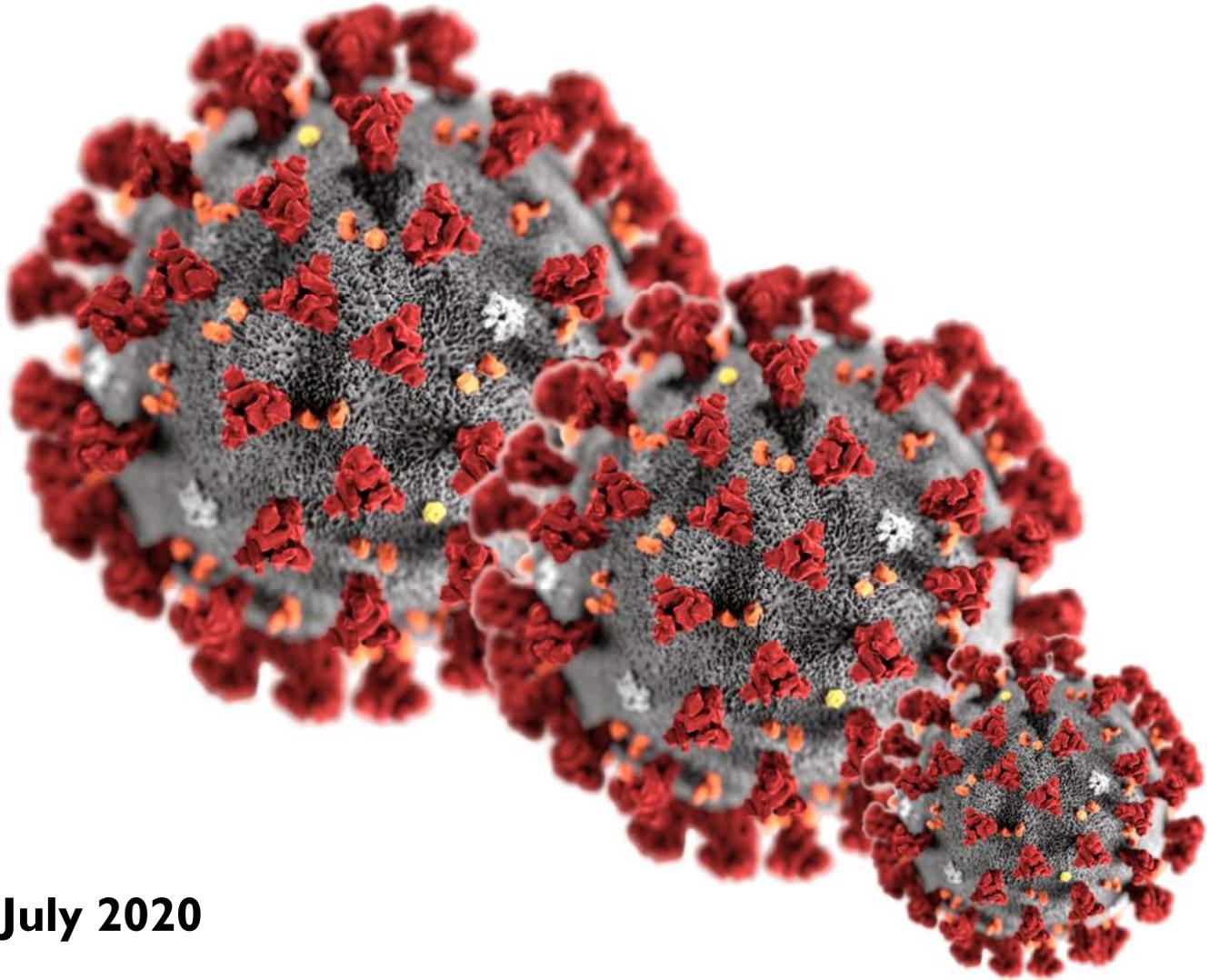


"People are hurting and nonprofits fill a great deal of need."

--Survey respondent

RAPID RESPONSE SURVEY #3: The COVID-19 Crisis and New Jersey's Non-Profit Community



July 2020

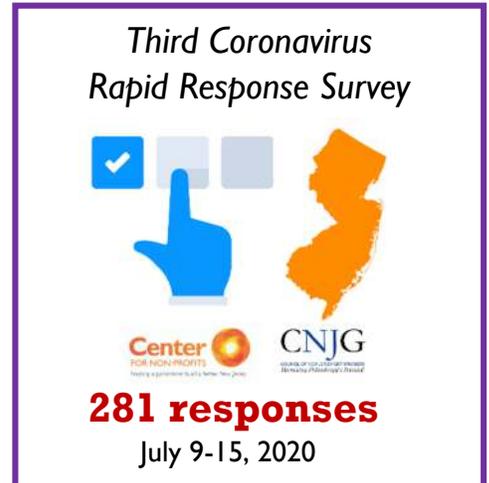
Center
FOR NON-PROFITS 
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“We are more vital to families than ever before.”

