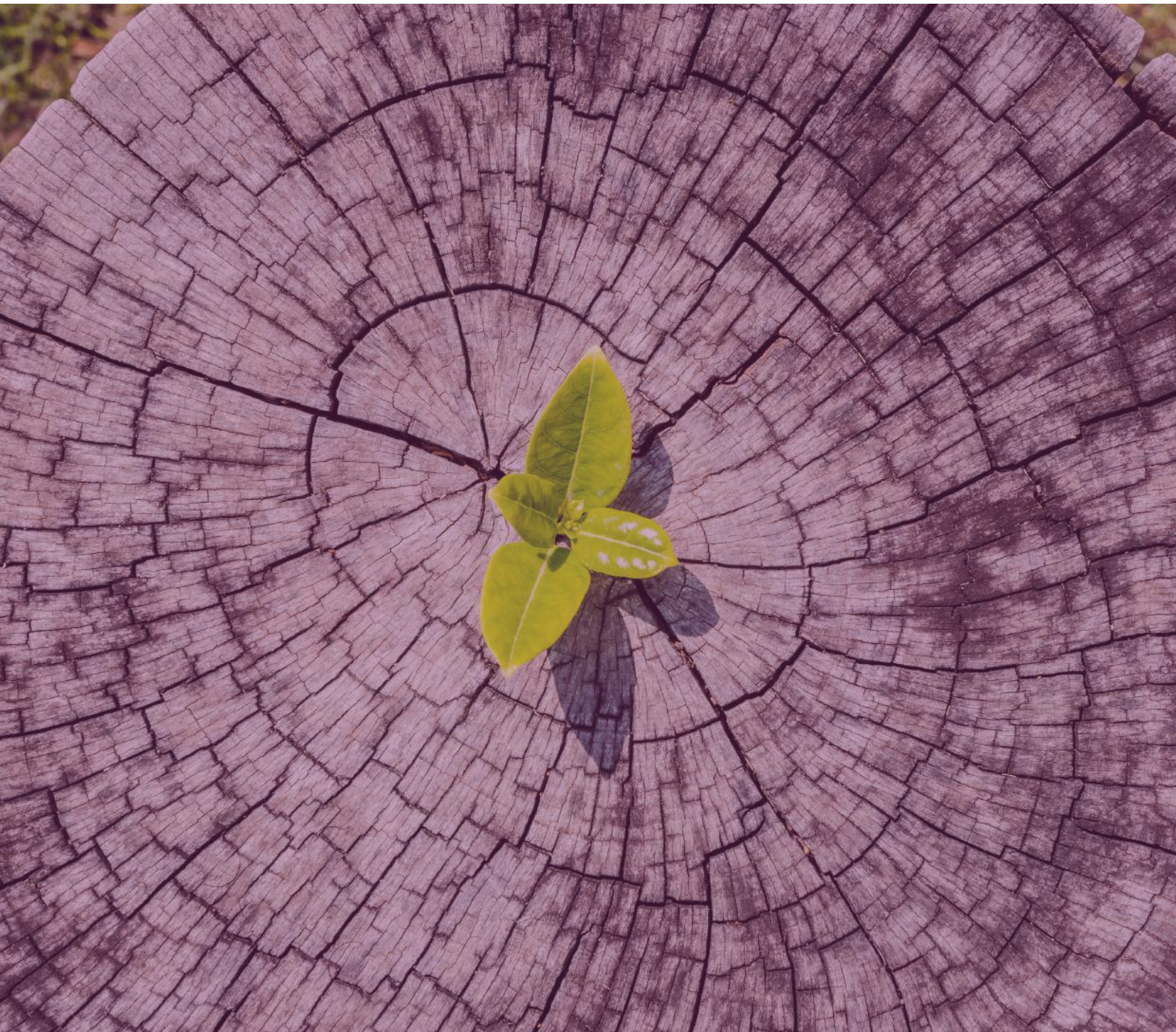


# Ontario Nonprofits and the Impact of COVID-19: **A flash survey report**

April 6, 2020



# 02

## Ontario Nonprofit Network

ONN is the independent nonprofit network for the 58,000 nonprofits in Ontario, focused on policy, advocacy and services to strengthen Ontario's nonprofit sector as a key pillar of our society and economy. ONN works to create a public policy environment that allows nonprofits to thrive. We engage our network of diverse nonprofit organizations across Ontario to work together on issues affecting the sector and channel the voices of our network to governments, funders, and other stakeholders.

### Vision

A strong and resilient nonprofit sector. Thriving communities. A dynamic province

### Mission

To engage, advocate, and lead with - and for - nonprofit and charitable organizations that work for the public benefit of Ontario.

### Values

**Courage** to take risks and do things differently. **Diversity** of perspectives, creativity and expertise to get stuff done. **Optimism** and determination. **Solutions** created by the sector, with the sector, for the sector. **Celebrating** our successes and **learning** from our experiences. **Strength** that comes from working **together**.

# 03

## Acknowledgements

We would like to thank all of the respondents of the survey, as well as ONN's partners for sharing the survey and encouraging organizations in their networks to participate, providing valuable data for this initiative. Initiatives such as this are possible thanks to the generous support of ONN members and supporters.

# 04

## Executive Summary

Ontario's nonprofits and charities are facing a triple threat as a result of COVID-19: an abrupt loss of revenue from the cancellation of fundraising events and a steep drop-off in donations; the closure of offices and cancellation of programs and services due to pandemic restrictions; and unprecedented human resource challenges in terms of both paid staff and volunteers. The Ontario Nonprofit Network conducted a flash survey to examine how organizations across Ontario are being impacted by the COVID-19 pandemic.

Nonprofit leaders are concerned about the safety of their employees, many of whom are front-line staff with insufficient access to personal protective equipment (community workers, personal support workers, child care workers, and shelter staff). Leaders are also deeply worried about the capacity of their organizations to carry out their missions amid the crisis.

Arts organizations are having to cancel shows, recreation centres have been shut due to the state of emergency, and front-line social services and residential homes are struggling to provide services safely without access to adequate testing and personal protection equipment (PPE). Catering, courier, and retail social enterprises that employ people with disabilities have had to close up shop. Food banks are running low on provisions and volunteers. The situation is dire.

But even in the face of what are challenging times, nonprofits remain resilient, working on the frontlines to support their communities they serve in an unparalleled time of need.

The survey was open to Ontario nonprofits, charities, and nonprofit co-operatives with a mission to serve a public benefit, aimed specifically at executive directors and other senior leaders. It was conducted between March 23 and April 2, 2020, and garnered 483 responses via an online tool.

