

Ohio Nonprofit COVID-19 Survey

A Report of the Results

A study in partnership with:
The Ohio Attorney General's Office
Philanthropy Ohio
& The Ohio State University

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The Ohio Nonprofit COVID-19 Survey Project

The Ohio Nonprofit COVID-19 Survey Project was undertaken to identify the greatest needs of the state's nonprofit sector during the COVID-19 pandemic. The pandemic has affected all of us, and, as this report makes clear, the nonprofit sector is no exception. A group came together with the desire to draw out the voice of the nonprofit sector and share it with important stakeholders that can help to raise it.

The project is being carried out as a partnership:



Charities fulfill a critical role in Ohio, meeting needs that the market and the government cannot or will not. The attorney general has the privilege of being the state officer charged with protecting and regulating the charitable sector, a role which affords him the opportunity to support such a wonderful segment of Ohio's civil society. The Ohio Attorney General's Charitable Law Section provides oversight and support of the state's charitable sector. The Section handles registration of charities and professional solicitors, investigates abuses of charitable trusts, provides tools for the public to research charities, and offers resources and training to charitable organizations to enhance transparency and accountability.



Philanthropy Ohio is an association of foundations, corporate giving programs, individuals and organizations actively involved in philanthropy in Ohio. Its vision is a just and vibrant Ohio through impactful philanthropy and its mission is to lead and equip Ohio philanthropy to be effective, powerful change agents in our communities. It provides the network, tools and knowledge to help people engaged in philanthropy become more effective, powerful change agents in their communities. Together, its more than 210 members hold over \$121 billion in assets and provide over \$1.5 billion in grants to nonprofit organizations that work to improve the lives of community residents. Learn more at philanthropyohio.org.

The Ohio Nonprofit COVID-19 Survey Project began in early April 2020 in response to the pandemic, and the group quickly developed a survey to reach nonprofits statewide. The project will continue until the nonprofit sector has fully recovered from the pandemic. With input from the Ohio Attorney General's Charitable Advisory Council, the project partners plan to field further rounds of the survey in the months ahead in order to track how nonprofits are overcoming and recovering from the pandemic.

This Report

This report provides the results of the first round of the Ohio Nonprofit COVID-19 Survey, which captured early reactions of the nonprofit sector to the pandemic, including their actions and concerns. It is intended to inform policymakers, funders, media, and other decision makers about how to best support the sector during this time.

Author of the Report

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The findings expressed in this report are the product of research conducted by the author and do not represent the views of either the John Glenn College of Public Affairs or The Ohio State University.

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Survey Methods

The Ohio Nonprofit COVID-19 Survey was designed to capture the impact of the COVID-19 pandemic on nonprofits in the state. The survey instrument was developed based on previous nonprofit surveys (e.g., Deitrick, Tinkler, Strawser, & Young, 2020; MacIndoe & Beaton, 2019). It was fielded to the list of charitable organizations registered in the state as kept by the Ohio Attorney General’s Office. The list includes organizations with 501(c)3 status, and did not include nonprofits with other tax statuses or organizations that are not required to file with the state, such as religious organizations.

Leaders of these nonprofit organizations completed the survey online between April 9 and April 20, 2020. Of the charitable organizations in Ohio, 7,723 organizations responded to the survey, representing approximately 19 percent of that population. The responding nonprofit leaders consented to participation and are protected human subjects under research guidelines.

The final section of this report profiles the survey respondents. As that profile suggests, the responding organizations were diverse in their purpose, geography, size, and capacity. Statistically speaking, the respondents to the survey tended to overrepresent the arts and slightly underrepresent educational organizations. The respondents were also more likely than the average Ohio-based nonprofit to be medium sized (annual gross receipts of \$50,000 to \$200,0000), and the sample is less representative of private foundations. The analyses here should be interpreted with that in mind.

Ohio’s Nonprofit Sector

According to federal tax data, there 40,521 charitable organizations in the state of Ohio, most of which are public charities (Hand, Scott, Shehadi, & Walsh, 2020).

These organizations provide a variety of services including arts, health, education, and human services, among others. The nonprofit sector contributes to the economy by providing jobs, strengthening communities by building social capital, providing democratic representation for the disenfranchised, and providing services that the market and/or government do not. As such, the nonprofit sector comprises a social safety net for the state and for the country.

