



# COVID-19 Impact on Nonprofits

*July - September 2020*

# Agenda

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- ▶ **Project overview**
- ▶ Financial impact of COVID-19 on non-profit industry
- ▶ Comparison of COVID-19 and '08-'09 recession impact on non-profits
- ▶ Strategies to mitigate COVID-19 impact on non-profits

## Project overview

This project aims to analyze the impact of COVID-19 on the non-profit sector with a specific focus on how non-profits can recover post-pandemic

### Internal COVID-19 Impact Project Overview

The objective of this project is to answer two key questions related to the impact of COVID-19 on the non-profit sector

Analyze the financial impact of COVID-19 on the non-profit industry with a specific focus on changes in donor behavior

Identify ways in which smaller non-profit organizations can better cultivate and steward donors and mitigate the effects of COVID-19 on their organizations

#### Key Questions:

- ▶ How have private and corporate donor behavior changed with COVID-19? How will this be affected in the short- and long-term?
- ▶ How has donation behavior changed recently in light of the 2020 Black Lives Matter protests? How will donation patterns be affected in the short- and long-term?
- ▶ How were non-profits affected during the '08-'09 recession and when did donor behavior return to pre-recession levels?
- ▶ What were best practices employed by non-profits to mitigate the effects of the '08-'09 recession?
- ▶ How did non-profit organizations leverage governmental support (e.g., stimulus packages) during the '08-'09 recession and how does this compare to government support available to non-profits today?

#### Key Questions:

- ▶ What concrete steps can non-profits take in the near future to mitigate the effects of COVID-19?
- ▶ How can non-profit organizations work to retain current donors and better target new donors?
- ▶ What forms of media (social media, articles, print) are most successful in conveying the mission of non-profits and creating awareness?

## Project overview

# The Inspire team completed primary and secondary research to inform findings

### Primary Research

#### Interviews Completed (n=7)

- ▶ Chief Executive Officer, Cancer Research Organization
- ▶ Co-Founder and Chief Operating Officer, Education Enrichment Organization
- ▶ Director of Advancement & Parent Engagement, K-12 School
- ▶ Director of Development, Homeless Services Organization
- ▶ Executive Director, Early Childhood Services Organization
- ▶ Manager of Major Gifts, Foundation
- ▶ President and Co-Founder, Cancer Research Organization

#### Donor Behavior Survey (n=55)

- ▶ Inspire surveyed 55 business professionals from major U.S. cities
- ▶ Further demographic details of the respondents are shown on the next slide
- ▶ The survey questions covered total donation amounts in 2019 vs. 2020, donation mix by organization type, and the impacts of the COVID-19 pandemic and the Black Lives Matter movement on donor behavior

### Secondary Research

- ▶ Association of Fundraising Professionals Reports
- ▶ CCS Fundraising
- ▶ CNBC
- ▶ CNN
- ▶ CNN
- ▶ CSS Fundraising
- ▶ Feeding America
- ▶ Fidelity Charitable
- ▶ Giving USA Foundation
- ▶ Indiana University Lilly Family School of Philanthropy
- ▶ Luth Research Survey
- ▶ Pace University
- ▶ Philanthropy News Digest
- ▶ The Conversation
- ▶ The Washington Post
- ▶ Urban Institute
- ▶ Volunteer Match



## Project overview

Inspire surveyed 55 business professionals in major U.S. cities regarding their 2019 and 2020 donor behavior

Inspire donor behavior survey demographics



## Project overview

# The financial impact of COVID-19 on non-profits varies based on five key attributes; Inspire recommends a mix of digital and non-digital solutions

### Project Findings

#### Financial impact of COVID-19 on non-profit industry

- ▶ Historical data shows a steady increase in total US annual charitable giving over the past 10 years, but **2020 will likely see a decrease in overall charitable giving** (including both monetary and non-monetary donations) similar to the 2009 fallout from the economic crisis
- ▶ While overall charitable giving is expected to decrease, **surveyed business professionals indicate their individual total donation amounts have risen in 2020**, largely driven by one-time donations to new organizations, especially those related to the Black Lives Matter movement and racial justice
- ▶ The impact of COVID-19 varies widely across non-profits; there are five key attributes that can influence susceptibility to financial challenges caused by COVID-19: **(1) revenue mix; (2) size, reputation, and geographic footprint; (3) financial health and trajectory; (4) donor base and fundraising tactics; (5) mission and services provided**

#### Comparison of COVID-19 and '08-'09 recession impact on non-profits

- ▶ The '08-'09 recession financially impacted all non-profits, while **the impact of COVID-19 is more variable as not all Americans were financially burdened by the pandemic**
- ▶ Decreased giving during The Great Recession had a harsh impact on non-profits, but the **recovery was quicker than expected**; a similar pattern may emerge following the COVID-19 pandemic
- ▶ During and after the '08-'09 recession, successful non-profit **organizations leveraged federal government support, valued key leaders' opinions, solidified their message, and bolstered hiring as support grew**, all of which may be successful tactics for non-profits during and after the pandemic

#### Strategies to mitigate COVID-19 impact on non-profits

- ▶ Non-profits who have seen success throughout the pandemic report **a variety of digital and non-digital fundraising best practices to mitigate the impact of COVID-19**
- ▶ Inspire recommends four key steps for non-profits to mitigate the impact of COVID-19:
  - ▶ Apply for government assistance
  - ▶ Be intentional about messaging
  - ▶ Expand use of digital solutions
  - ▶ Leverage individualized communication

