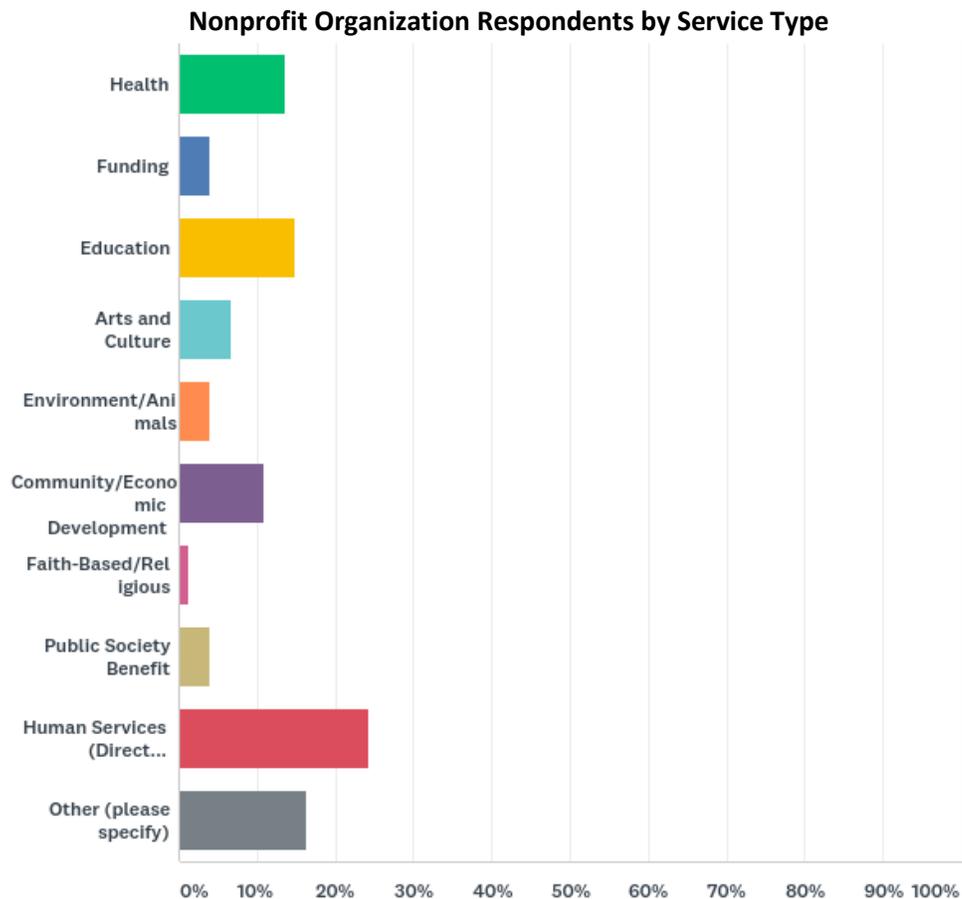


## Polls of West Virginia Nonprofits Reveal Impact of COVID-19

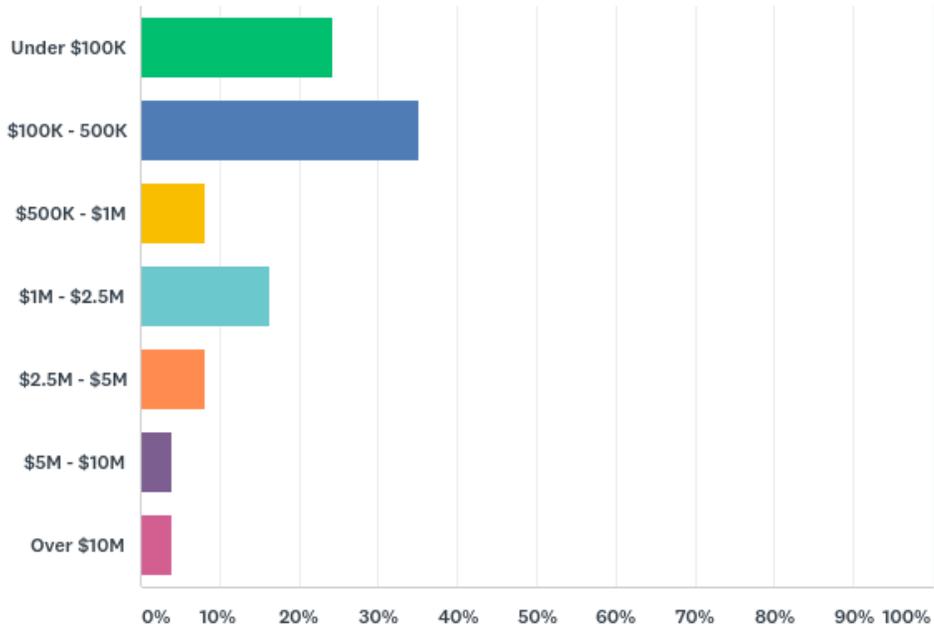
In response to COVID-19, West Virginia nonprofits are stepping up without hesitation to serve their communities, protect public health, and support their own employees. To ensure that decision-makers in government, philanthropy, and the corporate sector had access to real-time data regarding the impact of the pandemic on West Virginia's nonprofit sector, the West Virginia Nonprofit Association conducted a Flash Poll from March 17<sup>th</sup> through March 25<sup>th</sup> and a second poll from May 21<sup>st</sup> through June 15<sup>th</sup>. The findings show that nonprofits need immediate contracting, budget, staffing, and programming flexibility and timely resources from the federal, state, and local governments, philanthropy, and colleagues in the business community to be remain viable.