We should be concerned about supporting Ohio’s nonprofit sector during the pandemic for many reasons. The nonprofit sector is a major employer– the third largest industry behind manufacturing and retail – so layoffs will have a significant impact on state unemployment. Nonprofits also provide important services necessary during this time, including health, education, the arts, and activities that connect us to one another. Issues like food insecurity, homelessness, youth development, and domestic violence that are of increased concern during the pandemic are under the purview of nonprofits. Further, many Ohio hospitals, which are on the frontlines, are nonprofit organizations.

Nonprofits rely on donations and volunteerism from individuals, as well as government support to survive (LeRoux & Feeney, 2015).

Nonprofit Service Provision

Nonprofit organizations provide essential services to Ohioans. Some of those services are in higher demand now than they were before, while some are in lower demand. The pandemic has also altered the ability of some nonprofits to provide services, regardless of demand. For instance, youth development and educational organizations need to make changes to their program delivery if they hope to continue their services through the pandemic. These organizations reported concerns about reliance on technology and whether services delivered in that mode will be sufficient to achieve their goals.

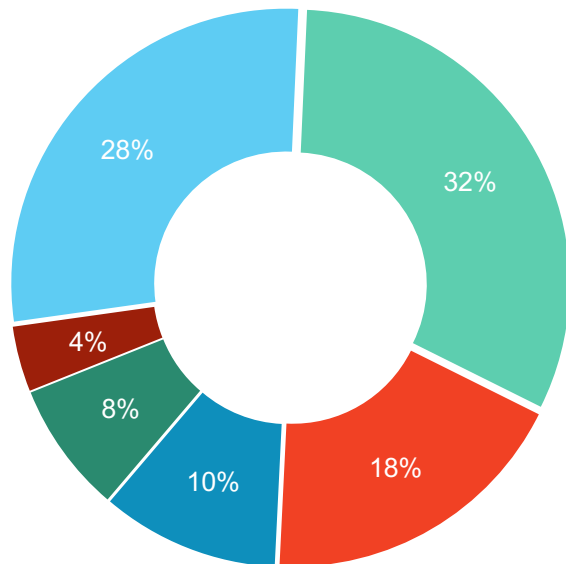


Figure 1: To what extent are you currently delivering your normal programs and/or services during the COVID-19 pandemic?

As shown in Figure 1, many nonprofits are not providing services during the pandemic (28%) and many more are providing services at a reduced capacity (50%). While some of these organizations provide arts services that cannot be consumed in their traditional format during the pandemic, there are also many other types of organizations that have shut down services.

Conversely, some nonprofits are responding to an increase in demand for their services (8%). These organizations include health and human services organizations and others. For instance, one arts organization pointed out that during the pandemic entertainment has become even more important.

- Not at all
- In a severely reduced capacity
- In a moderately reduced capacity
- Same as we always do
- To a greater extent than usual
- Not Applicable

“We are an all-volunteer animal shelter and have stopped taking in animals because we cannot raise funds to take care of them.”