# Agenda

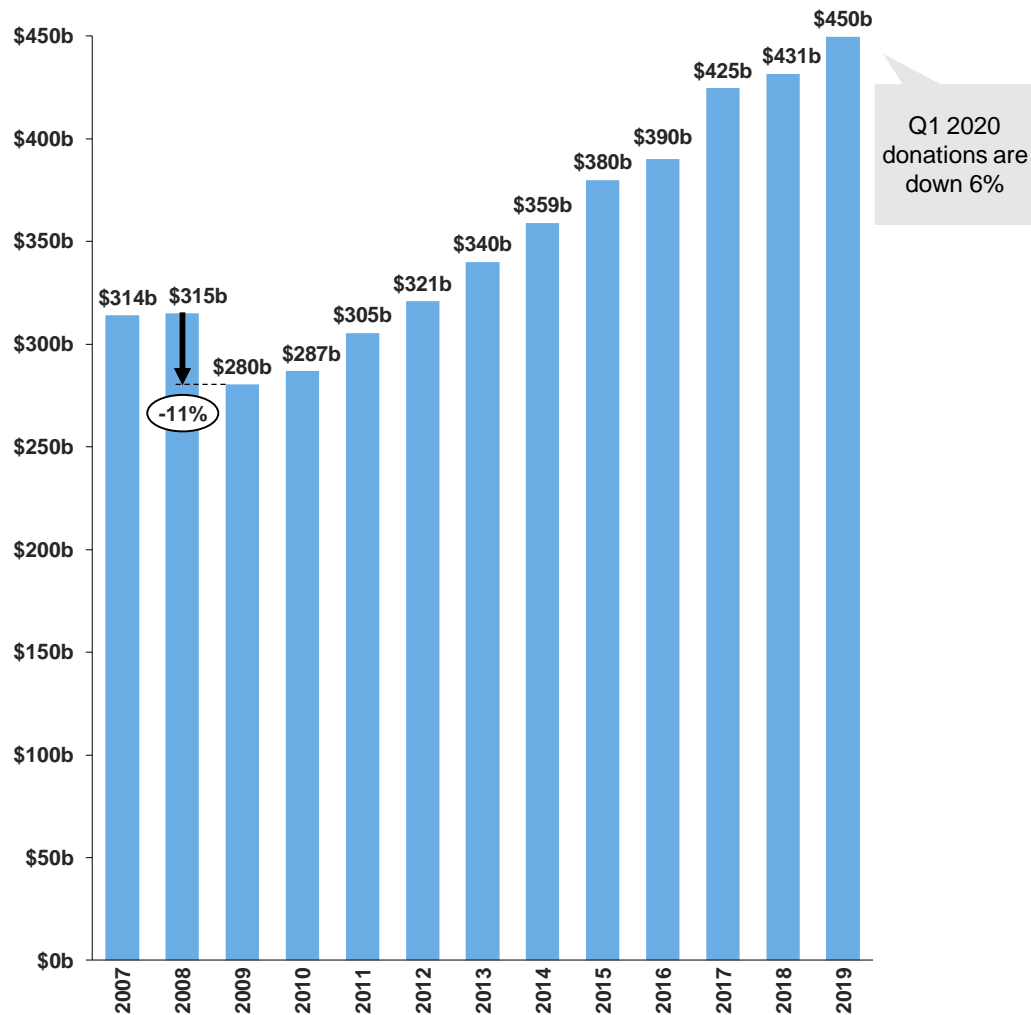
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# Financial impact of COVID-19 on non-profit industry

## Historical data shows a steady increase in total US annual charitable giving, but 2020 will likely see a decrease in charitable giving similar to 2009

Total US Annual Charitable Giving (\$ Billions)



Commentary

**Historical charitable giving data reveal that donation amounts tend to be directly related to the overall strength of the economy**

- ▶ “People give more when they feel that they have money to spare, plunges in the stock market during events like the Great Recession and COVID make people feel like they can’t afford charitable giving” – The Conversation

**Mid-level gifts have decreased most significantly since the beginning of 2020**

- ▶ “While donations under \$250 increased in the first quarter of 2020, mid-level gifts decreased by 2.2%, and gifts of \$1,000 or more dropped by 7.4%” – The Fundraising Effectiveness Project

**Nevertheless, experts are optimistic that Q1 declines in charitable giving may not be indicative of donation trends for the full year**

- ▶ “Overall, non-profits have a history of rebounding and innovating during adversity, and the first quarter of the year is not indicative of how giving will fare overall during the year”  
– The Association of Fundraising Professionals

**Survival of non-profits will rely on grassroots awareness campaigns to break through the noise of the news**

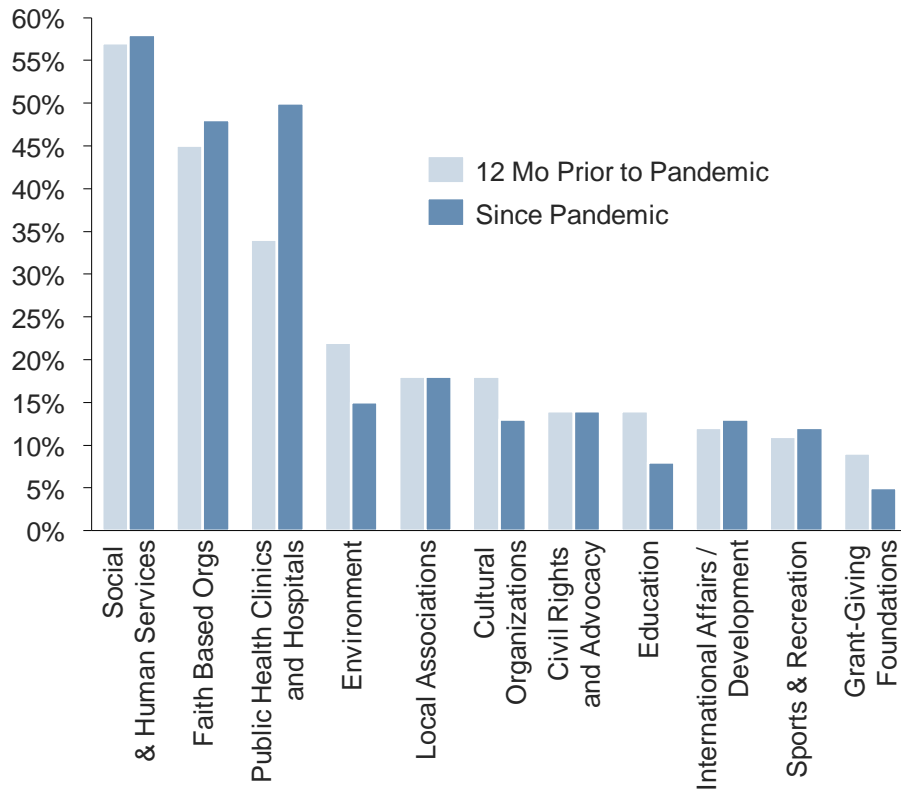
- ▶ “The federal government and the press are focused on the plight of the big industries during COVID -- airlines, hotels, cruise ships -- non-profits employ more people than many of these industries. Furthermore, non-profits typically don’t have the cash or assets to guarantee their survival” – CNN



