

The Impact of COVID on LA County Nonprofits



As the stay-at-home order swept through the state in March, the impact on nonprofit organizations across the county hit faster, deeper, and more profoundly than any challenge faced by our sector in recent memory.

- Revenue from fundraising events dried up in an instant.
- In-person programming could no longer generate fees for services.
- Human service organizations could not keep up with the increasing demand for food, healthcare, and mental health impacts, while arts and culture organizations simply furloughed staff to regroup.
- Even nonprofits that started 2020 in a strong financial position are concerned about lasting through 2021; a full 20% told CNM they were planning to close.

Add to these factors the renewed urgency around issues of anti-Black racism and diversity, equity and inclusion brought on by the murder of George Floyd, and nonprofit organizations — particularly those serving communities most in need, are themselves in need of support more than ever before.

Since March, more than 6,000 nonprofit leaders have joined our virtual events including the 501(c)onference, weekly virtual Lunch & Learns, special event webinars and our seminar and certificate programs, all designed to help address the current crisis. From what we're hearing, we'd like to share some themes that have emerged.

4 Things To Keep In Mind



Flexibility is Key

- Nonprofits are exploring creative ways to pivot their programming to a virtual format and finding new ways to fundraise online.
- Funders can revise grant and contract terms, ideally converting funding to general operating support.



Sustainability Planning is Mission Critical

- The decline in donations is significant and the CARES act left many nonprofits behind. Scenario planning should be underway to help nonprofits identify financial and operational options for the short and long term.
- Ensuring PPP loans are forgiven is also becoming priority, with the time period for nonprofits to make sure they have proper documentation coming up soon.



Remote Working Isn't Just About Leaving the Office

- Maintaining staff morale, managing teams, engaging board members and other volunteers, and addressing isolation are just a few of the issues nonprofit leaders are grappling with.
- Both funders and nonprofits can foster collaborations and partnerships between organizations.



DEI Work is Going Deeper

- After initially sharing statements in response to the murder of George Floyd and ensuing protests, many organizations are digging deeper on their DEI work. Meaningful change will only be realized if this work involves staff, board and programs as part of an authentic process that lasts.
- Funders are supportive of this work, but are also juggling the urgent needs nonprofits are grappling with in response to huge economic contractions.