



CAMBRIDGE NONPROFIT COVID-19 IMPACT AND FINANCIAL RELIEF

Over the last six weeks CNC conducted 2 surveys to better understand how the COVID-19 outbreak has affected nonprofit organizations serving Cambridge and the extent to which they are experiencing financial relief. CNC received 57 responses to each survey from Cambridge community-based nonprofit organizations, **representing both CNC member and non-member organizations**, as well as a variety of service provider types. Collectively, the organizations represented in these surveys **employ over 1,000 workers** serving some of Cambridge's most vulnerable residents.

At the time of the first survey, almost 90% of Cambridge nonprofits were still active. They continue to face challenges related to social distancing and maintaining services, but they are also adapting to their rapidly changing environment, by creating new contactless programming, connecting residents to resources, and shifting programming to provide for basic needs.

Cambridge nonprofits are under increasing financial stress as the pandemic continues, putting basic needs and other critical supports for low-income, under-resourced and vulnerable families and individuals at risk.

- **96% of nonprofits are concerned about the long-term effects of COVID-19.** (42% somewhat concerned, 54% extremely concerned.)
- **74% report currently experiencing or anticipating decreases in revenue**
- About a **third of nonprofits don't have reserves to rely on**, or aren't sure about their reserves. And while over 50% of nonprofits have canceled fundraisers, **less than 10%** of nonprofits have tried a virtual fundraiser, and experiencing mixed results.

- A national survey of nonprofits by the Nonprofit Finance Fund (NFF)*, regarding the impact of the COVID-19 crisis on the nonprofit sector mirrors our findings, as 75% of nonprofits report experiencing loss of earned revenue, and 50% reported a loss of philanthropic gifts and individual donations

While there has been some financial relief for nonprofits through government loan programs, private foundations and individuals, it has been insufficient and unevenly distributed. Fifty-four percent (54%) of respondents applied to the Paycheck Protection Program, and experiences applying for these loans varied widely. Some respondents found the process to be smooth and easy, while nearly the same number felt it was confusing and burdensome. **Only about 35% of respondents received funding from a PPP loan.**

Relief from private philanthropy has been experienced very unevenly as well. Many commented on a willingness to ease application requirements and simplify processes. However, far less funding has been made available for services other than basic needs, making application processes for funds that are more flexible, extremely competitive. ***This leaves out many organizations that will be needed as the City of Cambridge recovers, such as childcare providers, environmental groups, arts organizations and much more, putting access to their services at risk.***

There is an alarming trend of increasing staff cuts across Cambridge nonprofits.

A comparison of responses to staffing questions on both surveys demonstrated an increase in *salary reductions (15%), layoffs (3%), and furloughed staff (16%)*. At the same time there has also been an increase in staff hours (7%) to accommodate increased demand, sometimes with fewer staff. Given this picture, it is not surprising that ***roughly 40% report only “somewhat meeting” the needs of their clients or “not at all” with current staffing levels.***

“COVID-19 has had a devastating impact on financial security, mental health, increased social isolation, accentuated racial and economic disparities, increased need for basic necessities, strained educational and child care resources for the most vulnerable people in the community. The crippling effects of these dynamics and many others will make recovery challenging. Targeted intervention is needed now for

*both the most vulnerable citizens in the community and the nonprofit organizations that serve them. **Nonprofit organizations function as a safety net, economic engine, and greatly enhance the quality of civic life in Cambridge.** Unless the most compassionate and targeted supports are provided now, the crippling effects of the pandemic will forever alter the nonprofit landscape, and in turn negatively impact life as we know it, in Cambridge.”– Cambridge Nonprofit Survey Respondent*

Response to date

Foundations and our Cambridge city government have acted fast to meet increasing needs, by making funds available to individuals and families in need of support, as well as launching several relief programs to support small businesses.

While It is critical to ensure the financial stability of residents and our local businesses, it is **equally important to maintain a strong social services infrastructure that includes nonprofit services.** Cambridge nonprofits have deep roots in the community and deliver programs to vulnerable populations sometimes out of reach to City government. **They are also an important part of our Cambridge economy, with respondents to this survey alone employing over 1,000 individuals.**

Top Recommendation

To continue meeting the needs of our most vulnerable Cambridge residents, and reverse the emerging trend around nonprofit staffing cuts, Cambridge nonprofits need significant financial support **that is administered flexibly and quickly.** In order to ensure that these funds meet the needs of the sector and its constituents, nonprofit leaders must be included in decision making around the structure of relief vehicles.

This recommendations is aligned with the call to action from Nonprofit Finance Fund:

“Funders, investors, and individual donors can help most by giving unrestricted funding that is delivered fast — or by converting existing, restricted funding to unrestricted. This is an

*unprecedented crisis, and the nonprofit sector needs you
now to keep doing its work and to survive.”**

About the Cambridge Nonprofit Coalition

The Cambridge Nonprofit Coalition advances equity and justice in the community by strengthening the Cambridge nonprofit sector, building collective voice, and promoting collaboration.** The Cambridge Nonprofit Coalition envisions a city where all community members have equitable access to opportunities and resources, and where the nonprofit sector is a valued partner in leading social change that addresses historical injustice, levels the playing field, and improves our community.

*COVID-19 Survey Results, Nonprofit Finance Fund, March 2020,
<https://nff.org/covid-19-survey-results#Staff>

***We define equity as recognizing that as a result of root causes that are historical, environmental, systemic, cultural, and political, everyone does not start at the same place – so some people will need different resources or supports to achieve the same outcome. We have a collective responsibility to work to eliminate disparities and create greater racial and economic equality.*