

The Impact of COVID-19 on New York Nonprofits

From March 16 - April 24, 2020, [Nonprofit New York](#) conducted a brief survey to gauge how nonprofits in the New York City area were being impacted by the COVID-19 outbreak. We received 158 responses.

As follow-up, on May 1, 2020 a secondary survey was launched to further assess the economic damage on nonprofits and gauge how respondents interacted with emergency funding. This poll received 66 responses and was closed on June 5, 2020. This report provides updated information on our initial findings from our previous [pulse poll report](#).

Analysis done by Celine Yip, Research & Data Coordinator.

Key Findings

- **\$31,387,440 total revenue lost or postponed** from all respondents, with the average amount lost equal to \$475,567.
- **947 staff laid off or furloughed** collectively, with the average number of staff dismissed at 14. Excluding the organizations that did not lose any staff boosts the average to 56.
- **Organizations with people of color in leadership lost close to \$200,000 more** than the overall average. Organizations with at least one **person of color holding a C-Suite position lost an average of \$637,130**, surpassing the overall average of \$475,567.
- **Organizations with gender-nonconforming or nonbinary leadership lost close to \$250,000 more** than the overall average, losing an average of \$725,000.
- Of respondents who have government grants, 28 (61%) have received at least some contracted money but 5 (11%) did not receive payments even after fulfilling contract obligations.
- 135 (85%) respondents have had to cancel programs and/or events.
- 102 (64%) respondents report a disruption of services to clients and communities.

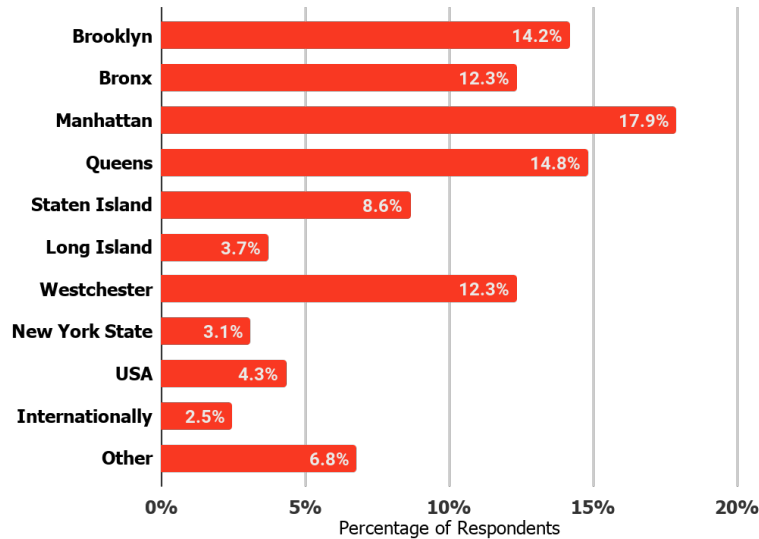
Who Responded?

Top NTEE Categories/Subsectors



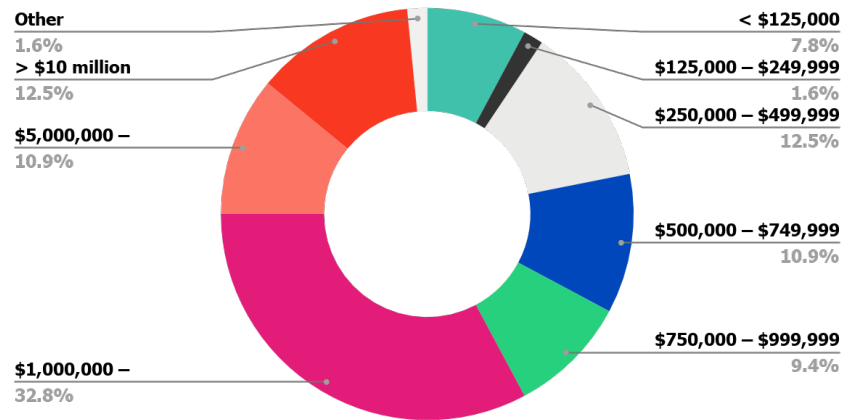
This table lists the [NTEE categories](#) that respondents denoted their organization belonged to. The three categories with the most respondents were: 21% from Arts and Culture (14), 21% from Human Services (14), and 11% from Youth Development subsectors (7).