# Financial impact of COVID-19 on non-profit industry

**COVID-19 has caused a reduction in volunteers, physical donations, and monetary donations, much of which is driven by fears of contracting the virus**

**% of Luth Research Respondents who contributed to different types of non-profits before and during the pandemic (n=353)**



## COVID-19 Impact on Volunteerism

The number of people willing to engage in in-person volunteerism has decreased due to fears of spreading COVID-19 while the number of people turning to non-profits like food banks for help has surged

- ▶ *“From research we performed during the month of March, we learned that 93% of non-profit organizations are seeing heavy volunteer cancellations, with some losing 100% of their volunteer force”* – VolunteerMatch
- ▶ *“Katie Fitzgerald, the chief operating officer for Feeding America, says their 200 food bank network has seen a huge increase — more than 60% — in the number of people showing up for help in recent weeks. But the number of volunteers has also dropped by 60%”* – NPR
- ▶ *“Nearly half (47 percent) of recent volunteers believe the amount of time they volunteer will decrease or stop entirely because of the pandemic”* – Fidelity Charitable

## COVID-19 Impact on Physical Donations

**Physical donations have similarly decreased due to COVID-19**

- ▶ *“The Community Food Bank of New Jersey, the state’s largest, lost about 800,000 pounds of donated food in March and April, CEO Carlos Rodriguez told CNBC. To make up the difference, the New Jersey food bank started buying food, spending an additional \$945,000 a month since March”* – CNBC
- ▶ *“Since the beginning of the COVID-19 crisis in March: 98 percent of food banks reported an increase in demand for food assistance, and 59 percent of food banks reported having less inventory”* – Feeding America

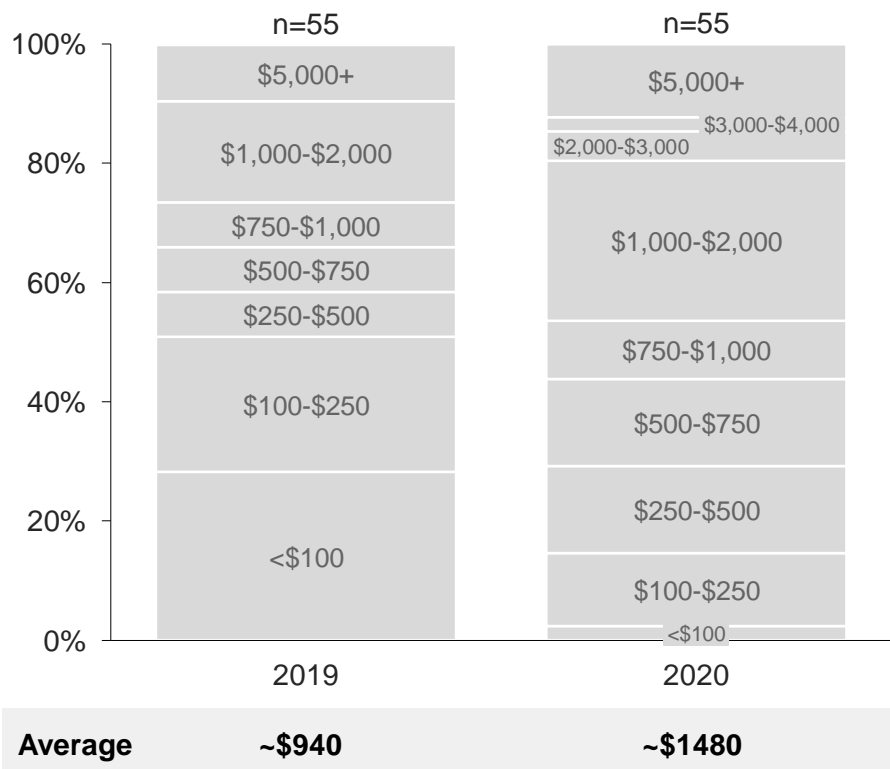
# Financial impact of COVID-19 on non-profit industry

## Surveyed business professionals indicate their total donation amounts have risen in 2020, largely due to one-time donations to new organizations

### Changes in donation amounts between 2019 and 2020

Q: Approximately how much did you donate to non-profit/charitable organizations in 2019?

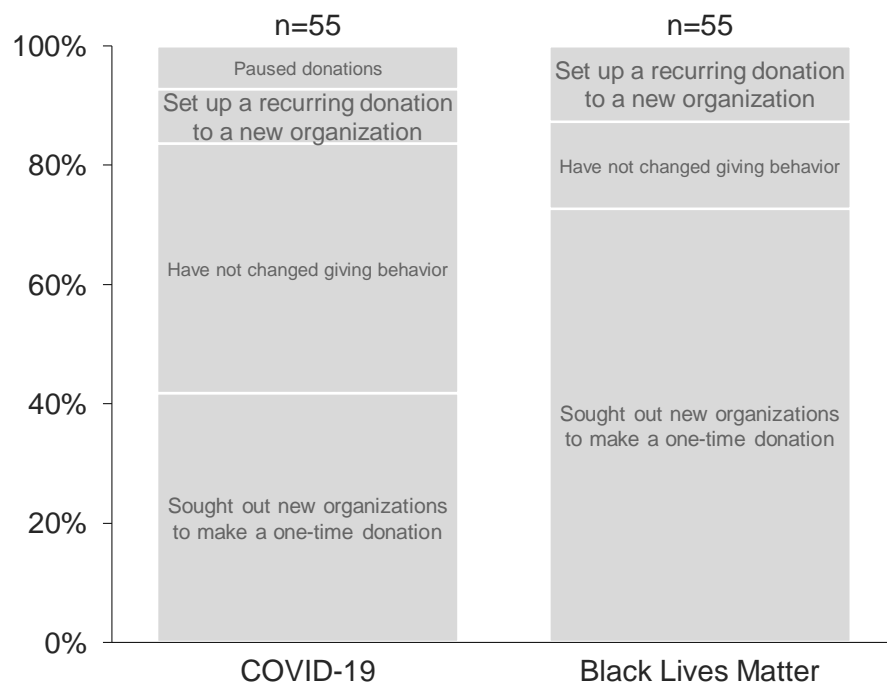
Q: Approximately how much do you expect to donate to non-profits/charitable organizations in 2020?



