focused on the **overarching issues of concerns over consistency and dependability of local government funding, fear of cuts, and confirmation of cuts**. A handful of comments noted the **positive public-nonprofit partnerships** in their communities to ensure essential services and quality of life. Also noted were the ultimate impacts of the cuts on staffing, consistent service, and the ability to meet demand. No group indicated that they knew where funding would come from to replace a decrease in local support.

Tribal Budget Impact on Mission Delivery Beyond COVID Impact

	Count	% of Businesses
Yes	20	12.74%
No	134	85.35%

While we received fewer responses to this question than to the state and local government impact question, three open-ended reflections offer insight into the importance of tribal funding and partnerships with nonprofits to deliver services:

- *“Most of our longtime Tribal partners have passed CARES/COVID grant funding through to our agency to support increase in services in response to increased demand.”*
- *“Tribal governments often have access to funding sources to which we do not, and they can be valuable partners in helping with matching /leverage funds.”*
- *“Tribes have been incredibly helpful in getting vaccination rates up, which has helped the overall community make progress”*

Current and Future Funding Needs

Philanthropic Support Anticipated in 2021

	Count	% of Respondents
Same level	64	43%
Increase	33	22%
Decrease	53	35%

Articulated Funding Needs

Respondents checked all that applied.

Needs	Count	% of Respondents
Funding for program expansion to meet the demand for services	61	39%
Paying employees	60	38%
Increased staffing needed to meet increased client demand	55	35%
Infrastructure investments, maintenance, technology	44	28%
Marketing/communication assistance	36	23%
Capital/building expansion to meet demand	34	22%
Board and staff training	26	17%
Funding for more collaborations to meet the demand for services	25	16%
Paying bills/accounts payable	20	13%
Insurance payments	18	11%
Inventory purchases	16	10%
Rent/mortgage assistance	15	9%
Hiring employees to take the place of critical volunteers now staying home	11	7%
Employees needing additional sick leave	3	2%
N/A	3	2%
Making loan/credit card payments (including COVID relief loans)	2	1%

Sample of Additional Comments from Respondents on Funding Considerations

Normally our services are provided in client homes. Because of telehealth we don't have enough private office space for staff to work in our facility. We don't have enough on-site treatment rooms to provide clinic rather than home based services.
We cannot indefinitely maintain the organization without earned revenue . We have had a solid year with government assistance. We do not know to what degree audiences will return to performance venues, so our reserves may have to fund us for an indeterminate amount of time until audience numbers stabilize.
We couldn't hold our main fundraiser for two years now. It is a huge negative impact to us. Medicaid reimbursements remain at 30% of what we bill. We will have to write off a SUBSTANTIAL amount this year due to non-payment.
We are seeing more a struggle with child care and need to care for other family members with the current staff we have. Employees are carrying a heavy load with increased work, increased need to care for their children, and community needs placed upon them.
We are only gathering in small groups. So, everything is being done multiple times and requires more staff time. We need to improve our technology to deliver quality virtual experience for athletes, volunteers and donors.
We have increased our numbers in the past few months, straining staff . Our Medical staff are "on" 24/7 with no breaks. I fear we cannot sustain this level of demand much longer, however we don't quite have the numbers to hire additional medical staff, and more importantly we don't have the funding to do so.
More staffing is needed to sustain programming after full time staff were lost due to COVID impacts. Much of our operations work since COVID has been performed by temporary volunteers, now stretched thin.
Because of reduced grant funding , we may have to cut positions at a time that we should be adding positions to keep up with demand and prevent staff burnout .

ARPA Needs

Anticipated Needs to Access America Relief Plan Act (ARPA) Funding

Respondents checked all that applied.

Need	Count	% of Businesses
Funding information	78	49.68%
Fund navigation	51	32.48%
None of the above	43	27.39%
Grant writing	33	21.02%
Collaboration support	28	17.83%
Financial Mgmt. to prepare	19	12.10%
Grants management	18	11.46%
Unsure	14	8.92%

Requested Support from Foraker to Navigate the Pandemic Environment

Respondents checked all that applied.

Resources or support From Foraker	Count	% of Organizations
Access to and information about relief funding	72	46%
Moral support from Foraker in the form of peer connections, webinars and consultation	57	36%
Employee or HR assistance	39	25%
Advocacy and public policy assistance	32	20%
Operational guidance to scale or right size	29	18%
Online delivery assistance (guidance to getting online more or more effectively)	15	9%
Closing with grace	1	1%
<i>Other:</i> This section also included an open-ended section with requests that primarily focused in areas of board facilitation, and assistance with financial management, communication, and outreach.		