Organization Locations



We asked respondents where their organization primarily does work; we found that most organizations carried out their work in Manhattan (29), Queens (24), and Brooklyn (23) - with some variance. Note, most organizations designated multiple locations as their primary place of work.

Organization Budget Size



This chart shows the operating budget size of each respondent’s organization. There’s quite a spread among the categories, but most organizations (21) reported an operating budget between \$1,000,000 – \$4,999,999.

Leadership Demographics

We asked about the demographics of each respondent’s C-Suite; asking respondents if there were any people of color, women (cisgender or transgender), and/or gender-nonconforming or nonbinary leaders in their C-Suite. 34 respondents (59%) answered their leadership includes at least one person of color, 21 (36%) respondents answered their leadership includes women, and 3 (5%) answered their leadership includes someone who is gender-nonconforming or nonbinary.

Organization Workforce Size

Collectively, all organizations who answered this survey employ (or employed at the time of answering) 8,051 people, which includes full-time employees (FTE), part-time employees (PTE), and contractors - with an additional 3,207 volunteers. The overall average size of respondents’ labor force was 171 (includes FTE, PTE, contractors, and volunteers), though the average number of FTE and PTE employed were 31 and 32, respectively.

Nearly a Quarter of Organizations Had Essential Staff

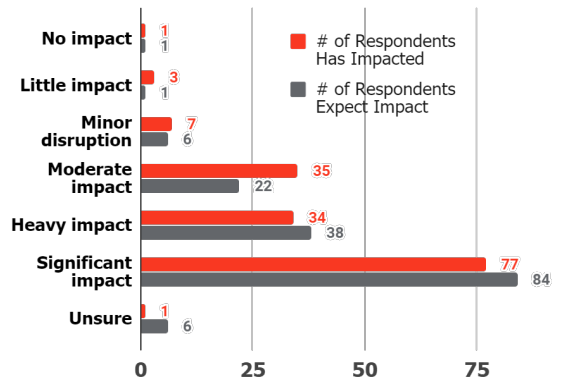
Though the majority (61%; 40) of organizations had staff do their work remotely, nearly a quarter (24%; 16) of organizations had essential staff that were continuing to come on site and conduct their work during the pandemic.

44% of Organizations Had Increased Demand for Services

44% (29) of respondents reported demand for services and programs has increased as a result of the pandemic, though 27% respondents (18) reported seeing a decrease in demand.

