THE CENTER FOR
NONPROFIT
ADVANCEMENT

Survey Report
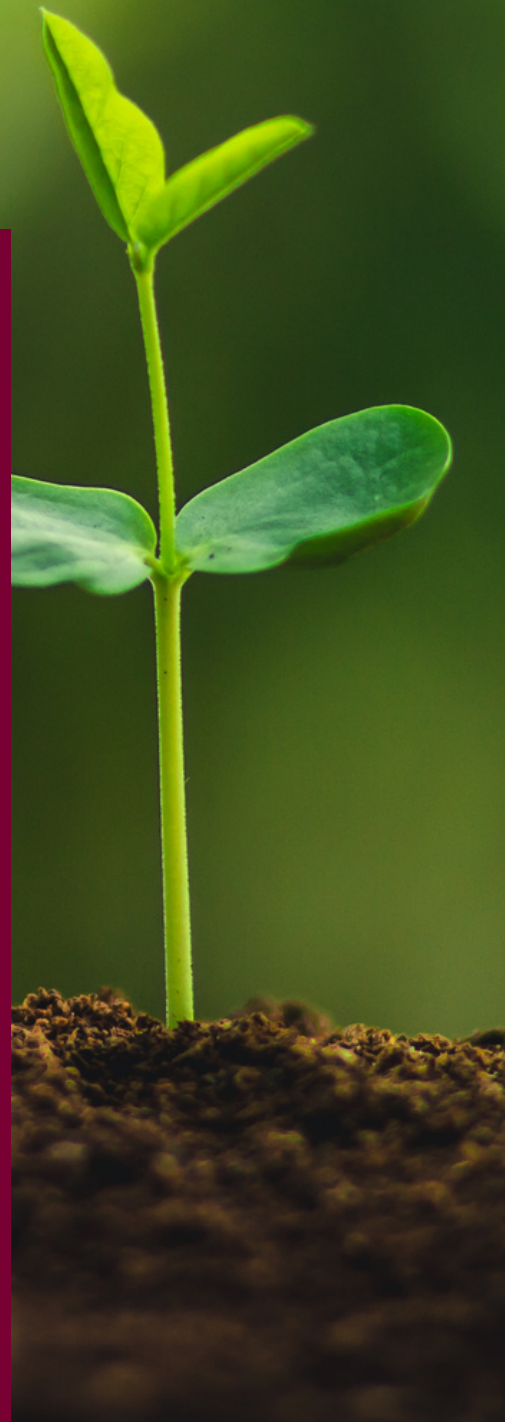
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Introduction

One day, the early 2020s will probably be taught as a period in US history marked by disease, civil unrest, economic uncertainty, and growing climate-change-related storms.

It's hard to know where we stand in relation to the overwhelming changes that started in 2020. We like to think that we have adjusted to a "new normal." We want to believe that we are making progress and finding solutions. *But are we?*

The only way to know where we stand is to ask those on the frontlines of many social issues, nonprofits. The health of DC nonprofits is vital to the clients they serve and the district's health. There are over 12,000 nonprofits in DC alone, employing approximately 26% of the district's workforce and generating over $48 billion in annual revenues. Tasked with helping those who cannot receive help in other places, providing a beacon of hope, and doing more with less, even well-funded DC area nonprofits are stretched thin. To help our nonprofits fulfill their critical missions, we must understand where they currently stand.

In 2020, we surveyed DC area nonprofits to determine how they were withstanding the ongoing storms.

This year, with help once again from The Mayor's Office, Candid, Prince Charitable Trust, Naomi and Nehemiah Cohen Foundation, The Consumer Health Foundation, The England Foundation, and The O'Neil Foundation, and support from Brighter Strategies, we reached back out to over 1,000 DC area nonprofits to see how their needs had changed.

In this study compared to 2020's survey, a good cross-section of the DC nonprofit world, and all local geographic areas, returned surveys. Organizations of all sizes participated, with the heaviest representation from mid-size organizations. Nonprofits focused on Human Services, Education, and Housing had the most responses in the 2022 survey compared to 2020's survey, where Education, Human Services, and Health and Wellness had the most answers.

The majority (80%) of surveys were completed by executive directors or members of the senior management team, with a small percentage filled out by board members. Sixteen percent of the participating organizations are volunteer-led. Four themes emerged from the survey:

- **Theme 1: Impact of Covid-19 from January 2021 to Present**
- **Theme 2: Changes and Difficulties in Operations**
- **Theme 3: The Continued Need for Social Justice and DEI Work**
- **Theme 4: Future Needs and Lessons Learned**

Theme 1: Impact of Covid-19 from January 2021 to Present

Our organization nearly doubled in size due to increased funding during the pandemic.

How do we ensure the sustainability of that growth once ARPA funding dries up? We need more multi-year grants that can ensure our sustainability so that we can better focus on our strategic plans.

• From January 2021 to now, the impact of Covid-19 on revenue **mainly increased or stayed the same.**

33%

of organizations indicated that their sense of community has decreased since Covid.

• Revenue changes are expected to either i**ncrease or stay the same** over the next 12 months.

