Nonprofit organizations provide critical services and play a vital role in building a vibrant community. Thanks to the combination of strong relationships and local knowledge, nonprofits understand the needs of our community and the realistic ways to meet those needs.

While the COVID-19 pandemic has impacted virtually every industry, its impact on the nonprofit sector has repercussions for some of the most vulnerable members of our community. The purpose of this report is to understand the immediate and future impact of COVID-19 on Stanislaus County’s nonprofit sector and to provide recommendations to donors, local government, and foundations on how they can best support local nonprofits.

COVID-19 and America’s Nonprofits

Nonprofits are the third largest employer in the United States, employing more than 12 million people.1

A recent report estimates that nearly 1.6 million nonprofit workers lost their jobs in the early months of the COVID-19 pandemic.2 Meanwhile, the demand for nonprofit services has increased as more Americans face unemployment, food insecurity, and housing issues, among other challenges.

These findings are consistent with the experience of nonprofits in Stanislaus County. In response to a survey we issued in March 2020, 25% of nonprofits that responded reported staff lay-offs as a result of the pandemic.3 Meanwhile, one food bank reported a 400% increase in requests for food boxes in the early months of the pandemic. While federal stimulus dollars have played a significant role in addressing the issues this crisis has surfaced, we know that nonprofit organizations act as “gap fillers,” providing relief where government cannot.

The nonprofit sector has played a critical role supporting our community during this crisis. We know that its continued health and vitality is essential to both our short and long-term recovery.

How Was This Information Collected?

We asked local Stanislaus County nonprofit leaders to fill out a survey in late August through mid-September 2020. The data from the nonprofit survey will be circulated to help inform local philanthropic and government partners on how to prioritize funding to assist local nonprofit organizations working to respond and adapt to the COVID-19 public health crisis. The gathered information will help guide requests for funding, grant making and technical assistance support, as well as advocacy for our sector as part of the reopening process.

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2 Ibid.
3 49 nonprofits total.
Total Number of Nonprofits: 66

ANNUAL BUDGET SIZE

- Less than $100K: 15.1%
- $100K – $249K: 9.1%
- $250 – $499K: 22.7%
- $500K – $999K: 10.6%
- Over $1 million: 42.4%

FOCUS AREA

- Human Services: 33.3%
- Youth: 18.2%
- Housing: 10.6%
- Arts & Culture: 9.1%
- Civil Rights: 6.1%
- Health: 4.5%
- Food: 4.5%
- Education: 4.5%
- Employment & Economic Development: 4.5%
- Other: 4.5%

ORGANIZATIONAL STAFFING

- Zero: 12.1%
- 10 or less: 36.4%
- 11 – 20: 22.7%
- 21 – 50: 9.1%
- 51 – 100: 10.6%
- Over 100: 9.1%

Over 70% of nonprofits have less than 20 staff members.

SERVICE AREA

- City: 12.1%
- Stanislaus County: 48.5%
- Regional: 33.3%
- State-wide: 6.1%
HOW COVID-19 HAS IMPACTED NONPROFIT OPERATIONS

STAFFING

48% of nonprofits have cut staff

CLIENTS SERVED

48% of nonprofits report decrease in clients served

FUNDRAISING STRATEGIES

86% of nonprofits report decrease in fundraising events

59% of nonprofits report decrease in earned revenue model

55% of nonprofits report decrease in donor contributions

ON THE POSITIVE SIDE:

40% of nonprofits report increase in grant funding

61% of nonprofits applied for Paycheck Protection Program loan

44% of nonprofits report increase in grant flexibility

57% of nonprofits received Paycheck Protection Program loan

LIFTING NONPROFIT VOICES:

Impact on Operations

Current Impact

• Due to the loss in revenue, we had reduced our internal spending, including laying off 3 administrative positions and reducing one to part-time. Not to mention reduced our operating expenses as much as possible.

• With 4 programs closed we laid off 36 staff. The remaining staff, mostly management, is carrying the entire load and putting in a lot more time. The burn out is beginning to take a toll on everyone.

• We have had to modify and adjust our program model to accommodate the new guidelines. This has had an immediate impact on us due to increased program costs.

• Our resources are stretched resulting in potential service delays.

• While emergency grant funding has been available, direct donor giving has plummeted and events have all been cancelled, resulting in a major shortage of unrestricted funds.

• We had all fundraisers cancelled for our program costs this year.

Future Sustainability

• Part of the budget is dependent on fundraising. Current environment does not allow for traditional activities, and board is exploring other options.

• If the trend of increased grant funding and decreased private donations continues to limit our unrestricted funds, it could lead to major changes to our structure and services, impeding our ability to employ enough people to carry out grant requirements. (Most funding is for food/direct expenses only.)

• Local businesses have struggled to operate and we don’t feel right approaching them to ask for financial support (donations) as we normally would. Our future is unknown.

• The uncertainty of traditional fundraising opportunities to be diverted away from homelessness and to direct response to COVID-19 has the potential to disrupt critical fundraising efforts that we would rely on to build and sustain capacity to meet demand from the community.

