



State of the Sector

2020 Regional Nonprofit Report

Strengths, challenges and opportunities in
Humboldt, Del Norte, Curry and Trinity counties



State of the Sector

2020 Regional Nonprofit Report

Introduction

The purpose of the 2020 Regional Nonprofit State of the Sector Survey was to gain an understanding of the nonprofit operating environment in relation to funding, advocacy, collaboration, building capacity, operational adaptation and advancing racial equity within the four county region of Curry, Del Norte, Humboldt, and Trinity, as we head into 2021. This report aims to influence funders, government, and capacity builders' understanding of the state of the sector, needs and opportunities, resource investments, response and resilience strategies, and policy decisions. It also serves as an opportunity for nonprofits to see how the broader sector they're operating in is doing through this time.



Produced by the Del Norte Nonprofit Alliance and Northern California Association of Nonprofits at Humboldt Area and Wild Rivers Community Foundation

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“The Winter 2020 Regional Nonprofit Survey provides an opportunity to better understand the diversity of experiences community based organizations are having throughout the region during this difficult time.”

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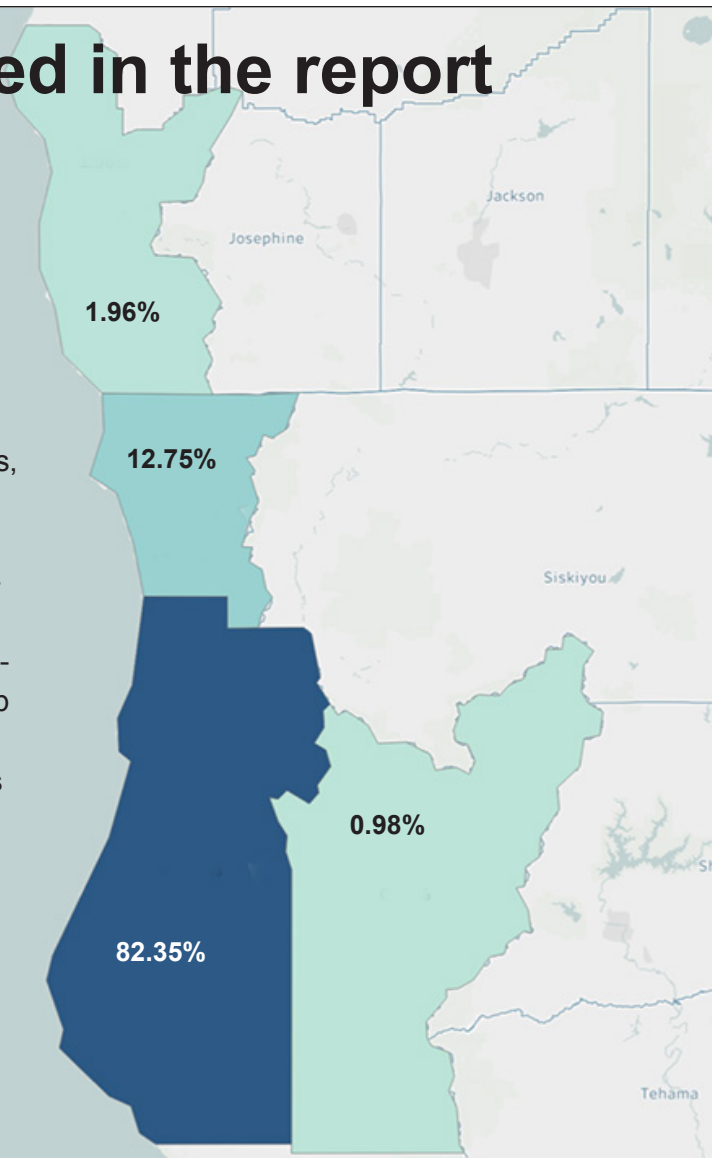
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Who is represented in the report

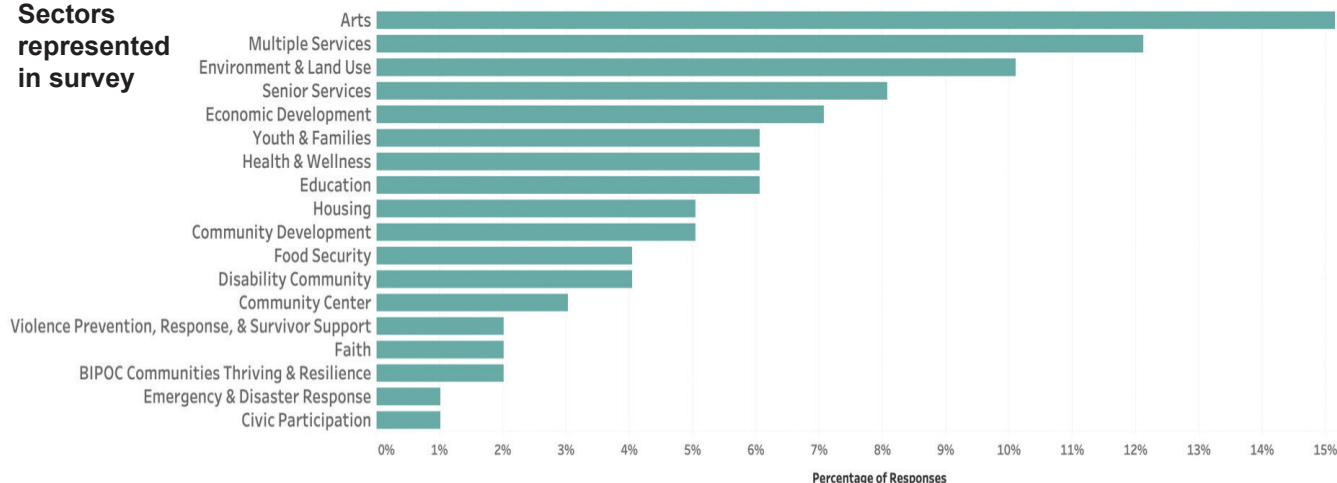
The 2020 Regional Nonprofit State of the Sector Survey was conducted by the Del Norte Nonprofit Alliance (NPA) and the Northern California Association of Non-profits (NorCAN) online from November 30 through December 14, 2020. Curry, Del Norte, Humboldt and Trinity counties have more than 1,000 nonprofits. 101 organizations participated. Of those 101 respondents, 84 were located in Humboldt County, 13 were located in Del Norte County, two were located in Curry County, and one was located in Trinity County.