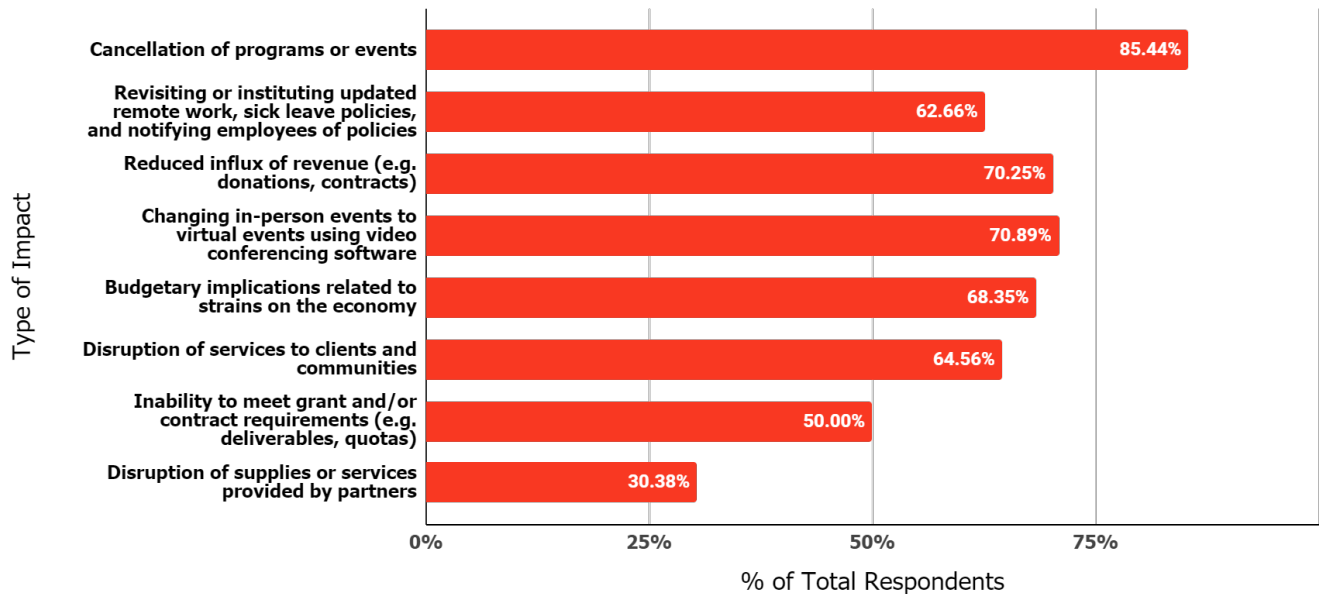
How Nonprofits Have Been Affected

Severity of Impact on Nonprofits' Ability to Carry Out Mission



From our first pulse poll, we found that the vast majority of nonprofits surveyed either had expected or already experienced some impact due to COVID-19. 70% (111) of respondents had been heavily to significantly impacted by the COVID-19 pandemic and 77% (122) expected heavy to significant impact.

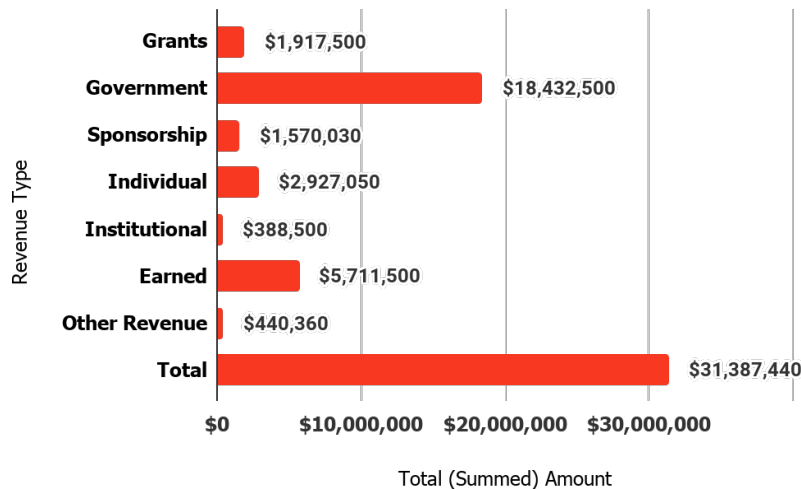
Top 8 Ways COVID-19 Has Affected Nonprofits



Also from our first pulse poll, we found that funding sources of all kinds were impacted by COVID-19: **85% (135) of respondents had to cancel programs and/or events**, which included fundraisers to both showcase the nonprofit's work and bring in new revenue.

Contracted organizations reported feeling intense anxiety about whether or not contracts would be flexible. Many nonprofits had to shift scope or cease providing in-person services in order to comply with social distancing requirements.