- Leader of an animal shelter in Southwest Ohio

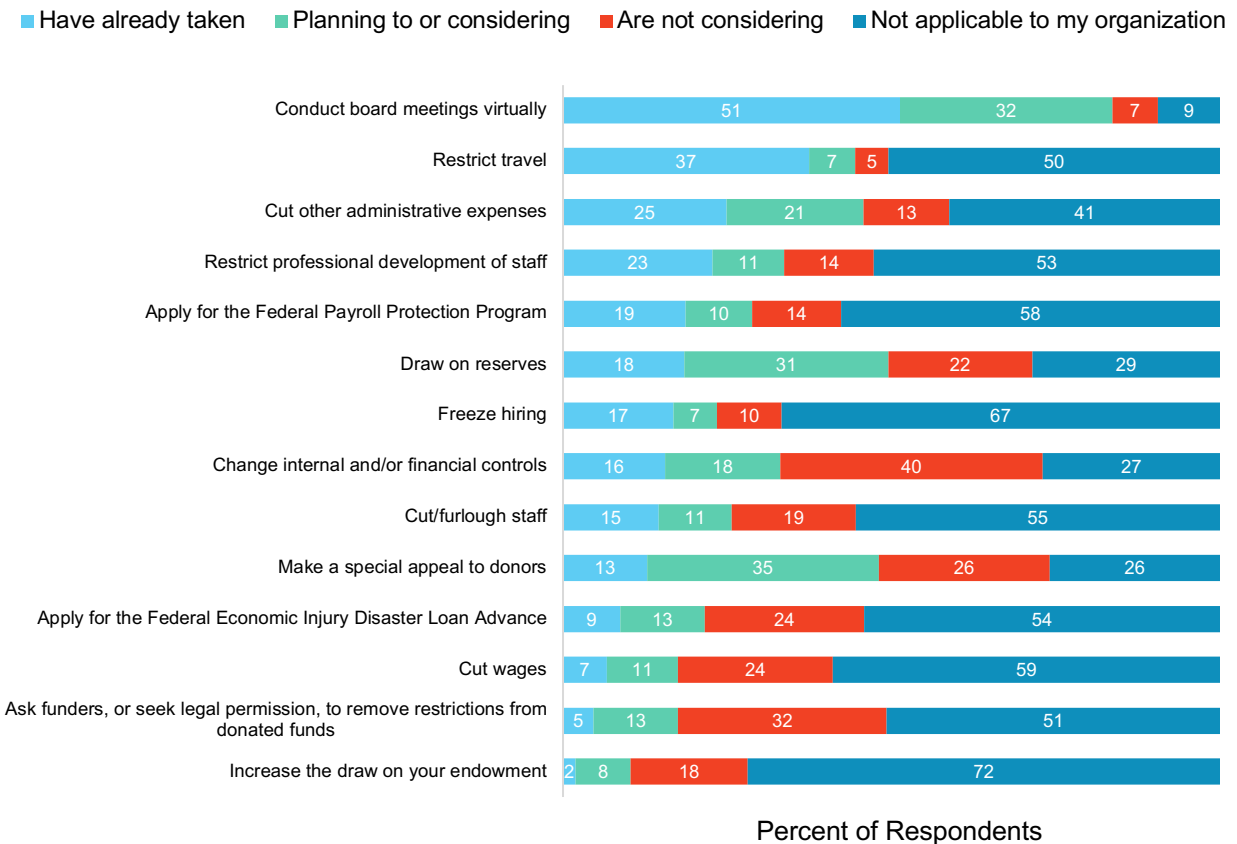
“Due to supporting local youth through after-school programming we are expecting an increase in youth served but a decrease in funding due to governmental grants. Additionally, it is hard knowing that the academic achievement gap is growing and youth are not always safe in their home environments and there is little that we can do to help. We are a safe spot, a home away from home, and trauma informed programming will be necessary upon return.”

- Leader of an education nonprofit in Central Ohio

Actions Taken By Nonprofits

As of the survey date, nonprofit organizations had already begun to spring into action. As depicted in Figure 2, the most common response has been to conduct board meetings virtually, with 51% reporting that had already made this change and another 32% that were considering it. About one-third of nonprofits (37%) had restricted travel. Many nonprofits are also cutting administrative expenses (25% already had), restricting professional development of staff (23% already had), applying for the Federal PPP (19% already had), and drawing on reserves (18% already had). Many are freezing hiring, changing internal controls, cutting or furloughing staff, and making a special appeal to donors.

Figure 2: As a result of the pandemic, which actions have you or will you take?



As with the numerous concerns of nonprofits, many respondents chose to write in additional actions they are taking or considering. The following catalogues those actions reported by at least two respondents, in order of frequency:

Cancelling Meetings, Events, and Fundraisers: Cancelling these events protects participants from COVID-19 but limits nonprofit income.

Applying for Grants: Many are seeking grants – particularly grants that provide operating support during this difficult time.

Applying for Loans: Nonprofits are applying for loans from federal and private sources.

Looking for Funding: A good deal of nonprofits are seeking funding from any source possible.

Holding Meetings or Providing Services

Virtually: Nonprofits are attempting to hold meetings with colleagues, volunteers, and beneficiaries using online tools.

Suspending or Shutting Down Activities:

Many nonprofits are shutting down all activities and are currently dormant.

Postponing Meetings, Events, Fundraisers, or Other Plans: Instead of cancelling events, some nonprofits are trying to postpone or reschedule them later in the year.