Representatives from respondent organizations were primarily situated in leadership positions, such as executive directors and board members. Respondent organizations represented an array of service sectors.

The highest representation was from safety net and social service providers (47%), followed by the arts sector, then environmental stewardship organizations or land use advocates. Many other organizations also indicated that their services span across a variety of sectors.



Sectors represented in survey





SURVEY HIGHLIGHTS

Strengths within the sector

- Resilience and adaptability
- Prioritization of the health, safety & wellbeing of staff
- A growing number of organizations are using racial equity frameworks to make program and operating decisions
- Developing new ways of providing services and programs to meet clients and community members “where they are”
- Securing new revenue streams
- Leaning into partnerships to support each other and the community through the pandemic

Challenges and opportunities

- A need for alternative resources to support general operations and non-pandemic response programming
- Continuing to support nonprofits with flexible funding
- There is potential for a greater percentage of eligible organizations to take advantage of stimulus resources, and those resources being more flexible would allow a greater number of organizations in our region to access them
- Many organizations are concerned about their capacity and sustaining how they serve the community into the future
- Nonprofits in our region have low percentages of staff and leadership of color
- There are opportunities to grow and strengthen the relationships between nonprofits and local, state, Tribal and federal agencies to improve responsiveness, resource flexibility, and access to information and services during times of crisis

Executive Summary

Due to impacts from the ongoing pandemic, economic downturn, racial reckoning, and the nation’s changing political landscape, the state of the nonprofit sector is complex and dynamic. The health of organizations within our region depends on many factors, some of which include the type of work an organization does, position within their sector, the communities they serve, and geography. Other key factors are their ability to access resources, as well as strength of collaboration and partnerships, relationship with local government, and how integrated they are into formal disaster response. The Winter 2020 Regional Nonprofit Survey provides an opportunity to better understand the diversity of experiences community based organizations are having throughout the region during this difficult time.

What we heard, what we learned

Nonprofits are contributing to community resilience and adaptability



90%

We heard that 90% of respondents have been successful in adapting or creative problem solving to create a resilient operating environment, as expressed in the following respondent quote, “(We’ve been) quickly responding to the changing needs of our vulnerable community, adding services, adjusting services, re-tooling the entire organization three times, and continuing to review and evaluate our services and procedures to ensure maximum safety. Implementing strict protocols for what we call Enhanced Universal Precautions.” Organizations are doing this in a constantly changing pandemic landscape, that has included historic co-occurring natural disasters.



66%

We heard that 66% of respondents now offer some to all of their services remotely, including those that previously were not considered online options, such as mentorship and day programs. While this allows flexibility, the increased cost of purchasing tech resources has been burdensome to many with already limited income streams. Policies and procedures must also be modified and adapted to a virtual environment.



56%

We heard that organizations are depending on each other more during this time. 56% of respondents shared that partners are relying on them more and 42% are relying more on their partners.

We learned ...

Nonprofits have continued to meet the incredible challenges of increases in demand while transforming their business models and providing new ways of offering services, often with less revenue, increased costs, less people working to get the job done, and significant human resources challenges.

Organizations have quickly adapted to providing virtual services, which requires creativity and often involves a steep learning curve in how to do this in a way that really creates accessible services, financial investment, organizational capacity, and updates to policies and procedures.

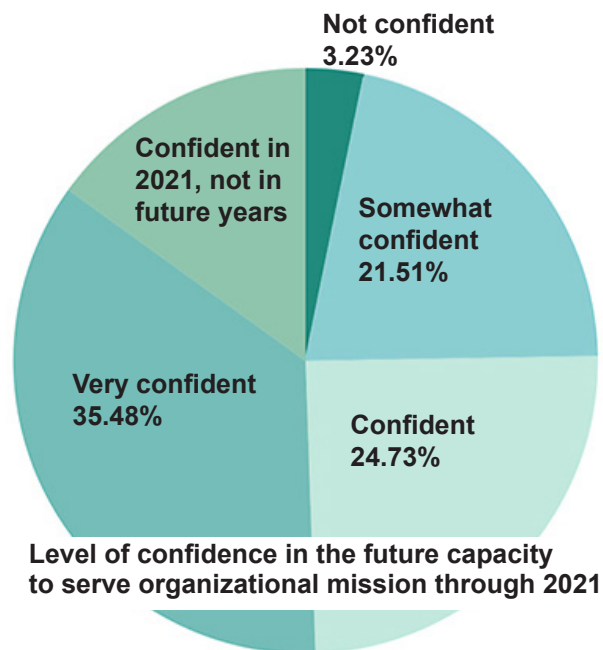
Nonprofits are seeking both traditional and non-traditional partnerships in the region to build capacity and share management strategies and tools. These partnerships strengthen future adaptability of individual organizations, the nonprofit sector and ultimately the region. One respondent shared, “This has been a great opportunity to find common ground between like organizations, which will hopefully in the future payoff by reducing the number of silos in the Humboldt nonprofit community.”

What we heard, what we learned

Now is the time to invest in nonprofits playing critical community roles

62%

We heard that while 62% of respondents are confident in the organization having enough capacity to meet mission through 2021, 16% are concerned about their ability to maintain services in future years. One organization noted they are “...not sure how 2021 will unfold for the community center and what staffing, programs, [and the] mission it will take on. Lots of potential changes.” Others have expressed difficulty sustaining giving with major fundraising events being cancelled or moving to online platforms due to COVID-19. 40% of respondents reported a decrease in individual giving and 68% reported a decrease in earned income.



45%

About 45% of respondents reported an increase in demand for services, however many of those organizations are simultaneously experiencing up to 20% declines in staffing or volunteers. This is happening while nonprofits are restructuring how they operate - 42% have changed the services they offer, 30% have changed organizational focus, 27% have increased services, and many commented on strengthening and evolving their management practices.

We learned ...

As some organizations find new ways to operate and modify programs others feel “stalled” and unsure of how to secure funding, recruit or sustain volunteers, retain and ensure staff safety and wellbeing, and/or find new ways to deliver programs, services or events.

We heard time and again how hard it is to plan with so much uncertainty. Now is an incredibly important time for nonprofits to have access to flexible sources of funding that supports their general operations. Grants, contracts and individual donations can all do this.

Organizations providing safety net services and helping people survive the pandemic need our support. These nonprofits are immediately responding to emergencies as they arise through various stages of the pandemic. Black, Indigenous and People of Color (BIPOC) led and serving organizations have been a critical part of this safety net, often reaching communities not otherwise served in formal government led pandemic response efforts, with depth, trust, cultural and linguistic understanding and humility, and incredible creativity and resourcefulness.