• This amount of income loss is not sustainable long term. We are looking for other income potentials.
**Housing Supports**

- Families/Landlords are reporting many rent delinquencies of 2-5 months arrears. Rent assistance is necessary for families to obtain housing and will likely be needed at a higher level and longer term than prior to COVID-19.

- Seniors in assisted living facilities have no contact with their families. Seniors who rent and can’t afford their rent are facing evictions. Others are not able to leave their homes, do not have congregate meal sites to attend, are not receiving medications in the mail, are facing homelessness; are afraid to go to the hospital; are alienated even in their homes from visiting with family and friends.

**Childcare**

- Families are impacted with loss of income due to loss of employment. When jobs are available, school & daycare closures make it difficult for parents to have childcare in order to work.

**Financial Assistance to Pay Bills**

- We serve the Latino/immigrant community. The impact of COVID-19 has led to job loss, mental stress, loss of wages, inability to purchase food, pay rent/utility bills. It is also hurting our youth as many of them do not have Wi-Fi or laptops, therefore unable to participate in school.

**Technology for Low-Income Students**

- The populations we serve are struggling with their internet connectivity -- either not fast enough or too many people on a basic connection. Some can’t afford internet or can’t afford a higher speed. There is also a need for digital literacy assistance as they navigate this new reality.

**COVID-19 Testing**

- African Americans have been disproportionately impacted by COVID-19 nationally. Outreach to the African American community is difficult because there is no central hub or community. COVID has made the African American community more isolated and disconnected. Health disparities already place African Americans at higher risk.
Arts & Culture
• A difficulty for performing arts organizations will be in how long it takes for audiences to gain the courage to return to theaters, once the theaters reopen. For the mature audience goers, this may be a very long time.
• The self-employed/independent contractor artists/musicians are in real difficulty.

Housing
• I am very concerned about the potential increase in homelessness that will result from the unemployment, evictions, and scarce/expiring protections for tenants. I do not think that we have the infrastructure in place (not just in Stanislaus County, but everywhere) to address an influx of people falling into homelessness at the rate that some economists are predicting (45% increase nationwide in one study), so homeless prevention is exceedingly important right now.

Food Assistance
• We added a senior home delivery program due to a huge number of phone calls from seniors who were sheltering in due to the pandemic. The need to continue those services is great but the lack of volunteers, overburdening on existing staff, availability of bulk foods and necessities is taxing our ability to serve. We are desperately trying to run the food trucks, offer food boxes and serve the seniors to the best of our abilities.

Senior Services
• Many of the challenges facing older adults is they are the most vulnerable to the effects of COVID-19 and they are going to be the last to be able to open the senior and community centers to participate in activities and be social with their peers. This is having a really hard impact on older adults having social activities be a part of their life and then are required to stay in. Social isolation is becoming an everyday occurrence. Many are lonely and depressed.

Youth Services
• Learning impediments and educational setbacks for high-risk, disadvantaged school age children. The children utilizing services are typically disadvantaged by family traumas and experiences that negatively impact their ability to achieve success in school. The added disruptions to their education brought on by school closures, coupled with the obstacles presented by online learning are likely to magnify their learning challenges in the long term.
RECOMMENDATIONS FOR INDIVIDUAL DONORS, PHILANTHROPIC, AND GOVERNMENT FUNDERS:

As this report demonstrates, COVID-19 has created a public health and economic crisis that has severely impacted the local nonprofit sector and the clients they serve.

As leaders in philanthropy, we recognize the imperative to respond to the needs of our nonprofit partners and understand that the magnitude of this crisis requires a collective and collaborative response from funders.

We invite local funders and government leaders to join us in making the following commitments:

Offer flexible funding and simplify grant making process

- Provide general operating support with flexibility for nonprofit organizations to build capacity.
- Consider making grants that support overhead costs associated with programs and services.
- Allow grantees to alter the budget terms of grants they have already received to maximize their flexibility.
- Be prepared to make long-term commitments; multi-year grants help organizations budget and plan for subsequent years.
- Simplify your grant process and fast track funding. Remember the bigger picture and be compassionate with grantee capacity with respect to your reporting requirements.

Increase knowledge of nonprofits and the challenges they face

- Survey and engage in online listening sessions with nonprofits to learn about issues by sector and share best practices and resources.
- Invest in the capacity of smaller grassroots organizations that represent the voice of marginalized communities, which often lack resources to grow and scale strategies.
- Understand that while the virus is first and foremost a public health emergency, its impact will extend to a host of other areas.
- Deepen relationships and support local, culturally competent organizations, which are often the first point of access for at-risk individuals and groups.
- Collaborate with other funders to leverage resources and increase impact of investments.
- Work alongside nonprofits and the clients they serve to design more effective and real-time solutions that maximize results.
ABOUT STANISLAUS COMMUNITY FOUNDATION

Stanislaus Community Foundation helps individuals, families, and corporations achieve their philanthropic goals by offering tools and resources that make giving easy, flexible, and impactful.

WE CAN HELP WITH:

• Year-End Tax Solutions
• Donor Advised Funds
• Scholarship Funds
• Corporate Giving Programs
• Charitable Gift Annuities
• Required Minimum Distributions
• Complex Charitable Gifts

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