–Survey respondent

COVID-19 Impact on New Jersey Non-Profits and Services Remains Widespread and Severe

From July 9-15, 2020, the [Center for Non-Profits](#), in partnership with the [Council of New Jersey Grantmakers](#), conducted a third rapid response survey to gauge the evolving effects of the novel Coronavirus/COVID-19 outbreak on New Jersey’s charitable non-profits and the vital programs and services they provide. This was a follow-up to the surveys conducted in March and April of 2020. More than 280 organizations responded to this survey.



The COVID-19 crisis is having a significant and alarming financial and programmatic impact on most non-profits, with significant implications for the people and communities that rely on them.

As with previous surveys, **almost all respondents (94%) are experiencing significant or moderate disruptions** to their programs or operations as a result of the crisis, including sizeable portions that are suffering crippling financial losses and staff layoffs. Among those that have laid off or furloughed employees, **the median percentage of staff lost is 45%**.

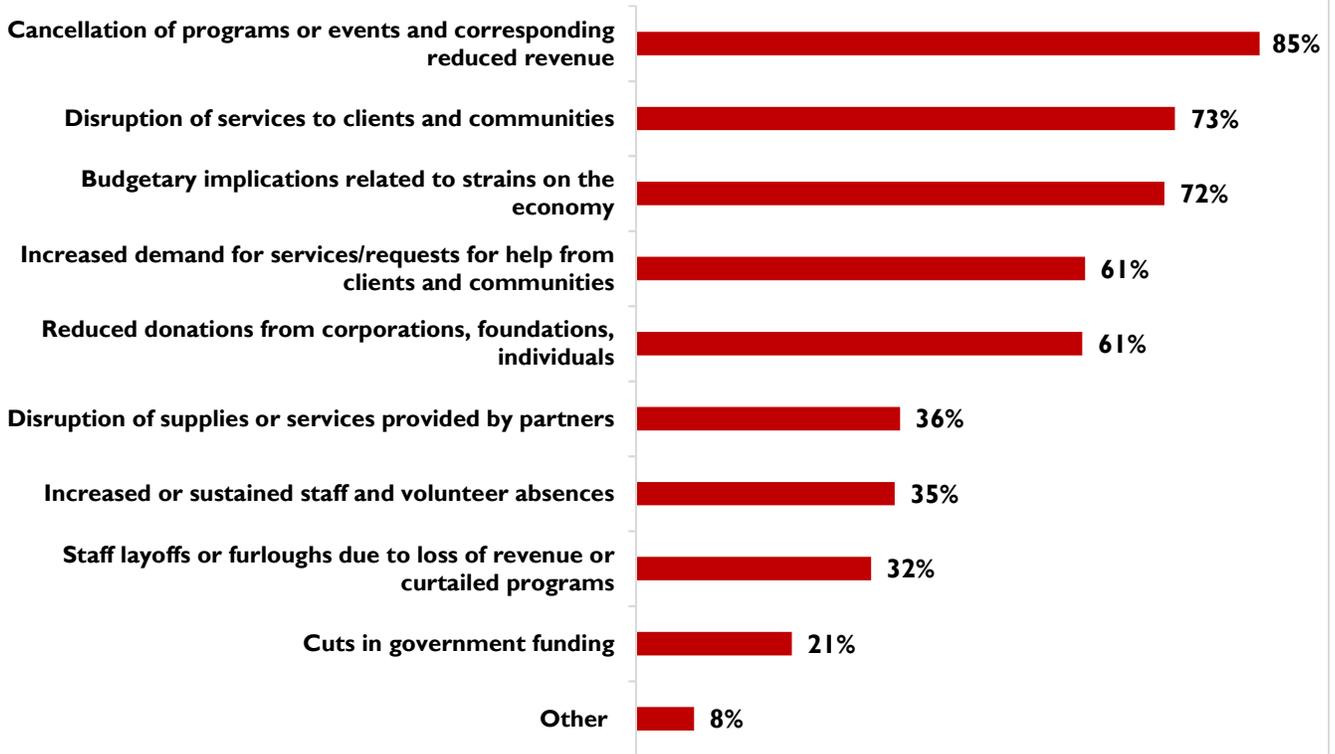
166 non-profits
(59% of respondents)
have lost
more than
\$193 million
as a result of the crisis.

More than 1/4 (28%)
have
laid off or furloughed
staff – more than
13,200 positions
in 80 organizations alone.