# 05

## Key findings

### Operations

- Over three-quarters of respondents have experienced disruption of services to clients and communities
- Almost one in five nonprofits have closed their doors - at least for now - because of the pandemic or are making plans to do so

### Revenue

- Close to 75 per cent of respondents have seen reduced revenue from fundraising, with the hard-hit arts sector reporting an 81 per cent reduction in ticket and event sales
- The impact of the COVID-19 pandemic will cost almost half (43 per cent) of organizations between \$50,000 and \$249,999 each. Another 10 per cent estimate the financial impact to be \$1 million or more. Seventeen per cent estimate the impact on their organization at less than \$50,000
- Of those that are continuing operation during Ontario's state of emergency, one in four (27 per cent) indicated that they would need less than \$50,000 of emergency funding to remain operational. A small minority (7 per cent) indicated they would need over \$1 million to continue to meet (often increasing) demand

### Human Resources

- Nonprofits are experiencing staff and volunteer absences of 35 per cent (45 per cent in the social services sector) due to concerns about contagion in doing their work. Many respondents from nonprofits performing essential services, including community health organizations and long-term care homes, commented on a lack of personal protective equipment (PPE)
- One third (36 per cent) of respondents indicated that their organization has either reduced hours for workers or have had to lay off staff. The pandemic and state of emergency have been particularly devastating for workers in arts and culture, sports and recreation, child care, and nonprofit social enterprises

# 06

## Key findings

### Some subsector highlights

- Differential impacts are being experienced by different parts of the nonprofit sector:
  - Social services: 93 per cent of respondents have experienced or anticipate a disruption in service to clients and community
  - Employment and training: 48 per cent have laid off or will have to lay off staff
  - Arts and culture: has experienced 81 per cent reduction in ticket and event sales
  - Social enterprises: Courier, catering, and retail social enterprises that often employ people with barriers to the labour market have closed their doors for the duration
  - Health: 31 per cent have resources to sustain their organizations for only the next three to six months, while 38 per cent are unsure how long their resources will last because of the unpredictable nature of the pandemic and its effects on physical and mental health

Nonprofits are demonstrating the depth of their resilience, only two weeks into the crisis. Almost 50 per cent of nonprofits are open and operating, but have modified their regular operations - in some cases rapidly moving their work online, in other cases radically transforming services to accommodate the requirement for physical distancing.

What we heard from the sector:

"We are operating, but our offices are closed, we're all working remotely and we've changed how we're delivering almost all of our programs."

# 07

## ONN advocacy in action

With continued uncertainty about whether nonprofits can access federal wage subsidies at the time of writing, and no announcement to date of a federal or provincial emergency stabilization fund, many nonprofits do not know how they can continue to pay staff and are beginning to lay off workers. With almost half of Ontario's nonprofits not having even three months' reserve funds, ONN is deeply concerned about the impact of COVID-19 and the related economic downturn on the sector and the communities they serve. We urge governments at all levels, as well as other funders and donors, to step up to ensure that nonprofits and charities can continue to meet their missions and serve their communities in these extremely challenging times.

1. Informed by these findings and our network more generally, ONN will continue to advocate for:

- **An emergency nonprofit sector stabilization fund** that is adequate to address the urgent needs of the nonprofit sector as an employer of one million Ontarians across a vast range of industries: social services, health, arts and culture, sport and recreation, environment, faith groups, social enterprises, and more
- **Flexibility in funding agreements** from public and private funders so that nonprofits can do whatever it takes to keep the doors open during the crisis and/or rapidly re-start operations following the state of emergency
- **Paid sick leave** and other provisions that support nonprofits to be **Decent Work employers** - in crisis contexts and beyond
- Access to adequate **personal protective equipment (PPE)** for front-line workers in community settings, such as neighbourhood groups who do isolation visits, along with home care, long-term care, and others
- **Access to emergency child care** for workers in settings that have been identified as **“essential,”** including health care and social services
- **A seat for nonprofits at planning tables** focused on economic recovery

# 08

## ONN advocacy in action

2. **ONN encourages all affected Ontario nonprofits to tell their stories** of the impact of the pandemic, state of emergency, and accompanying economic recession directly to government decision makers, along with proposed solutions for the challenges they face.
3. **ONN will continue its government relations and advocacy as attention turns to an economic recovery.** We will advocate for a recovery strategy that ensures our provincial and local economies meet the needs and aspirations of the diverse communities across Ontario. The strategy must also recognize essential workers of the economy - including those in sectors focused on care, community, and creativity that enhance the quality of life of all Ontarians.

## 1. Ontario nonprofits before COVID-19

In November 2019, ONN released the findings of its first Sector 360° Survey. From the survey emerged three themes that illustrated the state of the sector at that time: growing uncertainty, volatility as a result of massive systems transformations, and hope for the future. In light of the COVID-19 pandemic, it is important to highlight the rapidity with which things have changed in contrast to what remains the same.

At the time, nonprofits were living through the impacts of a provincial budget that left some with decreased funding and others with funding uncertainty. **Fifty per cent of nonprofits** had less than the bare minimum of three months of reserve funds. Despite the pressures and the volatility, however, nonprofits expressed considerable resilience, with over half of respondents indicating they could make continued progress towards their missions.



# 09

## 2. Survey respondents: A snapshot

ONN's survey was conducted between March 23 and April 2, 2020, to examine how nonprofits across Ontario are being impacted by the COVID-19 pandemic. The survey was open to Ontario nonprofits, charities, and nonprofit co-operatives with a public benefit mission. The survey garnered 483 responses via an online tool.

Summary of respondent characteristics:

- Just under half of the survey respondents were from the City of Toronto/Greater Toronto Area (45 per cent), with 8 per cent from Ottawa, and 5 per cent from Hamilton. (ONN will be highlighting regional differences in survey responses, including differential impacts on rural, remote, and Northern Ontario communities, in a future summary report.)
- Most of the nonprofits (42 per cent) are serving local communities; almost a third (28 per cent) are focused on regional communities, while 13 per cent are provincially focused
- The largest proportion of respondents operate in the following subsectors: social services (31 per cent), arts and culture (12 per cent), health (11 per cent), and education and research (including adult education and newcomer language and literacy programs) (13 per cent)
- Largest target groups primarily served by responding organizations: children and youth (51 per cent), low-income households (36 per cent) and newcomers and refugees (28 per cent)
- Most respondents had an annual operating budget between \$1 million and \$2 million (25 per cent); 17 per cent had a budget of \$100,000 to \$250,000, while 16 per cent had budgets in the range of \$500,000 to \$1 million
- Three out of five organizations employ between 1-19 staff (62 per cent); 14 per cent employ between 20-49 staff, with 9 per cent employing between 50-99 staff
- Mostly CEOs and Executive Directors filled out the survey (63 per cent); 13 per cent were managers, and another 12 per cent held the titles of Vice-President or Director

# 10

## 3. COVID-19: What nonprofits are experiencing

The coronavirus pandemic has erupted in communities around the world with a flood of system-changing impacts, not least for Ontario's nonprofits. Our survey findings show that Ontario nonprofits are facing a "triple whammy": an abrupt loss of revenue from the cancellation of fundraising events and a steep drop-off in donations; the closure of offices and cancellation of programs and services due to pandemic restrictions; and unprecedented human resource challenges in terms of both paid staff and volunteering.

The arts and culture, sports and recreation, and social enterprise sectors have been hardest hit in terms of loss of earned income. Arts organizations are having to cancel shows and in some cases entire performance seasons. Community sport groups and recreation centres have been shut due to the state of emergency. Catering, courier, and retail social enterprises that employ people with disabilities have had to close up shop, leaving many disadvantaged workers unemployed.