### COVID-19 and Black Lives Matter impact on donation habits

Q: How has the COVID-19 pandemic changed your donation habits (if at all)? Please select all that apply

Q: How has the Black Lives Matter movement changed your donation habits in 2020 (if at all)? Please select all that apply



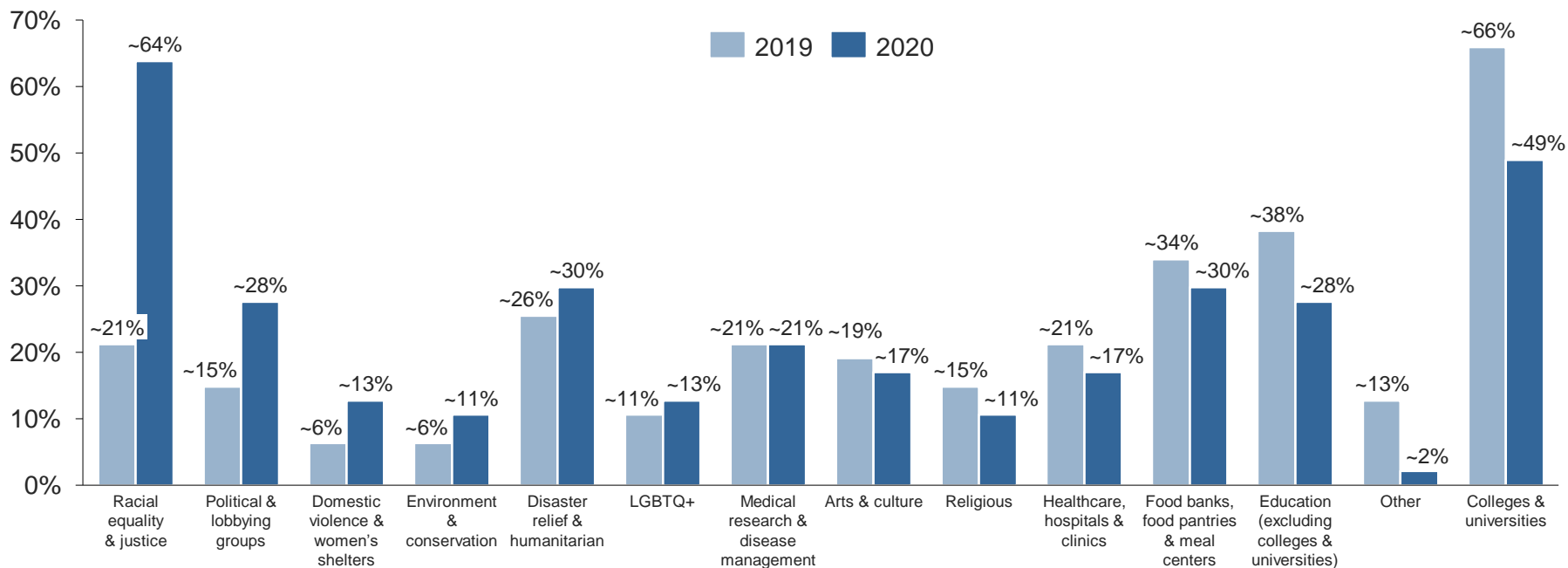
# Financial impact of COVID-19 on non-profit industry

## Donations to non-profits in the racial equity & justice, political/lobbying, and domestic violence spaces have increased significantly in 2020

### Percentage of respondents who donated to select categories of non-profits, 2019-2020

Q: What types of non-profits/charitable organizations did you donate to in 2019? Please select all that apply

Q: What types of non-profits/charitable organizations have you donated to or plan to donate to in 2020? Please select all that apply








YoY Change	~43%	~13%	~7%	~5%	~4%	(~0%)	(~2%)	(~4%)	(~4%)	(~4%)	(~10%)	(~11%)	(~17%)
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# Financial impact of COVID-19 on non-profit industry




There are five key organization attributes that can influence susceptibility to financial challenges caused by COVID-19

## Framework for assessing COVID-19 financial impact

Organization Attributes		Considerations
1	Revenue mix 	▶ A diversified revenue mix minimizes organizations' exposure to economic downturns, including COVID-19
2	Size, reputation, and geographic footprint 	▶ Larger, well-established organizations with wide geographic reach are more likely to see their fundraising levels persist through COVID-19
3	Financial health and trajectory 	▶ For small-to-medium-sized organizations, strong financial health and a high growth trajectory may help fundraising programs withstand COVID-19
4	Donor base and fundraising tactics 	▶ The impact of COVID-19 on fundraising is uneven; donor bases with a higher percentage of corporate and major individual donors are better positioned to withstand the pandemic
5	Mission and services provided 	▶ COVID-19 presents immense challenges for organizations that rely on in-person attendance, but also presents opportunity for some with highly resonant missions



# Financial impact of COVID-19 on non-profit industry

A diverse revenue mix may improve ability to weather COVID-19; size is an advantage, though high growth prior to the pandemic may indicate durability

