



## **NONPROFIT FINANCIAL/FUNDRAISING LANDSCAPE**

As of June 1, 2020

### **Region Overview**

Throughout the COVID-19 crisis, our staff have been in almost daily communication with myriad nonprofits throughout Ingham, Eaton and Clinton counties. We have found:

- Most nonprofits remain fairly stable financially, due to the CARES Act PPP forgivable loans, budget cuts, financial reserves, fees/reimbursements for services, and fundraising.
- Many nonprofits have had to suspend or reduce services and have placed staff on furlough if services could not be provided remotely.
- Many nonprofits are worried about sustainability after reserves and PPP loans are exhausted.
- The most vulnerable are arts organizations which may not have performances and/or patronage even after the state reopens.
- No nonprofits have permanently shuttered yet, but the Michigan Nonprofit Association estimates that 20-25% of Michigan nonprofits will not survive.

### **Fundraising Conditions**

Last week the Foundation emailed a short survey to a targeted list of approximately 200 charitable nonprofits in our region, of which 32 responded (surveys are still being received). While this is a small sample, the survey results thus far mirror our anecdotal findings during regular conversations with nonprofit partners. Below is a summary of responses:

#### **1. What kinds of fundraising are you doing during the crisis?**

- Appeal (mail and social media) – 13
- Grantwriting – 12
- Individual major donors – 5
- Corporate donors/sponsors – 3
- Virtual event – 7
- Other (sales, returnable pop cans, etc) – 4
- Donor stewardship – 7
- None – 8

## 2. How successful are your fundraising efforts so far?

Doing well or better than expected – 18

Mediocre or not yet known – 7

Poor – 0

### **Conclusions (based on survey respondent narratives):**

- Most nonprofits that are engaged in fundraising are fairly successful.
- There is heavy reliance on grant writing and appeals (mail and social media).
- Some have found donors to be more generous than usual due to the crisis.
- Very few are focused on major donors other than stewardship (untapped opportunity).
- Many cancelled events have been or will be converted to virtual events.
- Virtual events that have already occurred have had varying levels of success; they require a learning curve and/or professional assistance; some worry about too many virtual events in the community and donor fatigue.
- Some are raising funds specifically for COVID-19-related needs (clients and staff).
- Corporate funding is down, mainly due to lack of event sponsorships.
- Most worry how big their year-end budget shortfall will be; a few have calculated their year-end budget shortfall and believe they will not likely make up lost revenue.
- Many nonprofits have stopped fundraising entirely for various reasons.

### **Feedback from Nonprofit Network (consultants):**

- Most nonprofits are still in a “wait and see” mode and have not yet projected their financial longevity after current resources are exhausted and most do not have an updated strategic plan in place.
- Nonprofits on the margin are not yet considering mergers or sharing back-office operations with nonprofit partners; implementation of such plans will take longer than the remaining life of such nonprofits.

### **Actions from Capital Region Community Foundation:**

- Worked with Capital Area United Way to identify greatest needs in the region.
- Continue to reach out to human services and other types of nonprofits to learn about their changing needs.
- Allowed current grantees to release restrictions on current grants, if desired.
- Created **COVID-19 Nonprofit Support Fund** by shifting our regular grantmaking.
- COVID-19 Nonprofit Support Fund supports nonprofits struggling due to the crisis to help them continue to meet the needs of the community.
  - o Committed \$1 million to the Fund, including dollars to match donations raised for the Fund. Raised \$250,000 for the Fund, for a total of \$1.2M to date.
  - o Currently focused on organizations providing food, shelter, medical and mental health care, and homeless support.
  - o Currently funding staffing, technology, and equipment (such as PPE).

- Criteria may expand in the coming months as community needs evolve.
- Created a free webinar on Crisis Fundraising for nonprofits, focusing on major gift solicitation. (A video of the webinar remains available through Nonprofit Network.)
- Continue to provide staff coaching, assistance finding other funding sources, and other professional support to all charitable nonprofits in the tri-counties.
- Continue to serve on Lansing Mayor Schor's Community Response Cabinet.

**Current priorities of other area funders:**

- Capital Area United Way continues to focus on ALICE households and has been fundraising for its Emergency Relief Fund, which supports individuals and households who are struggling with basic needs. (Note: The Community Foundation and CAUW have teamed fundraising efforts in several ways, including within the City of Lansing's #ONELANSING campaign.)
- RE Olds Foundation, Dart Foundation, and Jackson National are prioritizing basic needs requests.
- Joe D. Pentacost Foundation and Thoman Foundation are closely monitoring the community needs to see if/how they can align with their existing priorities.
- Delta Dental Foundation created a special fund that provides support to safety net dental clinics, as well as nonprofits that provide health care or food assistance to vulnerable populations.
- Consumers Energy Foundation is providing support to basic needs organizations and efforts that support economic development.
- AF Group and BCBSM primarily focus on providing opportunities for their employees to give, as well as finding opportunities for safe and/or virtual volunteering.