

NORP SURVEY SERIES #9

WINTER 2020



NORPanel.org

Nonprofit Organization Research Panel (NORP) Project
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About the Panel

The Nonprofit Organization Research Panel, NORPanel, is an online community of nonprofit leaders who were *invited* to sign up to participate in occasional web-based surveys and studies about the organizations they lead and the important work their organizations do.

For more information, visit www.norpanel.org or email norpanel@gmu.edu.

COVID-19 and Nonprofits Part II

The survey results are based on 573 *valid* responses collected mostly during November and December 2020.¹ Of the 573 organizations, 276 organizations (48.2%) also participated in the previous NORP survey (i.e., COVID-19 and Nonprofits Part I, April-May 2020). There are several questions asked in both surveys, and this report discuss some changes between the two surveys.

Of the 573 organizations, about 65% came from human services organizations, and the remaining 35% came from arts and culture organizations. Of those, about 6% of respondents' missions directly relate to viral outbreaks or healthcare assistance; these organizations operate in the human services sector except one organization.

The basic characteristics of participant organizations:

- The average years of operation is 28.7 for human service organizations, and 31.2 for arts organizations.
- Responses came in from all 50 U.S. states.
- Organization size:
 - About 34% of human service organizations had annual incomes below 250K, approximately 62% had incomes between 250K and 10M and the rest (4%) had over 10 million dollars according to the 2017 990 tax returns.
 - About 53% of arts and culture organizations had annual incomes below 250K, approximately 46% had incomes between 250K and 10M and just one organization had over 10 million dollars according to the 2017 990 tax returns.

There were 16 questions asked in this survey including three questions that were asked to verify and update the panel information. At the end of the survey, we asked all participants to share their thoughts on the overall impact of COVID-19 on their organizations and how they have been able to respond to the pandemic. We will share the responses from panel organizations in a separate report.

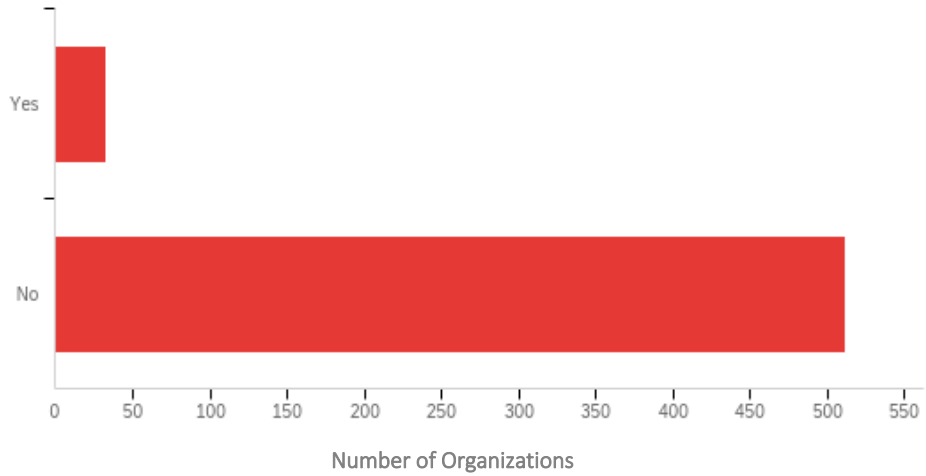
The numbers reported in this report reflect preliminary results before applying survey weights. Please note that all interpretations we provide intend to highlight trends and possible relationships for possible further study. They should not be read as facts or proof of causal relationships. Notable trends will be further analyzed in subsequent reports that will be published in scholarly journals.

¹ The initial invitation was sent out on October 29, 2020 and most responses came in during November and early December 2020. We left the survey open until the end of December to allow more time for respondents to engage given that the pandemic has taken a toll on everyone.

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Question 4: Is your organization's work or mission directly related to viral outbreaks or healthcare assistance?



**Most organizations that answered “yes” operate in the human services sector. The 6% “yes” group includes one music therapy organization.

Question 5: Which of the following impacts has your organization experienced already or do you anticipate experiencing due to the COVID-19?

Responses to Question 5 from Human Services Organizations:

*Note: The results for the “not relevant” answer not included in this table.

	Experienced Already	Experienced but not anymore	Anticipate Experiencing	Do not anticipate
Cancellation of events (e.g. gala, walk-a-thon, and etc.)	90%	1%	2%	2%
Suspending programs until further notice	49%	18%	5%	25%
Changing the way programs are offered (e.g. offering services online)	83%	4%	4%	4%
Reduced hours of operation	43%	13%	3%	31%
Cancelled contract(s)	29%	4%	8%	35%
Lower demand for services	41%	8%	4%	40%
Higher demand for service(s)	48%	5%	18%	25%
Increase number of volunteers	10%	2%	6%	63%
Decreased number of volunteers	55%	4%	9%	18%
Increased donations	26%	9%	7%	49%
Decreased donations	45%	2%	23%	23%
Furlough or lay off of staff members	21%	8%	9%	46%
Difficulty getting supplies for continued services	29%	20%	7%	31%
Shortage of critical services provided by vendors/partners	26%	12%	9%	37%
Major (private) donors have pulled funding	21%	3%	16%	44%
Corporate sponsors or donors have pulled funding	25%	3%	21%	32%

Worth noting

- 1) A higher percentage of human service nonprofit organizations have had to cancel events since the first NORP Covid-19 study, which was conducted in Spring 2020.
- 2) Compared to the prior survey, a relatively smaller percentage of organizations are still suspending programming until further notice and a similar percentage of organizations are continuing to change the way programs are offered.
- 3) A greater percentage of organizations have experienced reduced in-kind and monetary gifts compared to what we found in Spring 2020.