Organization Attribute	Considerations and Comparison to 2008 Financial Crisis
<p>1</p> <p>Revenue mix</p> 	<p><b>A diversified revenue mix minimizes organizations' exposure to economic downturns, including COVID-19</b></p> <ul style="list-style-type: none"><li>▶ Foundation and government grants are relatively insulated from COVID-19-related shocks, as was true during the 2008 Financial Crisis</li><li>▶ Organizations that heavily rely on fundraising to meet annual budgetary goals are higher risk for more acute financial challenges in the wake of economic downturns<ul style="list-style-type: none"><li>▶ However, the effect of COVID-19 on fundraising is variable, depending on additional attributes such as organization size, trajectory, fundraising strategy, and mission type</li></ul></li></ul>
<p>2</p> <p>Size, reputation, and geographic footprint</p> 	<p><b>Larger, well-established organizations with wide geographic reach are more likely to see their fundraising levels persist through COVID-19</b></p> <ul style="list-style-type: none"><li>▶ Larger organizations, on a revenue and/or chapter basis are better-positioned to withstand a downturn due to a high likelihood of possessing a large pool of private and corporate donors as well as robust major donor group</li><li>▶ Long-standing organizations with broad regional/national reach are typically deeply entrenched in their communities and cultural psyche<ul style="list-style-type: none"><li>▶ Many are continually featured heavily in traditional media, cementing their status as pillars of civil society</li></ul></li></ul>
<p>3</p> <p>Financial health and trajectory</p> 	<p><b>For small to medium sized organizations, strong financial health and a high growth trajectory may help fundraising programs withstand COVID-19</b></p> <ul style="list-style-type: none"><li>▶ Organizations in good financial health that have strong financial/organizational infrastructure are likely to be somewhat insulated from COVID-19-related shocks</li><li>▶ Organizations with downward trending or negative revenue surplus may face high exposure to COVID-19, while those experiencing rapid growth prior to the pandemic may be less deterred</li></ul>

# Financial impact of COVID-19 on non-profit industry





Unlike the 2008 financial crisis, COVID-19's effects on the non-profit industry is uneven; outcomes vary widely depending on donor mix and mission type

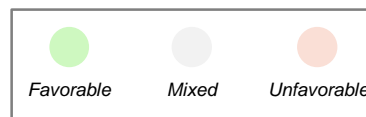
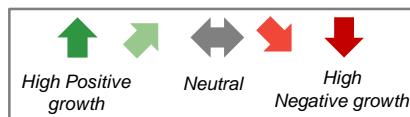
Organization Attribute	Considerations and Comparison to 2008 Financial Crisis
<p data-bbox="92 525 117 544">4</p> <p data-bbox="170 386 413 489"><b>Donor base and fundraising tactics</b></p> 	<p data-bbox="473 404 1754 465"><b>The impact of COVID-19 on fundraising is uneven; donor bases with a higher percentage of corporate and major individual donors are better positioned to withstand the pandemic</b></p> <ul data-bbox="473 489 1837 672" style="list-style-type: none"><li data-bbox="473 489 1837 586">▶ Whereas the 2008 Financial Crisis caused great financial harm irrespective of donor type or wealth levels, larger corporations and wealthier individuals have been less impacted by COVID-19, and have continued or increased charitable giving</li><li data-bbox="473 611 1837 672">▶ Fundraising attributes prior to the pandemic such as adoption of digital solutions and a culture of innovation may improve donor retention and average gift size during the pandemic</li></ul>
<p data-bbox="92 993 117 1012">5</p> <p data-bbox="198 855 382 958"><b>Mission and services provided</b></p> 	<p data-bbox="473 829 1823 891"><b>COVID-19 presents immense challenges for organizations that rely on in-person attendance, but also presents opportunities for some non-profits with highly resonant missions</b></p> <ul data-bbox="473 915 1843 1182" style="list-style-type: none"><li data-bbox="473 915 1843 1012">▶ Organizations that traditionally rely on in-person attendance and gatherings, such as museums and performing arts, will likely struggle to retain donors and gift size during the pandemic due to decreased salience and more urgent needs felt elsewhere</li><li data-bbox="473 1036 1843 1182">▶ However, some organizations, such as those who provide health and social services, are potentially in better positions than ever to deliver on their missions, often driving increased fundraising<ul data-bbox="571 1118 1750 1182" style="list-style-type: none"><li data-bbox="571 1118 1750 1182">▶ This uneven impact is a departure from the 2008 Financial Crisis, which saw declines in fundraising across the board</li></ul></li></ul>

# Financial impact of COVID-19 on non-profit industry

COVID-19 has had an uneven impact on non-profit finances, in some cases even driving increased giving due to enhanced sense of responsibility (1 of 2)

## Interview perspectives

Interviewee title	Non-profit type	Annual budget	2020 YTD performance	Impact of COVID-19 on fundraising	Commentary
Manager of Major Gifts	Foundation	~\$410m		<ul style="list-style-type: none"> <li>▶ <b>Donation volume has decreased as well as average donation amount</b>, particularly for medium-sized gifts (\$10,000-\$25,000)</li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>"People still wanted to donate, but couldn't give now or would give less, which is highly unusual for us"</i></li> </ul>
Chief Executive Officer	Cancer Research Organization	~\$7.5m		<ul style="list-style-type: none"> <li>▶ <b>Individual giving has increased</b> across donation sizes, though donations make up a relatively small portion of revenue</li> <li>▶ Interviewee noted that several peer organizations have closed</li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>"Even if [organizations] are not out of money, <b>this time is so stressful and concerning</b>, they may even say 'let's be done now'"</i></li> </ul>
Director of Development	Homeless Services	~\$5.5m		<ul style="list-style-type: none"> <li>▶ <b>Fundraising comprises ~45% of revenue</b>, exceeded annual FY20 fundraising goal by ~40%</li> <li>▶ Annual major event completed prior to COVID-19; <b>organization response to pandemic spurred windfall of donations</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>"<b>Business closures amplified all of our services, we did more and more and more. People struck by the tenacity with which we approached this, since all these other services were closing down</b>"</i></li> </ul>
Director of Advancement & Parent Engagement	Education (K-12)	~2.8m		<ul style="list-style-type: none"> <li>▶ <b>Fundraising comprises ~20% of revenue</b>, somewhat insulating from COVID-19 impact</li> <li>▶ Able to meet top-line fundraising goal for FY20, <b>expects broader budget challenges looking ahead</b></li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>"In terms of the challenges to partial virtual learning, <b>if parents are unhappy</b> with what the school has going on <b>then the ask gets a lot harder</b>"</i></li> </ul>