This is also an important time to support organizations focused on healthy environments, the arts and creativity, advocacy, thriving economies, community building, and health and wellness not explicitly related to the pandemic. There's a lot of work happening in each of these areas right now that is greatly influencing the future of our region. Supporting an organization's ability to sustain even very minimal operations through the pandemic is an investment in their future and the strength of their sector to actively participate in recovery and rebuild processes. What we pay attention to grows.

What we heard, what we learned

More nonprofits are applying a racial equity lens to their work while having few staff and leadership of color



76%

We heard that an increasing number of organizations, 76% of respondents, are using a racial equity lens at some level when making key decisions during the pandemic and related disasters. 27% shared that BIPOC are a significant part of their work. However 68% of survey respondents reported that fewer than 10% of their staff and board leadership are BIPOC, and 66% reported that BIPOC communities are either not part of their work or are somewhat part of their work.

We learned ...

If nonprofits are going to fully meet our missions and also effectively serve BIPOC communities during crisis, it's important that we have BIPOC on staff and in leadership positions, grow our practice of racial equity in decision making, and spend time focusing on how to serve, support and collaborate with BIPOC communities.

Now is the time to strengthen partnerships with government



62%

We heard that 46% of respondents secured a PPP loan/grant in 2020, and 69% of organizations have been in communication with government representatives through the pandemic.

We learned ...

We need to make sure organizations in our region are able to access state and federal stimulus funding. Many more organizations have been eligible than have applied or secured those resources. It is important that stimulus funding is more accessible to nonprofits by taking our business models into account when those programs are designed. Many stimulus application processes have been based on private sector business models making it harder for nonprofits to navigate the application process and be competitive. Many local pandemic response resources have been focused on the private sector.

Nonprofits are engaging and supporting people in the community that have the greatest chance of experiencing long term devastating impacts of the pandemic. Nonprofits are also fiercely committed to following public health protocols. It is critical that they be part of community pandemic response plans, developing creative short and long term strategies for recovery, and contributing to government policy and budget setting. It is also critical that nonprofits collaborate with governments around the region to assist state and federal agencies and representatives in understanding our rural context and opportunities for resource distributions and investments.

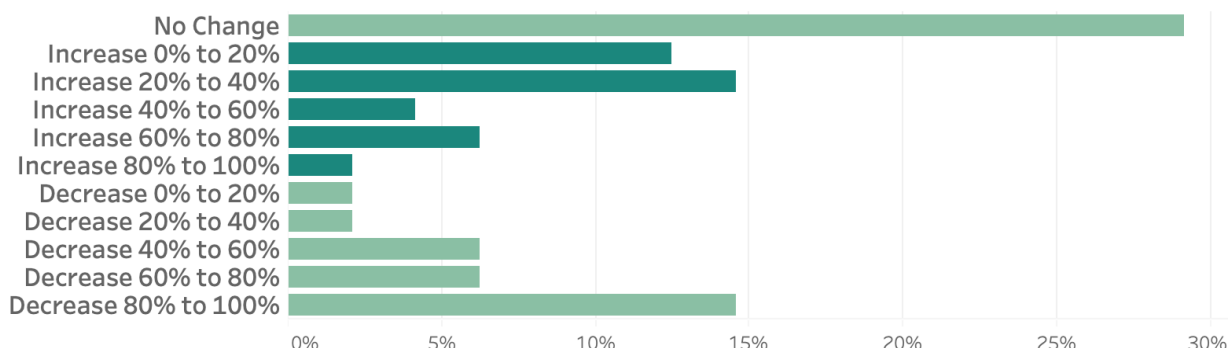
Further data, analysis & insights

The following sections of this report provide data and analysis of the strengths, opportunities, and challenges experienced by community-based organizations related to demand for services; health of organizational capacity and operations; racial equity; and communication with government.

Changes in demand for services & how nonprofits are operating

Nonprofits are responding to pandemic-related emergencies in the community and supporting vulnerable residents. Organizations shared that they have “Continued to respond to all emergencies at a very high level and capacity,” that they’ve been “Helping to connect our members with resources that may potentially help them survive the economic impact of the pandemic,” and that they’ve developed “creative responses to parents in crisis.” Changes in demand for services through the pandemic have significantly varied across the nonprofit sector. For respondents who were able to comment on shifts in demand, 40% reported an increase.

Percentage of Shift in Demand for Organizational Services (To Date)



Sectors more consistently noting an increased demand for services included:

- Organizations whose mission is to support thriving Black, Indigenous and Communities of Color.
 - These organizations reported increases of up to 20% in the number of volunteers working with them, and one respondent reported a 20% increase in staffing.
- Food security organizations reported increases in demand from 25-40%.
 - These organizations reported that their volunteer pools have decreased up to 20%, and several reported that their staffing levels have also decreased up to 20%.
- Housing security organizations and those supporting houseless community members reported increases in demand for services.
 - Organizations with staff reported that they have up to 20% fewer volunteers and that their hours have decreased.
 - Volunteer run organizations report increases of more than 20% in the number of volunteers working with them and that their hours have increased.

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- Organizations serving survivors of domestic and intimate partner violence reported increases in demand for services. One respondent noted: “Some service requests have increased by 50%.” This sector also indicated a decrease of up to 20% in both staffing and volunteers.

- Youth and family serving organizations consistently reported increases in demand for services. One organization shared, “Not sure of percentage but we now have a six month wait list.” Another commented that the demand “nearly doubled in months 1 and 2,” and that they are experiencing “about 20% more than baseline ever since.” 25% of these organizations report no change in their volunteer numbers, however the rest indicated an decrease of up to or more than 20%. Half of responding youth and family serving organizations reported no changes in staffing, while the other half reported decreases, with the exception of one organization reporting an increase in staffing.

31% indicated a decrease in demand for services

Sectors more consistently noting a decrease in demand for services included:

- Those serving people with disabilities, with one respondent indicating that the change in demand is due to fewer intake and in-person services available during this time.

Community centers and gathering places

Arts organizations, particularly performing arts, indicated significant declines in demand and challenges in shifting to online platforms. One respondent shared, “Many more people want to see shows and go to classes, but how?” Another expressed, “It’s not demand, it’s inability to do most programming because of restrictions.” A performing arts organization shared the significant stressors impacting the field, “We produce and present live theatre. We have cancelled 7 productions and our doors have been closed since March. We have had \$0 earned income since then.” Another shared an important reality for the sector, “We will not be able to do what we do until audiences and volunteers are vaccinated.” Most responding arts organizations are experiencing declines in volunteers of more than 20%, and several reported staffing decreases of more than 20%.

