

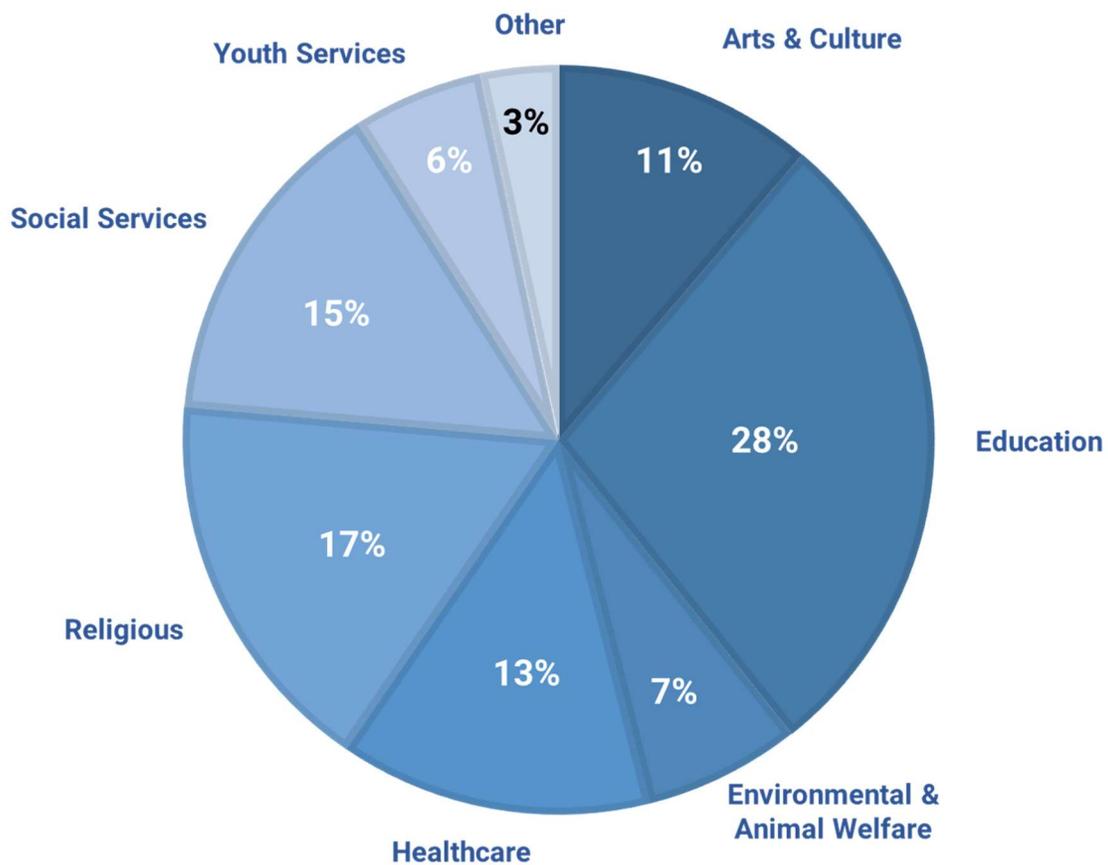
Sharpe Index: State of Nonprofits in the Pandemic Survey

Sharpe Group recently conducted an anecdotal survey of nonprofit clients to see how they are faring in the current environment. The questions focused on fundraising and budget impacts and organizational changes as a result of the coronavirus pandemic.

Sharpe collected responses from 91 organizations with a variety of missions. This survey is not intended as a scientific study but to share anecdotal data about how nonprofits across the country have been impacted and how they are changing and adapting to unusual circumstances. You can review a summary of those findings below.