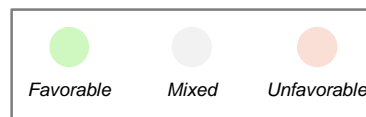
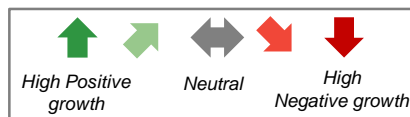


# Financial impact of COVID-19 on non-profit industry

COVID-19 has had an uneven impact on non-profit finances, in some cases even driving increased giving due to enhanced sense of responsibility (2 of 2)

## Interview perspectives

Interviewee title	Non-profit type	Annual budget	2020 YTD performance	Impact of COVID-19 on fundraising	Commentary
Executive Director	Early Childhood Services	~\$2.8m	↔	<ul style="list-style-type: none"> <li>▶ Though fundraising typically comprises ~25% of revenue, grant funding has been constrained, driving increased fundraising in new and existing channels</li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>“Meeting our normal operational needs is always a challenge, but obviously more so now since you can’t be in person. In terms of our peers in the space, 1000s of 1000s of early childhood slots are being lost forever right now”</i></li> </ul>
President and Co-Founder	Cancer Research Organization	~\$1m	↔	<ul style="list-style-type: none"> <li>▶ Donations have increased significantly for both individual and corporate</li> <li>▶ Impact of COVID-19 is unclear since organization was on an upswing prior to the onset of the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>“Industry realizes they have a bigger responsibility as a result of COVID and have stepped up to the plate”</i></li> </ul>
Co-Founder and Chief Operating Officer	Education (enrichment)	~\$400k	↑	<ul style="list-style-type: none"> <li>▶ Fundraising typically comprises ~50% of revenue</li> <li>▶ Organization focus has shifted to other priorities since the pandemic, namely securing government assistance and transforming programming</li> </ul>	<ul style="list-style-type: none"> <li>▶ <i>“Since COVID hit, we’ve been so busy figuring out how to adapt our program that fundraising has taken a back seat to this point”</i></li> </ul>





# Agenda

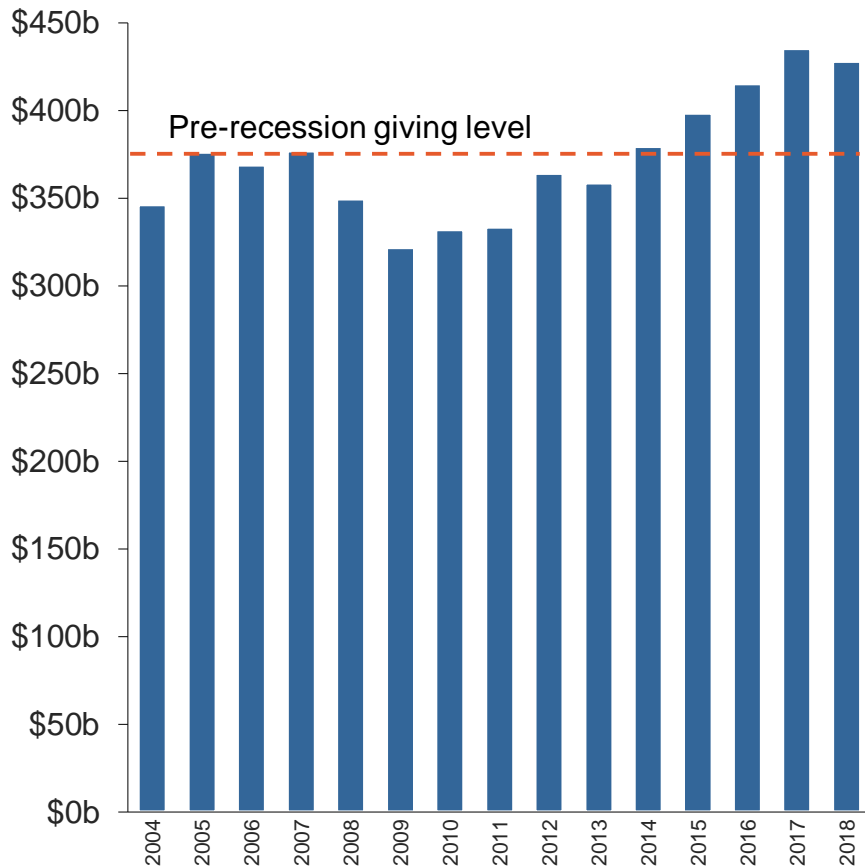
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# Comparison of COVID-19 and '08-'09 recession impact on non-profits

## Giving donations returned close to pre-recession levels by 2012, and exceeded 2007 levels by 2014

Total Giving in the US in 2018 dollars,  
2004-2018



### Commentary

Decreased giving during The Great Recession had a harsh impact on non-profits, but the recovery was quicker than expected

- ▶ **“While these decreases surely impacted many non-profits, it is important to note that the decline was short-lived and did not impact everyone as our economy has bounced back from the recession, so has philanthropy, and at a much faster rate than experts predicted: giving in 2014 rose to \$358.4 billion, surpassing pre-recession rates. Further, some charities actually performed better in the recession. non-profits who address poverty-related causes were often targeted by philanthropists who saw increased need for services throughout their communities”**  
– CSS Fundraising
- ▶ **“During the recession, it was more likely that public charities suffered from lower revenue, rather than close. Compared with the percentage that died, more than twice as many public charities fell below the \$50,000 threshold or submitted no financial information”** – Urban Institute
- ▶ **“Overall, taking births and deaths into account, the number of organizations with \$50,000 or more in revenue in 2012 (252,018) was only slightly lower than it was in 2008 (254,525)”** – Urban Institute