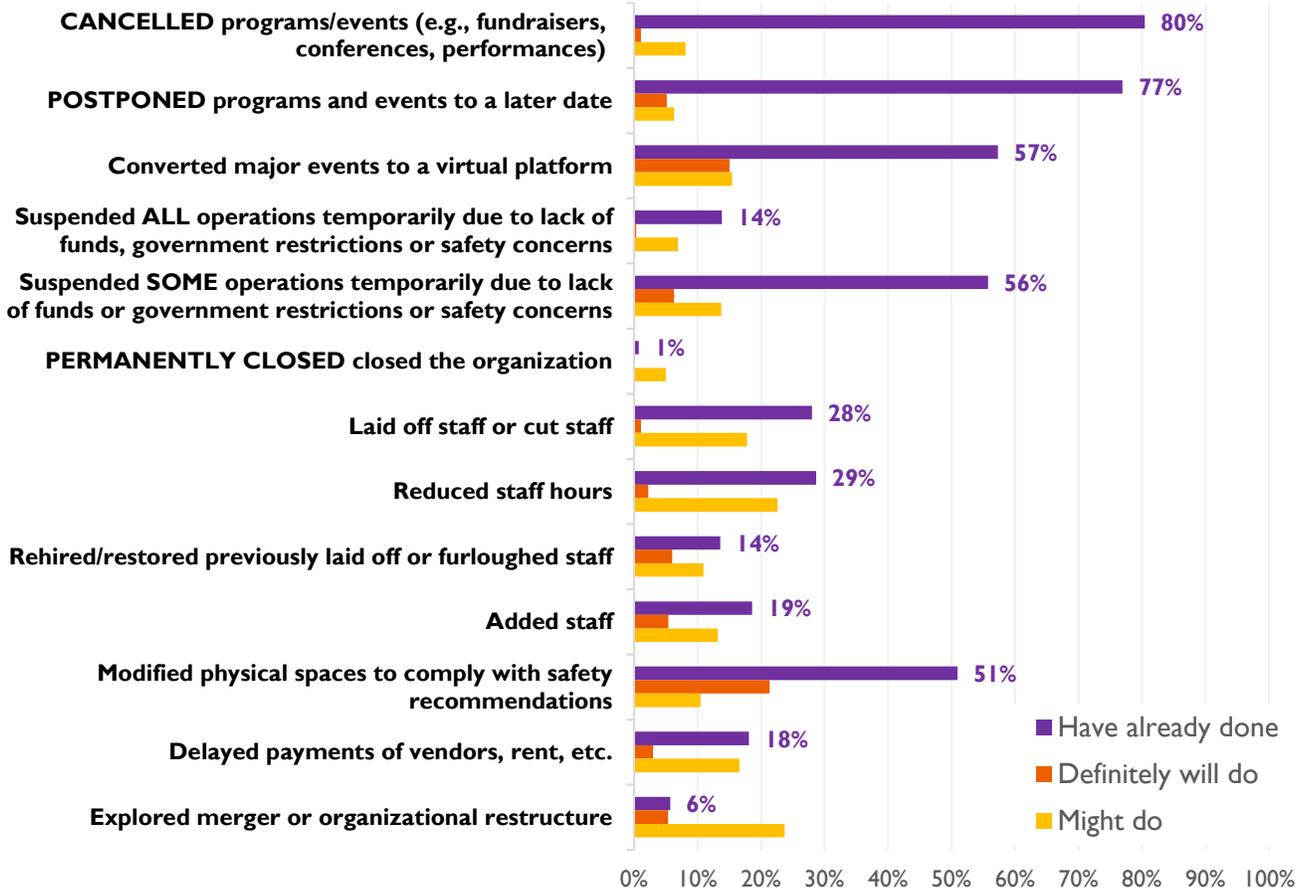
The effects are broad and far-reaching, ranging from direct health impacts, disruptions in services, lost revenue from cancelled programs/events and reduced donations to escalating demand for services and the broader strains on the economy.

Non-profits have taken or are contemplating a wide variety of actions – some of them drastic – to adapt to new circumstances, stabilize their organizations, and provide vital programs and services in the face of severe challenges. What is clear is that the longer the crisis continues, the harder it will be for many non-profits to emerge on the other side.