What we heard from the sector:

"Community sports organizations don't seem to be reflected in any government or not for profit discussions. If there is no sports season this spring/summer, we will likely need to declare bankruptcy as we have financial commitments and no revenue if no season."

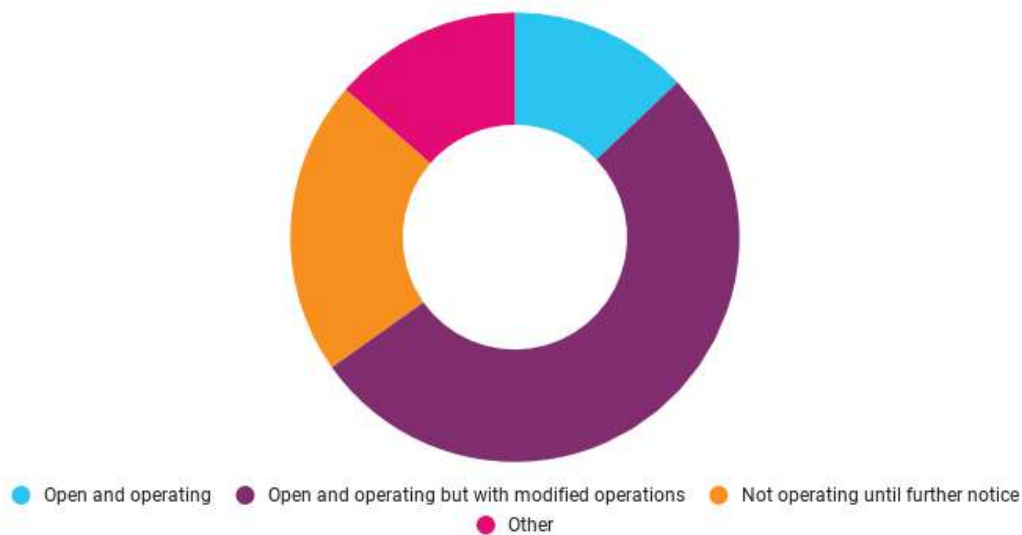
"I can say that arts organizations, dependent at least 50% on grant funding and otherwise on performance fees, are really in a bind. If we expend grant money but are unable to perform as promised we are in breach of our current agreements. Without performance payments we are basically, financially doomed."

# 11

## 3. COVID-19: What nonprofits are experiencing

The majority of nonprofits, however, are still open during the state of emergency. Home care, food banks, homeless shelters, nonprofit housing, community living, drop-in programs, seniors services, employment services, and countless others continue to serve their communities, and in many cases offer support to people whose lives may be disrupted by closures and illness. Front-line social services and residential services, including women’s shelters, community living, nonprofit housing, and more, are struggling to provide services safely without access to adequate testing and personal protection equipment.

**How nonprofits are operating due to COVID-19**



# 12

## Disruptions of services and increased demand

**Almost 20 per cent of respondents have closed their doors (at least temporarily) in the wake of a declaration of state of emergency in Ontario.** This finding alone speaks to the rapid effects of the pandemic and state of emergency.

**Almost 80 per cent of respondents have experienced or anticipate a disruption of services for clients or communities, and yet almost two-thirds (65 per cent) are open and operating.** Fifty per cent indicate that their doors remain open with some modifications. These modifications generally include moving rapidly from in-person to online modes of operation, and/or having to adapt service delivery to physical distancing requirements. In just one or two weeks, nonprofits have had to implement massive changes to how they do their work.

To date, over 70 per cent of respondents anticipate moving or have had to move their in-person events online using video conferencing software. This is coupled with 40 per cent of nonprofits seeing increased demand for their services, which may be related in many cases to a rapid wave of layoffs in major sectors of the economy. This is particularly the case for Ontario's food security organizations, for example.

# 13

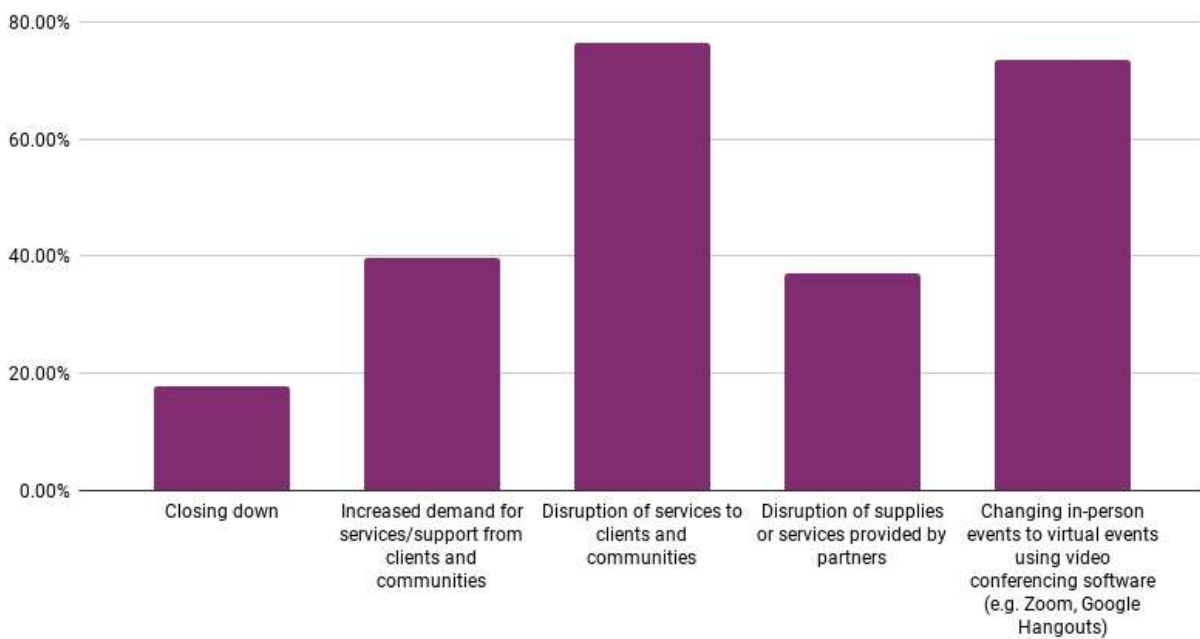
## Disruptions of services and increased demand

What we heard from the sector:

"We also have increased demand as we are doing a COVID-19 help project (where we have an app that can match people to those who need help) but it's 100% volunteer-run and can use a staff member to help develop and maintain it."

"Discontinued service delivery and not re-contracting with our staff, but keeping organization running administratively to raise funds and strategize on/manage its survival."

**Impact of COVID-19 to nonprofit operations**



# 14

## Reduced revenues

The majority of nonprofit respondents have seen two critical income streams reduced with the onset of the pandemic: **74 per cent anticipate or are experiencing a reduction in revenues from fundraising activities, while 58 per cent anticipate or have seen a decline in earned income sources.** Nonprofits often convene communities through annual conferences or local community engagement activities, such as arts performances or fundraising events. The cancellation of these events is a major hit to nonprofits' income. Other revenue sources nonprofits count on, like sponsorships and donations, are also affected by the cancellation of fundraising events.

