Nonprofit organizations fill a critical gap in society, providing support to some of our most vulnerable populations. However, the recent global pandemic of the novel coronavirus has created a challenging situation for them. Nonprofits around the country have been devastated by the public health crisis as well as the resulting economic downturn, and many are being forced to close.

This report documents findings from the “Arkansas Nonprofit COVID-19 Impact Survey.” This survey was conducted to better understand the impact of the COVID-19 pandemic on nonprofits across the state of Arkansas. We asked nonprofits how the pandemic has influenced service provision, finances, employment, and organization needs, among other topics. Survey questions were adapted from the “Surveys of San Diego Nonprofit Leaders” (Deitrick et al, 2020)

The survey was administered between June 22 - July 10, 2020 via email listservs owned by the Arkansas Community Foundation and the University of Arkansas Clinton School of Public Service. Despite being a convenience sample, respondents represented nonprofit organizations serving every Arkansas county, and across all nonprofit program areas and budget sizes.

A total of 316 nonprofit leaders representing both small and large nonprofits responded to the survey.
This survey captures the voices of 316 Arkansas nonprofit organizations that are struggling amidst unprecedented economic, public health, and social challenges during the COVID-19 pandemic. The work of these organizations reaches across all 75 Arkansas counties and 11 different program areas. Most respondents were from organizations with annual budgets under $500,000 and most operated with paid employees.

316 Nonprofit organizations participated in the survey. Collectively, these organizations serve all 75 counties in Arkansas. The organizations represented 11 different program areas.

Two-thirds of organizations had annual budgets less than $500,000. Three-quarters of organizations had paid employees.
Based on zip code data, participating organizations came from all 5 geographic regions of the state (NW, NE, SW, SE, Central). The most common program area represented was human services, followed by education. Mutual, public, and societal benefit was also a common program area, which includes categories such as civil rights, community development, and advocacy. Less common program areas were environmental organizations and international organizations. While the sample was otherwise representative of Arkansas nonprofits, faith-based organizations were under-sampled.

Just over one-third (39%) of responding organizations work in program areas that focus on human services.
KEY FINDINGS

Most organizations have experienced significant service disruption, including complete program cancellations, and many have had difficulty getting needed supplies.

- 82% reported having complete program cancellations.
- 69% of respondents reported operating at a reduced capacity.
- 57% have had difficulty getting supplies required for safe or continued services.
- 8% are not delivering services at all as of late June/early July.

Organizations have also experienced major financial impacts, including loss of revenue and decreased donations.

- 40% were not confident they would achieve their budgeted revenue.
- 64% had experienced revenue loss due to event/program cancellations.
- 64% had experienced decline in individual donations.

COVID-19 has also impacted nonprofit employment of paid staff.

- 33% of organizations have had to reduce hours for paid employees.
- 17% of organizations have had to furlough employees.
- 15% of organizations have had to lay off employees.

Critical Challenges

- Funding
- Lack of Volunteers
- Moving Programs Online
- Adjusting to shifting client needs
- Lack of PPE
- Planning through uncertainty
- General health & safety concerns

Resiliency & Adaptations

- Shifted Programming Online
- Implemented Changes in Protocol
- Increased/Altered Programming
- New/Increased partnerships w/ other organizations
Over 69% of organizations reported operating at a reduced capacity, while 8% reported not delivering services at all.

Survey Question: To what extent are you currently delivering your normal programs and/or services?

Most respondents have experienced delays or cancellations of programs/events and disruption of services to clients.

Survey Question: Have you experienced any of the following due to COVID-19?

- Delay of programs or events: 87%
- Complete cancellation of programs or events: 82%
- Disruption of services to clients and communities: 78%
- Difficulties getting supplies required for services: 57%
- Disruption or stoppage of critical services provided by partners or vendors: 50%
- Higher demand for your services: 48%
- Transitioned to remote work: 46%
- Lower demand for your services: 43%
The majority in every sector have had significant disruption to programs and events. Arts, Culture, & Humanities, Health, and Education organizations seemed to have more complete cancellations.

Survey Question: Have you experienced any of the following due to COVID-19?

## DISRUPTION IN SERVICE DELIVERY

### Arts, Culture, & Humanities
- Complete Cancellation of Programs/Events: 70%
- Delay of Programs/Events: 82%
- Complete Cancellation: 94%
- Delay: 93%

### Health
- Complete Cancellation of Programs/Events: 79%
- Delay of Programs/Events: 87%
- Complete Cancellation: 90%
- Delay: 93%

### Education
- Complete Cancellation of Programs/Events: 81%
- Delay of Programs/Events: 89%
- Complete Cancellation: 89%
- Delay: 90%

### Faith-based
- Complete Cancellation of Programs/Events: 74%
- Delay of Programs/Events: 79%
- Complete Cancellation: 79%
- Delay: 87%

### Mutual public benefit
- Complete Cancellation of Programs/Events: 76%
- Delay of Programs/Events: 87%
- Complete Cancellation: 87%
- Delay: 87%

### Human Services
- Complete Cancellation of Programs/Events: 70%
- Delay of Programs/Events: 82%
- Complete Cancellation: 70%
- Delay: 82%

Both small and large nonprofits have experienced delays and complete cancellations, though larger organizations had more complete cancellations.

