



Community Survey #3: Ongoing Impacts of the COVID-19 Crisis February 2021

At the outset of the COVID-19 crisis in March 2020, the Community Foundation reached out to our nonprofit partners to learn how the crisis was affecting their organizations and the people they serve. This first survey was critical to shaping Phase 1 of our COVID-19 response. In the end of May, we asked nonprofits to complete a second survey, which helped shape our Phase 2 and Phase 3 grant response. As 2020 wrapped up, we knew we needed to do a third survey to understand the impacts of this ongoing crisis. We would like to express our gratitude to our nonprofit partners, who once again submitted over 260 responses to this survey, and who have worked so hard, under incredibly difficult conditions, to help the community make it through these unprecedented times.

After a year solely focused on COVID response, our Community Foundation is shifting back to the five, community-informed priorities in our strategic plan: economic opportunity for all, persistent poverty, equity and inclusion, regional cooperation, and thriving communities. We know that this crisis and its impacts are far from over; however, the results of this survey underscore that point clearly. Therefore, our upcoming grant cycle will have a strong 'COVID overlay' as we seek to help organizations weather the crisis and meet community needs. In addition to informing our foundation, we hope these results will be useful to others who are seeking to meet community needs in an informed manner.

KEY FINDINGS

Community Needs

These comments from the survey highlight the numerous challenges many continue to face:

"Our residents have been hit hard financially and we are seeing the results in terms of increase in crisis situations related to housing, utilities, etc. We are seeing a dramatic rise in unstable mental and behavioral health concerns in our patients in terms of stress, depression, anxiety, and grief over multiple losses."

"Long-term job losses will be an ongoing concern for families we serve. That turns into greater need for support of the children. There will be less income, less food, etc. for these families. There will be more stress, mental health issues for parents and children, and more abuse in homes. There will be a greater need for help with basics such as food, utilities, rent, etc. Will our agencies/nonprofits be able to keep up?"

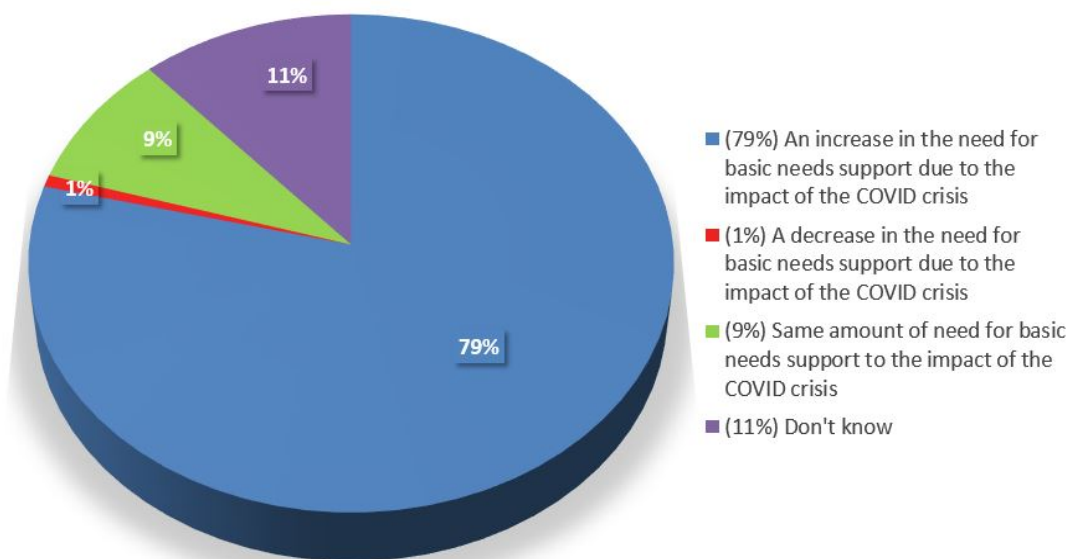
"Achieving academic success depends on consistent educational interventions. I see this pandemic affecting education for years into the future. Children in low-income communities stand to lose the greatest ground academically."

We asked organizations to tell us the four greatest COVID-related needs and concerns for people they serve in 2021. The answers were consistent with the findings of the May survey. Emotional distress/mental health was again at the top. Basic needs like income, housing, and food were all high on the list. Educational disruption was among the top concerns. The most significant new finding was access to COVID vaccines – with vaccines available, people are worried about how and when they can get them.

Community Need/Concern	Response %
Increased emotional distress, need for mental health support	60%
Loss of job source/income	46%
Access to COVID vaccines	45%
Difficulty paying basic housing expenses	45%
Learning loss/K-12 education disruption	44%
Food assistance	35%
Loss of childcare or other dependent care options	28%
Access to unemployment, stimulus, or other benefits	21%
Access to COVID testing or information	20%
Lack of access to medical care	19%
Other	10%

Organizations have seen very little decline in need since the summer – quite the opposite. A stunning 79% have seen the need for basic needs support grow in the last half of the year; only 1% saw a decrease.