What we heard from the sector:

"We have calculated that we will lose \$1.2 million in revenue if schools are closed until September. This is what we would need to continue operations at the same level."

"Anticipating a net revenue reduction in our current fiscal year, ending July 31 of \$250K - \$500K. Anticipating revenue reduction of \$1M+ next fiscal year if economies don't normalize."

"Our agency is heavily dependent on special event revenue / donations / sponsorship (i.e. 40%)."

With the impacts of the COVID-19 pandemic being felt worldwide, some nonprofits are also experiencing the downstream effects of what is happening in the global economy: **40 per cent of respondents indicated that they are experiencing budgetary constraints as a result of the rapid changes in various shifts in stocks, investments, as well as interest rates, for example.**

Charitable foundations or more established charities with larger reserve funds are the most affected directly by changes in investment income.

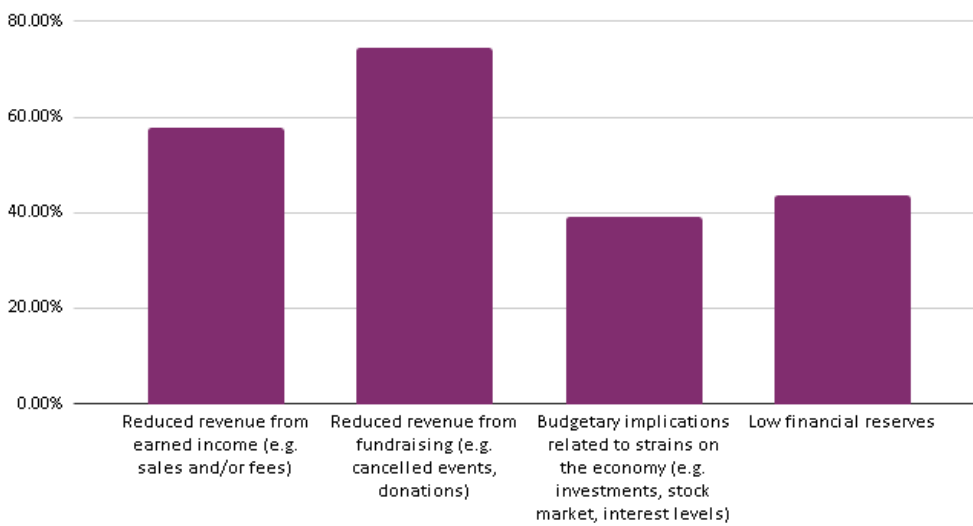
# 15

## Reduced revenues

What we heard from the sector:

"Our reserves are tied to investments that are disappearing rapidly."

**Impact of COVID-19 to nonprofit finances**



# 16

## Remote work, staff layoffs, and dwindling volunteer numbers

The nonprofit sector employs one million workers, of which 600,000 are full time and 400,000 are part time. In addition, the sector benefits from the efforts of 5 million volunteers in Ontario. With the requirement to enforce physical distancing, **over 60 per cent of survey respondents are facing the challenge of having staff and volunteers work remotely, with an additional 40 per cent indicating that they will have to update or establish remote work policies.**

What we heard from the sector:

“We have closed our doors until further notice, but staff are offering support to clients over the phone and email as much as possible, which significantly limits the impact of our services and outcomes for people”

“...we have no funds coming in but have had to buy equipment for remote work and counselling totaling \$10,000 if we want to continue to help our clients”

With the fear of COVID-19 spreading and difficulty securing child care, about **35 per cent of respondents (45 per cent in social services) have seen an increased or sustained rate of staff and volunteer absences.** This may be attributed to what is becoming an increasingly dangerous work situation for some nonprofit workers, many of whom are concerned about working without adequate personal protective equipment. Many volunteers are seniors, who are at high-risk during the pandemic, as well as youth; for some nonprofits their volunteer numbers have declined. Because we are only in the first phase of the pandemic, many nonprofits expect these numbers to rise.



# 17

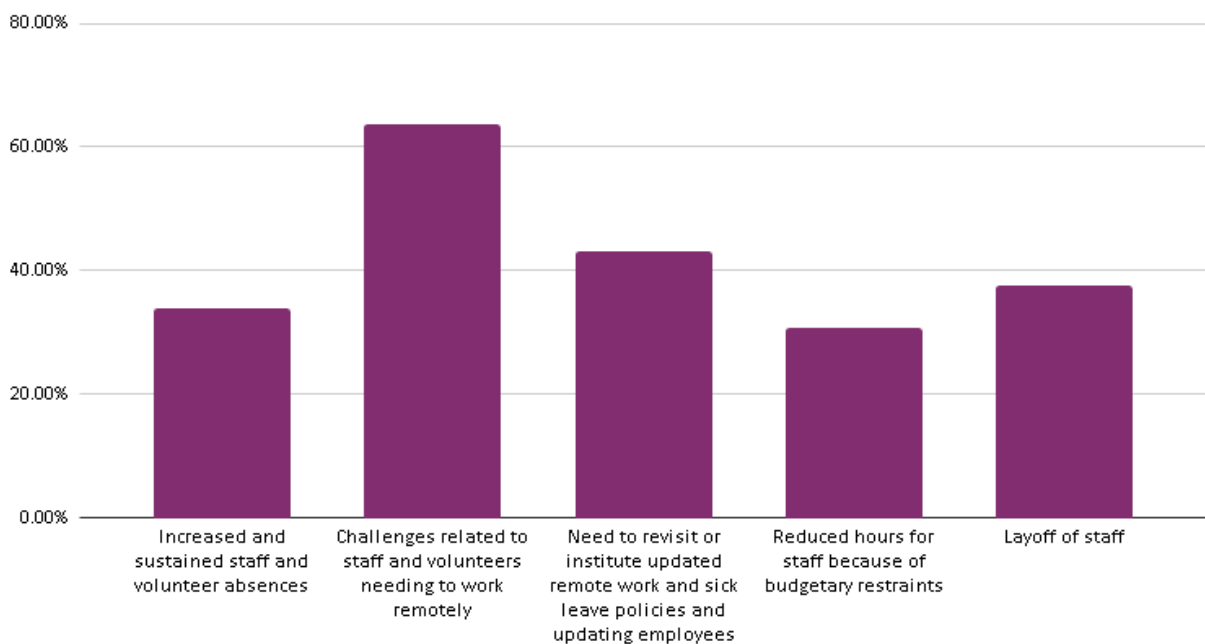
## Remote work, staff layoffs and dwindling volunteer numbers

One of the most significant findings of this survey is that **one third of respondents indicate that they have either reduced hours for their workers or have had to lay off staff.** Thirty six per cent of nonprofits organizations have laid off staff and 30 per cent have reduced hours of work.

What we heard from the sector:

"We are starting staff layoffs this week and within the next three weeks will have laid off the majority of our staff. Our close to 400 workshops presenters are independent contractors, and with schools and community sites being closed, are not earning any income."