Responses to Question 5 from Arts & Culture Organizations:

*Note: The results for the “not relevant” answer not included in this table.

	Experienced Already	Experienced but not anymore	Anticipate Experiencing	Do not anticipate
Cancellation of events (e.g. gala, walk-a-thon, and etc.)	95%	1%	2%	1%
Suspending programs until further notice	78%	11%	2%	8%
Changing the way programs are offered (e.g. offering services online)	82%	4%	7%	4%
Reduced hours of operation	66%	9%	2%	12%
Cancelled contract(s)	62%	6%	3%	11%
Lower demand for services	62%	4%	8%	14%
Higher demand for service(s)	20%	2%	9%	48%
Increase number of volunteers	4%	0%	7%	66%
Decreased number of volunteers	49%	2%	9%	20%
Increased donations	22%	11%	14%	48%
Decreased donations	44%	3%	25%	24%
Furlough or lay off of staff members	34%	3%	12%	31%
Difficulty getting supplies for continued services	12%	7%	8%	41%
Shortage of critical services provided by vendors/partners	12%	4%	11%	37%
Major (private) donors have pulled funding	17%	4%	22%	44%
Corporate sponsors or donors have pulled funding	28%	4%	18%	35%

In the previous survey, arts and culture organizations as compared to human service organizations reported at a greater rate a worsening financial situation. Such trend has continued in the current report.

A smaller percentage of arts and culture organizations reported “suspending programs until further notice” than in the Spring 2020 report (86% in Spring 2020 vs 78% in Winter 2020). While it may suggest that organizations have adopted to the new normal, such positive change was more pronounced for human service organizations (weighted 79% in spring 2020 vs 49% in winter 2020 that reported “suspending programs until further notice”)

Even though 82% of arts and culture organizations surveyed in the report indicate they have changed the ways programs are offered, arts and culture organizations are facing greater challenges in many ways due to the pandemic.

Question 6: What has been the impact of COVID-19 on staffing for your organization?

Responses to Question 6 from Human Services Organizations:

* Note: The results for the “not relevant” answer not included in this table, when included each row should add up to 100%.

	Done	Done, but not anymore	Anticipate (not yet, but probably soon)	No
Furlough Staff	9%	10%	7%	58%
Laying off Staff	10%	7%	6%	61%
Reduce Staff Work Hours	17%	12%	8%	50%
Increase Staff Work Hours	23%	5%	4%	55%
Hire Additional Workers to Meet Demand	16%	3%	10%	59%

Response to Question 6 from Arts & culture Organizations:

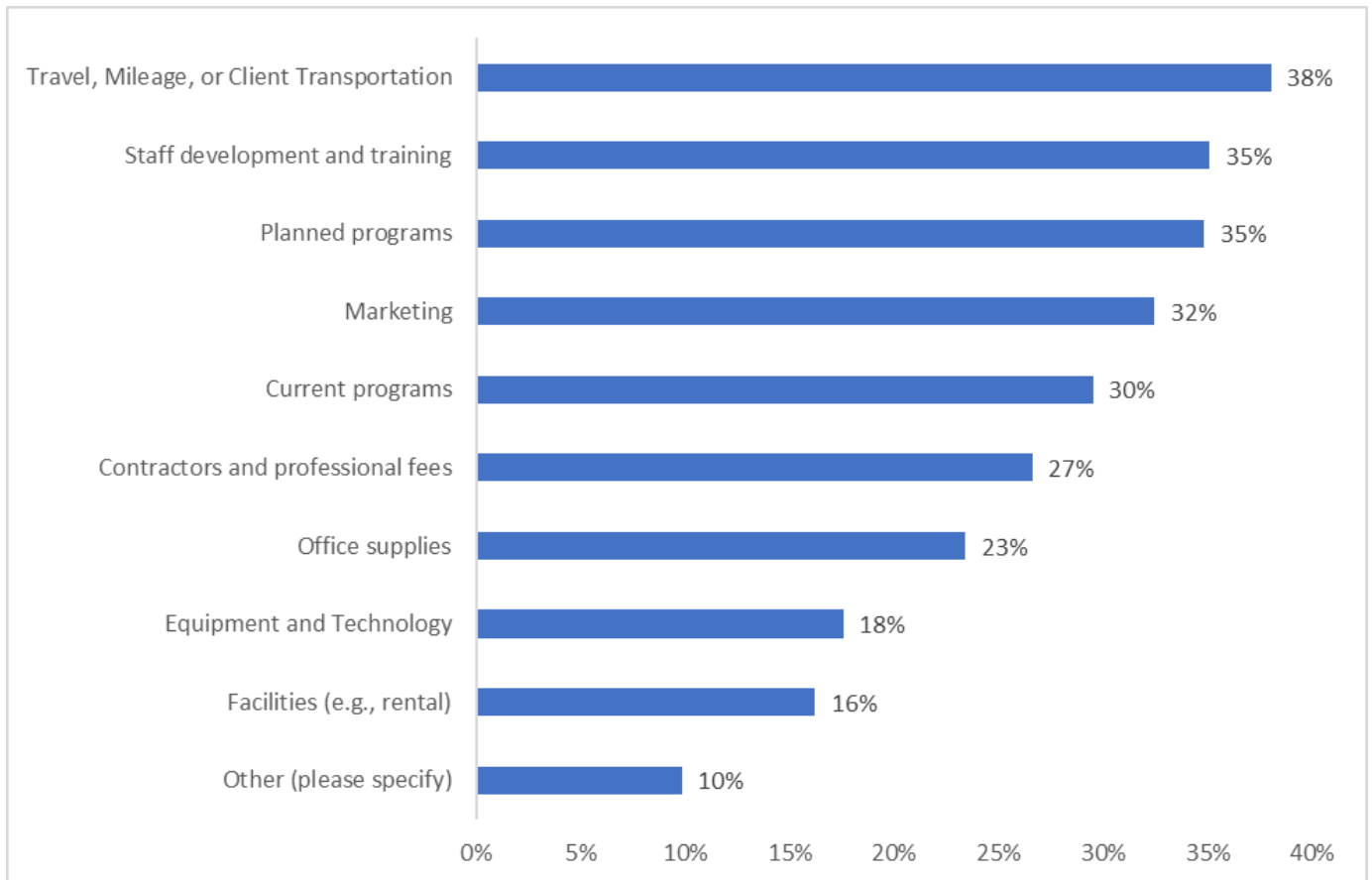
* Note: The results for the “not relevant” answer not included in this table, when included each row should add up to 100%.