# Comparison of COVID-19 and '08-'09 recession impact on non-profits

## During the '08-'09 recession and its fallout, non-profits maintained transparency and leveraged federal funds to stay afloat

During and after the '08-'09 recession, successful non-profit organizations valued key leaders' opinions, solidified their message, and bolstered hiring as support grew

During the Great Recession, successful non-profits maintained transparency and ensured key voices were heard in the planning of the future of the organization

- ▶ **“Include volunteer leaders in the planning** by letting them know you are proactively planning and seeking their feedback on strategy and messaging. **You will reinforce their commitment to the organization no matter the status of a recession.** Talk of an impending downturn can leave leaders anxious about the future. And whether or not the economic predictions come true, any non-profit can take steps now to secure the future. By clarifying the mission, expanding outreach, and being transparent, non-profits can ensure greater success in any economic climate” – CCS Fundraising

In the fallout of the economic downturn, many non-profits increased hiring in order to meet the greater demand of support they were receiving

- ▶ **“Non-profit employment from 2007 to 2012 increased 8.5 percent,** from 10.5 million to 11.4 million, with the sector adding new jobs every year. In addition, total annual wages (before inflation) rose from \$421 billion in 2007 to \$532 billion in 2012, an increase of 26 percent, while the number of newly established non-profit organizations increased 15 percent, from 232,396 to 267,855” – Philanthropy News Digest

Non-profits heavily leveraged federal government support as state / local funds and private donations decreased during the Great Recession

The federal government passed the American Recovery and Reinvestment Act of 2009 to help non-profits expand their services. Non-profits were able to effectively utilize these funds to supplement their private giving and stay afloat

- ▶ **“At the same time, the increase in non-profit sector employment was not a reflection of increased charitable giving, and federal government funding awarded through the American Recovery and Reinvestment Act of 2009 helped many non-profits expand their services”** – Philanthropy News Digest
- ▶ **“But private giving isn't the only way non-profits take in money. Federal government funding was extremely important in helping them expand services, especially as state and local governments cut back.** The American Recovery and Reinvestment Act pumped millions of dollars into education and training groups, for example, to help workers who lost their jobs” – The Washington Post
- ▶ **“Only about one-third of the organizations saw declines in government support,** endowment income and fee-for-service income. These results indicate that those organizations that relied most heavily on private individual contributions, private corporate contributions or foundation support witnessed greater fiscal stress” – Pace University

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- ▶ **Strategies to mitigate COVID-19 impact on non-profits**

# Strategies to mitigate COVID-19 impact on non-profits

## Interviewees report a variety of digital and non-digital fundraising success stories since the onset of COVID-19

### Social Media Takeover

- ▶ Cancer research organization recently held an online “takeover”, featuring the stories of various cancer survivors on social media platforms such as Facebook and Twitter
- ▶ *“Virtual fundraising is in its infancy and people are trying a lot of different things... there are a lot of kinks to work out but [overall] it seems to be working”*  
– President and Co-founder, Cancer Research Organization



### Virtual Charity Walk

- ▶ Cancer research organization typically holds an annual in-person walk fundraising event that attracts local attention
- ▶ This year, the walk was held virtually; participants logged in from 35 states and 7 countries, 90%+ of whom had not participated in years past
- ▶ *“The walk went from a Southern California event, not huge, and it became this big deal...people from the military were sending pictures of them doing a walk overseas”*  
– CEO, Cancer Research Organization



### Virtual Political Advocacy

- ▶ Cancer research organization typically brings cancer survivors to Capitol Hill annually to advocate for research funding
- ▶ This year, the organization had advocates interface with policymakers online



### Virtual “Fireside Chats”

- ▶ Foundation hosted online informal discussions to interface with top donors
- ▶ *“It’s not just about making events online; you have to work to create a feel and a vibe that resonates with people”*  
– Manager of Major Gifts, Foundation



## Fundraising Best Practices During COVID-19

### Thoughtful Messaging

- ▶ Cancer research organization prioritized acknowledging the pandemic with overt messaging in print and online emphasizing strength and togetherness
- ▶ *“If you don’t acknowledge COVID, it creates a certain awkwardness among your donor group”*  
– CEO, Cancer Research Organization



### Donor Outreach

- ▶ Multiple organizations scheduled phone calls or sent handwritten notes to top donors to reiterate their gratitude, affirm their commitment to mission, and offer help
- ▶ *“We wanted to continue to be a positive presence in their lives and a resource for them to fulfill their charitable and philanthropic goals”* – Manager of Major Gifts, Foundation



### Strong Commitment to Staff

- ▶ Foundation prioritized retaining staff as well as communicating gratitude for their contributions, in part to ensure the continuity of donor relationships and fundraising know-how specific to their organization



### Free Virtual Summer Camp for School Families

- ▶ School summer camp historically served the broader community; this year programming was all virtual and free of charge for current families
- ▶ *“It was really special, it really was a drop in the bucket in terms of feeling positive about our school”* – Director of Advancement & Parent Engagement, School