Planning a Virtual Fundraiser: Some nonprofits plan to conduct virtual fundraisers using social media or other platforms.

Recruiting Volunteers: Many are trying to find new volunteers that they did not have before.

Reducing Grants or Scholarships: Nonprofits that distribute grants or scholarships are considering reducing those outlays.

Refunding or Reallocating Money: Some nonprofits, including arts and sports organizations, have returned donations or refunded fees because they will no longer be able to provide the promised services.

Staying in Contact Online: Nonprofits are staying in contact with co-workers, volunteers, and members using online tools.

“We are doing our best to continue to provide the highest level of dance education to our students online, which keeps our teachers employed.”

- Leader of a nonprofit ballet academy in Northeast Ohio

Cutting Costs: Nonprofits are attempting to cut costs, sometimes through wages, but also through expenses such as contractors.

Cutting Workforce: Some nonprofits are laying off staff or are reducing the hours or wages of individual employees.

Partnering with Other Organizations: Food pantries in particular are attempting to work with other organizations to fulfill their missions.

Reducing or Limiting Services: As described above, many nonprofits are not providing services. Others are limiting the variety of services offered.

Adding or Changing Services: Nonprofits are changing their services to better meet the needs of beneficiaries during the pandemic.

Appealing to Donors: Nonprofits are asking for donations from close connections, including friends and family members.

Asking for Rent or Mortgage Forgiveness: Some nonprofits are asking their banks or landlords to defer or forgive payments.

Taking Extra Precautions: Some nonprofits report extra sanitization or other precautions.

Cancelling Travel: Many have cancelled travel.

Meeting Over the Phone: Instead of online, some are holding meetings over the phone.

Negotiating Contracts: Some are attempting to negotiate their contracts with third parties.

Praying: Some leaders report they are praying.

Reconfiguring Roles: Nonprofits have redeployed key staff or adjusted their roles.

Suspending Planning: Due to uncertainty, some nonprofits have pushed budget and event planning to later in the year.

Cutting Leadership Salaries: Some founders and executive directors have cut their salaries.

Extending Deadlines: Grant-making organizations have extended application and reporting deadlines.

Seeking Hazard Pay: Nonprofits are considering hazard pay as a way to pay staff.

Increasing Operating Expenses: Nonprofits are having to increase expenses to cover safety and work-from-home equipment.

Looking at Technology Options: Some report looking into new technology to support staff.

Paying Out of Pocket: Executive directors are using their personal finances to cover costs.

Requesting Changes to Grants: Changes requested include converting program to operating dollars and increasing staff pay because they are working more.

Working Remotely: Like many, nonprofit employees are working from home.

Trying to Plan Ahead: Some leaders are trying to think ahead so they are prepared to reopen.

Writing Grants: Some organizations are trying to quickly get funding to those who need it.

