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Oregon Nonprofits: A Year Into The Pandemic

Produced by:
Public Interest Management Group (PIMG) and
the Nonprofit Association of Oregon (NAO)



In April of 2021, [Public Interest Management Group](#) (PIMG) in partnership with the [Nonprofit Association of Oregon](#) (NAO) and [The Impact Foundry](#) surveyed nonprofit leaders nationwide to assess the impacts of the COVID-19 pandemic on their organizations about one year after the first cases and stay at home orders. We gathered 158 responses from a wide-range of organizations in the nonprofit sector across the country. In this report, we are extracting the data specifically from 77 Oregon respondents to extrapolate themes and gain insight from nonprofit leaders throughout our state.

Looking Back To 2020

Like many Americans, Oregonians were alerted to the threat of the rising pandemic as the first case of COVID-19 in the country was announced on January 21, 2020 in Washington State. Just about a month later, the first case of COVID-19 in Oregon was confirmed and on March 8, 2020, Governor Kate Brown declared a state of emergency in Oregon. By March 23rd, the Governor issued the first statewide stay-at-home order that closed most businesses, nonprofits and government facilities.

What followed in Oregon (and nationwide) was a series of often contradicting precautions from epidemiologists, doctors, and government officials. As health authorities worked to contain and treat those stricken by the disease, the mass sickness and death overwhelmed many institutions. The restrictions on movement and work resulted in mass unemployment and exacerbated long-standing issues in our society including houselessness, income disparity, racism, and more.

Throughout all of this civil and societal unease, scientists were learning new information about COVID-19 which led to changes in strategies and fluctuating lockdown restrictions throughout Oregon. The impact on nonprofits to manage opening and closing their offices, hiring and laying off staff, pivot to remote programming, fundraisers, and offices, and meet the increasing needs of their communities who were desperately looking for support and resources throughout 2020 was exhausting, demoralizing, and not sustainable. Despite that, nonprofit organizations continued to show up for their communities doing the important work that needs to get done.

The Findings: One Year Into The Pandemic

Oregon Nonprofits Are Resilient Largely Due To Their Teams

In early 2020, there was grave concern throughout the sector that nonprofits wouldn't be able to survive the pandemic and the economic recession that seemed to have no bottom. Sadly, some nonprofits did have to cease their operations due to the impact and ripple effects of COVID-19. But our data shows that nonprofits were not only able to survive, in many ways they rose to the challenge and even expanded programs and operations.

The Good News

Nonprofit organizations throughout Oregon had great positive impact on their communities throughout 2020 – in many cases, nonprofits were stepping in to help where the government was struggling. Oregonians began to rely even more heavily on the support of the nonprofits in their region for a wide range of services from access to food and healthcare to education and childcare. Any expectations that the nonprofit world was not up to the task of responding to this crisis are largely confounded by the data we found throughout this survey. Nonprofit leaders, staff, and volunteers are nimble, resilient, and remained focused on their missions throughout 2020.

- Nonprofits quickly met the needs of Oregonians who relied on their services, they increased their communications to broaden their impact and reach new communities. Many nonprofits are reporting that as a direct result of these efforts, their reputations within their region have improved and awareness of their organization has grown. Leadership teams quickly adapted to COVID-19 protocols and pivoted to remote work and supervision of their staff and volunteers. Likewise, staff and volunteer workers did not hesitate to turn their living spaces into their office spaces and embraced remote work.
- Board members and volunteers also adjusted to remote work and meetings – they continued their work throughout the pandemic.
- Many Oregon nonprofits have performed better financially – not just relative to expectations – but even compared to pre-pandemic performance.
- Many nonprofit leaders have a positive outlook on the future of the sector and are optimistic for the future.

While there is a lot to celebrate in how Oregon nonprofits have weathered the storm of 2020, there is a lot of nuance to be aware of as well as a lot of room for improvement to keep nonprofit organizations successful, sustainable, and healthy.

The Not-So-Good News

We're going to be blunt here, 2020 was very rough on nonprofit employees. Oregon nonprofits reported that COVID-19 and the necessary restrictions have adversely affected their programming and that maintaining the health and safety of their clients has been challenging. These are two of the many pandemic-related issues that has led to negative impacts on staff workload and morale across the sector.

Sixty-one percent of respondents have reported office closures, 44% reported program site closures, and 86% reported event cancellations. This type of change and disruption to offices, programs, and events created more work for nonprofit staff to create alternate plans, more stress around serving their communities and missions, and financial worry over canceled fundraisers and ticketed events. While it's impressive and very positive that 74% of respondents initiated new online events, 60% initiated new methods of fundraising, and 57% have changed the ways they engage with staff – we know that this type of pivoting on a workforce that is already spread incredibly thin can be demoralizing and overly stressful for employees at all levels and can also negatively impact the stress level of board members and volunteers. Respondents mentioned that working from home while having to homeschool a child at home has been extraordinarily stressful and that the workload for staff has been overwhelming and endless.

Eighty-seven percent of survey respondents reported somewhat or much higher levels of personal stress as a result of the pandemic. The most frequently cited causes of heightened stress levels include disruption of operations (79%), disruption of staff (65%), concerns about the health of staff and clients (61%), and concerns about financial performance (51%). The cumulative effects of multiple disruptions was cited by 73% of respondents which continues to reveal how the steady increase of work and upheaval combined with low salaries and insufficient staffing adds to the burden on the shoulders of nonprofit leadership and staff.