**Impact of COVID-19 to nonprofit human resources**



# 18

## What does this mean for nonprofits?

Overall, nonprofits are facing unprecedented challenges while juggling massive change, balancing shutdowns or disruption of operations, revising budgets to adapt to reduced revenue from fundraising, and changing in-person events to virtual events. Relief cannot come soon enough given that, within two weeks of the pandemic, already one-fifth of organizations have closed their doors (at least temporarily). Based on the survey findings, organizations that have been the hardest hit are social services, child care, social enterprises, arts and culture, and health (see below). As the pandemic continues, we anticipate an increase in disruptions due to staff and volunteer illness, further increased demand for services as the economic recession takes hold, and continued adaptation to new ways of working as nonprofits manage subsequent phases of the COVID-19 pandemic.

What we heard from the sector:

"We, and my sister agencies across Ontario, serve a unique population; we are fearful that our entire sector will disappear by year end, leaving a huge gap on support for this population. Thank you for all your support."

# 19

## Nonprofit resilience in action

Just two weeks into a pandemic and state of emergency, many responses from Ontario's nonprofits showed the sector's resilience. One wrote: "With good leadership, we'll make it through to the other side!" A large number spoke to rapidly moving services online where feasible to continue doing business during the crisis. Respondents also noted reaching out to funders and service providers to negotiate financial plans, recognizing staff and volunteers who were going above and beyond their usual responsibilities, and advocating for hardware for clients to access services, for example.

A few leaders were already turning their attention to what comes next. As one respondent wrote, "**We need to continue long-term thinking and planning ...**"

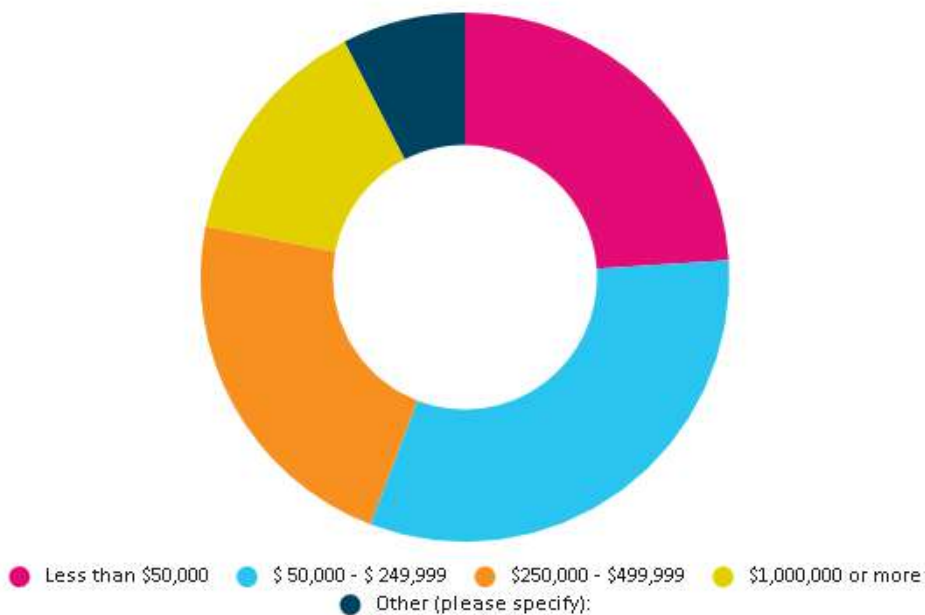
# 20

## 4. COVID-19: The financial impact and what nonprofits need

For years, nonprofits have operated with tight budgets, often absorbing inflationary costs without increasing revenues. It is no overstatement to say that, with this pandemic, the nonprofit sector is facing a financial cliff. In Ontario, for a sector that contributes over \$50 billion to the province’s GDP, the financial impacts and economic fallout will be significant if nonprofits are not supported during the emergency and in the post-COVID-19 pandemic recovery period with the critical investments they need.

Nonprofit respondents were asked to indicate the emergency support they would need to weather the worst of the pandemic, as well as to estimate the total financial impact of the COVID-19 pandemic (states of emergency, related economic downturn) on their operations, given what they knew at the time.

**Total financial impact on nonprofits from the COVID-19 pandemic**



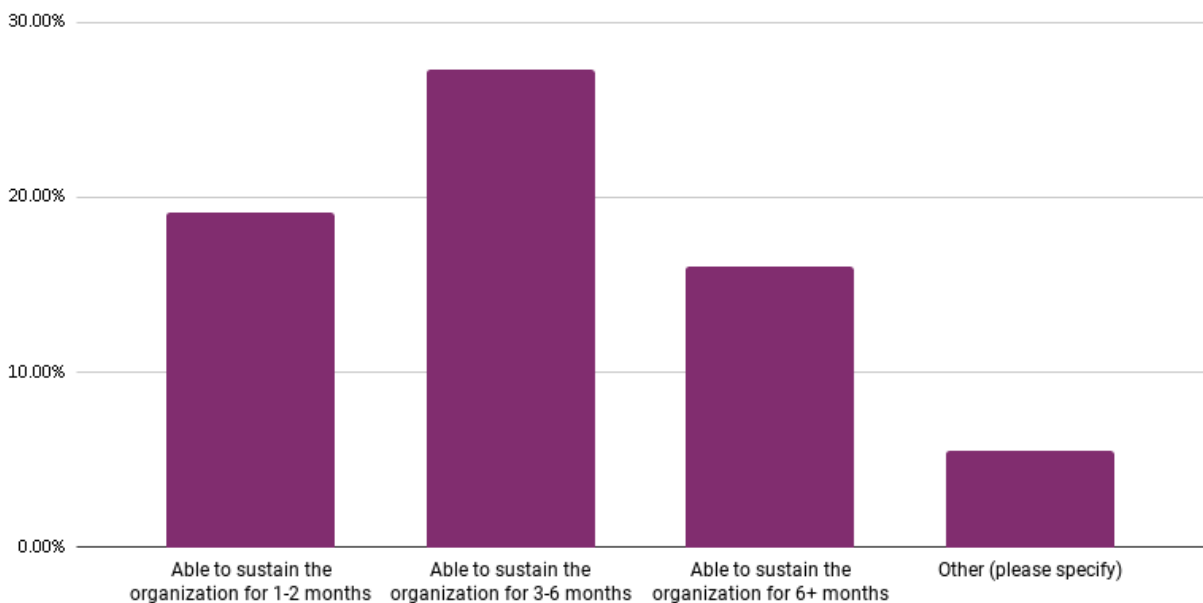
# 21

## Limited reserves and shrinking financial supports

As noted above, most nonprofits went into this crisis already feeling the pinch in terms of operating reserves. Depending on their size, having an operating reserve (or cash reserves) indicates how nonprofits can deal with a shortfall, unforeseen expenses, or unexpected opportunities. Not surprisingly, 40 per cent of our COVID survey respondents identified that they have "low financial reserves" available.

**Of those nonprofits that had to cease operations or provide services or programs during the state of emergency, almost one in five (18 per cent) reported being able to sustain themselves for less than a month.** Another 27 per cent reported being sustainable for three to six months, and 16 per cent indicated that they would be able to sustain themselves beyond six months. Thirty-three per cent reported that this was not applicable and another five per cent selected "other," primarily because they are unsure at this time, according to comments provided.

**Financial forecast for nonprofits who have stopped operating or providing services or programs at this time**



# 22

What we heard from the sector:

"Our reserve fund can only last about 2 months."