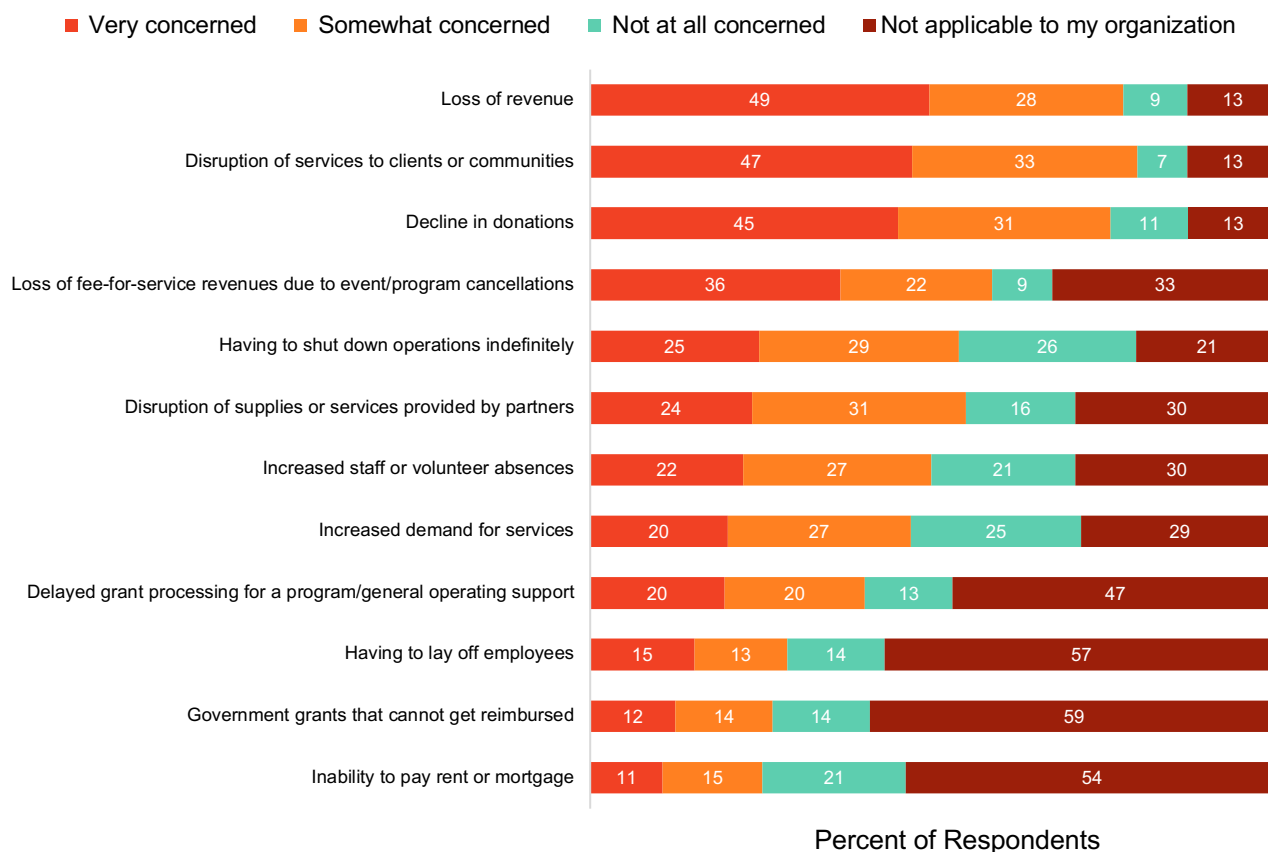
“We are in danger of closing our food pantry because of lack of funding. Two big grants we were expecting this month did not come through. We’ve received a small amount of additional funding related to COVID-19. Our pantry guests have increased about 40%. Our bank tells us we are in the queue for PPP funding, but they have not been able to submit our application. We may never receive that money.”

- *Leader of church-based food pantry in Southwest Ohio*

Concerns Among Nonprofits

Nonprofit organizations are riddled with concerns amid the pandemic, some of which are reflected in Figure 3. Among these concerns, loss of revenue is at the top of the list with 49% saying they are very concerned and another 28% saying they are somewhat concerned. The next most common concern is a disruption of services to clients or communities (47% are very concerned). Many nonprofits are heavily reliant on donations, so 41% are very concerned about fundraising declines. Another concern at the top of the list is loss of revenue from event or program cancellations, with 36% very concerned, and 25% very concerned that they will have to shut down operations indefinitely. Many are also concerned about disruption of supplies, staff and volunteer absences, and increased demand for services.

Figure 3: How concerned are you about the following?



Respondents to the survey also reported concerns about a variety of other, or more specific, issues. The following list catalogues concerns that were expressed by at least two respondents, in order of frequency:

Canceled or Postponed Fundraisers or Events: Many nonprofits have been forced to cancel events that would have brought in contributions or earned income. The result is lower revenue than expected.

Uncertainty & Timing: Not knowing when things will open back up makes it hard to budget and to plan ahead for events.

Inability to Reach or Support Beneficiaries: Due to social distancing, many nonprofits are unable to provide their services. Little leagues cannot carry out seasons, arts performances are without audiences, and educational programming cannot reach students.

“We are a small village Friends of the Library and we are concerned that our fundraising events, which keep our doors open, have to be cancelled.”

- Leader of a Library in Central Ohio

Ongoing or Sunk Costs: Nonprofits have ongoing costs, including mortgage/rent, but also utilities and other expenses. Several explained that they had made advance purchases (e.g., for athletic uniforms) that cannot be recouped.