29% of respondents reported no change in demand for services. These organizations were largely from the environment and land use sectors.

There were several sectors reporting quite different experiences in demand for services by organization, depending on the type of service that was offered. For example, in the health and wellness sector there were reports of decreases in demand of up to 20% for physical health-care, while demand for mental health services increased. One health organization shared, “We serve a very high risk community and have had to shift to less in-person services.”

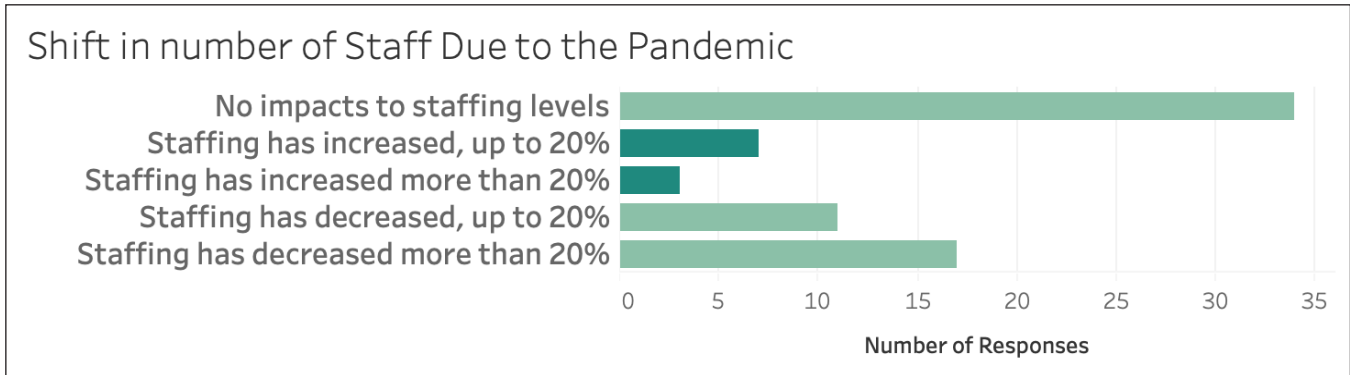
Senior-serving organizations also reported differently in how demands for services have shifted during the pandemic - from one organization sharing that demand for certain services had dropped close to 50% since summer, and another reporting increases in demand of 20%, and yet another reporting that they had to close their doors.



Organizations are meeting increased demands for services with the same levels of or fewer staff

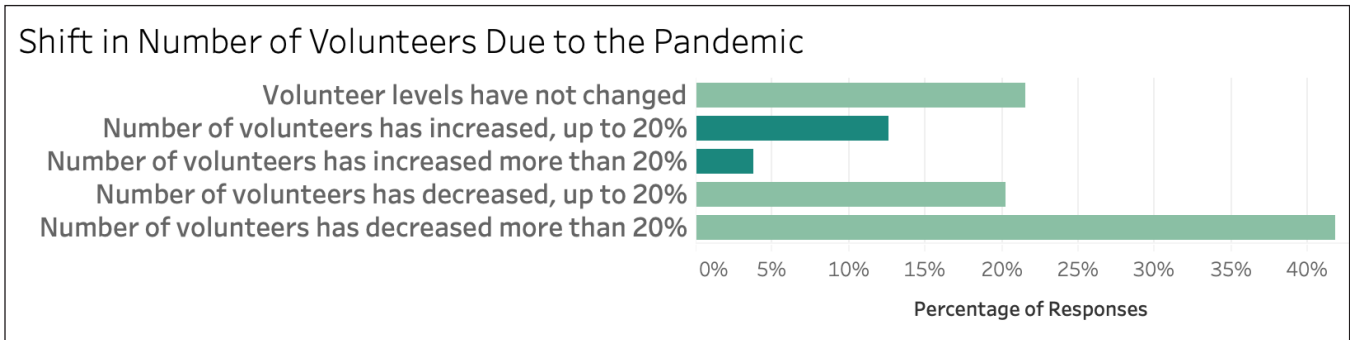
Respondents regularly reported on being proud of the work their staff is doing through this time as expressed in the following quote, “Our Case Management team is doing an incredible job. They are tireless in helping; collaborating faultlessly; and carefully staying in touch with each person who inquires about our services.” Another commented, “We have continued to be available and provide essential services.”

Staffing in the majority of organizations has remained stable or grown slightly, however 30% report decreases in staffing. One respondent shared that they are “Taking care of our core staff, using reserves to assure people are employed and compensated fairly.” Another organization commented on how hard it can be to keep people employed when grants don’t pay for certain types of work, “We are concerned whether the State or County will go into a hard lockdown again. With that concern, how do we pay for employees who are paid out of certain grants. If they are not working directly with clients then I have no way to pay them, unless the funding requirements change.”



Of respondents reporting on volunteer levels at their organizations during the pandemic, 62% noted a decrease, with 42% reporting decreases of 20% or more.

One organization commented on their decrease in volunteers, “... either volunteers don’t want to interact with people or people don’t want volunteers coming into their homes.” Another shared, “We’ve had to decrease services because there is no time for many people to volunteer now. They are busy with their work, their children, schooling etc. And because so much of our energies are spent on these everyday stressors there is little time to volunteer to do the work that we do.” However, 22% indicated that they experienced no change in the number of volunteers at their organizations and 16% saw an increase.