Survey Question: Have you experienced any of the following due to COVID-19?

## DISRUPTION IN SERVICE DELIVERY

### Complete Cancellation of Programs/Events
- > $5 Million: 100%
- $1 Million - $5 Million: 89%
- $500,000 - $1 Million: 81%
- $100,000 - $500,000: 80%
- < $100,000: 72%

### Delay of Programs/Events
- > $5 Million: 100%
- $1 Million - $5 Million: 91%
- $500,000 - $1 Million: 83%
- $100,000 - $500,000: 89%
- < $100,000: 81%
Nonprofits have lost significant revenue during the last few months, including loss of fee-for-service revenue (64%) and a decline in individual donations (64%).

Survey Question: Have you experienced any of the following due to COVID-19?

Negative financial impacts are being seen across nonprofit budget sizes, though small nonprofits are more likely to struggle to pay rent.

Survey Question: Have you experienced any of the following due to COVID-19?
All program areas have experienced a decline in individual donations due to COVID-19, though rates were highest in health and education sectors.

Survey Question: Have you experienced a decline in individual donations due to COVID-19?

- Health: 88%
- Education: 77%
- Arts, Culture, & Humanities: 67%
- Mutual public benefit: 67%
- Human Services: 54%
- Faith-based: 42%

*Excludes subsectors with less than 10 responses. These findings are very similar to those in other states/cities (Deitrick et al, 2020)

All program areas have experienced a decline in fee-for-service revenue due to COVID-19, though rates seem highest in arts, culture, and humanities and health sectors.

Survey Question: Have you experienced any loss of fee-for-service revenue due to COVID-19?

- Arts, Culture, & Humanities: 83%
- Health: 79%
- Education: 69%
- Faith-based: 56%
- Mutual public benefit: 55%
- Human Services: 53%

*Excludes subsectors with less than 10 responses. These findings are very similar to those in other states/cities (Deitrick et al, 2020)
Among all respondents, **40% were NOT AT ALL confident that they will meet budgeted revenues this year; just under 40% were SOMEWHAT confident.**

Survey Question: How confident are you that your organization will achieve its budgeted revenue this year?

Larger nonprofits were less likely to be confident that they will meet budgeted revenue this year.

Survey Question: How confident are you that your organization will achieve its budgeted revenue this year?

Percentage of respondents who said *Not at all confident*
As of late June/early July, less than 20% of nonprofits surveyed experienced furloughs or layoffs of employees with a few expecting to in the future. More organizations reduced hours for employees.

Survey Question: Since March 1, 2020, has your organization experienced any of the following?

Organizations in the arts, culture, and humanities sectors were more likely to report employment impacts.

Survey Question: Since March 1, 2020, has your organization experienced any of the following? (furloughs, layoffs, reduction of pay/hours)

Interestingly, organizations with larger budgets were more likely to experience employment impacts.

Survey Question: Has the organization experienced any employment impacts (furloughs, layoffs, reduction of pay/hours) due to COVID-19?
Nearly half of organizations surveyed reported that they applied for the PPP (49%) and nearly all were approved. Of those who did not apply, some did not qualify or had sufficient funding to cover expenses. A few were not aware of the program.

Survey Question: Is your organization planning to take advantage of the Paycheck Protection Program (PPP) available through the CARES Act?

Organizations with budgets under $100,000 were substantially less likely to apply for PPP funding.
Respondents reported feeling a great deal of support from their Board of Directors, but much less support was felt from their elected officials.

Survey Question: To what extent do you feel supported in your work by the following groups (i.e. getting the guidance, information, connection to resources that you need to effectively lead)?

**PERCEIVED LEVEL OF SUPPORT**

<table>
<thead>
<tr>
<th>Group</th>
<th>Not at all</th>
<th>Somewhat</th>
<th>A great deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>7%</td>
<td>26%</td>
<td>67%</td>
</tr>
<tr>
<td>Individual donors that typically support you</td>
<td>7%</td>
<td>51%</td>
<td>41%</td>
</tr>
<tr>
<td>Nonprofit partners</td>
<td>9%</td>
<td>49%</td>
<td>42%</td>
</tr>
<tr>
<td>Foundations that typically support you</td>
<td>11%</td>
<td>44%</td>
<td>45%</td>
</tr>
<tr>
<td>Corporate partners</td>
<td>21%</td>
<td>50%</td>
<td>30%</td>
</tr>
<tr>
<td>Elected officials</td>
<td>35%</td>
<td>45%</td>
<td>20%</td>
</tr>
</tbody>
</table>
Survey respondents were also asked open-ended questions about the most urgent challenges they will face in the next 3-6 months. Qualitative themes emerged from an open coding process. Respondents mentioned funding, lack of volunteer support, the need to move programs into online formats, adjustment to shifting toward client needs, lack of personal protective equipment (PPE), planning through uncertainty, and general health & wellbeing concerns for staff & clients.