### Respondent Demographics

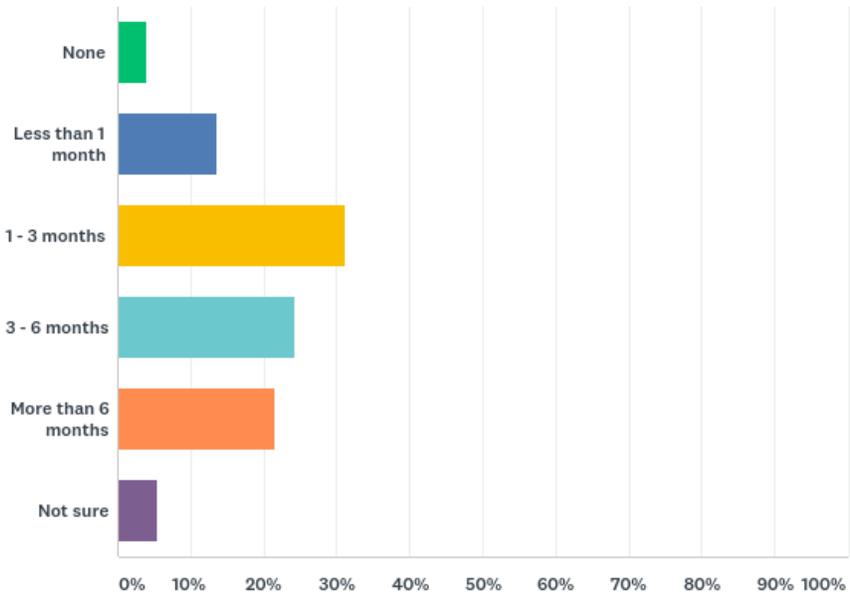
**First Poll:** The West Virginia Nonprofit Association has nearly 300 members around the state. We received 74 responses to the first survey from a variety of types of nonprofits, from those that provide direct human resources to those that provide arts and cultural opportunities. Responding organizations represent every county and reflect that the majority of West Virginia nonprofits are small businesses. Nearly 60% of respondents have an annual operating budget of less than \$500,000. Additionally, nearly 50% of respondents have 3 months or less of cash reserves.



### Nonprofit Organization Respondents by Budget Size

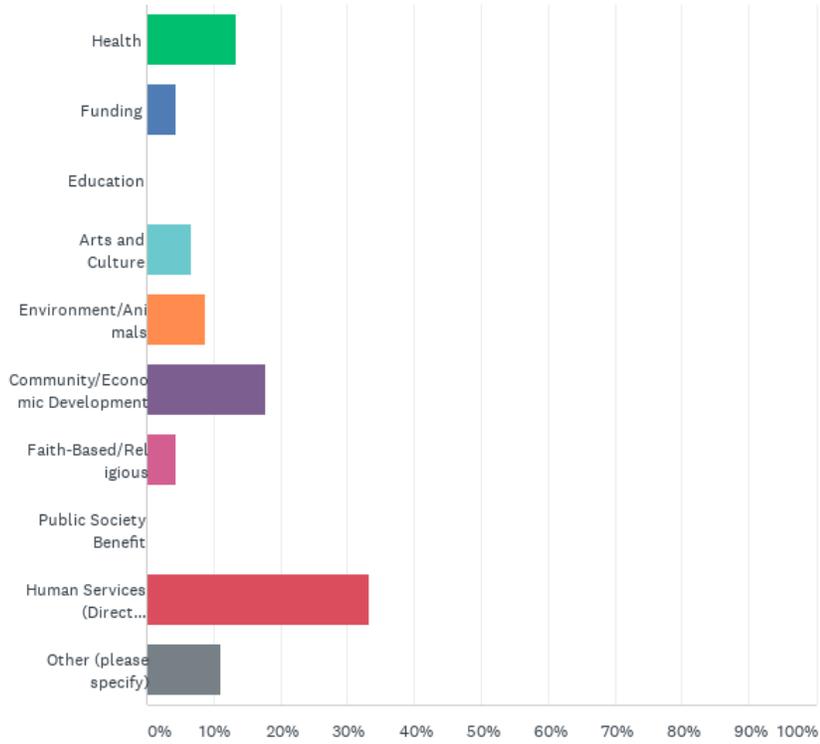


### Nonprofit Organization Cash Reserve Levels

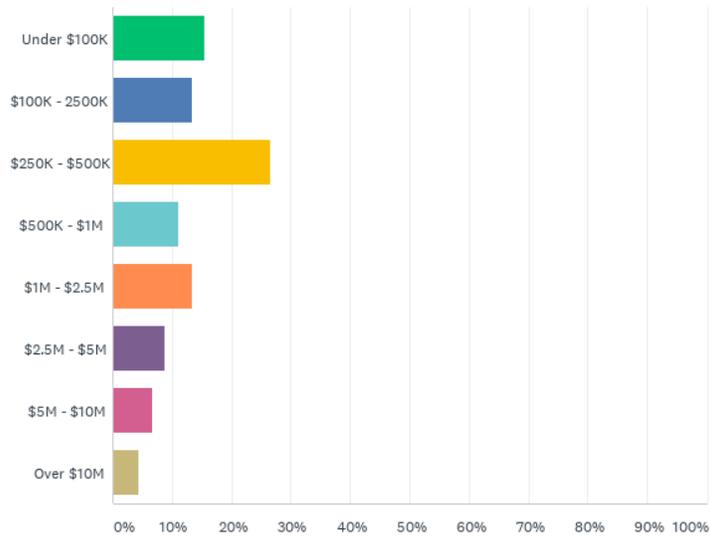


**Second Poll:** We received 45 responses to the second survey from a variety of types of nonprofits, from those that provide direct human resources to those that provide arts and cultural opportunities. Responding organizations represent every county and reflect that the majority of West Virginia nonprofits are small businesses. Over 55% of respondents have an annual operating budget of less than \$500,000.