Changes to Service Delivery: Many organizations are attempting to convert their services online (e.g., telehealth), which is a large burden from a technology and human resources standpoint. Telehealth is not always being reimbursed by insurance companies.

Loss of Members or Dues: Nonprofits that rely on memberships are concerned that members may fail to renew and/or pay dues because they cannot afford it, for instance, due to financial hardship.

Safety of Volunteers, Staff, and Clients: There is concern that ongoing operations, even though they are essential, may put stakeholders at risk of contracting the virus. The inability to provide protective equipment makes this concern even more salient.

Loss of Interest or Recognition: Some nonprofits are concerned that after the pandemic has ceased, stakeholders such as volunteers and donors will lose interest in the organization.

Increased Demand for Services: As noted previously, some nonprofit sub-sectors and services are experiencing increased demand for services. Among them are food banks and animal shelters.

When Schools Will Open: Many nonprofits rely heavily on schools to support their mission and/or fundraising activities. Because schools are closed, these organizations are waiting apprehensively for the reopening of schools.

Federal Funding Program(s): Many nonprofits mentioned their concern that they may not receive loans from federal programs.

Emotional and Mental Health of Beneficiaries, Volunteers, and Staff: Nonprofits are key sources of social capital in our communities. Many are concerned that our inability to interact and increasing social isolation will cause serious emotional and mental health deterioration.

Loss of Earned Income: Earned income is a key source of revenue for many nonprofits, which is at risk in a pandemic environment. For instance, many are concerned that they cannot collect tuition, that gift shops are closed, and that they cannot continue with bingo events.

Investment Income: Private foundations and charities with an endowment are concerned about the stock market and the decrease in investment income.

Loss of Momentum or Continuity: Several nonprofits spoke about how they had created momentum in organizing volunteers or in executing a project, and that momentum will be diminished.

Employee Financial Well Being: Many expressed concern for their employees, especially if they could not afford to pay them.

The Economy: A general concern was the economy, particularly the impact that a weak economy might have on the ability of individuals to make donations.

Loss of Sponsors & Partners: The potential for loss of sponsors and other partners is tied to the cancellation of events and fundraisers.

No Access to Facility: The inability to access the site where services are rendered was a major concern for some nonprofits. For instance, gardening organizations are unable to access property during the key planting season.

Loss of Beneficiaries: Some lamented the potential loss of beneficiaries during this period when they may not be able to provide services. For instance, students may unenroll from educational programs.

Changes When Back: There are concerns that things will never be the same. There will need to be new protocols for service provision.

Funding for Non-COVID Causes: Nonprofits in areas like the arts and drug rehabilitation are concerned that all funding will be redirected to fight COVID-19 and there will not be funding for their programs.

Increased Costs: Some nonprofits are seeing increased costs. They need to pay staff overtime and/or need additional equipment.

Inability to Travel: Especially for international organizations, sending volunteers on missions is impossible in the COVID-19 environment.

Miss Colleagues & Community: Several lamented the inability to interact with colleagues or a community. For instance, religious congregations are an important source of social support.

Cash flow: With little money coming into the organization and seeing ongoing or increased costs, nonprofits are worried about cash flow.

Refunds for Unprovided Services: Some nonprofits, like little leagues and daycares, have

already collected money from participants and may now need to repay these funds – though some of those funds have already been spent.

Clients Scared to Seek Services: There is a fear that clients or beneficiaries will stop seeking important services (e.g., food pantries) to protect themselves from the virus.

Enough In-Kind Donations: Some nonprofits are receiving fewer in-kind donations. The most often mentioned donation in needed was food.

Federal Leadership: Several doubted the support and ability of federal leaders.

Inability to Pay Employee Benefits: Some are uncertain that they can afford to maintain health insurance for their employees.

Government Funding: Some are concerned that because household incomes will decrease, tax revenue will too, along with government funding of nonprofits.

Ability to Rehire Staff After Pandemic: Nonprofits are having to let go of talented staff that they may not be able to rehire if they find another job or if unemployment benefits are more lucrative.

Productivity of Employees: It may be hard for staff to maintain productivity at home, especially if they have parenting responsibilities and no childcare.

Compliance: Some nonprofits are concerned about staying in compliance with state rules about staffing and licensure.