Despite all of this upheaval, respondents report that on average, the quality of staff work has remained strong and consistent, staff retention has remained steady, and internal communication has generally been as effective as it was pre-pandemic. While 29% of respondents reported staff layoffs, 71% have maintained or increased their staffing levels in 2020.

Yikes. What Can We Do?

A longstanding truth in our sector is that many nonprofit staff are overworked and underpaid throughout the state. The impact of 2020 has only intensified the need for nonprofits to find a financial and philosophical solution to this issue. NAO has continued to raise and is committed to focus on how to help nonprofits make major changes going forward to support their staff – including framework around salaries, pay disparities, and hiring. Some survey respondents commented that they need nonprofit leaders and board members to recognize that it feels impossible to do more with less and they noted that this has been a trend for the sector for many years, but it has been exacerbated by the pandemic.

In addition to changes in attitudes and adjustments in compensation, there are other ways nonprofit organizations can support their leadership and workers throughout the remainder of 2021. When asked what would be most supportive for them both organizationally and personally, 61% of survey respondents most frequently cited forms of organization development assistance including fundraising and strategy support, 60% cited board fundraising training, 49% cited strategic or business planning, 49% cited staff wellness programming, and 48% cited board development or team-building activities. These responses highlight the importance in investments in internal capacities and prioritizing team morale and wellness.

On the personal side, 44% of respondents indicated that a peer support system or group could help mitigate stress and 47% cited executive or life coaching. In comments, some respondents suggested that while more leave time could help in principle, using that leave time would ultimately be counterproductive and likely add to stress.

How Did Nonprofits Do Financially During 2020?

The findings from this study were largely split with nonprofits falling into two categories:

Forty percent of respondents reported that 2020 had a somewhat or strong **negative** effect on their organizations finances while 44% of respondents reported a somewhat or strong **positive** impact on their finances (14% of respondents reported no change).

Survey respondents noted having a strong financial intuition and business mind helped weather some of the storm – knowing when to grow or shrink, understanding the consequences of treading water, and being honest about negative financials were key to making tough business decisions that had positive impacts on financial health. These decisions likely kept these organizations afloat through 2020.

Fifty-eight percent of the respondents who reported 2020 was a “financial positive” for them are relatively larger organizations with operating budgets over \$1 million compared to 36% of “financial negatives” having an operating budget of over \$1 million. Additionally, while 41% of the “financial negative” respondents have operating budgets under \$500,000, compared to just 19% of “financial positives”.

On average, the 44% of organizations who saw a somewhat or strong positive impact on their finances in 2020 have been more successful in fundraising, both relative to the “financial negatives” group as well as their own pre-pandemic results. As a whole, they’ve seen improvement in individual giving and improved donor relationships but the biggest driver in their financial success was an increase in foundation grants.

Unsurprisingly, the organizations who saw a financial downturn in 2020 see a much lower predictability of financial health than the organizations who saw financial growth in 2020.

This information raises important questions around why certain organizations fared so much better financially than others in 2020. While this survey didn't delve into underlying causes, we can use it to make some educated guesses around the results.

Based on NAO's experience with private-giving and federal funding, these two funders often view the organizations with larger operating budgets to be a safer investment to thrive in a crisis due to their larger staff, stronger infrastructure, deeper funding bases, and capacity to focus on developing and strengthening their relationships with funders, donors, and sponsors.

Additionally, it's clear that government assistance programs (like the Paycheck Protection Program loans and direct programming funds from the CARES Act) and strong charitable giving had a positive effect on keeping nonprofit solvent and even improving many nonprofits' finances. While government funding has apparently helped many nonprofit organizations tremendously, some participants noted that government grants and contracts come with excessive requirements to distribute emergency COVID funds and securing these funds. Some respondents also commented that while they lost huge amounts of money from being forced to shut down and furlough staff, they simultaneously received PPP loans and CARES Act funds, which helped them keep their budgets balanced.

Despite the Challenges Ahead, Oregon Nonprofits Remain Optimistic

Even after the stress of 2020, 90% of survey respondents indicated optimism about the health of their organization over the next year. NAO knows nonprofit leaders to be resilient, dedicated, and passionate about their work despite the challenges thrown their way – so positivity abounds. The balance will be sustaining the optimism over time with the depleted energy of team members noted above.

Overall, 42% of respondents are more optimistic about their organization's future health than they were before the pandemic. This includes 63% of "financial positives," but also 23% of "financial negatives." This suggests that the experience of adaptation itself – going through the process of re-strategizing and re-forecasting - may have strengthened organizations.

Conclusion

The past year has been dramatic and impacted communities across Oregon in ways we are only now coming to understand. The nonprofit community continues to adapt and exhibit a level of innovation that is unparalleled. Our sector has displayed its resiliency and even when tested by a once-in-a-century pandemic and economic down-turn, nonprofits have risen to the challenge. Building on that resiliency is imperative in 2021. Our teams are exhausted. We must build into our philosophies, programming, and culture the means to de-stress and rebalance our work. Our optimism for the future is unwavering and we will continue to meet challenges.

The raw data collected by PIMG can be found in the appendix [here](#).