### Nonprofit Organization Respondents by Service Type



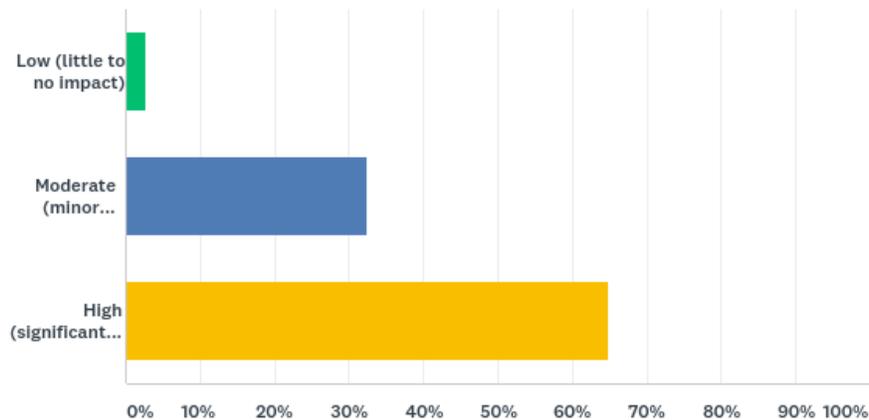
### Nonprofit Organization Respondents by Budget Size



## Scope of Impact

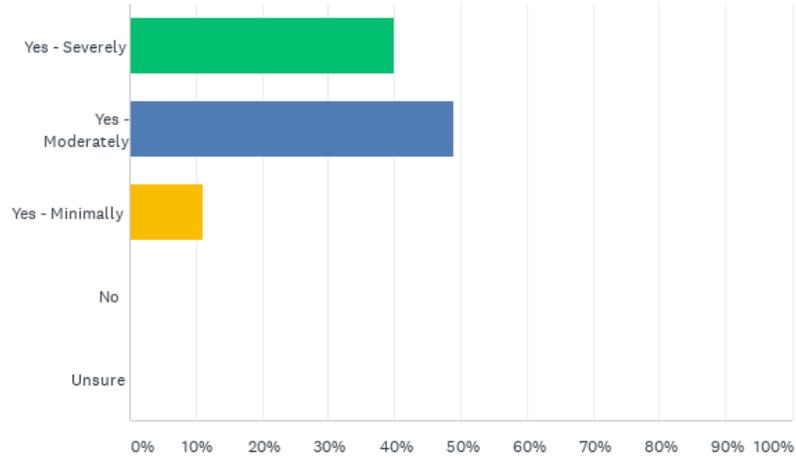
**First Poll:** In the first poll, organizations were asked to estimate the level of impact that COVID-19 is having currently and is anticipated to have on the programs, services, or general operations of their organizations. The vast majority, 99%, indicate they are or will soon be impacted by coronavirus. Of that impact, 65% indicate a significant impact, 32% indicate a moderate impact, and just 3% indicate a low impact to their organizations.

**Impact to Nonprofit Organization – First Poll**



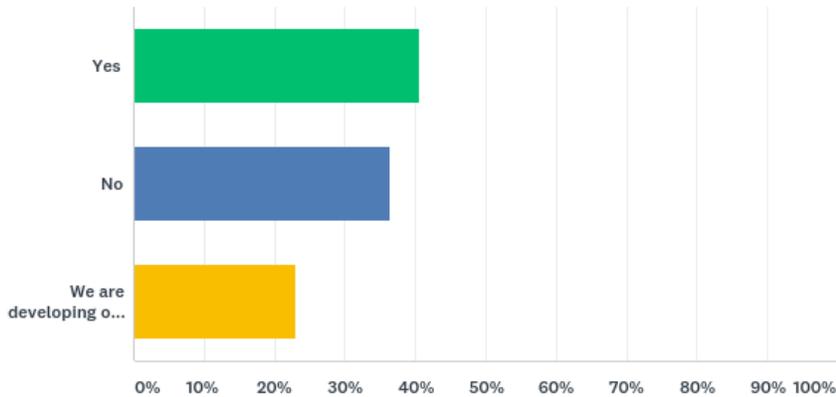
**Second Poll:** In the second poll, organizations were asked to estimate the level of impact that COVID-19 is having currently and is anticipated to have on the programs, services, or general operations of their organizations. Over 99% indicate they are or will be impacted by coronavirus. Of that impact, 40% indicate a severe impact, 49% indicate a moderate impact, and 11% indicate a minimal impact to their organizations. The level of severity to the organizations diminished from the first poll with the majority of organizations indicating a moderate impact.

### Impact to Nonprofit Organization – Second Poll



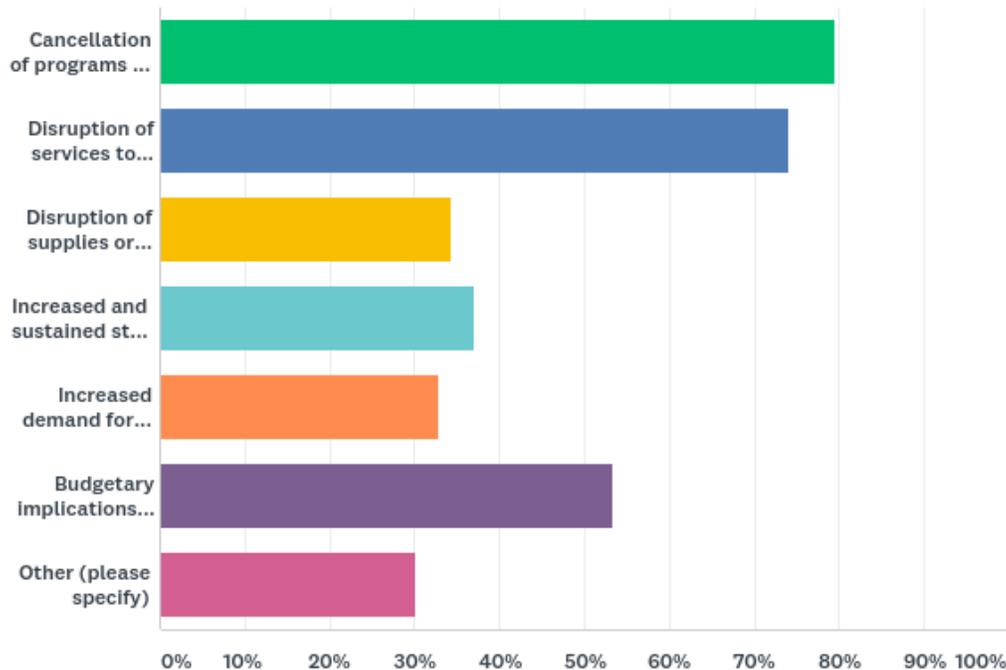
**First Poll:** The first poll asked about a contingency or emergency response plan, 41% indicated that they do have a plan, while 23% were developing one. The remaining respondents did not have a current or impending plan.