Programmatic and Financial Disruptions



Actions Taken or Under Consideration

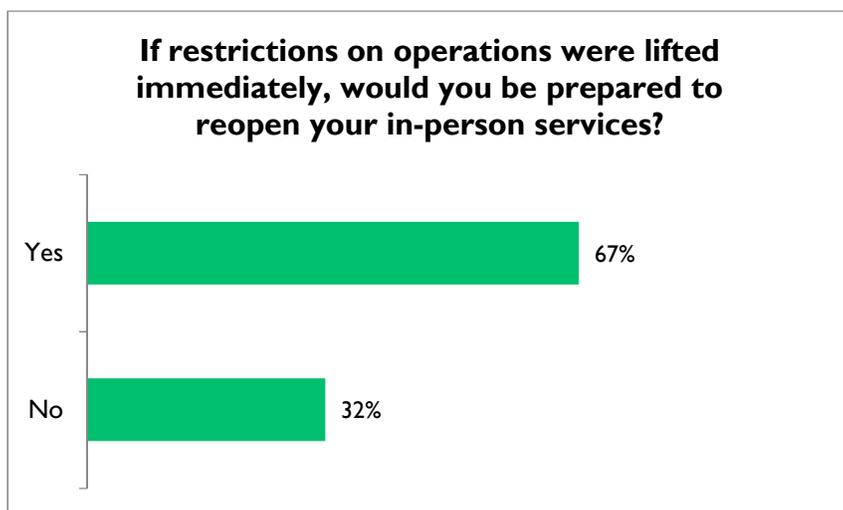


Resumption of On-Site Activities

It bears reminding that a sizable portion of non-profits have been providing in-person services throughout the crisis. Nearly half (46%) of survey respondents reported that they were providing programs or services deemed “essential” pursuant to the Governor’s executive orders. Examples included food banks and food pantries; housing; services for domestic violence survivors and children; group homes; mental health and crisis intervention; healthcare; emergency childcare; and others. Many of these services cannot be provided remotely, and for other organizations or clients, lack of access to needed technology remains a challenge.

Of course, many other organizations have been providing a full array of programming on a remote basis per government directives. Among those organizations that have been working entirely or partly or entirely remotely since the state of emergency, 36% reported that all staff continue to work remotely, one-third (32%) have some staff working remotely and some on-site, and only 9% reported that all staff had resumed in-person work. A small percentage (4%) indicated that they planned to make the remote working arrangement permanent.

As New Jersey has continued to work toward a phased reopening, many organizations have been laying the groundwork for resuming on-site activities.¹ But while two-thirds of respondents said that they could resume in-person activities immediately if restrictions were lifted, one-third said that they were not prepared to do so. Most frequently cited impediments included concerns for safety and comfort level of personnel and clients; cost/availability of, or lack of funding for personal protective equipment (PPE), disinfecting supplies, cleaning services and facilities modifications; and lack of clear guidance from government officials or lack of confidence in that guidance.



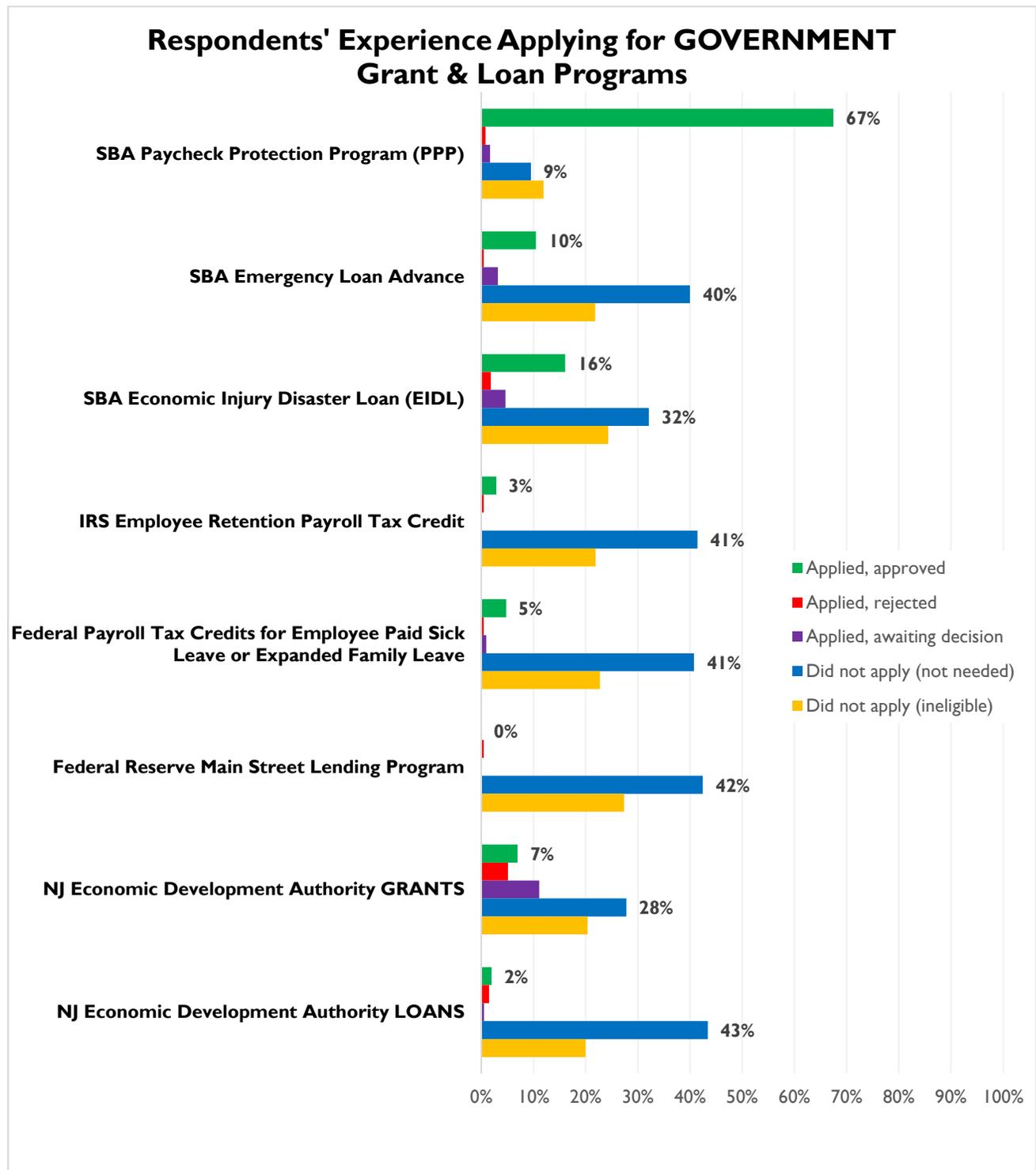
Private COVID-19 Relief Grants and Loans