Nonprofits are prioritizing the health and safety of their people

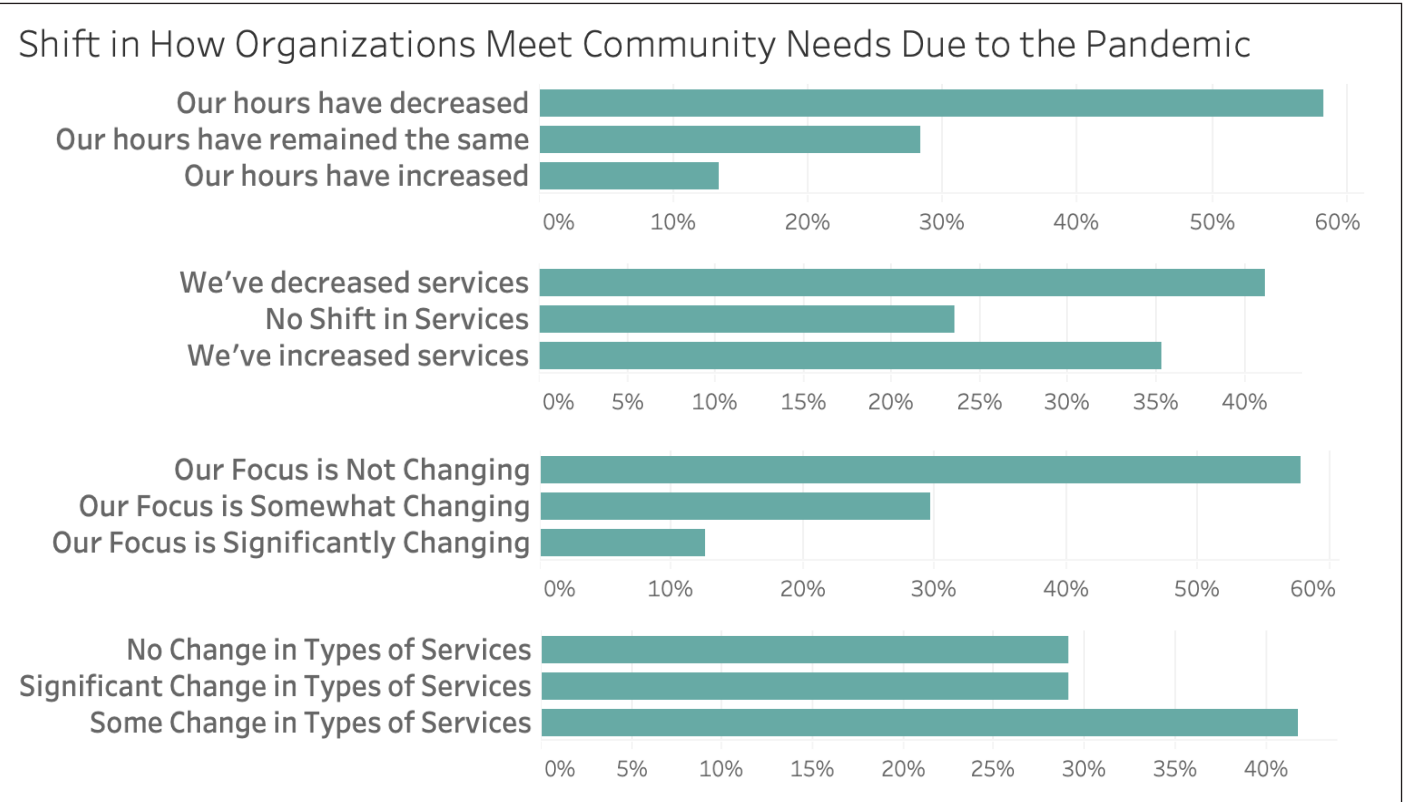
Many organizations commented on what they feel they've been doing really well during the pandemic is supporting the health and wellness of their staff and volunteers, in turn strengthening their support for the community. One organization shared that they were proud of "supporting our volunteer staff, providing what we can to relieve their anxiety and stress about work during the pandemic. Being able to support them as they navigate changing policy etc. at their own jobs." Another shared, "We have done a good job keeping people employed and safe. We made major modifications to our practices to ensure staff are as safe as possible while still continuing to work. We have also started a COVID-19 Updates and Resources internal email to keep staff informed of the COVID-19 situation in our area and updates to our Pandemic Prevention Plan."

Nonprofits are offering services in new and creative ways

66% of respondents are now offering some to all of their services remotely. An organization shared that they've been successful in, "flexing from in person addiction treatment to tele-medicine." Others reported, "We have been designing and building a virtual day program," and "being able to do modified 'home visits' to families." Others have had to shift to in person socially distant models, as one respondent shared, "Most services are being offered outside as drive up/drive thru." Even though organizations are creatively offering services, it's still hard to reach some clients. As one organization noted, "We have been working hard to make sure all clients have access to services. Connectivity is an issue for many of our remote clients."

Many organizations have grown their services: "We have been able to continue and/or grow access to food/pantry services throughout pandemic." 27% of respondents have increased the number of services they offer, 42% have adapted to the new environment by changing the types of services, and 30% of organizations have changed their focus. One respondent commenting on their need to adapt shared that some of the key services they offered prior to the pandemic "...have ceased but the need for workforce development, getting people into jobs, family strengthening and connection to resources and food security has exploded."

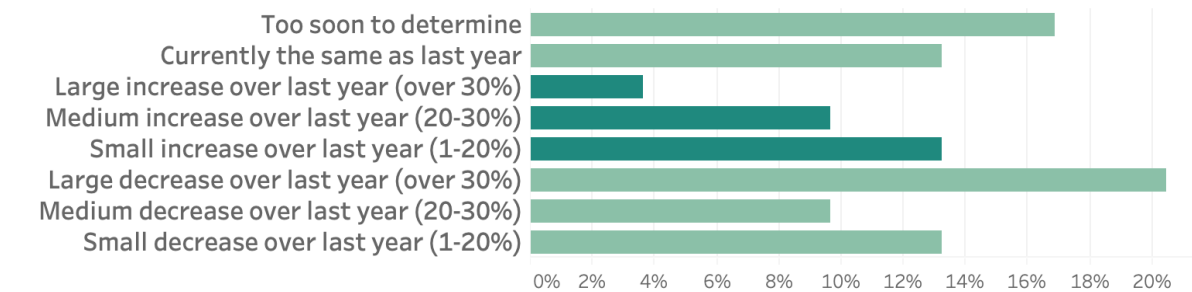
While organizations are offering more and different types of services, 58% have had to decrease their hours of operation.