"Our club operates at very low margins as we want to make sports as accessible as possible. Therefore, we have no reserves to see us through a non-playing season."

## The financial fallout of COVID-19 will impact nonprofits' bottom lines

**The impact of the COVID-19 pandemic will cost almost half (43 per cent) of organizations between \$50,000 and \$249,999 each** (responses were evenly split between the \$50,000 to \$99,999 and the \$100,000 to \$249,999 categories). **Another 10 per cent estimate the financial impact to be \$1 million or more.** Seventeen per cent estimate the impact on their organization at less than \$50,000. For the combined 8 per cent of nonprofits that chose "not applicable" or "other," many left comments indicating that they were still trying to determine the impact on their organizations.

What we heard from the sector:

"Further enhancement to the benefits provided for contracted arts workers whose contracts are being terminated through 'force majeure'. Our members are anticipating losing close to 60% of their 2020 income as a result of COVID-19."

# 23

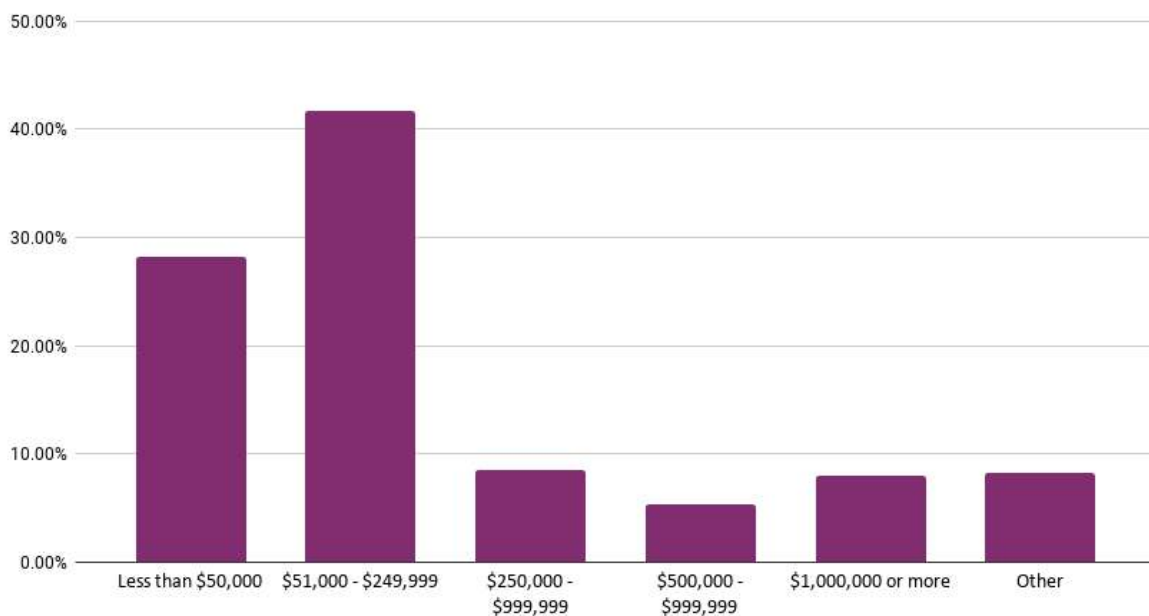
## Emergency funding will be critical for nonprofits over the short-term

For nonprofits that have remained open, **one in four (27 per cent) indicated that they would need less than \$50,000 of emergency funding** to keep their organizations operational. **Another fifth (20 per cent) indicated they would need emergency funding between \$50,000 and \$99,999.** Eight percent would need \$250,000 to \$500,000. Five percent would need \$500,000 to \$1 million. Finally, **seven percent indicated they would need over \$1 million** to continue to meet (often increasing) demand. Nonprofits are concerned with current demand for programs and services and are also worried about the future impacts of the pandemic on their organizations and the communities they serve. Emergency funds will be critical to keep their doors open as they pivot towards the recovery phase.

What we heard from the sector:

"Not sure if I qualify for anything, it feels like I'm invisible."

Levels of emergency funded needed by nonprofits to maintain operations and meet demand



# 24

## What nonprofits need now

When respondents were asked about the things they need in the immediate term from foundations, government, and businesses, this is what they identified:

### 1. An emergency stabilization fund and bridge funding

An overwhelming majority (**79 per cent**) of respondents identified a **stabilization fund and bridge funding as critical needs**. As ONN has advocated to the government, a stabilization fund will be critical for nonprofits, especially given the loss of revenues they are facing at this time. Given that almost half of respondents estimate that the total financial impact of COVID-19 pandemic on their organization will be between \$50,000 and \$249,999, a stabilization fund would help them to manage the worst of the crisis. It is imperative that the stabilization fund account for short-term stabilization and longer-term economic recovery. Knowing that emergency funding will take time to flow, short-term bridge funding in the form of zero-interest loans would help nonprofits keep the doors open.

What we heard from the sector:

"As an emergency fund - each organization needs different things and has different concerns. We need to be trusted to use funds as needed for our specific organization's concerns."

"Help organizations keep paying staff & maintain liquidity - can be a mix of grant and loans. We are concerned that if organizations file for bankruptcy or lay-off core staff for prolonged periods, they will face challenges in later executing the marketing, programming, and fundraising plans that will make a quick recovery possible."



# 25

## What nonprofits need now

### 2. Operating expense relief

Nonprofits indicated that they would like to see a variety of comprehensive supports to keep them operating throughout the crisis. **Almost a third (29 per cent) of nonprofits identified rent support for nonprofits that lease space, as well as mortgage support** where applicable. A large segment of nonprofits indicated that having free access to telecommunications software or tools would allow them to better manage their operations.

What we heard from the sector:

"We will be most impacted if our renters and our donors can't return to "normal" levels once social distancing is no longer required - so supplements to help them get on their feet are as important to us as anything coming directly to us."

"Free access to teleconferencing software would be huge."

# 26

## What nonprofits need now

### 3. Worker and staff supports

Almost a third of nonprofits respondents (31 per cent) would like to see increased support to enable them to retain staff. Twelve per cent also identified better worker support such as paid sick leave, top ups for Employment Insurance (EI), or extension of unemployment benefits for workers during this time. Many nonprofits with frontline workers expressed concern about the lack of personal protective equipment for their staff.

What we heard from the sector:

"Our biggest issue right now is lack of access to PPE, as hospitals are being prioritized, but as a community support agency serving seniors, we are unable to send staff into clients' homes to clean etc without PPE."

## COVID-19: Sector by Sector

The following sections highlight how some of the different nonprofit subsectors have been impacted.

ONN uses a typology of subsectors from the [Johns Hopkins Comparative Nonprofit Sector Project](#).

# 27

## Social Services

The social services sector has been hit particularly hard, in that this sector generally provides services for those that are most vulnerable, including food banks, shelters, and community centres that provide critical support. These disruptions to service, and requirement to adapt to state-of-emergency conditions have been particularly momentous, compounded in effect by the decline in revenues due to the pandemic.