Change in Community Need since Summer 2020



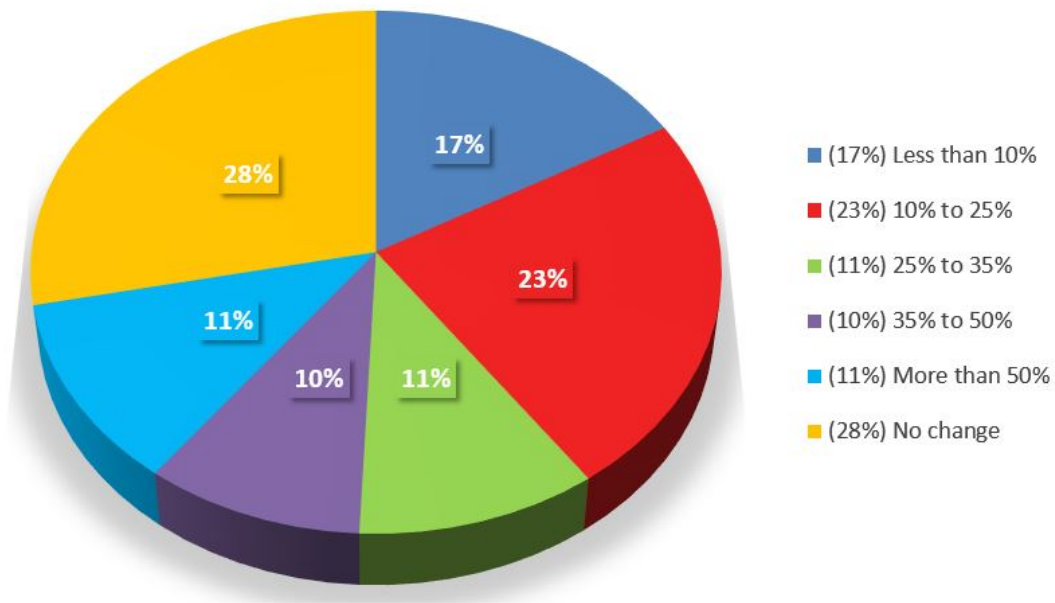
There are reasons for optimism. Alabama’s unemployment rate has improved significantly since the early months of the crisis. Available vaccines, economic stimulus, and the promise of increased economic activity point to a better road ahead. Yet recovery does not reach everyone at the same rate or to the same degree. According to the Brookings Institution, job losses from the COVID-19 recession have been particularly concentrated among minorities, women, and low-wage workers. The racial wealth gap (which widened after the 2008 recession) has left Black households more vulnerable than White households to the impacts of the COVID recession, with fewer resources to help them bounce back (Brookings Institution, 2020). Just because conditions improve in 2021 doesn’t mean the impacts of 2020 don’t endure. As one nonprofit said, they see “financial holes being dug so deep that recovery will take years.”

Nonprofit Impacts

Revenue: Almost exactly in line with their projections from the May survey, 72% of organizations experienced revenue declines in 2020 compared with 2019. Thirty-two percent experienced revenue declines of 25% or greater. Not surprisingly, in-person fundraising has taken the hardest hit: 63% face cancellation of fundraising events and 54% the loss of income-generating programs and services. Fortunately, only 14% have cut staff and only 4% more anticipate having to do so; nonetheless, nearly half said they face a pressing need for funding to sustain staff salaries.

Zooming in on different types of organizations, we see some disparities in the impacts of the crisis. 38% of smaller organizations (revenue \$100,000 or under) faced 25% or higher revenue declines vs. 32% overall. 38% of people of color-led organizations had 25% or higher revenue declines vs. 21% of White-led organizations. In the steepest category of decline (50% or more revenue decline), the percentage of people of color-led organizations was three times higher than White-led organizations. Our data from rural respondents is limited, but there is evidence that rural organizations receive less philanthropic funding and face a range of rural-specific challenges in the communities they serve (Reid, Palmer, Reid, and Murillo, 2020). These comparisons are helpful in informing how we effectively respond and support organizations and their work. The data is clear that many organizations of all types are struggling, and we will continue supporting a wide range of organizations across our region while giving weight to areas of high need and disparity.