### Nonprofit Organizations Contingency/Emergency Plan



**First Poll:** Nearly 80% of respondents indicate that cancellation of programs or events and the corresponding reduced revenue is the biggest negative impact of COVID-19 on their organizations, followed closely by 74% due to disruption of services to clients and communities. Budgetary implications related to strains on the economy round out the top three impacts and are reported by 53% of respondents.

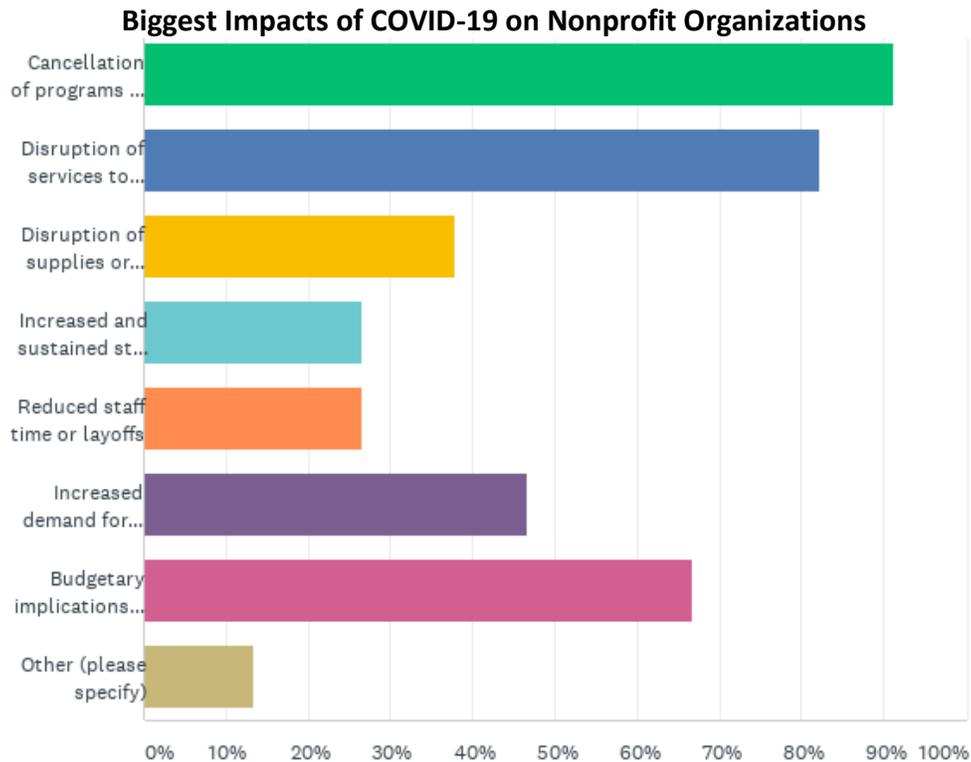
## Biggest Impacts of COVID-19 on Nonprofit Organizations



Increased and sustained staff and volunteer absences and disruption of supplies or service provided by partners were reported by 37% and 34% of respondents respectively. Over 30% of respondents reported other negative impacts, including:

- The challenges of having employees working from home, office closures, being forced out of the office, and the inability to access hardcopy files kept in their offices
- Difficulty managing programs due to the inability to meet in person and adapting to phone and email interactions
- Keeping staff on payroll and insurance with little to no revenues coming in
- Patrons asking for refunds for cancelled events
- Increased need for cleaning supplies and protocols
- Rise in unemployment in the community
- Expectations that funders will require an extension for current grants or repayment of funds they were unable to utilize due to widespread shutdowns
- Decreased productivity due to quickly evolving COVID-19 related information being relayed into and out of the organization
- The impact on the ability to provide services to schools that have closed down, including elementary schools, high schools, and higher education institutions
- Having networking opportunities, training, and outreach events cancelled
- Negative impact of the market downturn on invested funds
- Challenges to procuring cleaning supplies due to panic-buying and hoarding of supplies
- Cost of technology to allow working from home

**Second Poll:** Over 90% of respondents indicate that cancellation of programs or events and the corresponding reduced revenue is the biggest negative impact of COVID-19 on their organizations, followed closely by 82% due to disruption of services to clients and communities. Budgetary implications related to strains on the economy round out the top three impacts and are reported by 67% of respondents.