Roughly half (52%) of respondents said they had applied for funding from one or more of the private relief funds such as the New Jersey Pandemic Relief Fund or others created as a result of the pandemic. A sizeable subset of that group, 73%, did receive at least some funding as in response to their requests, while 18% indicated that their applications were denied.

¹ For an overview of reopening good practices, see the Center’s guidebook, [Going Forward: Best Practices and Considerations for Non-Profit Reopening](#).

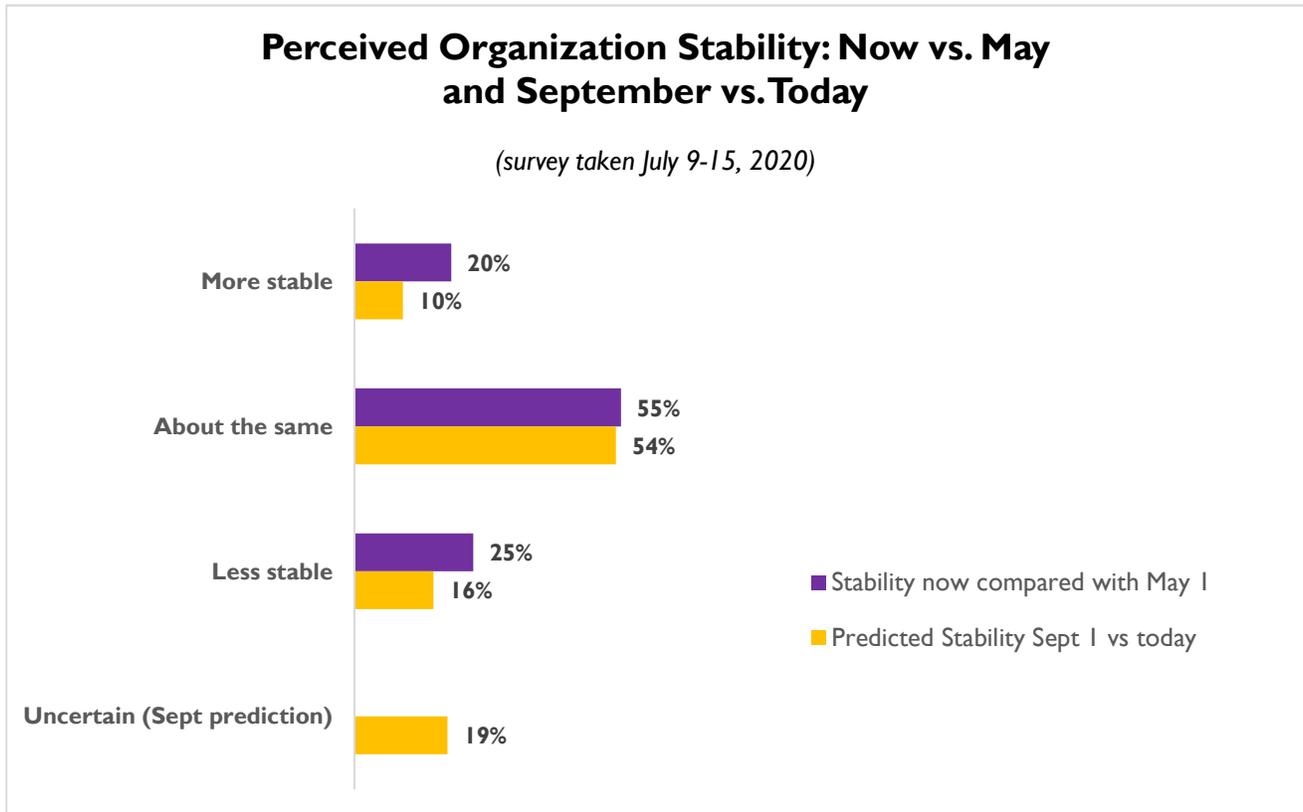
Government Grants and Loans

Non-profits were asked about their experiences in accessing some of the more prominent federal and state government grant, loan or tax credit programs created to provide pandemic relief. By far the program most frequently utilized is the U.S. Small Business Administration’s (SBA) Paycheck Protection Program (PPP), which provides forgivable loans for small employers to retain employees. Two-thirds (67%) of respondents reported successfully applying for a PPP loan. Other programs were utilized far less often, mainly because respondents reported that they were not needed or they were ineligible.



How Non-Profits View their Stability

We asked non-profits to compare their overall stability at the time of the survey with two months prior (May 1) when the crisis was already fully apparent, and to predict what their situations might be by September. Most organizations indicated that their overall situation would remain unchanged, but uncertainty and anxiety were high among a wide array of organizations.



What Do Non-profits Need from Donors, Philanthropy, and Government?

Non-profits were frank in expressing what would assist them most in the crisis. Their comments echoed similar themes expressed in previous surveys, but with an even higher urgency reflective of the passage of time and no clear resolution in sight.

Funding. Funding is still by far the most urgent need. Front-line organizations are facing increased demand for their services and rising costs. For other subsectors where in-person contact is critical but programming suspensions have been widespread and there is little chance of resuming those activities on a pre-pandemic scale, the outlook is also precarious.

Funders are urged to allocate additional funds to pre-existing causes as well as the current crisis, to consider both short- and long-term considerations. Non-profits have made crucial adjustments and



continue to do extraordinary work in the face of the crisis. But the impact of cancelled programs, drops in donations, or exponential increases in demand are threatening the sustainability of many when people need them the most.

Addressing longstanding inequities and the disparate impact of the crisis on marginalized communities is also critical.