	Done	Done, but not anymore	Anticipate (not yet, but probably soon)	No
Furlough Staff	20%	10%	7%	46%
Laying off Staff	12%	3%	9%	54%
Reduce Staff Work Hours	36%	9%	6%	36%
Increase Staff Work Hours	12%	2%	3%	68%
Hire Additional Workers to Meet Demand	6%	1%	3%	72%

Question 7: If you had to cut expenses other than salaries/wages for your employees, please let us the areas that had to be cut (check all that apply).

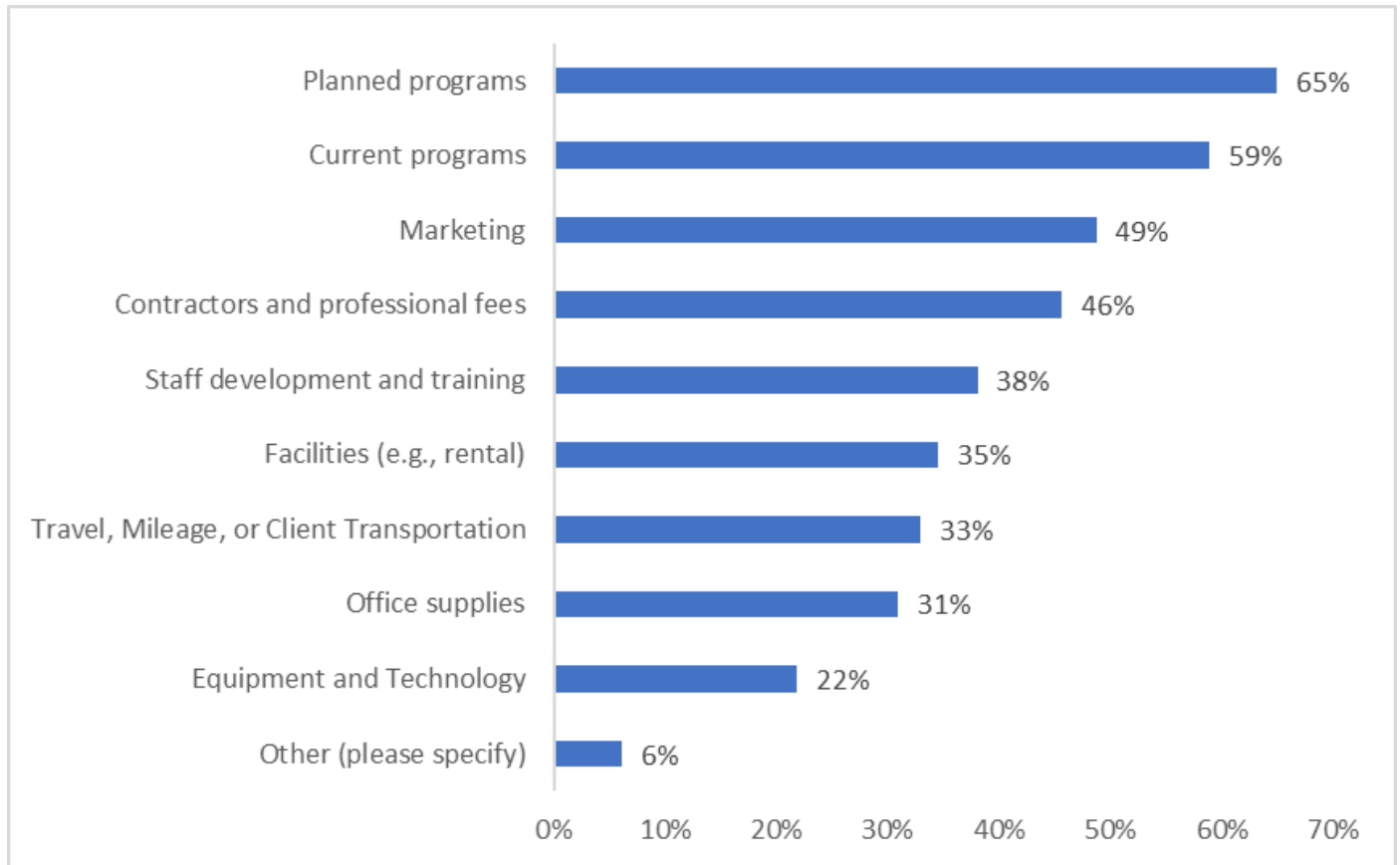
Responses to Question 7 from Human Services Organizations:

*Note: The numbers in the table indicate the percentage of respondents choosing each item. The order of items has been sorted by frequency. Respondents were allowed to select multiple items.



Responses to Question 7 from Arts & Culture Organizations:

*Note: The numbers in the table indicate the percentage of respondents choosing each item. The order of items has been sorted by frequency. Respondents were allowed to select multiple items.



A greater percentage of arts and culture organizations report cutting costs compared to human service organizations. Marginally smaller percentages of human service organizations report cutting expenses in the planned and current programs during this Winter 2020 survey compared to the previous Spring 2020 survey (39% cut planned programs and 25% cut current programs in Spring 2020, and 35% cut planned programs and 30% cut current programs in Winter 2020). Meanwhile, larger percentages of arts and culture organizations report cutting expenses in planned and current programs compared to the previous Spring 2020 report (60% cut planned programs and 48% cut current programs in Spring 2020, and 65% cut planned programs and 59% cut current programs in Winter 2020).

It is also noting that arts and culture organizations report cutting nondiscretionary expenses, such as facilities, at a much high rate that human service organizations. This may signal that arts and culture organizations are taking more extensive steps to reduce expenses.

Question 8: What has been the impact of COVID-19 on your organization's expenses since March, 2020? Use your best estimates to indicate what percentage of the expenses had to be increased or decreased due to the pandemic (as compared to the normal years or previously approved budget).

Human Services Organizations:

On average, 3.5% decrease. The responses ranged from -100% (decrease) to 100% (increase). Median value is 0.5% decrease.

Arts & Culture Organizations:

On average, 23.2% decrease. The responses ranged from -100% (decrease) to 100% (increase). Median value is 23.5% decrease.

Consistent with the 2020 Spring survey results, arts and culture organizations report experiencing a greater decrease in expenses than the decrease experienced by human service organizations.

It is worth noting that arts and culture organizations generally report a greater cut in their expenses as compared to what they reported last time (19% decrease in Spring 2020, and 23.2% decrease in Winter 2020). Human service organizations also report more cuts this time (3.57% increase in Spring 2020, and 3.5% decrease in Winter 2020).

Question 9: Does your organization have operating reserves, rainy day funds? (Please choose 0 if none, and choose 13 if your rainy day funds can cover more than 12 months' expenses.)

Human Services Organizations:

On average, 6.38 months' expenses.

Arts & Culture Organizations:

On average, 6.66 months' expenses.

Question 10: Some define operating reserves, rainy day funds, as the relatively liquid, unrestricted net assets that nonprofit boards designate for use in financial emergencies. Based on this definition, does your organization have operating reserves, rainy day funds? (Please choose 0 if none, and choose 13 if your rainy day funds can cover more than 12 months' expenses.)

Human Services Organizations:

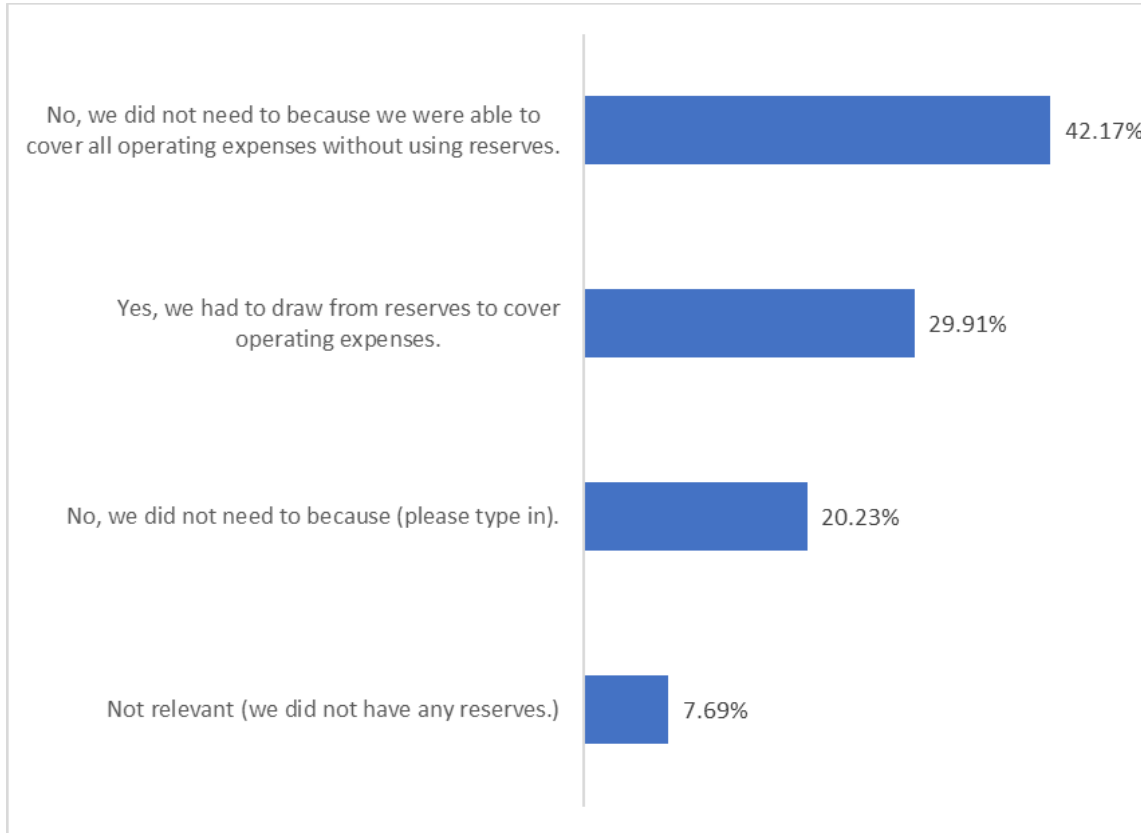
On average, 6.03

Arts & Culture Organizations:

On average, 6.71

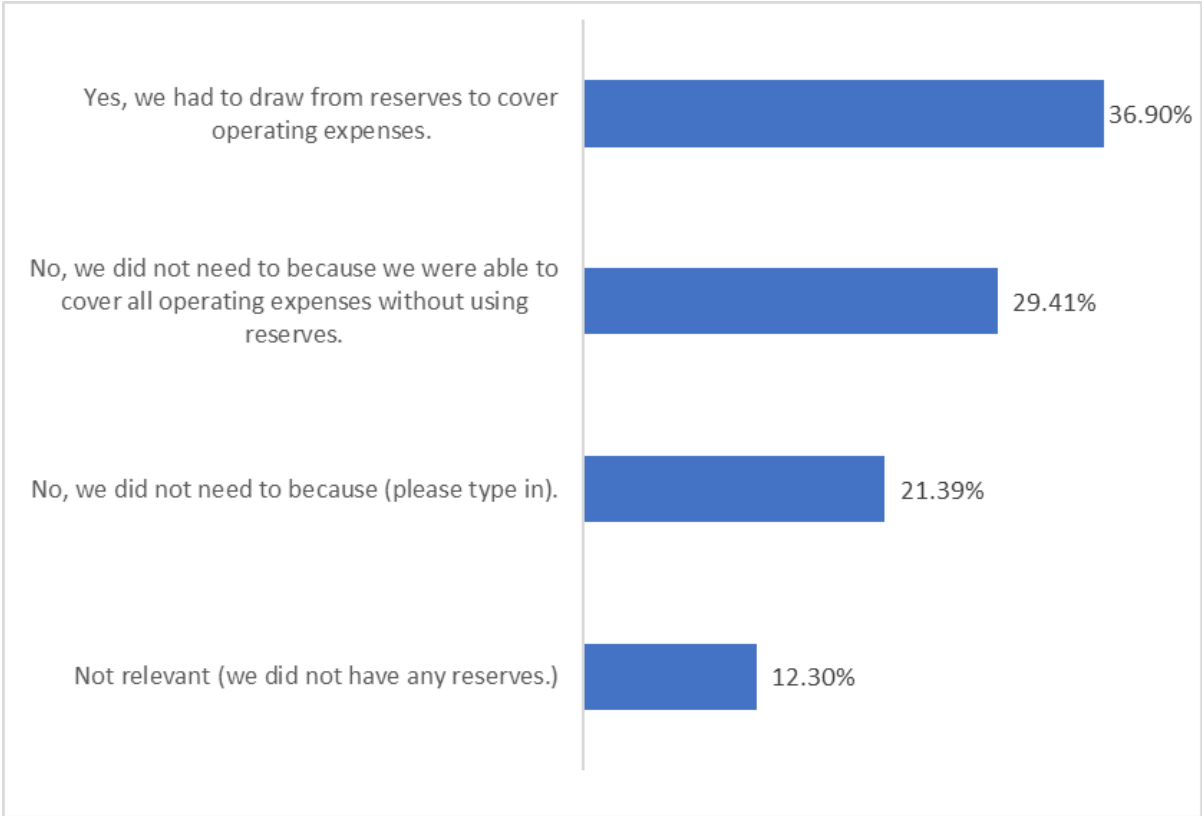
Question 11: Since March 2020, did your organization draw from reserves?

Responses to Question 11 from Human Services Organizations:



Note: Responses are ordered by frequency.

Responses to Question 11 from Arts and Culture Organizations:



Note: Responses are ordered by frequency.

Question 12: Given the current financial situation, how long do you estimate that your organization could continue operating? (Please choose 0 if none, and choose 13 if longer than 12 months.)