Nonprofit revenue in the pandemic

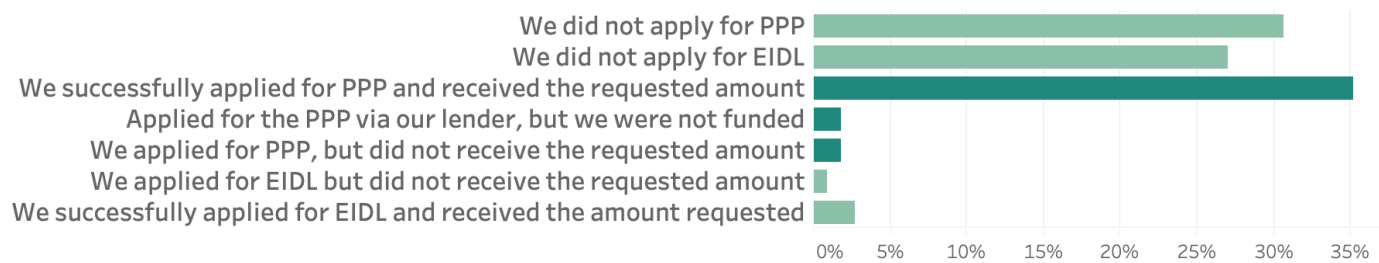
Many organizations are increasing their revenue during the pandemic. 24% have experienced an increase in individual giving over the prior year. One organization shared that they have “increased the number of sustaining monthly donors,” while another has been “consistently contacting donors.” Many are experimenting with alternatives to in-person fundraisers, including the organization who responded, “We normally have several catered fundraiser events throughout the year which were all cancelled. However, we opted for an online auction instead of the usual in-person dinner with silent auction.”

Current Trend of Individual Giving in Respondent Organizations



Nonprofits have been securing pandemic-related government grants. 46% of respondents secured a Payroll Protection Program (PPP) loan/grant, however only 3% received a grant through the Economic Injury Disaster Loan (EIDL) Program.

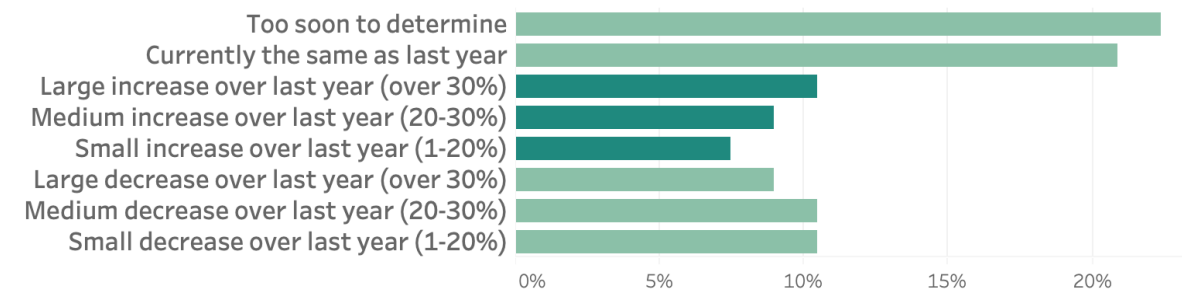
Organizational Applications for PPP or EIDL Loans



27% have experienced an increase in foundation funding during the pandemic, most noting that this has been for pandemic response services. 88% of respondents with foundation funding noted that funders have been flexible with organizations needing to shift how they’re using grants awarded prior to the pandemic, including shifting timeframes for when grant monies are used.

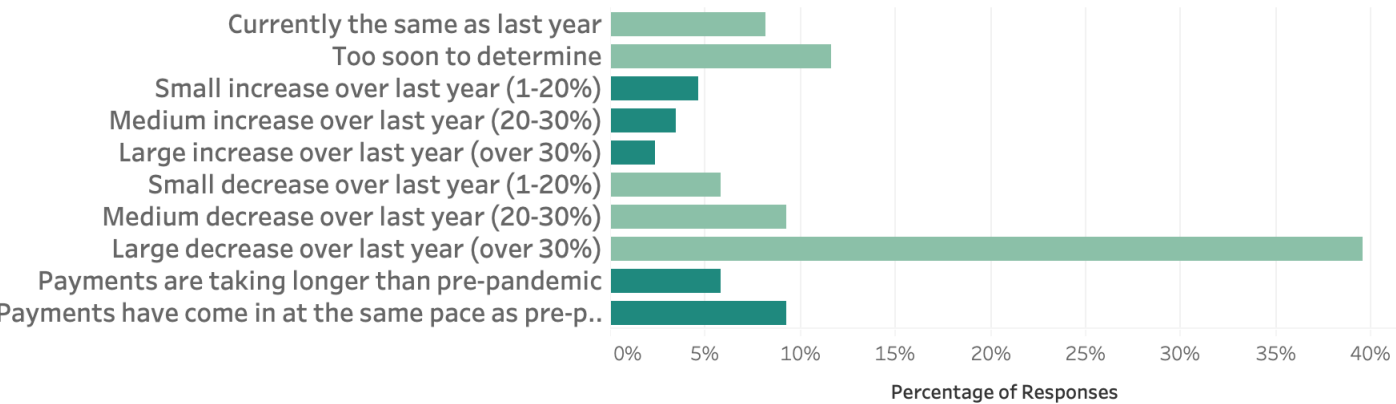
On the flip side, funding into the future is uncertain for most respondents. 40% of respondents have experienced a decrease in individual giving (19% at a rate of 30% or more).

Current trend of Foundation Giving to Respondent Organizations



68% experienced a decrease in earned income over last year, with 49% having experienced decreases of 30% or more in earned income over last year. 30% of organizations have experienced a decrease in foundation funding, with arts organizations noting particular challenges. Several organizations expressed concerns about securing matching funds for government grants and identifying new funding opportunities. Additionally, respondents noted that it's harder to secure support for core operations and programs (if they aren't pandemic related) and expressed that it's "Hard to plan ahead with so much uncertainty." One survey respondent shared "...we find that the grant opportunities right now are too restrictive. Too many won't cover overhead and we don't want to take out loans." Another reported "Annually renewable funding is of concern. We have been notified that some of our smaller funding sources will no longer be available in 2021. Many funding sources that were available in 2020 because of the pandemic will end December 31, 2020. No idea what next year will hold - what will be needed, what will be funded, how we maintain staff morale through this changing world?"

Current Trend of Earned Income In Respondent Organizations



Keeping organizations strong through the pandemic

Organizations are under incredible stress in the dynamic pandemic environment. It is critical to maintain a flexible business model through this time. Nonprofits have had to rapidly strengthen their capacity in different areas over the last ten months in order to be adaptable.

One key area where this has happened is in people management. Several organizations shared challenges with keeping staff fully employed, including difficulties of navigating team members being out on unemployment, getting sick, or shifting to part time schedules. Additionally, organizations have worked hard to prioritize health and safety of staff, which has required the development of new staffing models, and putting more resources into supporting staff mental health and wellbeing. One organization shared that they have been "Supporting leadership development on several levels." We received many comments on the need to develop new ways for staff to communicate and collaborate, as well as how important strengthened team work has been to organizations moving through the pandemic in a healthy way.

