OKLAHOMA CENTER FOR NONPROFITS

Survey Open and Close Date
July 6 - July 20, 2020

Oklahoma Nonprofit COVID-19 Impact Survey Report

About the Survey

Through email alerts and word-of-mouth, the Oklahoma Center for Nonprofits surveyed a group of members to ascertain impact of the COVID-19 pandemic on financial well-being, staffing and other economic indicators of organizational wellness.

The response came from 288 nonprofits that ran a spectrum of the state's charitable sector. All responses were kept random and private. This report reflects the overall results of this survey. Report prepared July 27, 2020.

For more information, contact Daniel Billingsley, Vice President of External Affairs, at dbillingsley@okcnp.org or (405) 982-0582.

RESPONDENT DATA

Number of Respondents	288
Distribution of Respondents	42% Oklahoma County, 23% Tulsa County, 35% All Other Counties
Types of Respondents	31% Human Services 14% Healthcare (physical and mental) 14% Arts and Culture 14% Education 27% Other
Respondent Budgets	56% Small (under $750,000) 18% Midsized ($750,000 - $2 million) 25% Large (More than $2 million)
Staff Size of Respondents	71% Small (Fewer than 16) 16% Medium (16-50) 13% Large (More than 51)

KEY FINDINGS and RESULTS – March 1, 2020 – June 30, 2020

REMOTE WORK - Nearly 80% of nonprofit employees worked remotely at some point during this period. While three in five nonprofits had adequate technology to allow for remote/distributed work, half had to purchase technology and resources to ensure optimum productivity. Generally, most nonprofits spent less than $2,500 (60%) on technology needs, but 20% of nonprofits spent more than $5,000 on upgrades to software, hardware and other technological resources.

WORKFORCE

92%

of nonprofits laid off zero staff during initial stages of pandemic

WORKFORCE STABILITY – Nonprofits prioritized optimal staffing during the original COVID-19 period, with 92% keep a full staff intact. Only eight percent of nonprofits laid off any staff during the initial stages of the pandemic. Of those that did lay off staff, respondents reported fewer than three lost full-time equivalent (FTE) positions. Nonprofits did release contractors from duties, with 17% indicating they had eliminated contracted positions.

Most nonprofits kept staffing at current salary levels. Only 11% had to temporarily or permanently cut salaries with most of those cuts being fewer than five percent. Only six percent engaged in furloughs to cut costs. Nearly 40% of nonprofits engaged in hiring freezes or did not elect to fill positions.

FUNDING STABILITY – A full 70% of nonprofits indicated they had received PPP loans from the Small Business Administration. However, nonprofits did not seek as much funding in EIDL loans as only 10% received EIDL funding. A quarter of respondents also applied for grants with the Oklahoma Business Relief Program through the Department of Commerce. Because of the timing of the survey, we have not heard back from nonprofits on the success rates of those applications.

Only 42% of respondents indicated that their nonprofit had an endowment fund, and only 43% of respondents indicated they had a board-directed investment accounts. This left a high number of nonprofits with no investment vehicle for assets (approximately 57%). While two-thirds of nonprofits indicated they had unrestricted net assets (reserves) beyond 90 days of cash-on-hand, there were concerns about the lack of assets overall during the pandemic. More than a fifth of nonprofit boards elected to use reserve or investment funding as an emergency source of revenue during the pandemic.

Nearly half of nonprofits experienced lower-than-expected grant performance during this period. Nearly a quarter of nonprofits said they lost grants in excess of $50,000. In addition to grant funding, two-thirds of nonprofits reported negative changes in individual giving as compared to budgeted gifts.

Nonprofits were most caught off guard with regard to special events and fundraising galas. Three-quarters of nonprofits had an event scheduled during this time period, and 60% had to postpone or cancel that event. While some had virtual online events in their place, nonprofits still experienced financial losses in lieu of a live/en vivo event. Nearly a third estimated event losses at $50,000 or more. Fortunately, few sponsors revoked their contributions, with only 22% reporting they had to make any refunds of sponsorships or ticket sales.

LEADERSHIP AND GOVERNANCE – Only four percent of organizations indicated a change in the executive officer role during this period, and only nine percent of organizations indicated changes in senior management (defined as individuals reporting to the ED/CEO). With regard to the board, 11% of organizations indicated they had unexpected resignations of board members.

The vast majority, 75%, indicated that boards and committees maintained their meeting schedule throughout the period. About half called for more board and committee meetings. Nearly 80% of organizations reported strong attendance at board and committee meetings, with 85% of nonprofits indicating good and excellent overall performance of the board.

REENGAGEMENT – More than 70% of nonprofits brought some staff back to work on-site after May 1, with four out of five organizations purchasing PPE to make this happen. On average, organizations have spent around $1,500 each so far on PPE.

WHAT THE FUTURE HOLDS
REVENUE GOALS – More than half of nonprofits have low or very low confidence in meeting revenue goals through the end of 2020. Nearly 60% of nonprofits have created strategic or operational plans through the end of the year to mitigate this lack of confidence, and 80% have already made budgetary adjustments because of the low confidence.

FUNDING

70%

of nonprofits received PPP loans.

FUNDING

48%

of nonprofits reported lower than expected grant.

FUNDING

60%

of nonprofits cancelled or postponed special events.

BOARDS

85%

of nonprofits report good or excellent board performance.

FUNDING

54%

of nonprofits have low or very low confidence in meeting revenue goals.

STAFFING

81%

of nonprofits believe they will not have to engage in layoffs or furloughs.

STAFFING – Even with pessimistic budgetary goals, less than half of nonprofits have considered contingency plans for staffing based on revenue targets. This could indicate a typical nonprofit unwillingness to engage in reductions in force. More than 80% of nonprofits believe they will not have to reduce staff size or furlough employees, even though they have such low confidence in future revenue. They also don't envision salary cuts or cuts to staff benefits.

OTHER EFFECTS – Nonprofits have indicated an unwillingness to travel, attend outside meetings, etc., in person through the end of the year. More than 80% said they are suspending travel and in-person meetings.

THREE KEY TAKEAWAYS

1. Nonprofits are pessimistic about the financial future before them, especially for the immediate future with regard to fundraising and other revenue development. However, this is coupled with an unhealthy optimism about the ability to keep full staffing, even without the revenues available to support the staff. More nonprofits should engage in strategic and operational planning to create contingencies and triggers for reductions in the case that revenue targets can't be met.

2. While many nonprofits are in sound financial position, far too many organizations continue to work without endowments, investment platforms, unrestricted net assets in excess of 90-days-cash-on-hand, etc. In the upcoming year, nonprofits will need far more access to liquidity through available cash to operate at the capacity they're accustomed to.

3. Nonprofits continue to be far too dependent on special event revenues. We are seeing this play out over an extended period, as organizations grapple with general operational funding instead of the event income. Should COVID-19 effects linger into 2021, nonprofits could see entire years of lost event revenue. This is particularly unnerving for performing arts nonprofits where event (concerts, etc.) income composes substantial parts of the annual budget.

Oklahoma Center for Nonprofits
720 W. Wilshire Suite 115
Oklahoma City, OK 73116
(405) 463-6886
www.okcnp.org