**91%** Have experienced or anticipate a disruption in service to clients and community

**72%** See a decline in their revenues from fundraising

### Financial forecast and impact

1. 20 per cent can only sustain their organizations for about **1-2 months**
2. 22 per cent indicated that the impact from COVID-19 would be **\$100,000 to \$249,999**

### Top needs and measures for relief



Telecommuting software, equipment



Rent support



Stablization fund, bridge funding, wage subsidies

### Primary communities they serve

1. Children and youth (60 per cent)
2. Low-income households (48 per cent)
3. People experiencing poverty (43 per cent)
4. Newcomers ad refugees (37 per cent)
5. People licing with disabilities (35 per cent)



# 28

## Education and Research

The education and research sector includes organizations providing adult or newcomer literacy programs, employment-related training, and youth education programs. They have been deeply affected by staff and volunteer absences and face increased demand as the economic recession takes hold.

**48%** Have laid off or will have to lay off staff

**31%** Have sustained increased staff and volunteer absences

**28%** Have experienced closures

### Financial forecast and impact

1. 35 per cent can sustain their organizations for only about **1-2 months**
2. 29 per cent indicated the financial impact would be between **\$100,000 to \$249,999**.

### Top needs and measures for relief



Telecommuting software, equipment



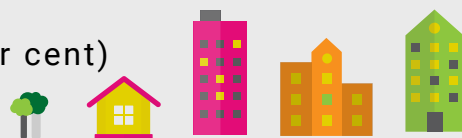
Rent support



Stablization fund, bridge funding, wage subsidies

### Primary communities they serve

1. Children and youth (68 per cent)
2. Low-income households (24 per cent)
3. People with employment barriers (32 per cent)
4. Newcomers and refugees (22 per cent)



# 29

## Arts and Culture Sector

The arts and culture sector has been devastated by the need to cancel events and, in some cases, entire seasons. Ontario's tourism industry is driven in large part by this sector and the impact of travel restrictions will also see an impact to the sector in the coming months. Over half (56 per cent) of these organizations have indicated they have low financial reserves. Moreover, their revenues have decreased substantially, in particular for the arts sector, which supports and depends on artists, many of whom are now unable to perform.

- 82%** Have reported reduced revenues from earned income and fundraising at the same level.
- 40%** Have had to close their doors until further notice
- 33%** Remain open with changes to how they go about their normal operations

### Financial forecast and impact

- 32 per cent indicated they would need between **\$50,000 and \$99,999**
- Approximately **one-quarter** say they would need **less than \$50,000**

# 30

## Arts and Culture Sector

### Top needs and measures for relief



Telecommuting software,  
equipment



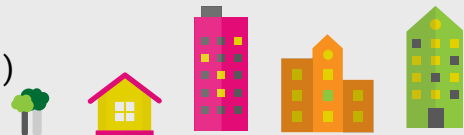
Rent support



Stablization fund, bridge  
funding, targeting  
funding for artists

### Primary communities they serve

1. Children and youth (40%)
2. Racialized communities (34%)
3. Indigenous communities (26%)
4. Youth experiencing multiple barriers (26%)



What we heard from the sector:

"I can say that arts organizations, dependent at least 50% on grant funding and otherwise on performance fees, are really in a bind. If we expend grant money but are unable to perform as promised we are in breach of our current agreements. Without performance payments we are basically, financially doomed. Funds to help it recover are essential."

# 31

## Health

It is unsurprising that nonprofits in the health sector are facing unprecedented challenges in light of the pandemic. It is a concern that 40 per cent have laid off or will lay off staff. There is a high level of uncertainty about financial forecasts given that, for the health sector, demand for use of services will only increase during the pandemic.

- 75%** Have reduced revenues
- 88%** Have had to change events from in-person to virtual
- 83%** Have experienced a disruption of services to clients and communities.
- 79%** Have had challenges related to staff and volunteers needing to do remote work

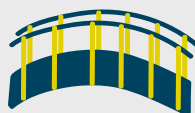
### Financial forecast and impact

1. 19 per cent would need **less than \$50,000**
2. 42 per cent estimated the impact to be between **\$100,000 and \$499,999**
3. 31 per cent can sustain their organizations for only about **3-6 months**

### Top needs and measures for relief



Stabilization Fund



Bridge funding



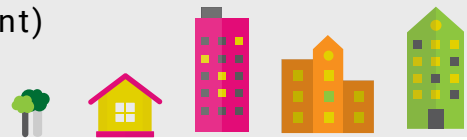
Access to personal protective equipment

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## Health

### Primary communities they serve

1. Seniors (56 per cent)
2. People living with mental health and addictions (52 per cent)
3. Children and youth (35 per cent)
4. Low-income household (35 per cent)
5. Persons living with disabilities (35 per cent)





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## Other subsector perspectives

### Impact on Ontario's nonprofit social enterprises

As a sector, Ontario nonprofits receive less than half of their revenue from governments. In fact, the majority of nonprofits receive no government funding at all. In a typical recession, nonprofit social enterprises work as a counter-balance to the rest of the economy, weathering downturns better than most and sustaining employment levels even as others lay off workforces. However, nonprofit social enterprises are now caught in a perfect storm. “Already it is clear to many in nonprofits and philanthropy that it is different this time,” one Nonprofit Quarterly journalist observed about the deadly combination of pandemic and recession.”

What we heard from the sector:

“[We need] long term emergency relief funding. The impact of COVID-19 on our organization will last for at least 18 months. We need support to help us overcome the many challenges ahead of us because the need for our programs have increased during this time and the revenue has come to a near standstill.”

### Child care in/for a women-majority nonprofit workforce

Knowing the sector’s workforce is 80 per cent women, who often have a greater responsibility for child-rearing responsibilities, ONN was particularly interested to hear perspectives on the child care ecosystem.

We were interested to hear from the perspective of nonprofit child care providers as well as from the perspective of parents who work in the nonprofit sector whose jobs were part of the “essential services” list, but did not have access to emergency child care under the state of emergency. The plight of working parents in essential services, as well as nonprofit workers whose jobs suddenly became remote, was exacerbated by the (necessary) shutdown of schools for the foreseeable future.



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## Other subsector perspectives

### Child care in/for a women-majority nonprofit workforce

Three perspectives emerged from the survey. The first is frustration from nonprofit workers who suddenly became full-time caregivers and educators to their own child while working from home, much like other sectors. According to one respondent, “expectations of productivity just because folks have laptops at home are completely unrealistic.”

The second perspective was from those concerned about the risks to those workers providing emergency child care. As one respondent observed, “Child care programs opening for essential service workers is a risky and dangerous option. It devalues the worth of the lives of educators.”

Thirdly, several respondents pointed to the fact that the pandemic arrived when the child care sector was already stretched to the limit. “Nonprofit child care was in crisis before the crisis,” noted one. “It is well known that staff in this sector are not paid what they are worth,” commented another.

As one nonprofit child care provider concluded, “without a clear provincial rescue/stability plan, every childcare worker will be laid off in the province, and some childcare centres will go under and not recover.”



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## Final reflections

In this challenging time, nonprofits continue to remain resilient. They have already implemented creative ways to support their communities and this work will continue. Only a few weeks into the crisis, some nonprofit leaders were already starting to turn their attention to planning for the recovery.