Relief and stimulus protections. Government relief and incentive packages must include the non-profit community, including simplified access to grants, forgivable loans, and tax incentives to spur charitable giving. The packages passed by Congress to date have been an important lifeline for many, but many of these programs are expiring or already exhausted, and more is desperately needed. Future packages must include relief targeted specifically to non-profits so that they aren't locked out of accessing them due to eligibility or procedural impediments. Increased incentives for charitable giving are also important.

Flexibility. Organizations should not be penalized for the inability to meet restricted program commitments or contracted levels of service due to the pandemic. This remains a significant concern of many organizations that receive government funding, where many have reported no easing of contracting restrictions or bureaucracy. Those that have cancelled events need their sponsors to allow them to keep the money, and their donors, if possible, to keep giving. Funders need to allow organizations to repurpose restricted grants. Applications and reporting requirements need to be simplified and deadlines extended. For non-profit employers, measures to ensure that COVID-19 related layoffs will not harm experience ratings will be essential, as will additional funding for employers who have opted to reimburse the state for unemployment claims.

Stability. Years of chronic underfunding of non-profits and their infrastructure, as documented in the Center's annual [Trends & Outlook reports](#), have exacerbated the impact of the pandemic on charities and on their ability to provide the programs and services that people need. Non-profits need to be able to count on their supporters so they can weather the crisis over the long haul. Multi-year funding is particularly important. In a time when corporate and foundation partners may be tempted to retrench or redirect their giving, funders are urged to dig deeper.

Communications, Guidance and Transparency. Non-profits are seeking timely, accurate safety and procedural guidance from the government and trusted partners, and clear communications from funders regarding their plans during the crisis and beyond. Recognizing the unprecedented and enormous nature of the emergency, confusion and conflicting information about timing, scope and eligibility for relief have been ongoing concerns. Non-profits have knowledge and a vital perspective to bring to the table, and communications are more important than ever.

Partnerships and Connections. Many public and private funders have been proactive about reaching out to their non-profit partners, which was noted and appreciated by respondents. Open lines of communication, receptivity to feedback, and the ability to connect to local and county resources, intermediary/infrastructure organizations and other partners are also important. It's also vital that philanthropic and government partners recognize and seek the expertise of the non-profit community.