Increased demand for services were reported by 47% of respondents. Disruption of supplies or services were reported by 38%, and increased and sustained staff and volunteer absences and reduced staff time or layoffs were reported by 27% of respondents each. Over 13% of respondents reported other negative impacts, including:

- Staff unable to work from home due to no school and parenting needs
- Reduction of regionally shared support staff
- Loss of revenue due to impact of COVID on our loan portfolio
- Delayed program activities due to online shift
- Delay in materials needed for active construction project

### Lost Revenues

**First Poll:** Nonprofit organization respondents are already dealing with or anticipating dealing with decreases in revenues related to the COVID-19 pandemic, depending on the duration of shutdowns. Community foundations are anticipating lower charitable giving due to the downturn in the economy and markets. For our poll, respondents could offer a percentage of decrease they expected or a dollar amount that they expected to lose. Of the 62 respondents:

- 13 responded with percentages of loss
- 30 responded with dollars lost
- 15 responded with uncertainty at how big the losses would be, but did indicate that there would be losses
- 4 respondents indicated that the pandemic crisis and resulting shutdowns would have little to no impact on their nonprofit

### ***Percentage Loss Reporting***

For those that reported losses, the amounts that they anticipate losing are staggering. Respondents report a decrease in revenues from 7-50% with a larger pool of them losing in the 20-30% range. Those that rely on program-related income indicate that they will likely lose 100% of that revenue stream due to shutdowns to slow the spread of the virus. For one respondent, that equates to one third of their operating budget.

### ***Dollar Loss Reporting***

The actual dollar projections are in the thousands to hundreds of thousands, and for many of these nonprofits that rely on revenues each month to keep the lights on, COVID-19 will have a devastating effect.

- Smaller organizations report losses from \$2,000-\$5,000 up to \$20,000-\$35,000.
- Larger organizations are reporting losses of \$40,000, \$50,000, \$100,000, and \$250,000.
- One respondent estimates over \$750,000 of lost revenues.
- Community Foundation respondents indicate that losses from the market and community donation decreases will greatly impact their ability to fund programs in their communities through grantmaking.
- ***Total dollar amount projections of loss equal \$2,010,000 (this is only 30 of our WV nonprofit organizations' projections)***

**Second Poll:** For our second poll, respondents were asked to provide an estimated dollar amount that they expected to lose due to COVID-19 and the pandemic. Of the 45 respondents, only four indicated that they would not be impacted by large losses. Of those impacted, 33 provided a response for losses in dollars. ***The total loss combines for just those 33 organizations is \$3,752,500. That is 1.7 million dollars more than original estimates from our first poll in March.***

## Increased Expenses

**First Poll:** Nonprofit respondents were less sure about the true impact to their expenses. Many indicated that the increase was yet unknown or that with the decrease in services provided, the expenses would not be realized, thus offsetting the impact of increased expenses.

However, many indicate the increased expenses were due in large part to continuing to pay wages for employees while they were unable to work, or work was cut back due to widespread shutdowns. The increase in expenses ranged from 15% to nearly 100% with amounts ranging from \$7,500 for smaller organizations to \$150,000 for larger organizations.

**Second Poll:** Respondents were asked to provide a dollar amount estimate of the increase in expenses due to COVID-19 and the pandemic. Of the 45 respondents, 36 responded to this question.

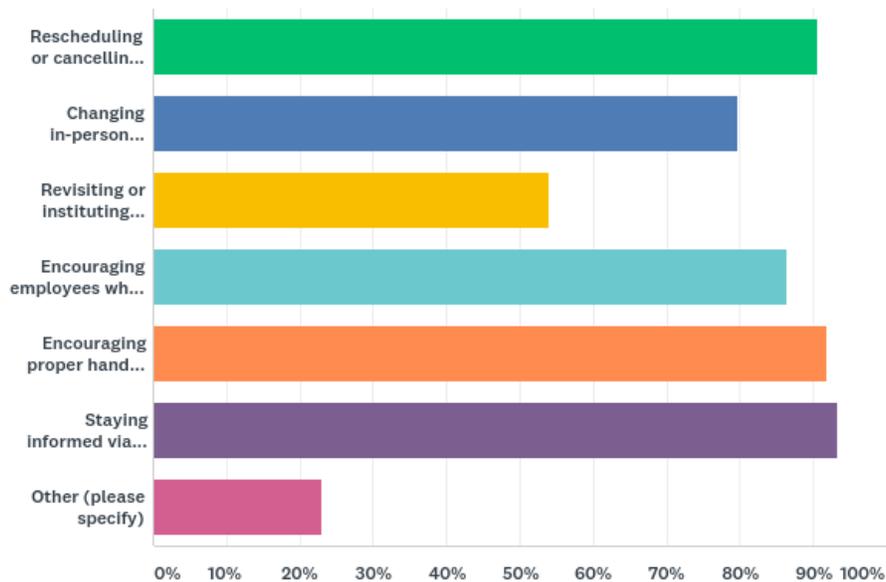
- 12 responded with little to no impact due to either the set-up of their organization or through use of in-kind donations
- One felt that expenses would increase through more fundraising efforts
- ***The combined increase in expenses for the remaining respondents totals \$3,613,700***

## COVID-19 Responses

**First Poll:** Nonprofit organizations of all sizes and service types are responding to COVID-19. They appear to be taking necessary steps to comply with CDC recommendations and any state and local mandates and requirements.

- 90% report that they are rescheduling or cancelling programs and events
- 80% report switching to virtual events and online meetings
- 54% report that they are revisiting remote work and leave policies for employees
- 87% report that they are encouraging sick employees to stay home
- 92% report that they are encouraging CDC hygiene habits
- 93% report that they are trying to stay informed about COVID-19 through media sources
- Other ways nonprofits are responding include:
  - Working from home whether sick or not
  - Forgiving program fees for laid off or reduced hour clients
  - Limiting physical contact with clients
  - Maintaining transparency in communications with stake holders
  - Providing protective equipment
  - Temporary work stoppage but continuing to pay employees
  - Promoting updates and community resources on social media and changing how they support their communities
  - Refunding venue rentals if rescheduling is not an option
  - Changing protocols for safety in healthcare organizations to slow the spread of the virus