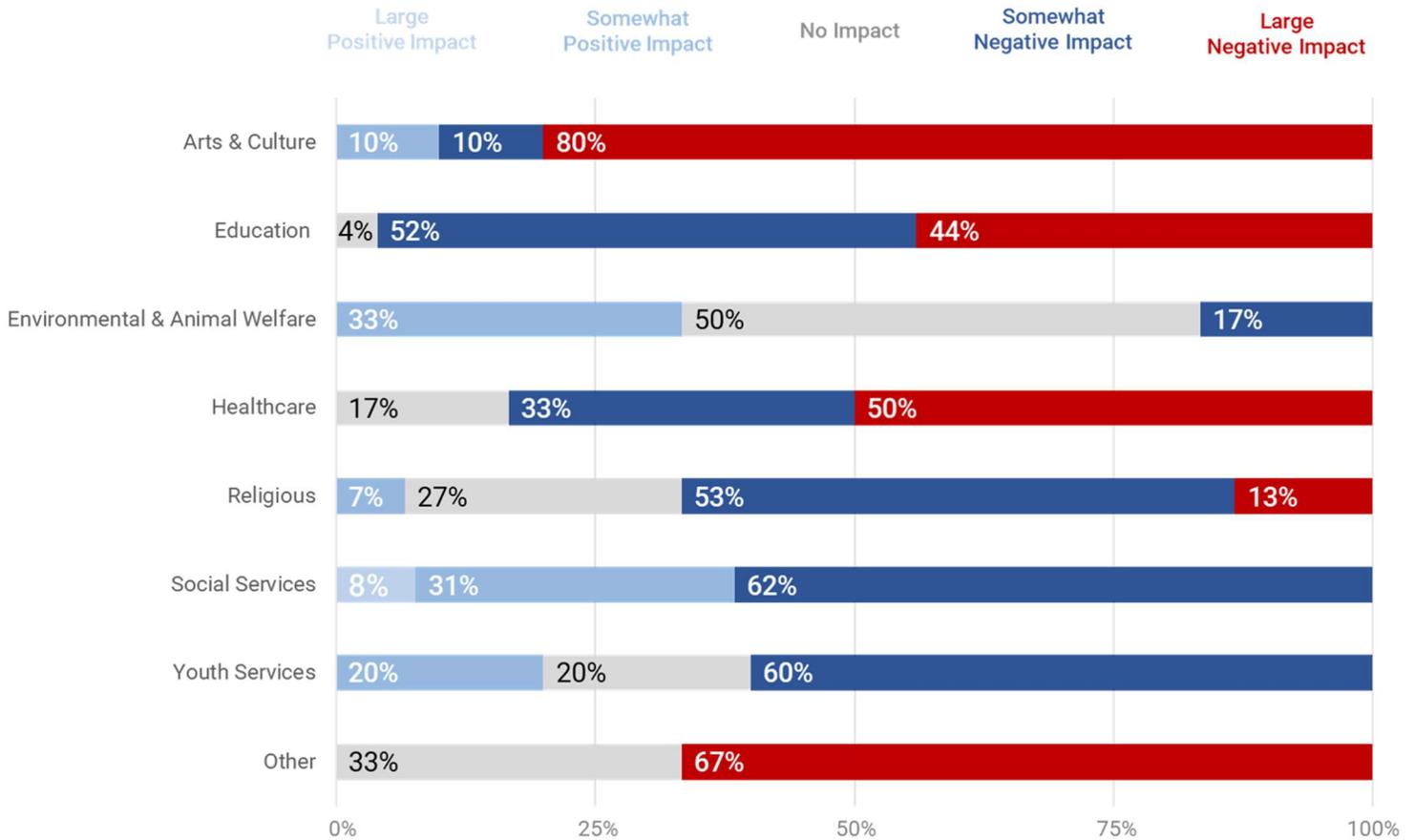
Thanks to all our nonprofit partners for participating!