Organizations have needed to strengthen infrastructure through the pandemic. Many commented on, "Putting procedures and policies in place" through this time, as well as restructuring the organization and how work gets done. One respondent commented that they've been, "Working smarter and more efficiently than ever before."

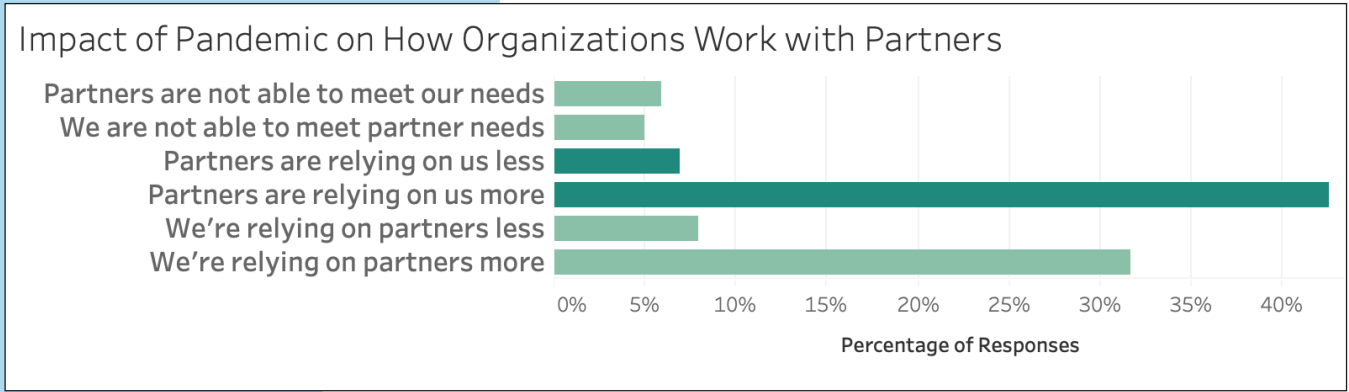
One organization commented that they're, "Learning to think creatively." Another shared that they've done really well in growing "imagination" in their teamwork. We also heard that, "New leadership and board members are bringing new ideas and energy and commitment," and that organizations are strengthening their networks by "mobilizing our membership" and increasingly "partnering with organizations and individuals" to grow capacity for how they're able to support the community through this difficult time.

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Respondents also expressed a need for capacity building support. One organization shared their need for “professional coaching in publicity” and “Board/General Manager job description consulting”. Others have identified needing assistance with evolving their organizational budgets and support in adopting technologies to get their basic work done, as well as helping them communicate more effectively with each other and the community. Nonprofit executives have shared how important it has been to connect with other executives for support, sharing ideas, and developing greater understanding of health and safety regulations and how to translate those into organizational protocols.

Organizations are depending on each other more

56% of respondents shared that partners are relying on them more, 42% are relying more on their partners, and only 7% reported that they aren’t able to meet partner needs. One respondent shared, “This has been a great opportunity to find common ground between like organizations, which will hopefully in the future payoff by reducing the number of silos in the Humboldt nonprofit community.” Some organizations are being increasingly depended on by many community partners and are also experiencing reduced staffing and volunteer capacity as well as increased demand from their specific client/ consumer base. With partnerships playing such critical roles right now, it’s important that organizations take the time to check in about how partnerships are working for them, give each other updates on shifts in organizational capacity and focus, share management strategies and tools, and support each other in advocacy efforts whenever possible. Partnerships are also an important place where organizations can help each other deepen efforts to advance racial equity both within their organizations and in how they serve the community.



Applying a racial equity lens to operations

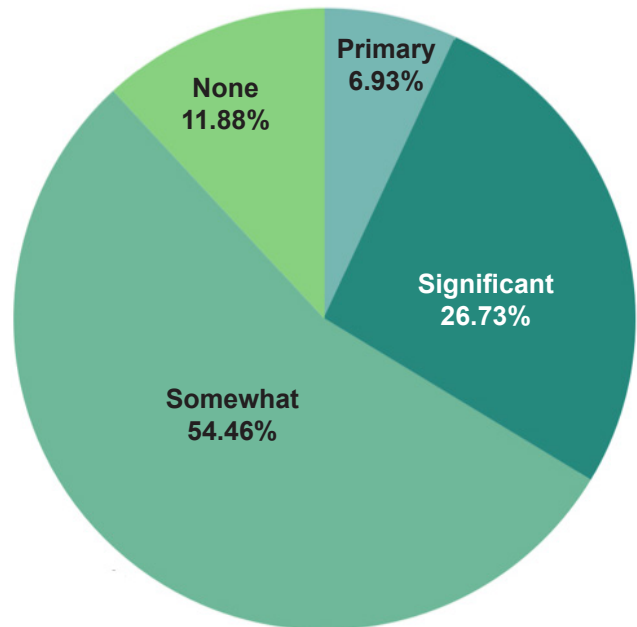
With the convergence of COVID-19, racial reckoning, and shifting political landscape an opportunity to address inequities within organizations and sectors has come into focus. Many organizations within our region have taken steps to apply a racial equity lens within their operations and within their board. 54% of survey respondents stated serving BIPOC communities are somewhat part of their work and 35% of respondents have been consistently using a racial equity lens when making program and operating decisions.

One responded shared that they have been “Studying, meeting and preparing to become an anti-racist organization” while another noted that they are applying a racial equity lens by “supporting leadership development on several levels and partnering with other organizations and individuals. We are having a significant impact on Equity work in some local high schools.” 33% of respondents noted serving all vulnerable communities as opposed to a direct focus on BIPOC communities.

While organizations within the region have taken strides in focusing on supporting BIPOC, 68% of survey respondents reported that fewer than 10% of their staff and board leadership are BIPOC.