Digital solution Non-digital solution

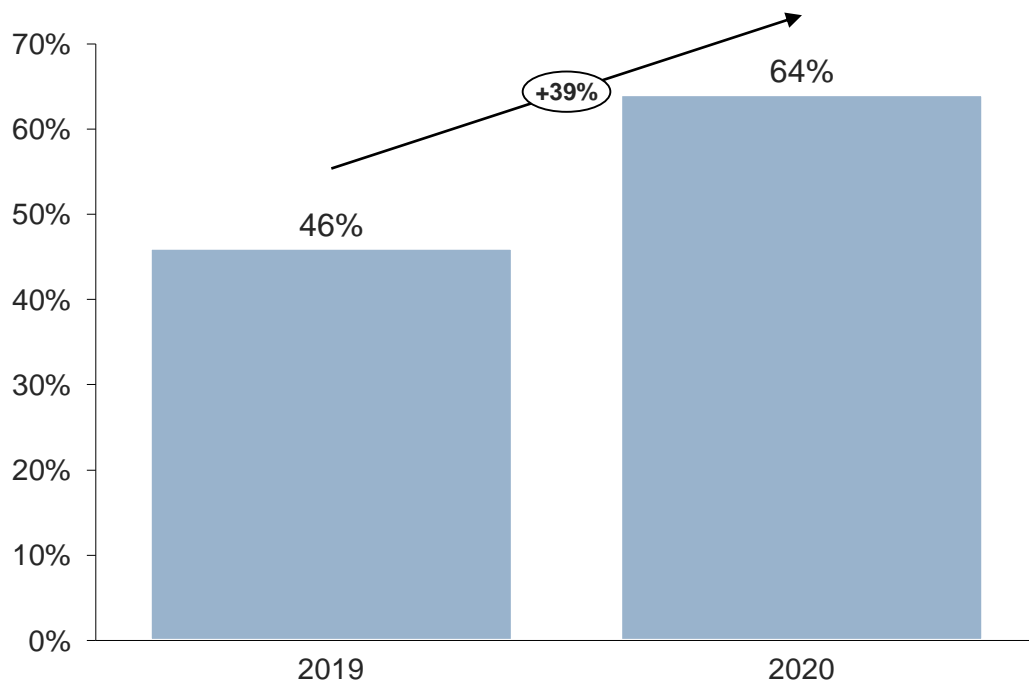


# Strategies to mitigate COVID-19 impact on non-profits

## 64% of respondents are using social media to find donation opportunities in 2020, highlighting the importance of non-profits' social media presence

### Percent of respondents who used social media to find donation opportunities

Q: How did you find donation opportunities in 2019?  
Q: How have you found donation opportunities in 2020?



### Commentary

**Non-profit organizations must recognize the importance of leveraging social media to promote fundraising initiatives and attract new donors, especially during the pandemic**

- ▶ *“We’ve seen an increase in donations likely as a result of our burgeoning social media campaign. We have really focused on social media presence over the last 2 years, but it has taken off over the last 12 months. We’re bringing in a lot of donations through Facebook ads” – President and Co-Founder, Cancer Research Organization*
- ▶ *“We had a virtual charity walk where we raised more donations than previous years. Almost 90% of the virtual walkers and donors were new to the organization and joined through email or social media” – CEO, Cancer Research Organization*

# Strategies to mitigate COVID-19 impact on non-profits

## Case Study: homeless services organization takes three actions in COVID-19 responses, boosts fundraising ~40%+

### Case study of non-profit working to mitigate COVID-19 impact

#### Homeless services organization overview

- ▶ Organization provides services aimed at homelessness/eviction prevention, shelter (temporary housing) services, long-term housing services, and engages in advocacy efforts

#### Key attributes

Founded: 1980s

Annual budget: \$5.5m

FTE count: 50

Fundraising: ~50% of budget

Population served: 3,000

Geography: Midwest

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#### Action 1: Rapid expansion of services

- ▶ Quickly identified that the **core population served were individuals at heightened risk for contracting COVID-19 and/or joblessness and eviction**; widespread closures of businesses / public spaces adversely affected homeless
  - ▶ Doubled down on their mission – ***“we amplified all of our services, we did more and more and more”***
  - ▶ **Provided ~\$1.4m worth of hotel rooms and food from local restaurants**

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#### Action 2: Hone compelling message

- ▶ In **swiftly moving to expand services**, crafted a **story around commitment and agility, which resonated** with donor community
  - ▶ *“All of that messaging allowed us to talk to their donors. People were struck by the tenacity with which we approached this, since all these other services were closing down”*
- ▶ Forged partnerships with struggling restaurant and hospitality firms, taking on a **new mantle as contributors to the local business community**

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#### Action 3: Pivot fundraising strategy

- ▶ Gala and luncheons historically held in person are being shifted to online, with plans for **expanded number of smaller events**
  - ▶ ***“If we can get the message out to donors that we are making an impact and making the community safer and healthier then it can be okay, and that message is ‘this is the moment where you have to step up and support us’”***
- ▶ Organization focused on **communicating its message via traditional and social media channels**

# Strategies to mitigate COVID-19 impact on non-profits

## Inspire recommends four ways to mitigate the negative impacts of COVID-19

### Inspire recommendations for strategies to mitigate impact of COVID-19 on non-profits

	Revenue Mix	Size, reputation, geographic footprint	Financial health and trajectory	Donor base and fundraising tactics	Mission and services provided
<p><b>Go-forward recommendation #1:</b>  <b>Apply for government assistance</b></p> <ul style="list-style-type: none"> <li>▶ Loan programs such as PPP have been crucial in bolstering the positions of strong and struggling non-profits alike; securing loan forgiveness can be especially helpful</li> </ul>	✓		✓		
<p><b>Go-forward recommendation #2:</b>  <b>Be intentional about messaging</b></p> <ul style="list-style-type: none"> <li>▶ Many non-profits are better positioned than ever to deliver on their missions, crafting language illustrative of how their services are adapting during the pandemic which can resonate in the community</li> </ul>		✓		✓	✓
<p><b>Go-forward recommendation #3:</b>  <b>Expand use of digital solutions</b></p> <ul style="list-style-type: none"> <li>▶ Expanding presence online and through social media can broaden donor and cultural reach</li> <li>▶ Adopting personalized digital tools as well as larger forums with unique programming can retain and even increase donor count/engagement</li> </ul>		✓		✓	
<p><b>Go-forward recommendation #4:</b>  <b>Leverage individualized communication</b></p> <ul style="list-style-type: none"> <li>▶ In the absence of traditional in-person events, donors, particularly major donors, appreciate a high-touch engagement approach, such as personal phone calls or letters, and are more likely to renew their gifts and remain involved as a result</li> </ul>		✓		✓	