Participating Organizations by Mission



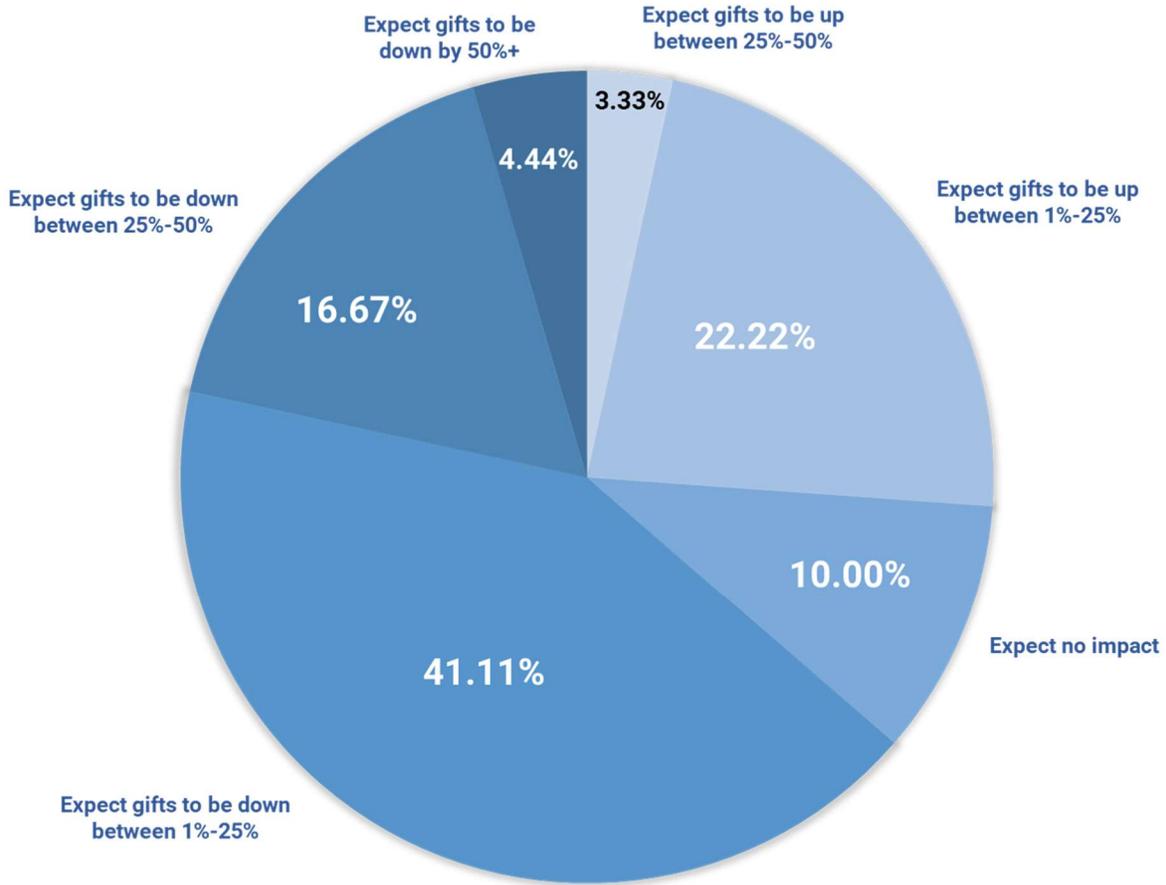
Economic impact

How much of an impact has COVID-19 and the subsequent economic crisis had on your organization's budget health?



75.6% of respondents have seen a negative impact on their budget health due to the COVID-19 pandemic and subsequent economic crisis. Participants specifically cited cancellation of events, reduced attendance, decreased revenue and a decline in donations as reasons. 41.11% expect gifts to be down between 1% – 25%, and 21.22% expect gifts to be down more than 25%.

How do you expect your fundraising to be impacted?



Organizational changes

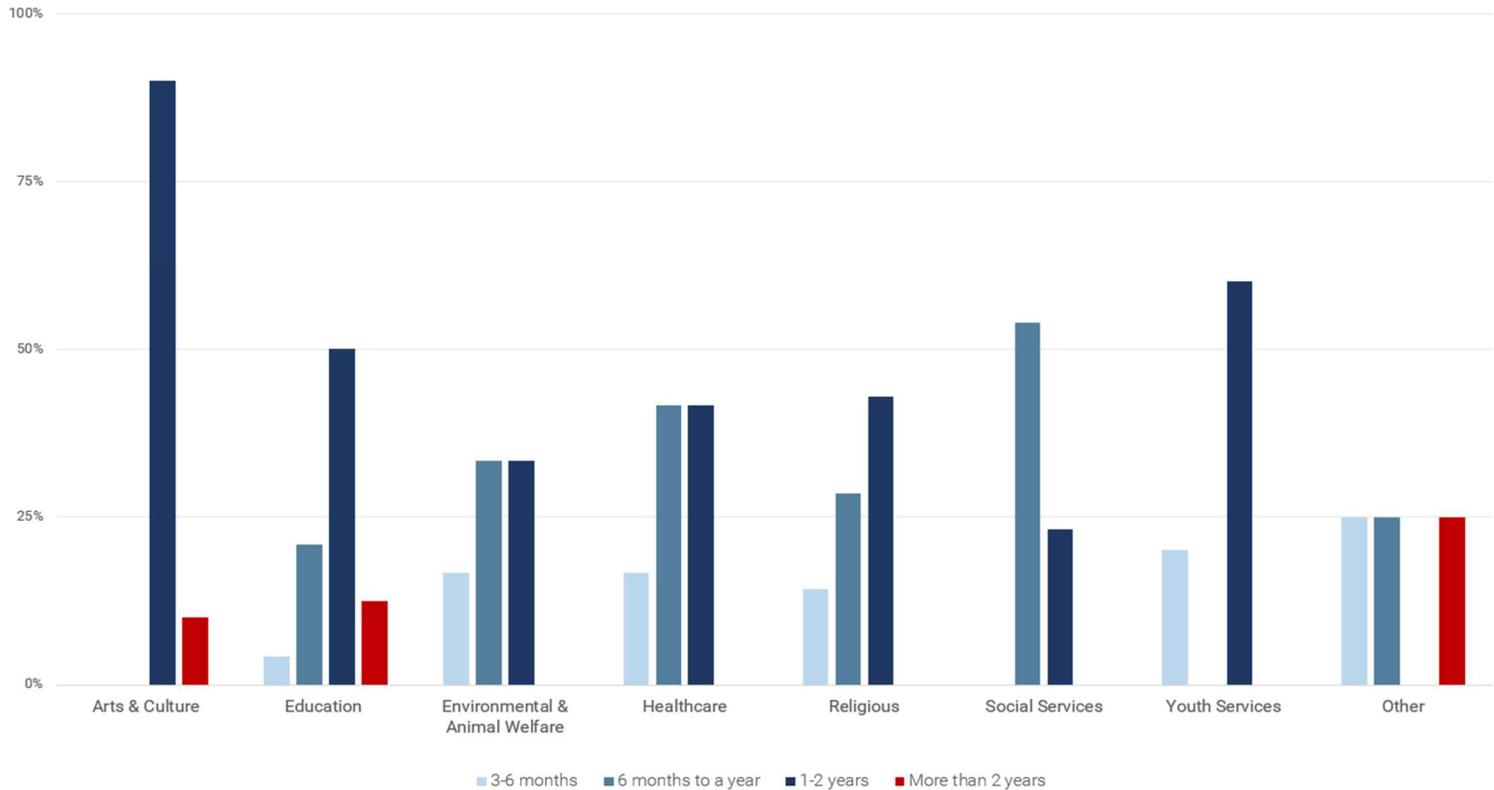
30.34% of respondents are aware of permanent staff reductions, and 27.78% are aware of furloughs in their organization. Participants recorded an average of 0.61% reduction in staff and furloughs of 9.68% of the organization's staff. 47.19% of respondents are aware of salary freezes or reductions within their organization with the majority reporting salary freezes and no annual raises. The average reduction for executive staff is 18.6% and 9.8% for other staff.