• Organizations are still impacted in multiple ways since the Pandemic, the most frequently cited being **increased costs.**

# Theme 2: Changes and Difficulties in Operations

There is a difficulty in finding an appropriate **balance** between caution about ongoing COVID transmission risks, especially within a medically vulnerable homeless client population, and the appropriate loosening of masking policies to enhance human connections between clients and staff (and among the team).

Building trust and collaboration with coworkers in a small, remote, national team while engaging in critical race equity work is extremely difficult.

• **41%** of organizations received guidance on their return to in-person work, and **68%** have a Covid-19 emergency response plan. **However, 54%** of organizations intend to continue to work remotely.

• **71%** of organizations expect increased demand for services and revenue in the next 12 months.

• There is more use of operating reserves in this study's responses compared to 2020; this could be because Covid-related **funding and donations are decreasing.**
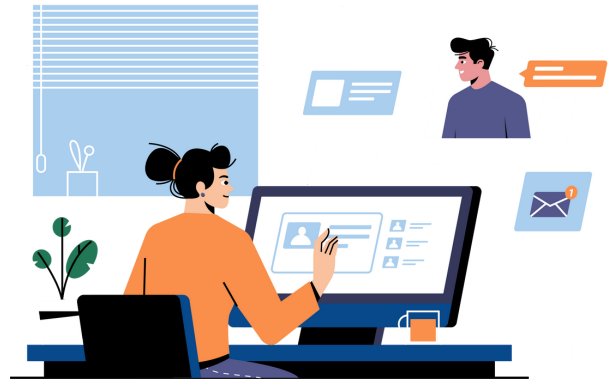
• In 2020, many organizations were more worried about funding loss than increased costs. **The reverse is true in now.**

• There has been an **increased demand** for programs since January 2021 and an expected increase in demand for the next 12 months.

• **63%** of the organizations that responded expect an increase in the number of employees over the next 12 months. Volunteerism is also expected to increase by **51%** of the organizations in the next 12 months.

• With **91%** of organizations' employees having full access to internet connection and computing devices and approximately **70%** having transitioned smoothly to virtual communication for both internal and external coordination, **55%** of organizations intend to continue working remotely.

Theme 3: The Continued Need for Social Justice and DEI Work

Yes, we have a plan to evaluate internal HR policies and strategies, and are seeking funding to support our [DEI] efforts. We did some training and work with a consultant last year that has informed our plan for this year.

• **67%** of participating organizations indicated that the organization composition closely aligns with the racial composition of people/communities served, while 33% need more diversity within the organization to be aligned.

• Participating organization's Executive Directors are **27%** African American/Black, **5%** Asian/Pacific Islander, **8%** Latino/Hispanic, and **63%** White. There has been an increase in African American Executive Directors (**2020 – 20%; 2022 – 27%**).

• Participating organization's Executive Directors are **83%** Women, **15%** Men, and **2%** Non-binary. There has been an increase in female Executive Directors (**2020, 71%; 2022, 83%**).

• **53%** of organizations' leadership team composition closely aligns with the racial composition of the people and communities it serves. **45%** of organizations' leadership team composition needs more diversity to be aligned to those served.

• Participating organization's Board Chairs are **42%** African/American, **3%** Asian/Pacific Islander, **3%** Latino/Hispanic, and **60%** White. There has been an increase in African American Board Chairs (**2020 – 21%; 2022 – 42%**).

• Participating organization's Board Chairs are **63%** Women, and **37%** Men. There has been an increase in female Board Chairs (**2020, 48%; 2022, 63%**)

Organizations led by people of color have a more difficult time raising funds. Foundations and governments want to see "how we do" before they invest in our leadership.

• **44%** of organizations' Board team composition closely aligns with the racial composition of those they serve. **54%** of organizations' Board team composition needs more diversity.

• The dominant race/ethnicity that participating organizations serve are **73%** African/American, **15%** Asian / Pacific Islander, **47%** Latino/Hispanic, **7%** Native American/Indian, and **43%** White.

• Overall, organizations feel that staff is **well equipped** to work with diverse populations served by the organization.

• Although most organizations are having **courageous** and **inclusive** conversations, more improvement can be made.

• Many organizations describe their journey as recognizing the problem and focusing conversation on race equity in 2020. Today, most have hired consultants or created a DEI action plan, **but implementation has yet to happen.**

• **55%** of organizations plan on evaluating and addressing internal DE&I in the coming years, **30%** are not sure or still deciding, and **15%** have no plan.

• **44%** of organizations have done more work to fill race and equity gaps in the communities they serve, while **32%** are not sure or still deciding, **24%** did not.

Theme 4: Future Needs and Lessons Learned

As eviction volume increases in our community, Alexandria needs a more **robust response** to prevent and divert homelessness. Without that, the waiting list for shelter will only continue to grow larger and dwarf the current capacity's ability to address the situation. We're doing what we can with shelter, but systemically we need to figure out how to keep more households from needing emergency shelter.

We expect temporary, COVID-inspired increases in giving to drop off somewhat. We are uncertain of the impact on in-person fundraising events into the future. We have still only had small events so far vs our big fundraising event with hundreds of people.

- **77%** of organizations indicated that there are gaps in service in the communities they serve, mainly affordable housing needs, and mental and behavioral health support and services.

75%

 of organizations identified funding for ongoing programs as the primary form of support they require to meet their organizational needs.