Debt: Nonprofits that have debt may be unable to repay their loans in the short run.

“Money that was being saved for gear and equipment is going to have to be used for everyday expenses... Projects that we’ve been saving on for years might get used up.”

- Leader of a volunteer fire department in Southeast Ohio

Lack of Government Support & Funding: There is uncertainty and urgency about state and local governments finding ways to support nonprofits.

Lack or Retention of Volunteers: Nonprofits are concerned that they will lose volunteers even after the pandemic is over.

Paying from Personal Accounts: The founders or leaders of some small nonprofits are covering costs out of their own pockets, which puts pressure on their personal finances.

Repercussions of No Prevention: Prevention programs address issues like preventing domestic abuse through education and animal

homelessness through spay/neuter programs. Without these services now, problems will increase later.

Small Nonprofits: The average nonprofit is very small. However, in the current environment, it may be that large organizations receive most of the funding. Small nonprofits are worried about their ability to generate donations and stay open.

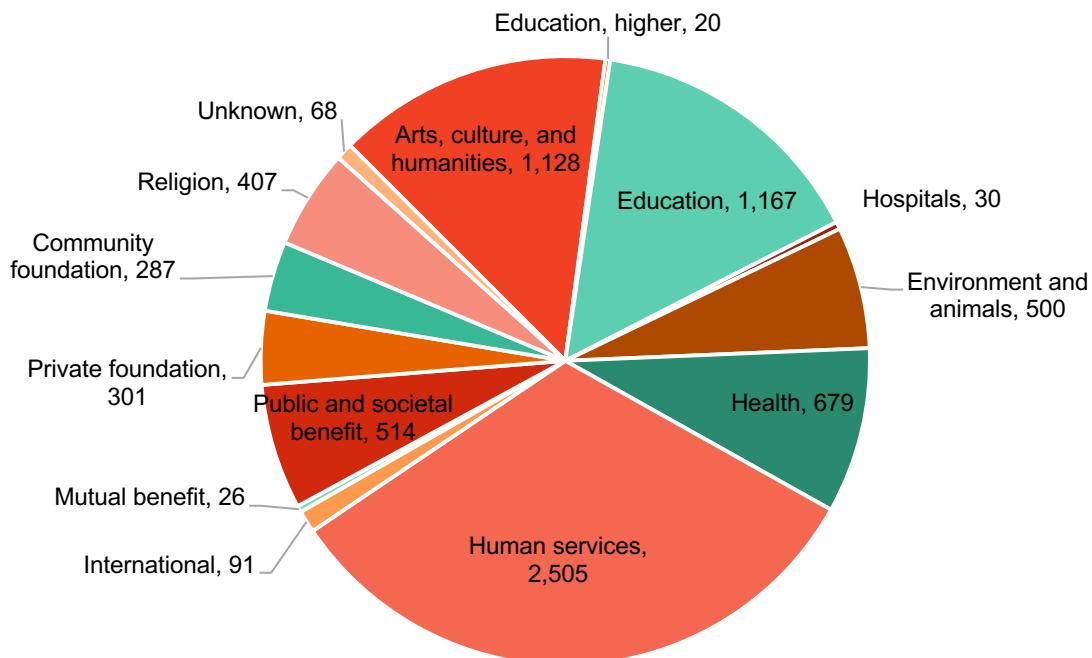
Depletion of Reserves: Some nonprofits are having to dip into their savings accounts to pay for ongoing costs, which reduces their financial security in the long-run.

Donor Retractions: Some donors have asked for refunds of gifts and/or retracted pledges.