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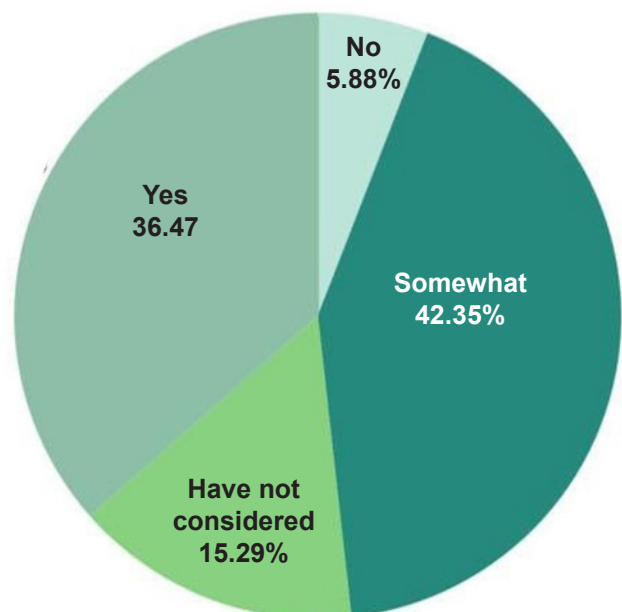
Level of organizational focus on health & wellbeing of black, indigenous & people of color (BIPOC)



Level of focus on BIPOC health and wellbeing

- BIPOC communities are the primary focus of our work
- BIPOC communities are a significant part of our work
- BIPOC communities are somewhat part of our work
- BIPOC communities are not part of our work

Organizations that have applied a racial equity lens to their work during the pandemic

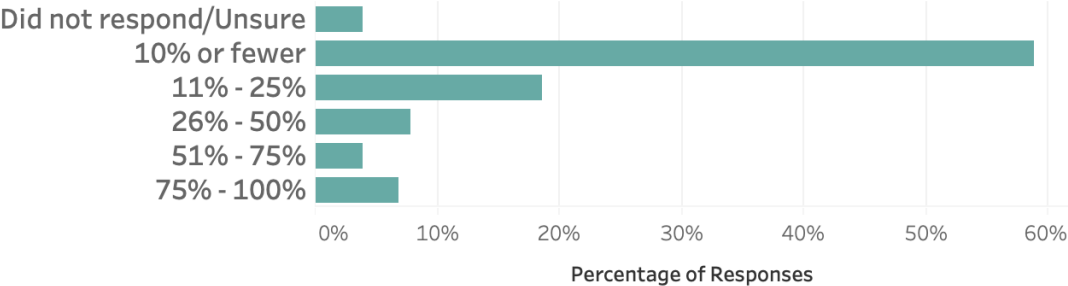




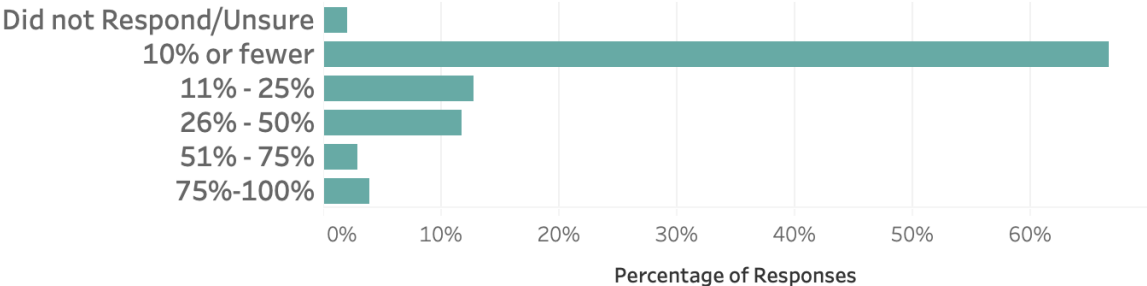
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Organizations within the region expressed a need to strengthen relationships with BIPOC networks. Some organizations are in the building phases of implementing racial equity into operational practices. One example of this can be seen in a local organization that stated “the need to form a more connected web with people and organizations of color” while another organization stated the need for continuing to focus on racial equity, “We are in the process of restructuring and bringing Native Voices to every level of the organization and in community partnerships.” If our organizations are going to effectively serve BI-POC communities during crisis, it is important that we have BIPOC on staff and in leadership positions.

Staff identifying as black, indigenous or person of color (BIPOC)



Staff and board leadership identifying as black, indigenous or person of color (BIPOC)

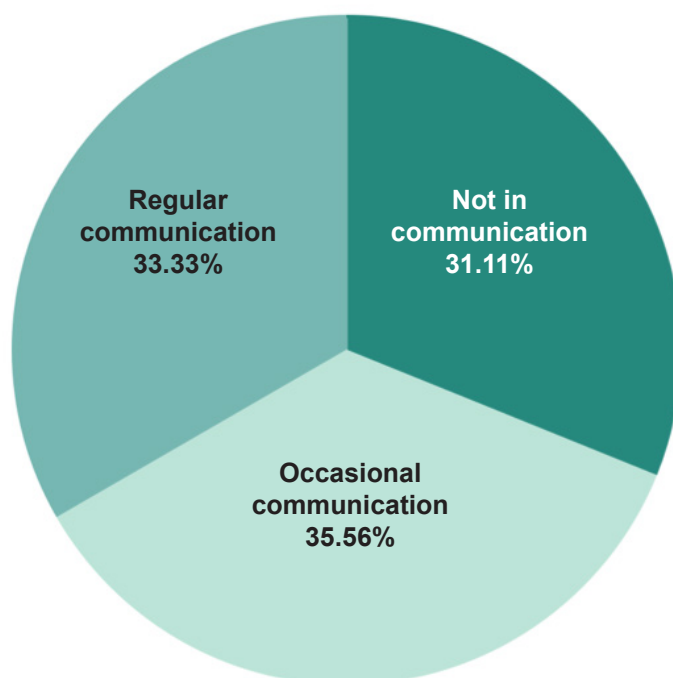


Communication with government representatives

We learned that 69% of organizations have been in communication with government representatives through the pandemic (local, state, Tribal, federal).

Nonprofits play such an important role in the health and resilience of the region. What our community-based organizations are hearing from and seeing in their constituents, as well as the success and challenges of organizations in continuing to be able to operate, has a big impact on how our communities will weather the pandemic. Organizations providing safety net services, in particular, noted how important it has been to be in partnership with government during this time. Especially when government is a key partner in the work organizations do, when communication and collaboration is strained, barriers are created when it comes to serving some of the most vulnerable or targeted in our communities.

It is important that our elected representatives understand the pandemic through the perspectives of our organizations and those we serve. Now is also a critical time for organizations to understand the policy priorities, actions and interests of our electeds as they make decisions about health and safety strategies.



Level of communication with government representatives since the start of the pandemic



Conclusion

Nonprofits are doing amazing work to remain adaptable, meet incredible challenges with creativity, and are major players in our communities navigating the pandemic.

Continuing to strengthen collaboration, ongoing evolution, communication and support for and across the nonprofit sector through the next stages of pandemic response and recovery will critically influence our region's resilience.