Professional Assistance and training. In both the immediate and long term, non-profits are looking for extra capacity and expertise in fundraising, remote operations, long-term strategy, finance, contingency and recovery planning, assistance with government grants and loans, virtual events, technology and other areas. These resources will need to be accessible and affordable,

whether *pro bono*, in-kind through skills-based volunteers or affordable fees, or subsidized/underwritten by funders.

Equity Implications - The pandemic's disparate impact on communities of color and marginalized people has been clearly documented. This is directly connected to the broader, deep-seated history of systemic racism that our nation is struggling to address. In our survey, while fairly consistent challenges were reported by non-profits of across sizes, types and geographic area, those that indicated that they primarily serve people of color were more likely to be front line organizations fulfilling human needs. Nearly half (44%) of respondents indicated that they wanted more resources to advance diversity and equity through and after the pandemic, which may reflect a stronger, more intentional commitment to tackle these challenges.



Immediate and Long-Term Solutions Are Needed

The COVID-19 pandemic has already taken a staggering human and economic toll, made worse due to deep inequities and years of under-investment in critical systems and needs – including non-profits and the people and communities they serve.

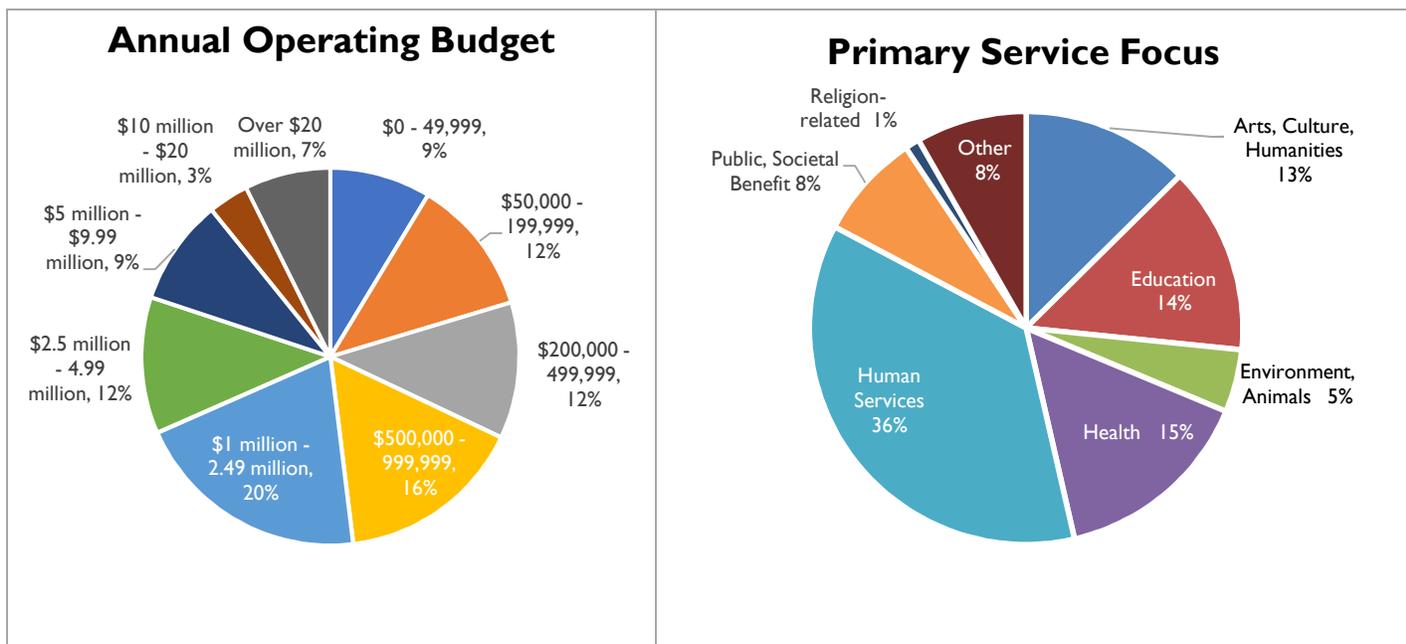
Time and again, non-profits have demonstrated their critical importance, as providers of immediate care and assistance, economic stability, spiritual comfort, news, education, mental health counseling, environmental stewardship, outlets for grief, hope and inspiration, and as strong partners in developing short- and long-term solutions to address inequity and comprehensive social problems.

Past experience has shown that economic downturns typically hit non-profits immediately, while economic recovery reaches the non-profit community much later than other sectors. The longer the COVID-19 crisis goes on, the more precarious the situation is becoming for thousands of vital charities. More financial support and comprehensive policy strategies are desperately needed, now and for the long term.