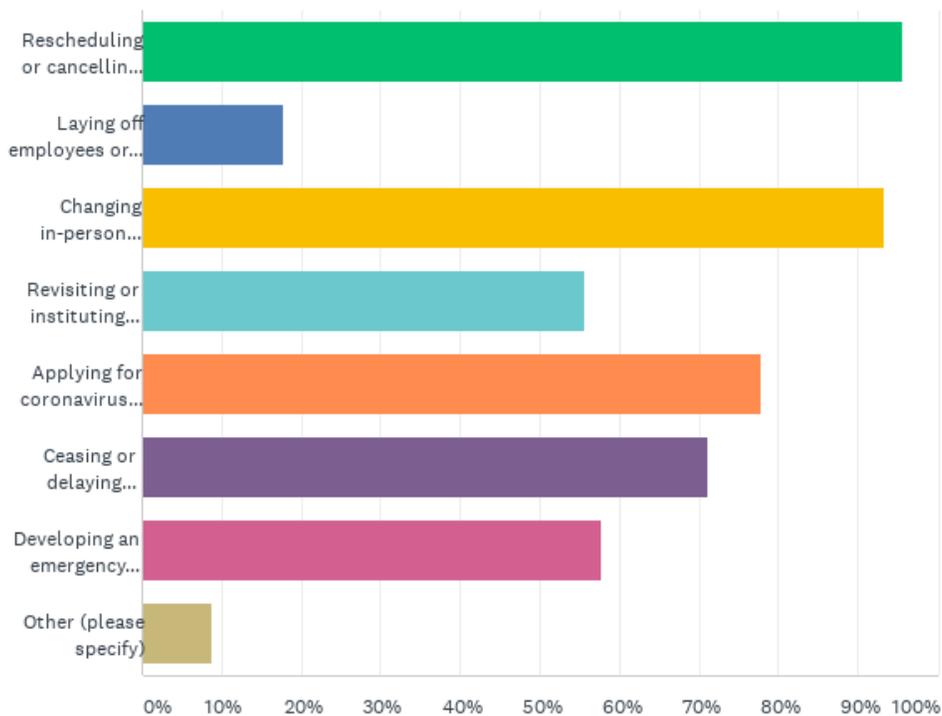
## Nonprofit Organizations Responses to COVID-19



**Second Poll:** Nonprofit organizations of all sizes and service types are still responding to COVID-19.

- 96% report that they are rescheduling or cancelling programs and events
- 93% report switching to virtual events and online meetings
- 78% report that they are applying for relief funding
- 71% report that they are ceasing or delaying programming
- 58% report that they are developing an emergency response plan
- 56% report that they are developing remote work and other employee policies
- 18% report that they are laying of or reducing employee hours
- Other ways nonprofits are responding include:
  - Working with investors to reduce/defer debt service payments
  - Changing expectations of employee activities and scopes of work to acknowledge/reduce capacity for employees that have increased caregiving demands
  - Creating disease prevention policies

## Nonprofit Organizations Responses to COVID-19



### Resources and Guidance for Nonprofits

**First Poll:** By far, the biggest request from nonprofit organization respondents is funding to carry them through the crisis situation that COVID-19 is putting them in. Other areas for assistance, resources, and guidance for nonprofits include:

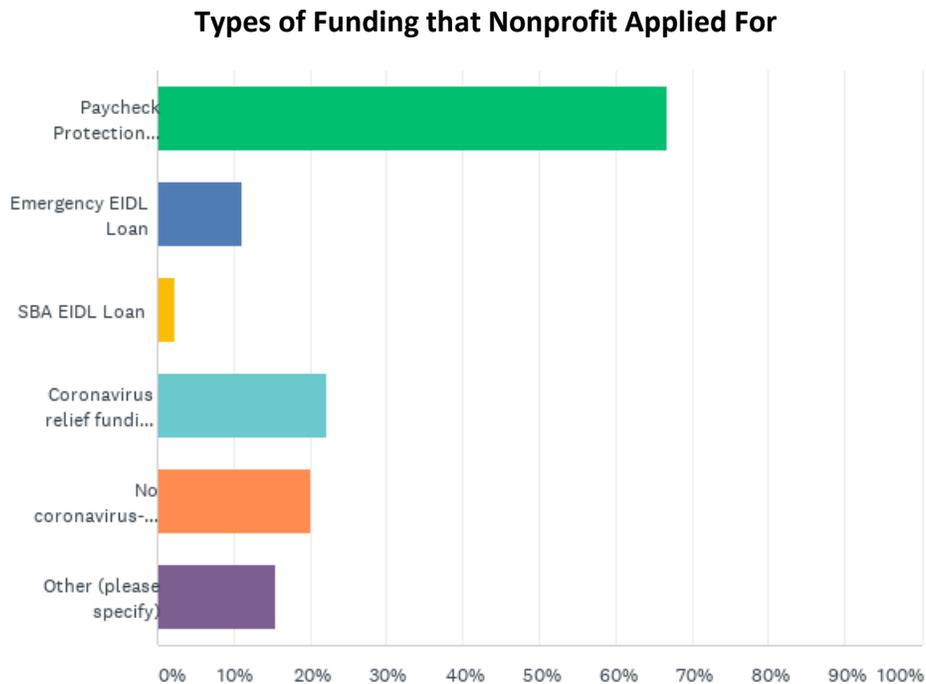
- Alerting them of any relief funds – especially those that can be used for operating expenses
- Fundraising options for getting back on their feet
- Advocating for nonprofits to be included in federal stimulus legislation
- Guidance on how unemployment and leave policies will impact nonprofits
- Education and safety tips to combat the spread of the virus
- Recommendations about virtual meeting tools
- Helping funders prioritize support for the most needed resources
- Templates for new policy creation

**Second Poll:** The majority of assistance requested for nonprofits in the second poll is about how to continue operations under the constraints of the pandemic, including resources, and guidance for nonprofits to reopen and get comfortable with the new normal:

- Sharing resources for PPP forgiveness, EIDL guidance, and info on virtual events
- Industry standards and best practices for small nonprofits
- Arts-specific resource sharing

