

# 2021 SECTOR SNAPSHOT

## EMERGING FROM CHAOS

One year after the onset of the deadly virus, and the economic devastation that forced many nonprofit organizations to quickly change course in response, it seems that overall our sector may have weathered the crisis better than some might have been expected due, in part, to the influx of PPP loans and millions in private and philanthropic funding to meet urgent needs in 2020. Looking ahead, serious challenges and unique opportunities emerged in 2021.

According to the hundreds of local nonprofit leaders who responded to our survey, a majority are now evaluating what changed over the past twelve months, what lessons, opportunities and challenges have emerged, and how to be prepared for different scenarios as conditions evolve.

### MANAGING LOSS

Organizations were creative and nimble, responding to growing need, keeping staff protected or working virtually, or standing by until they could operate:

**12%**

expected to close their doors by the end of 2020

**18%**

needed to reduce staff

### MOVING FORWARD WITH FINANCIAL UNCERTAINTY

Looking forward to a post-COVID era of recovery, nonprofits will still be operating with significant uncertainty:

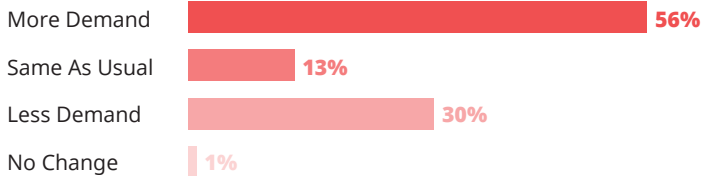
**75%**

expect revenue to go down this year

**38%**

have less than 3 months in reserves

### MEETING COMMUNITY NEED



**56%**

are working to trim administrative costs

**41%**

are currently hiring new staff

### BUILDING CAPACITY

Nonprofits are looking at strategies to operate more efficiently and build resilience:

#### PLANNING

- **67% are interested in strategic planning** as a way to increase impact
- **77% are engaging in scenario planning**, with 38% saying this was already in progress

#### INVESTING

- **60% are investing in technology**
- **50% are spending on marketing and new media outreach**

#### SEEKING

- **71% are recruiting new board members**
- **72% are exploring new revenue sources**, including earned income, grants and donations

### PARTICIPANT SERVICE AREA

Ventura San Diego San Bernardino Riverside Orange Other Los Angeles

### PARTICIPANT BUDGET

< \$100k \$100k-\$250k \$500k-\$1m \$1m-\$4m \$5m-\$10m \$11m-\$20m \$20m+

Every year since 2009, CNM's Sector Snapshot has tracked current trends impacting organizational capacity to succeed. We share the results with nonprofit, corporate, government, and philanthropic colleagues to inform decisions and planning. The data reported here were collected between February 3-26, 2021, and reflect the experiences of 235 Southern California nonprofit organizations.