Total Revenue Lost or Postponed Due to COVID-19



From our second pulse poll, we found that **total revenue lost or postponed totals to \$31,387,440 from all respondents**, with the average amount lost equal to \$475,567. As expected, organizations with larger operating budget sizes represented a significant portion of the loss: organizations with budgets surpassing \$1,000,000 represented ~82% of revenue loss. These organizations also utilized a larger portion of the workforce: ~88% of all FTE, PTE, contractors, and volunteers.

The most money was lost in government contracts (\$18,432,500 total), which saw an average loss of \$594,597. Government contract payments have chronically burdened nonprofits for two main reasons: 1) contract payments are frequently late 2) nonprofits previously had to subsidize portions of their indirect costs with alternative funding sources.¹

Human Services Lost Close to \$19 million

The subsector that suffered the greatest loss was Human Services (\$18,727,000), with an average loss of \$1,337,642. Human Services, along with Civil Rights (\$660,000) and Agriculture (\$510,000) surpass the overall average revenue loss of \$475,567.

Organizations with Leaders of Color and Gender Nonconforming Leaders Lost More Revenue

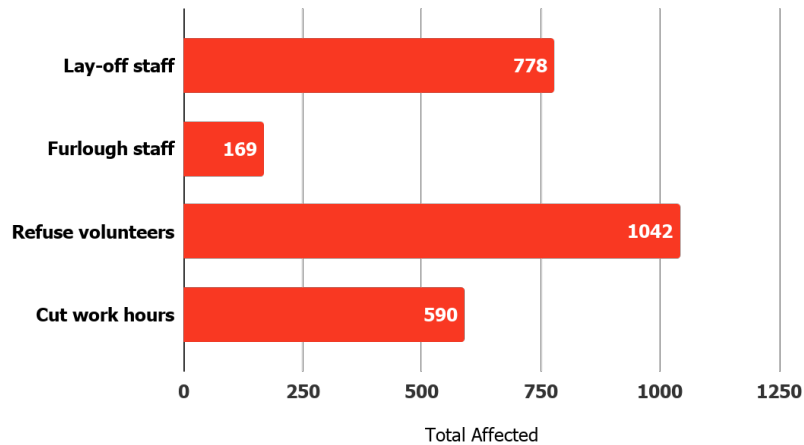
When analyzing the data by leadership demographics we found that organizations with at least one gender nonconforming person lost an average of \$725,000, far surpassing the overall average loss of \$475,567. We also found that organizations with people of color in leadership experienced average losses of \$637,130 (a significant increase over the average).

Queens and Manhattan Organizations Lost the Highest Amount of Revenue

Analyzing the data by county (that the organization primarily does work in), we found that Queens (\$920,744), Manhattan (\$794,899), the Bronx (\$548,300) saw the largest average losses. Staten Island and Brooklyn lost \$545,250 and \$483,217, respectively.

Labor force loss due to COVID-19

¹ NYC Comptroller's Office.(2019).[Annual Analysis of NYC Agency Contracts](#).Online



Also from our second pulse poll: we found that, collectively, **respondents had to lay off or furlough 947 staff**. The average number of staff lost was 14 per organization. In addition, the average number of volunteers organizations refused was 52 and the average number of hours cut was 42. Most organizations that lost staff had operating budgets over \$1,000,000.

Note, most organizations did not lose staff at the time of filling out the survey, which skews the average to a smaller amount. But when excluding organizations who did not lose any staff, that average is increased to 56.

Youth Development, Human Services, and Crime/Legal Organizations Lost the Most Staff

Youth Development; Human Services; and Crime, Legal Related organizations by far saw the largest average losses of employed staff. These organizations saw an average loss of 57, 32, and 19, respectively. All surpassing the overall average of 14 staff lost.

Average Loss of Staff by Leadership

Organizations with a woman in leadership lost an average of 19 staff (surpassing the average of 14), followed by organizations with a person of color in leadership losing an average of 4 staff. Organizations with a nonbinary or gender-nonconforming person in leadership did not lose staff.