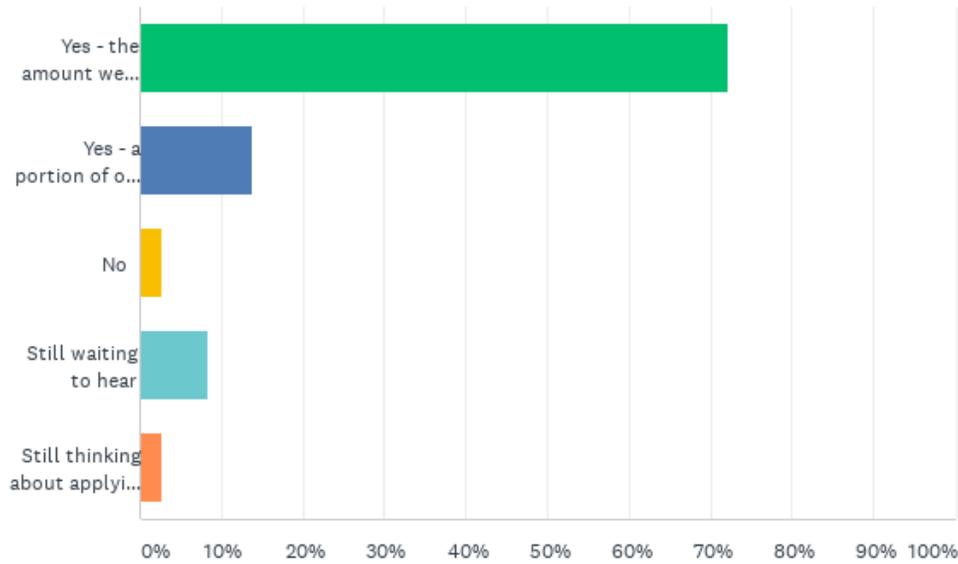
- Available funding resources and PPE supply connections
- HR issues related to COVID-19
- Virtual ways to reach out to prospective clients, donors, etc
- List of foundations offering financial support options
- Share re-opening guidelines from AG, GOV, DHHR and others
- Online meeting information and training

## SECON POLL: FUNDING



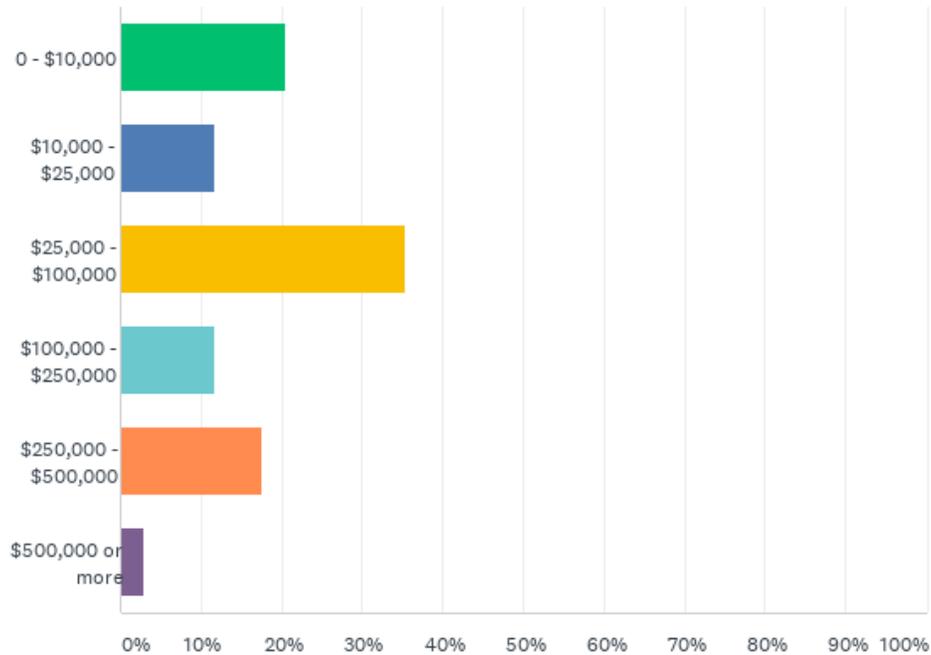
The majority of our respondents applied for PPP funds for COVID-19 pandemic impact relief. Other options included the WV Humanities Council funding and ARC funding as well as other state, federal, and financial institution funds.