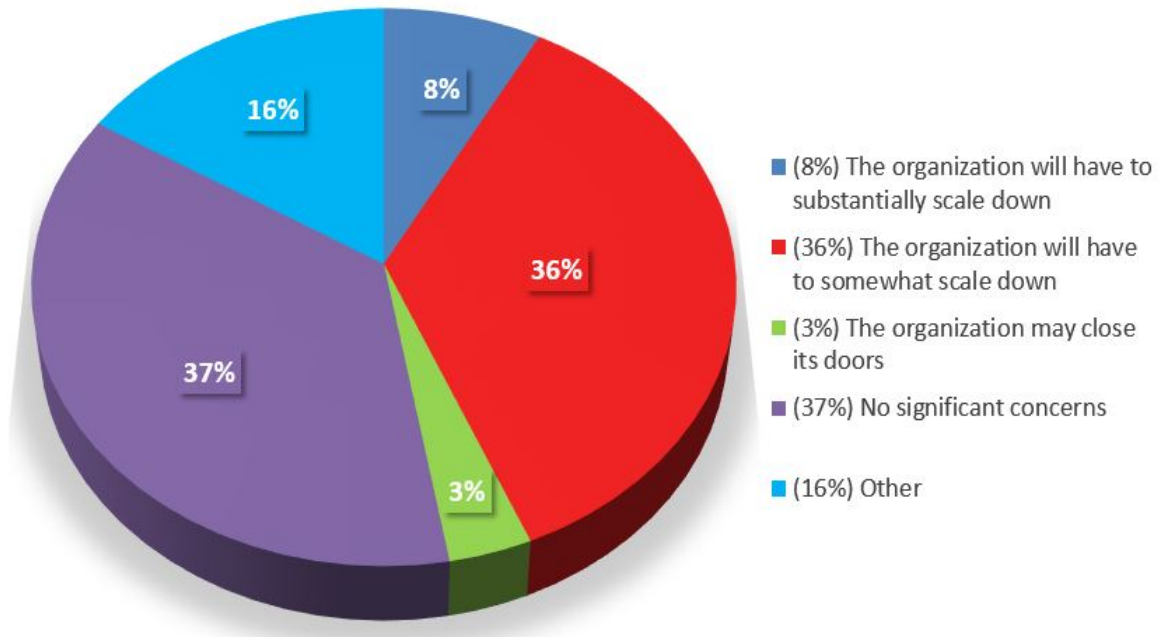
Revenue Declines from 2019 to 2020



Sustainability: One concern we had before this survey was that there might be a number of organizations on the brink of closure. We were glad to learn that only 3% of responding organizations saw closing their doors as the greatest concern. While higher among people of color-led organizations and smaller organizations, the rates were still only 3.6% and 5.1% respectively. However, the fact that 44% said they would have to somewhat or substantially scale down was eye-opening. This rose to 45.6% among smaller organizations and 53.4% among people of color-led organizations. When we asked about the long-term impact of the crisis on organizations, 44% projected long-term negative impacts on their budgets and 48% projected a sustained increase in the number of people they will need to serve. Just as overall economic

and community recovery takes years, when roughly half of nonprofits face such sustained disruption, it is clear that recovery in the nonprofit sector will also take years.

Greatest Concerns about Sustainability in 2021



Operations and Services: Nearly a year into the pandemic, organizations are facing the reality that many changes to what they do and how they operate may be long lasting. Forty-one percent expect to shift the focus of their programs and services for an extended period. Only 21% will return to routine services by the summer; 30% will return to modified services. Only 7% expect to bring all staff back to the office by summer, and 10% expect to bring back reduced staff, meaning the use of remote work and technology may continue to dominate for some time. Thirty-seven percent don't know what their operations will look like by summer, which makes sense given the uncertainty around vaccination availability, virus variants, and more. Our funding parameters should continue to take into account the ways organization must continue to adapt and how this creates both new challenges and opportunities.

Given the current instability and reverberating impacts of the COVID crisis, it is not surprising that most organizations are focused on holding steady. While many have certainly adapted services to meet changing and growing community needs, few are seeking to establish new programs. Only 25% listed funding for new program delivery in 2021, while 60% listed funding for existing program delivery as a high priority. Only 16% are focused on funding for facility or other capital improvements.

These quotes from our nonprofit partners paint a vivid picture of what so many nonprofits are facing:

“Like every organization impacted by COVID-19, it is difficult to plan for the future when so much is unknown. Resources that allow for flexibility in responding to needs--as they are expressed by the community--are critical.”

“The impacts are significant and lasting. As a primarily volunteer driven nonprofit, we are striving to achieve our mission and deliver our programming with greatly reduced volunteer support and reduced funding.”

“COVID fatigue is very real, impacting and affecting our staff, families, and agency to the core.”

To ensure we are helping organizations and their staff weather this crisis and meet community needs, based on these survey results, the **Foundation is making key changes to our process this grant cycle:**

- We are lifting our restriction on general operating support to give organizations flexible resources to address community needs and sustain their operations
- We are requiring only one application stage and simplifying the application form
- While we are returning to our five priorities as our framework, we are continuing to give weight to COVID-related needs and work in our grant review process
- We are making only one-year grants to keep the focus on shorter-term needs and plans