### Funding
Funding was the predominant theme. Respondents discussed cancellation of regular fundraisers, a decrease in individual donations, and the need to shift fundraisers to new and innovative formats. Several expressed fears of closing.

### Lack of volunteers
Lack of volunteers emerged as an issue. Respondents mentioned concerns about the increased vulnerability of their volunteers and difficulties being able to physically distance with volunteers.

### Moving programs and services online
Moving programs and services online was also consistently mentioned. Respondents discussed lack of appropriate technology and training for staff & volunteers, as well as lack of technological access for clients and communities served.

### Adjusting to new client needs in an ever-changing landscape
Adjusting to new client needs in an ever-changing landscape was also discussed. Respondents mentioned that clients’ quality of life has changed with social isolation.

### Lack of personal protective equipment (PPE) and program supplies
Lack of personal protective equipment (PPE) and program supplies was a theme, as well as concerns with needing to plan through continued uncertainty.

### General health and well-being of staff and clients
General health and well-being of staff and clients was also discussed consistently. Respondents noted concerns around staff and client physical and mental health, as well as how to deliver services if staff/clients test positive.

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Respondents talked about the challenges their organizations are facing in their own words...

“After November, funding will be depleted if we are not able to secure additional funding resources…”

“All the money we raise comes from events - all have been cancelled and don’t see a time when we can start them again.”

“I fear we will be forced to shut down for an extended period.”

“…How can we adequately staff the shelter if there is an outbreak.”

“Lack of remote work equipment. Lack of computers for children that may not be able to attend school.”

“Inability to have group lessons/life skills training because not all the residents have the correct equipment for zoom, etc.”

“Lack of disinfecting and PPE supplies. Lack of supplies.”

“With only 3 staff members, and a few volunteers doing all the sorting, bagging and distributing food, my prayer is we do not get ill or burnout.”

“…previous plans have gone out the window!”

“Some of our staff becoming COVID 19 positive. More of our clients becoming positive or symptomatic. Never enough PPE to adequately support our staff.”
Despite unprecedented challenges, many organizations reported tremendous resiliency and adaptation to the challenges of COVID-19, continuing to deliver necessary services in new and unique ways.

Organizations have shown resilience during this unprecedented time in the following ways...

Organizations have predominantly adapted by implementing virtual programs and online meetings.

Organizations have instituted new protocols; Social distancing, wearing PPE, limiting face to face interactions, increasing hours to decrease crowds, drive-thru services, fundraising via websites, social media, and other remote options.

Organizations have adapted through increased programming; Addressing increased client needs by increasing service hours, providing food & emergency assistance, etc.

Organizations have had the ability and necessity to create new or increased partnerships with other organizations.

Respondents told us about how they’ve adapted services & programs in their own words.

“Telemental Health Options: We acquired an account with an online, HIPAA compliant mental health platform that allowed clients to continue trauma counseling. Laptops were purchased, as well as supporting clinical materials, to ensure that clients had access to important mental health services. This also included telemental health training for clinicians.”

“We are utilizing Facebook to record videos for our residents to watch so that they can still have their parenting lessons.”

“We moved 250+ people to telework within two weeks - an amazing feat of our IT and Facilities teams with the support of each member of staff...These steps allowed us to continue to deliver the services to our end clients without any interruption...”

“‘We have created quarantine rooms for new residents released from prison to enter and wait for testing to arrive. This has given us the ability to continue to serve our clients returning to society.’”

“Our Soup Kitchen and Food Pantry has opened for longer hours in order to not have a large influx of people at one time. This has worked wonderfully. (We probably won’t go back to how we did before!)”

“‘Since our library has been closed the book club has been unable to meet regularly. I bought used paperbacks on eBay and we have passed these books around by hanging them on doorknobs or garden gates... We have held garden book clubs in someone’s back yard while following appropriate protocol to keep each other safe.’”

“...We have also begun lengthy conversations about sharing grants and resources with other agencies. We wrote a grant through one of our funders combining the services of our agency and another with the focus on client needs through this pandemic. It has shown us that collaboration is a beautiful and natural thing.”

“We went from volunteer prepared & served communal meals to purchasing individually portioned meals from local restaurants to limit access to our building and to support local businesses.”
Nonprofits have faced unprecedented hardship during the COVID-19 pandemic. Many organizations have experienced significant disruption in service delivery, as well as negative financial and employment impacts. While grant programs have helped, sustainable, long-term assistance is needed, particularly to fund ongoing operations and keep nonprofits running. In addition to funds, these organizations need help to think creatively about fundraisers and filling their volunteer needs. They also need help accessing PPE, moving their programs online, and adapting to their shifting client needs.

Despite these hardships, organizations reported incredible resilience, largely in the form of adapting their service provision to meet the needs of their community in an uncertain time.

AN UNCERTAIN FUTURE

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