Human Services Organizations:

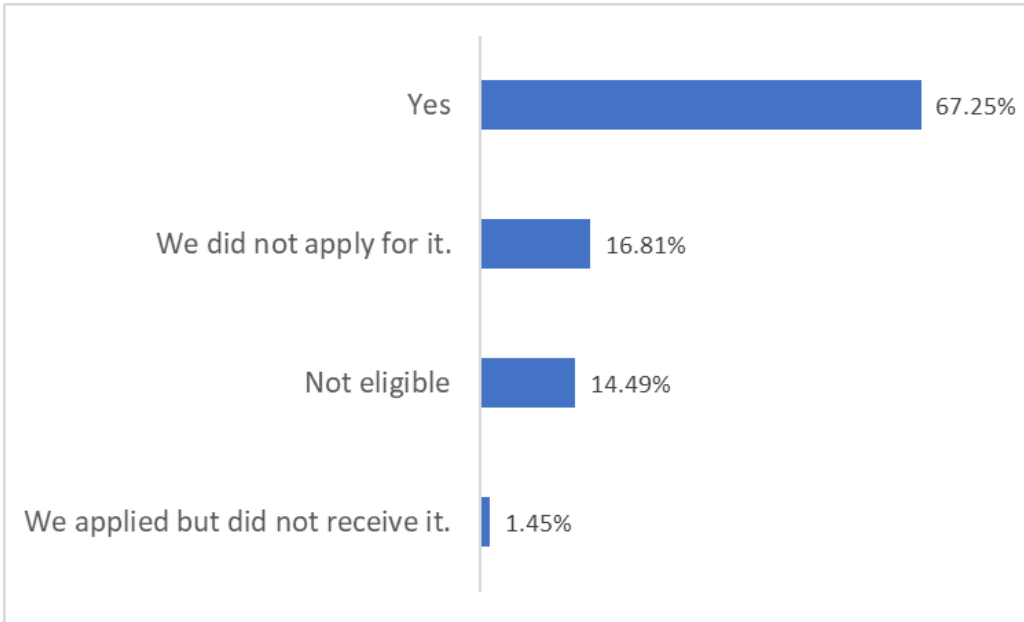
We can continue to cover 9.84 months' operating expenses.

Arts & Culture Organizations:

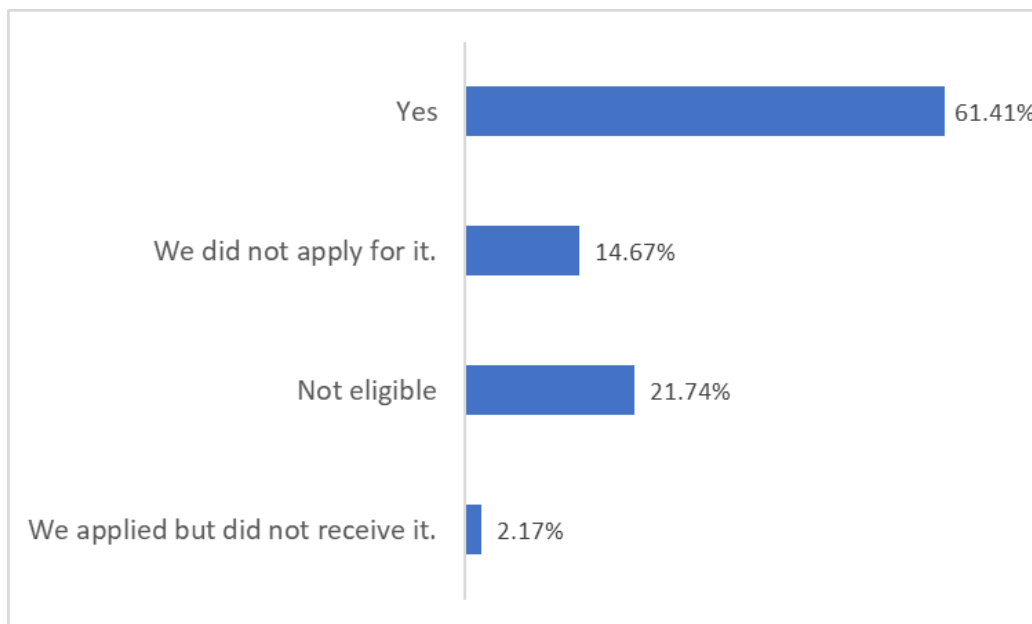
We can continue to cover 9.51 months' operating expenses.

Question 13(1): Has your organization applied for and received a Paycheck Projection Program (PPP) loan?