This rapid response survey, the third in a series, provides a snapshot of the current and likely effects of the COVID-19 pandemic on the broader non-profit community. We will conduct follow-up surveys at periodic intervals to track the impact and needs as the situation unfolds.

Who participated in the survey?

This report is drawn from responses of the 281 New Jersey 501(c)(3) organizations that completed the rapid response survey from July 9-15, 2020. The graphs below show the distribution of the non-profits' mission focus, geographical location, and budget size.



Geographic Location of Organizations	
North	56%
Central	29%
South	16%

Respondent's Primary Office Location by County					
Atlantic	0.9%	Gloucester	0.9%	Ocean	4.2%
Bergen	5.5%	Hudson	2.5%	Passaic	3.4%
Burlington	2.1%	Hunterdon	3.8%	Salem	1.3%
Camden	3.4%	Mercer	10.2%	Somerset	3.4%
Cape May	1.3%	Middlesex	5.1%	Sussex	0.4%
Cumberland	1.7%	Monmouth	6.4%	Union	7.2%
Essex	27.5%	Morris	8.5%	Warren	0.4%

In Their Own Words

Observations from survey respondents

“Working remotely doesn't mean doing less. The demand for our services is at an all-time high. Therefore, the need for funding is as well.”

“Until there is a vaccine and our clients, donors and volunteers feel safe, we will likely be in this odd place.”

The pandemic will still be with us, especially for our minority families. The ramifications will be far reaching and the disparities experienced by our minority, non-English speaking and immigrant families will be great.

“If there was ever any time to grant unrestricted funding, this is the time.”

“Like first responders, we jumped into action immediately to safeguard the individuals we serve. Our ability to immediately act and adapt is directly related to the stable government funding that we receive to support our programs.”

“COVID-19 just exacerbated the social ills that currently exist in our communities - access to healthcare, food & housing insecurities, sustainable employment, technology and the digital divide.”

“Black and brown people are being disproportionately impacted.”

“Need consistent guidelines from all levels of government so we can plan next steps.”

“Even though we are not a frontline provider, we still need support to be able to continue so support our partners who are on the frontlines.”

“We desperately need help. The arts are vital and need to survive.”

“The transition to make things safe is expensive. We were already unfunded, those of us who are government funded, and this has exacerbated that.”

In Their Own Words

Observations from survey respondents (continued)

“We need for government agencies to be more transparent and include stakeholders in their decision-making. Nonprofits have info and answers to many of their questions. And government officials don’t have all the answers.”

“Match requirements for federal funding (which the state has the authority to waive) become even more of a burden when sources of non-restricted funding have been reduced due to COVID (i.e. inability to hold fundraisers, economic impact on potential donors, etc.)”

“The crisis is not ending July 31 in some sectors of the economy, including our own. We expect some staff to be unemployed for the better part of a year. The suspension of the \$600 UI subsidy is going to cause great pain for our staff. If the subsidy can't be sustained for everyone, it should at least be left open for people who are in sectors that are not allowed to reopen.”

“Small agencies are fragile but need not be overlooked as insufficient as we are providing large services.”

“Arts + Culture require funding, or many organizations will disappear.”

“It has totally handcuffed us.”

“Nonprofits will continue to support their local communities even beyond the pandemic ending.”



About the Center for Non-Profits

The Center for Non-Profits is New Jersey's statewide umbrella organization for the charitable community. Our mission is to build the power of New Jersey's non-profit community to improve the quality of life for the people of our state.

Since our founding in 1982, the Center has been, and remains, New Jersey's only umbrella organization for all charities in the state, providing professional education, advocacy, resources, training and information to strengthen non-profits individually and as a community.

What We Do

ADVANCING KNOWLEDGE	CHAMPIONING and PROTECTING	STRETCHING SCARCE RESOURCES
<ul style="list-style-type: none"> • Promoting best practices and effective, ethical organizations for the public good. • High-quality management and compliance information • Expert phone and email consultation - priority access for members • Free or discounted compliance publications • Timely non-profit news and alerts • Affordable workshops and webinars • Our blog, Front and Center, with insights into current and emerging issues 	<ul style="list-style-type: none"> • The most comprehensive information source about New Jersey non-profits • Communicating non-profits' importance through research and public education • Advocating for non-profits in Trenton and Washington • Helping non-profits to strengthen their own public policy voice • Uniting our state's non-profits around common goals • Galvanizing non-profits and their allies at our annual conference 	<ul style="list-style-type: none"> • Cost-saving member services: insurance, unemployment, payroll and more • Discounts on workshops and publications • Free job-opening postings for members • Exclusive access to select cost-saving offerings • Leveraging non-profits' dollars as the first-stop resource for expertise, services and referrals

For more information about the Center, our programs, membership, or supporting our work, visit www.njnonprofits.org or call 732-227-0800.

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