Is there anything you predict will change permanently for your organization or the nonprofit community once COVID-19 is under control?



The majority of respondents predicted less travel, an increase in virtual meetings and events and that remote work will become a permanent part of their organization’s operations. Most organizations expect to implement a hybrid of in-person and online fundraising events moving forward. Several respondents also foresee a significant change in business practices and a restructuring of the organization by reducing staff, outsourcing or merging and consolidating departments.

When do you expect your organization to recover to normal operational strength?



When asked about the estimated time it would take to recover to normal operational strength, 72.24% of respondents predicted a period between six months to two years.

Lessons learned on fundraising and charitable giving

Organizations have altered their fundraising and communication strategies to accommodate virtual platforms to adhere to social distancing restrictions. They also recognize and are sensitive to the impact that the current crises have had on their donors. Respondents shared how they have adapted their fundraising messaging and outreach efforts and what results that has yielded.

Here are some of their comments:*

"It is OK to ask during a pandemic. If your mission was important before, it is important now."

"I was reminded that fundraising is relational and that our donors are truly family. They also have been hit hard by the pandemic and its repercussions."

"Staying in communication with donors is crucial. Asking them how they would like that to happen is vital."

"Donors remain loyal, and planned giving is off the charts as people have been prompted to focus on their estate plans."

"Donors remain loyal to causes and missions that take the time to stay connected."

"We were able to quickly pivot and transition our annual fundraiser to an online auction."

“Donors remain loyal, and planned giving is off the charts as people have been prompted to focus on their estate plans.”

"Donor connections remain a top priority! While face-to-face isn't happening, we're calling and doing Zoom meetings as much as possible to keep the connections alive."

"We realized that donors continue to care, but they need to know what is going on and how we are responding to the pandemic, even if we are closed. Our staff is innovative and has worked hard to figure it out and make it happen!"

"Donors are more available for calls, open to video chats and more responsive to personal communication."

Additional lessons learned and positive impacts

Respondents also shared how they have adapted their everyday operations and how it has impacted their organization and staff:*

"Earned media has seen huge growth due to the nature of our role in a public health crisis."

"Because of check-in calls by development staff, we have developed closer relationships with our donors. Our outreach efforts have taken on more of a human touch."

“Time to analyze where we are going and build camaraderie among leadership staff.”

“Team members are more technologically savvy. Some team members are more productive at home.”

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Because of check-in calls by development staff, we have developed closer relationships with our donors. Our outreach efforts have taken on more of a human touch.
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“The PPP Loan program allowed us to retain all personnel while adapting to workplace and social distancing restrictions.”

“We are definitely a more nimble and flexible organization in many ways. We’ve had to learn new tools and strategies for everything we do.”

* Some comments have been edited for length and/or clarity.

Conclusion

As evidenced by this report, donors continue to support causes that are important to them even in uncertain times. Maintaining ongoing relationships with existing donors is paramount, though traditional communication methods may need to be adjusted due to continued social distancing guidelines and other factors. Updating your donors on how your organization is adapting during this time of collective change and how they can best support your mission—now and in the future—will continue to be an important message to share with them.

We’re here to help

History has shown the last few months of the year are an especially important time for fundraising. At Sharpe Group, we are here and ready to provide support. Our mission says it all: *Serving Those Who Serve Society*. If you have any questions about this report or would like more information about implementing a successful fundraising strategy, email us at info@SHARPEnet.com or call 901.680.5300.

– Your Sharpe Group Team