### Nonprofits Applying for Funding & Receiving Funding

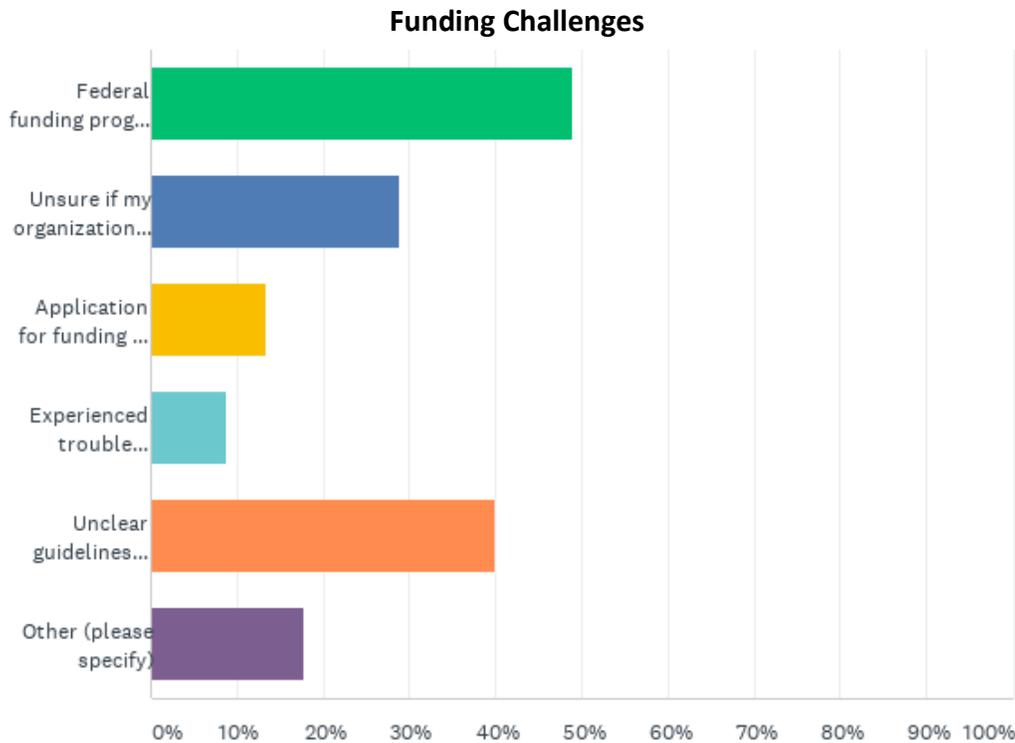


The majority of our respondents that applied for funding received either the entire amount that they requested (72%), or a portion of the amount requested (14%). Only 3% did not received the funding they requested.

### Amount of Funding Received



The largest portion of our respondents that applied for funding received \$25,000 – \$100,000 (35%). About 21% received up to \$10,000 in funding, and 18% received \$250,000 - \$500,000. One organization received over \$500,000.



The CARES Act funding options had a rocky rollout, and nonprofits noticed. The SBA and Federal Reserve guidance on the funding sources changed quickly – and often. That said, our respondents felt that the rollout and unclear guidelines on forgiveness were the biggest challenges in navigating funding options with 49% and 40% reporting respectively. Another 30% were unsure if their organization qualified for the funding. Only 9% struggled to find a bank to apply with and another 13% struggled with the application. Another drawback was the competition and running out of funds in the first round of funding.

**First Poll: In Their Words – COVID-19 Impact on Nonprofits**

“If this goes on too long, we worry we won't make it through. We depend on income from admission, parties, events and education programs.”

“Basically, putting everything on hold - events, seminars, conferences - and taking it day by day.”

“I anticipate this will affect our funding for many months/years. This will be a long recovery.”

“Our staff has pulled together to work extra hours as needed to put new protocols and practices in place. Our board members have been very responsive to my questions. The uncertainty and the widespread nature of this situation make it particularly hard.”

“The longer the pandemic continues to occur, the greater and more damaging it will be to our organization and other aspects in our community since the majority of people are in the middle class or lower.”

“We are a nonprofit childcare center. We have stayed open this past week for working parents but over half our families are not sending their children. We employ 9 employees and three are single parent families that cannot afford for us to close.”

“We could lose our director with the cancellations of revenue generating events and if ALL of our businesses we serve CLOSE.”

“We have concerns that funding we used to rely on will go instead to serve needs related to the COVID-19 situation and small but vital programs like ours that serves a vulnerable population will see a future/long-term reduction in funding.”

“We are dealing with scared individuals and facing our own fears at the same time.”

“I believe that all organizations are strained, and the unknown is the most worrisome thing at this time. It is difficult to gauge what will be necessary in the future without knowing how this pandemic will play out. This will impact the world for many years to come.”

“We want to keep delivering essential services to senior citizens in our area. We are concerned about a drop in the requests for services and what this will do to us financially.”

“We had to cancel our conference and fundraiser. We have also seen an increase in mental health crisis amongst our clients.”

“Impacting our normal cycle of activities through the year, will cancel or postpone a lot of programming.”

“Mental well-being/anxiety of staff has been effected (uncertainty, etc.)”

“We've had a significant loss of income for March and April and are anticipating more loss for May and possibly into June.”

“We hope to keep our food pantry and financial assistance programs operational but may have to curtail or discontinued if ordered by local government.”

“I think it will most likely destroy our non-profit. We are the only type of nonprofit that offers this in WV.”

## **Second Poll: In Their Words – COVID-19 Impact on Nonprofits**

There appears to be a much more positive tone in many of the additional comments, and some even focus on what they have been able to do.

“Stress. Stress when we closed. Stress when we opened. Stress when looking at the bank account.”

“We have been able to pivot and provide resources to regional feeding sites.”

“We have to devise ways to serve college students' needs by programming, fellowship, individual counseling and guidance without becoming the site(s) of infection.”

“We have been fortunate to be able to use this downtime to revisit administrative tasks that needed attention such as developing an onboarding manual, training manuals, finishing an annual report and SOP manual, etc. Our primary concern has been the inability to serve our youth and concern over their mental and physical welfare.”

“We developed a strong plan for providing care to acutely ill patients, loosened up guidelines to allow those furloughed or laid off to access care. Cancelled our only fundraiser. We realized it took resourcefulness and creativity to develop a plan that allowed us to continue to provide quality health care to the underinsured.”

“A large impact for us is the reduced (50%-100%) of volunteers for the rest of the calendar year. That means less of our service being done which is an even bigger effect on our local area. We will survive as an organization, but the impact on the people is much greater.”

“If not for the PPP and EIDL programs, we would have shut our doors long ago.”

“This has been beyond stressful. Having to continue operating at full capacity while each staff member is struggling with the personal impacts of the crisis has strained our normally high capacity organization to the absolute max. We have been on the verge of losing our entire organizational leadership at multiple points over the past three months, which would decimate our organization. It has been by sheer force of will that we have kept going through this period. I do not feel like the incredible individual stress that this has placed on nonprofit leaders has been adequately acknowledged or supported. I don't feel like anything has significantly changed in how we are expected to complete our services, apply for funding, manage it or report on it, despite us being in the middle of a pandemic. It is really out of touch with the challenge of this moment.”

“The PPP webinars shared by WVNPA and the national group was very useful. I felt like I knew as much or more than our bank. Our large fundraiser went virtual and, although we didn't come close to replacing revenue, was still "successful".”