Profile of Nonprofit Respondents to the Survey

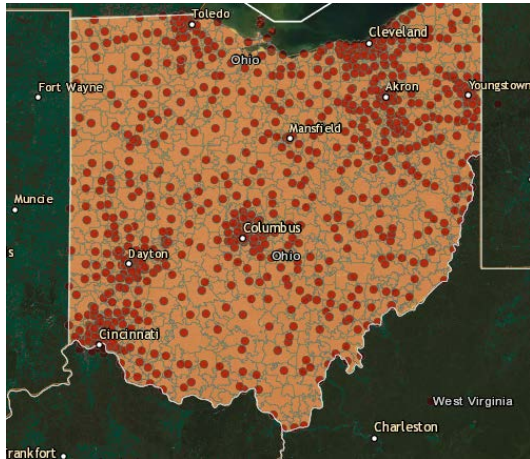
Respondents to the survey reflect the diversity of the Ohio nonprofit sector. They are diverse in their purposes, and nonprofits from every purpose area responded to the survey. As Figure 4 indicates, 2,505 human services nonprofits responded to the survey, comprising 32.4% of the sample. This is consistent with the nonprofit sector, as approximately one-third of all organizations fall in the human services category (Boris & Steuerle, 2006). While far fewer higher education and hospital nonprofits responded, that is also consistent with the proportion of these nonprofits in Ohio and nationally (Boris & Steuerle, 2006; Hand et al., 2020).

Figure 4: Primary Purpose of Responding Nonprofit



In addition to varying widely in their purpose, the responding organizations also varied in the population they serve: 39.1% serve youth, 23.6% serve families, 13.2% serve people who are disabled or have special needs, 12.8% serve seniors, 10.6% serve women, 9.8% serve racial or ethnic minorities, 6.3% serve the unemployed, 5.2% serve the LGBTQ community, and 4.9% serve immigrants or refugees. Approximately 61.7% of the respondents serve economically disadvantaged populations.

Figure 5: Map of Responding Nonprofits

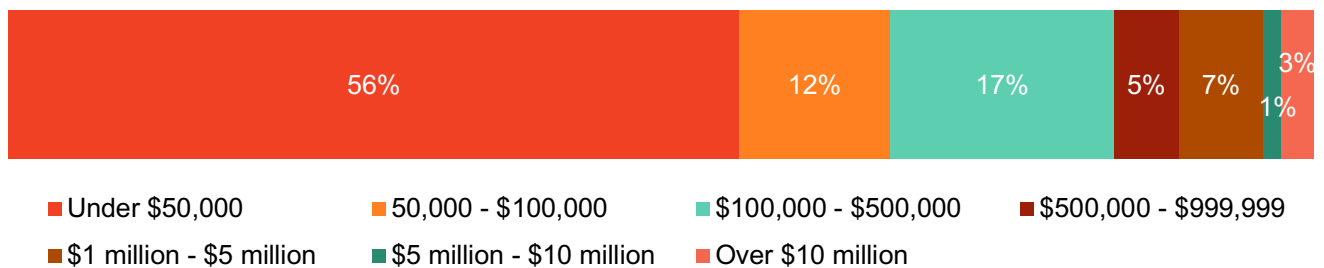


The responding organizations come from all over the state. Figure 5 maps the zip code of each responding organization.

Respondents, like the Ohio nonprofit sector, are concentrated in the cities of Cleveland, Columbus, Cincinnati, Dayton, Akron, and Toledo. However, the responding organizations are spread widely across the state. Of the organizations responding to the survey, 8.3% reported that they serve the entire state of Ohio, 23.3% serve northeast Ohio, 15.0% serve southwest Ohio, 14.1% serve central Ohio, 9.1% serve northwest Ohio, and 6.1% serve southeast Ohio. There are also organizations included in the survey that have a multi-state, national, or international purview, but they were a smaller proportion of the respondents.

The nonprofit sector is largely made up of very small organizations (LeRoux & Feeney, 2015), as reflected in the group of survey respondents. For instance, 63.1% of the respondents reported that their nonprofit has no full-time paid staff. As Figure 6 indicates, the largest group of respondents (56.0%) had annual revenues of under \$50,000 last year. The revenues received by these organizations come from various sources. For 68.7% of them, individual donations are very important; for 43.7% business or corporate donations are very important; for 30.9% foundation grants are very important; for 28.8% earned income (e.g., service fees, charges) is very important; and for 23.2% government grants and contracts are very important.

Figure 6: Annual Revenues of Responding Nonprofits



Relatedly, nonprofits in the sample vary in their capacity and sophistication. Of these organizations, 81.6% reported having social networking accounts, 81.6% reported having computerized financial records, 71.5% reported having computerized client/member/program records, 70.3% had an annual report produced in the past year, 54.8% conduct evaluation or assessment of program outcomes, 50.7% have a written sexual harassment policy, 50.3% have their financial statements audited annually, 48.7% have dedicated office space, and 43.3% have a written fundraising plan.

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