Responses to Question 13(1) from Human Services Organizations:

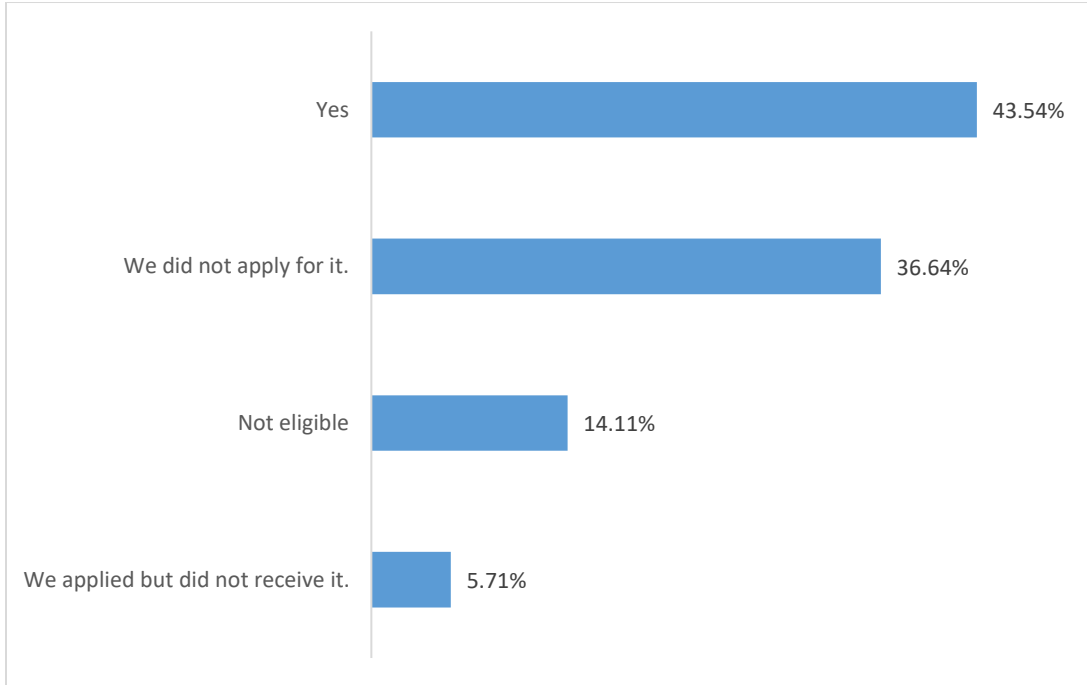


Responses to Question 13(1) from Arts & Culture Organizations:

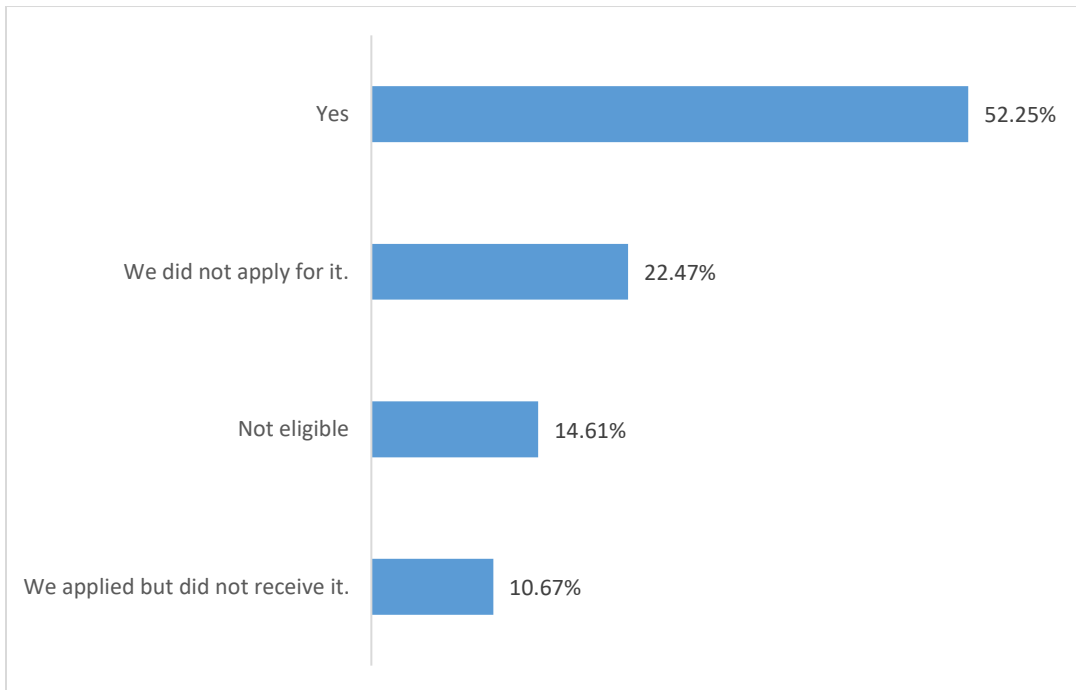


Question 13(2): Has your organization applied for and received any other government emergency funds/grants (other than a PPP loan)?

Responses to Question 13(2) from Human Service Organizations:

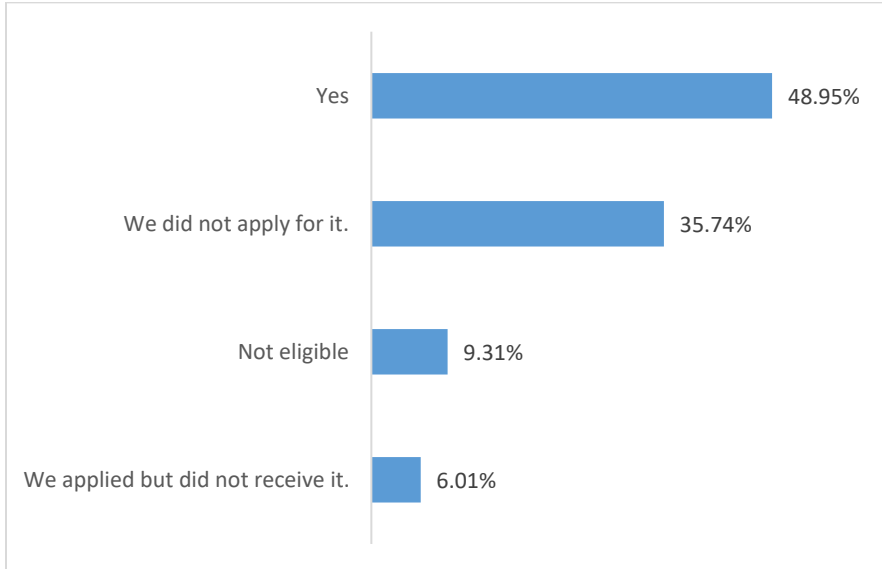


Responses to Question 13(2) from Arts & Culture Organizations:

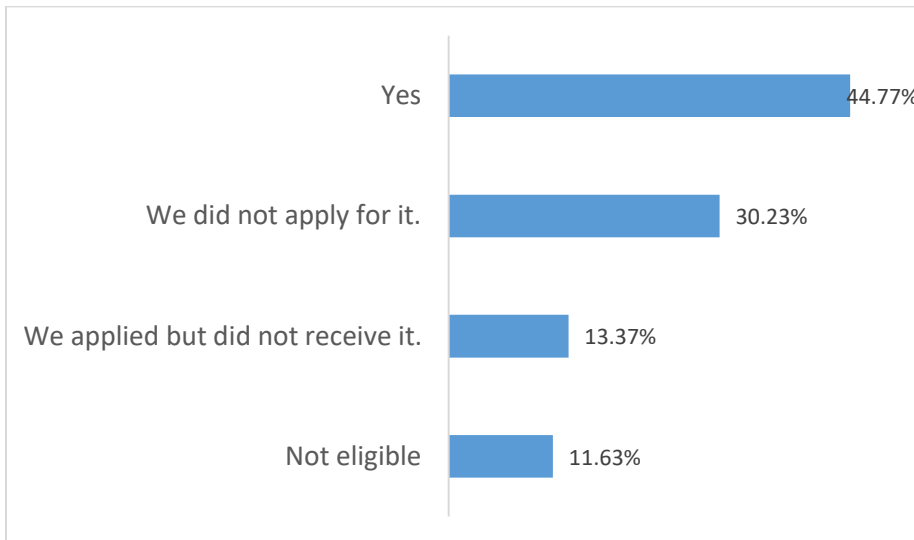


Question 14: Has your organization received any COVID-19 related emergency funds/grants from foundations?

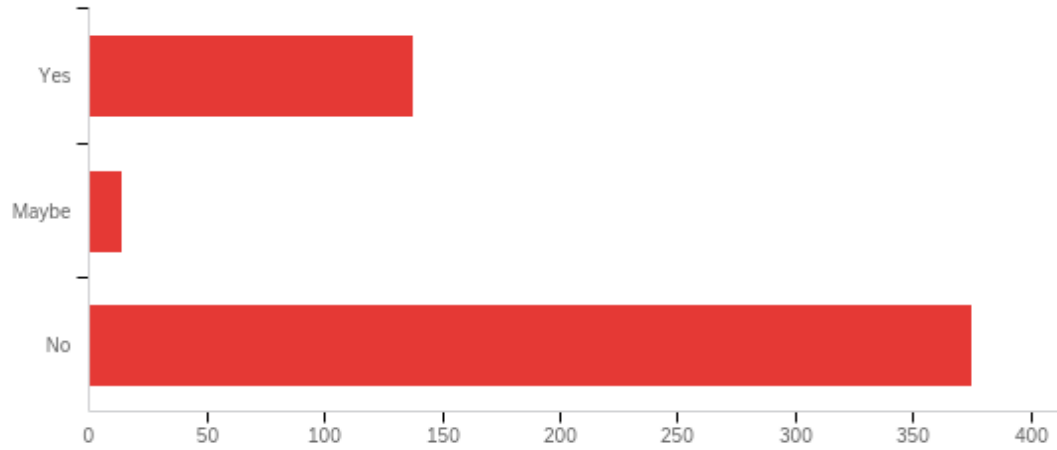
Responses to Question 14 from Human Service Organizations:



Responses to Question 14 from Arts & Culture Organizations:



Question 15: Has your organization participated in a local COVID task force or coordinated response? Please describe the nature/scope of it.



Appendix. Comparison of the spring versus winter results

Question 5: Which of the following impacts has your organization experienced already or do you anticipate experiencing due to the COVID-19?

- April/May 2020 results include the percentage of respondents who said "experienced already" or "anticipate experiencing." Other categories include "do not anticipate" and "not relevant."
- November/December 2020 results include the percentage of respondents who said "experienced already", "experienced but not anymore" or "anticipate experiencing." Other categories include "do not anticipate" and "not relevant."
- For more details, please see pages 4-5 of this report and NORP survey series #8 report.
- The following figures show weighted results based on 2017 990 tax returns data for census region, organization's age, annual income size, and organizational type.