Average Loss of Staff by Location

Staten Island, Brooklyn, and the Bronx lost an average of 53, 23, and 21 staff, respectively. This is followed by Queens and Manhattan, which lost an average of 18 and 15, respectively.

Access to Emergency Funding

CARES Act²

The majority of respondents who applied for the Paycheck Protection Program (PPP) loan had their applications accepted. Of the 35 respondents who applied for a PPP loan, 25 organizations' applications were accepted. And of the 11 who applied for the Economic Injury Disaster Loan (EIDL), 3 applicants were accepted.

Government Contracts

Of respondents who have government grants, 28 (60.9%) have received at least some contracted money but 5 (10.9%) did not receive payments even after fulfilling contract obligations. When asked whether they have received communications around contract flexibility: 25 (58.1%) have received at least some communications

² U.S. Dep of Treasury.(2020).[The CARES Act Provides Assistance to Small Businesses](#).Online

from the contract owner(s) - of which roughly half (11; 26%) were told contract deliverables would be flexible - but 8 (18.6%) have received no communications.

Emergency Philanthropy

We asked respondents whether they applied for emergency philanthropic funding (primarily grants) and of those who applied, 34 (62%) received at least some funding. 18 (32.7%) have not received or are waiting for a response on their application.

What Nonprofits Need

By and large nonprofits reported needing financial resources. In our first survey findings, we found that of those who responded to the question on what kind of guidance and/or resources they need at this time (100 respondents), 86% reported needing:

- Financial assistance (54%)
- Grant flexibility or assurances that the grant would be honored (12%)
- Fundraising support (9%)
- Loan guidance, especially as some nonprofits have no line of credit (11%)

In addition, many nonprofits reported needing logistical assistance with technology, managing interrupted deliveries, and increased spending for items such as cleaning supplies.

At the time of the first survey, several nonprofits had either already laid-off, furloughed, or cut hours for staff and many linked their need for monetary support to their desire to retain their employees.

In our follow-up survey, we asked respondents what policy advocacy support they need and found that most needed support with:

- Government relief efforts (32)
- Administrative guidance (29)
- Legislative updates (22)
- Legislative analysis (21)

Many survey respondents plan to depend on government aid to remain in operation. Many respondents in the first and second survey cited plans to apply for government loans (e.g. PPP, EIDL) and emergency philanthropic grants to compensate for losses in revenue.

Actions Taken

Nonprofit New York continues to advocate on the sector's behalf and this has included (but not exclusive to):

- [Testimony on the Disparate Impacts of COVID-19 on Communities of Color](#)
- [Legislative Memo in Support of A10226 / S8211 \(business interruption claims\)](#)
- [Open Letter to Government Partners from NYC's Nonprofits](#)
- [Letter to New York's Congressional Delegation on Behalf of New York's Nonprofits](#)
- [Letter to City Council on Behalf of New York's Nonprofits](#)

- Creation of [new training series](#) to address the needs and questions we were hearing and to help organizations navigate the pandemic
- Created a [resource page for COVID-19](#)
- Curated a [list of funding and other resources](#)
- Implemented almost daily Policy Roundups to keep nonprofits informed of policy news and other advocacy updates

Next Steps

Nonprofit New York is committed to ongoing advocacy to strengthen and unite nonprofits through the pandemic. We will continue to support nonprofits in legislative monitoring and advocacy, providing learning opportunities, and notifying nonprofits on the most salient updates as it relates to how the pandemic has affected our sector.

About Nonprofit New York

Nonprofit New York's mission is to strengthen and unite New York's nonprofits. We're building a thriving community of extraordinary nonprofits - a relentless, collective force for good.

Serving over 2,700 nonprofits in the New York City area each year, we've been building a powerful nonprofit community in New York for more than 35 years. We believe that when one nonprofit is stronger, all of us are stronger. Together, we're changing New York - and the world.

Have questions on this report? Contact Nonprofit New York's Research & Data Coordinator, Celine Yip at cyip@nonprofitnewyork.org.

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