



Updated COVID-19 Impact on Local Nonprofits in the DMV

September 15, 2020

The Catalogue for Philanthropy surveyed our local nonprofit partners to gauge the impact of COVID-19 on their organizations.

Two out of three small nonprofits are facing major challenges or threats to their existence. COVID-19 and the related economic crisis has caused serious issues for the majority of community nonprofits. An additional 28% of partners are facing some challenges related to COVID-19, including shifts in staffing, programming, and fundraising.

Financial challenges are still the leading concern for nonprofits. 81% of partners are facing financial challenges due to COVID-19. The most common challenge is the loss of fundraising event revenue (63%). Losses in earned revenue and institutional funding are concerns as well.

These challenges could increase during the rest of 2020. Many nonprofits have postponed earlier events or have regularly scheduled events in September, October, or November. Those events going virtual, and the expected decrease in revenue, could pose challenges for the sector.

Nonprofits are unsure of what to expect next. 55% of partners do not know what to expect during end of year giving in 2020. 22% of partners believe end of year giving will be as good or better than 2019, with an equal 22% believing it will be worse. This uncertainty is making financial planning all the more difficult.

This uncertainty is leading to delayed decisions and layoffs. Almost half (48%) of surveyed partners have delayed planned purchases or strategic decisions. Additionally, after a respite largely due to PPP funding, we are beginning to see layoffs increase. In our spring surveys, only 9% of small nonprofits had laid off or furloughed staff. Now, 18% of partners are reporting layoffs during COVID-19.

Despite these challenges, organizations are feeling things have stabilized for the moment. 51% believe their organization is doing about the same as it was the month prior and an additional 39% believe that they're doing better. This optimism is encouraging heading into end of year, despite the uncertainty.

Nonprofits need continued philanthropic and government support to prevent increasing layoffs and closures, and to ensure they are able to continue to provide services. We need to encourage donors and other funders to give with urgency and generosity while also mobilizing government funding. And not just money—nonprofits have adjusted to virtual volunteering. For the first time since we began surveying partners, a majority (55%) reports having virtual volunteer opportunities.

We need to continue to make virtual resources and communities available. Nonprofit staff and leaders need virtual community, professional development, and actionable advice to support their response to COVID-19. 69% of surveyed nonprofits are looking for more virtual capacity building and collaboration opportunities.

The next three months are critical to shaping what the sector looks like in 2021. The possible variance in end of year giving, uncertainty around future government support, and potential giving implications of the election all make the next few months critical. This is true not only for how nonprofits end 2020, but how they will be set up for 2021.