As the nonprofit sector continues to grapple with impacts of the COVID-19 pandemic, the responses above indicate the need to support organizations as they move from volatility to stability at a time when nonprofit workers and their communities are at considerable risk.

The pandemic will continue to impact nonprofits in phases and any support must account for the next three months, six months, 12 months, and beyond. It is also important to consider what the impacts will look like given the diversity of the sector, and the diversity of the communities nonprofits serve and support, including vulnerable populations.

Another important consideration is the disproportionate impact on women. From ONN's previous research, we know that Ontario's nonprofit sector is women-majority. Eighty per cent of the sector's workers are women, with racialized women, immigrant women, and women with disabilities experiencing unequal outcomes. The work that women in the sector do on the frontlines is often precarious. At the same time, we know that women are often caregivers, juggling work and family responsibilities. These conditions are intensified by the pandemic. Different groups of nonprofits workers - women or otherwise - will be impacted differently.

Yet Ontario's nonprofit sector is taking on a magnitude of work with incredible strength. The findings above highlight that nonprofits and their workers are essential to community well-being and to our local economies.

With most of the sector now mandated as essential services during the provincial state of emergency, governments need to signal both a renewed commitment to and support for nonprofits.

As employers and stewards of volunteers, service providers, and builders of communities, nonprofits are committed to withstand this storm to ensure that Ontario communities and their economies survive, and thrive, post COVID-19.

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## Appendices

### Appendix A - Methodology

#### Designing the survey

The survey focused on ten questions to gauge the impact of the COVID-19 pandemic on Ontario's nonprofits. Our focus was the following:

1. Organization characteristics (geography, location, size of organization, organizational mandate/scope, subsector, communities served, etc.);
2. Financial impacts and financial forecast;
3. Supports needed.

Given the diverse characteristics of the nonprofit sector, we focused on these areas to be able to analyze where and what sectors have been impacted, whether the impact is on nonprofits' ability to operate and provide services to their communities, as well as to observe how nonprofits are dealing with challenges the pandemic has created, and the decisions they will have or have had to consider. *A list of survey questions can be found in Appendix B.*

#### Sample and survey administration

This survey was open to all nonprofits in Ontario (including charities and nonprofit co-operatives) with a mission to serve a public benefit, as well as grassroots groups in Ontario, with a focus on executive directors and senior leaders within these organizations. The online survey was available in English and consisted of 20 questions. The survey was administered using Survey Monkey over one week (March 23 - April 2, 2020). ONN and our network members promoted the survey questionnaire through online and offline channels. *A profile of respondents can be found in Appendix C.*

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## Appendix A - Methodology

### Limitations

The survey analysis was based on the number of respondents who answered the questions. A random representative sample was not conducted for the survey, and as such, the results of this survey is not and should not be interpreted as statistically representative of the composition of Ontario's nonprofit sector.

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## Appendix B - Survey Questionnaire

### Understanding the COVID-19 pandemic on nonprofits

1. What impacts has your organization experienced or anticipates experiencing? (Check all that apply.)
  - Reduced revenue from earned income (e.g. sales and/or fees)
  - Reduced revenue from fundraising (e.g. cancelled events, donations)
  - Budgetary implications related to strains on the economy (e.g. investments, stock market, interest levels)
  - Low financial reserves
  - Changing in-person events to virtual events using video conferencing software (e.g. Zoom, Google Hangouts)
  - Disruption of supplies or services provided by partners
  - Disruption of services to clients and communities
  - Increased demand for services/support from clients and communities
  - Increased and sustained staff and volunteer absences
  - Challenges related to staff and volunteers needing to work remotely
  - Need to revisit or institute updated remote work and sick leave policies and updating employees
  - Reduced hours for staff because of budgetary restraints
  - Layoff of staff
  - Closing down
  - Other (please specify):
  
2. Is your nonprofit staying open and operating (check that which best applies):
  - Yes, we are open and operating
  - Yes, we are open and operating, but have modified our regular operation
  - No, we have had to close our doors until further notice
  - Other:

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## Appendix B - Survey Questionnaire

### Understanding the COVID-19 pandemic on nonprofits

3. a) If you are continuing to operate or provide services under these conditions, what level of emergency funding do you need to maintain operations and meet demand?

- a. Less than \$50,000
- b. \$51,000 - \$999,999
- c. \$100,000 - \$249,999
- d. \$250,000 - \$499,999
- e. \$500,000 - \$999,999
- f. \$1,000,000 or more
- g. Not applicable
- h. Other

3. b) If you have stopped operating or providing services or programs at this time, what is your financial forecast?

- We are able to sustain our organization for 1-2 months
- We are able to sustain our organization for 3-6 months
- We are able to sustain our organization for the next 6 months+
- Not applicable
- Other

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## Appendix B - Survey Questionnaire

### Understanding the COVID-19 pandemic on nonprofits

4. Please estimate the total financial impact that the COVID-19 pandemic (states of emergency, related downturn) will have on programs, services, or general operations of your organization to the best of your knowledge, given what you know today.

- a. Less than \$50,000
- b. \$51,000 - \$99,999
- c. \$100,000 - \$249,999
- d. \$250,000 - \$499,999
- e. \$500,000 - \$999,999
- f. \$1,000,000 or more
- g. Not applicable
- h. Other

5. Are there any other resources or supports that foundations, businesses, or government could provide that would help your organization respond to the COVID-19 pandemic? This could include free access to telecommuting software, reimbursement for paid sick leave for staff, extension of unemployment benefits, mortgage or rent freeze, bridge funding, or other.

6. If additional government funding or relief measures to combat the COVID-19 pandemic in Ontario becomes available, how would you like to see those resources directed for the sector and communities (e.g. stabilization fund, gender specific fund or bridge funding)?

7. Are there any additional resources or guidance that ONN could provide or share now or in the future related to the COVID-19 pandemic?

8. What else do you want us to know?



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## Appendix C - Profile of Respondents

Note that percentages may not add up to 100 due to rounding

### Subsector

- Arts, culture, tourism, 12 per cent
- Business associations, professional associations and unions, 3 per cent
- Development and housing, 3 per cent
- Education and research (adult education, newcomer language & literacy training, etc.), 13 per cent
- Environment, 6 per cent
- Grantmaking, fundraising, and voluntarism promotion, 3 per cent
- Health (e.g. nursing homes, mental health and crisis intervention, rehabilitation), 11 per cent
- Hospitals, universities and colleges, 1 per cent
- International, 1 per cent
- Law, advocacy, politics, 2 per cent
- Religion, 2 per cent
- Social services (e.g. child and youth welfare, family services, services for people with disabilities, services for the elderly), 31 per cent
- Sports, recreation and other social clubs (e.g. leisure clubs, fitness and wellness, amateur sport), 5 per cent
- Other (please specify), 6 per cent

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## Appendix C - Profile of Respondents

### Communities you serve

- Children and youths, 52 per cent
- Indigenous communities, 17 per cent
- LGBTQ2S communities, 18 per cent
- Low-income households, 35 per cent
- Newcomers and refugees, 29 per cent
- Persons living with disabilities (e.g. autism, physical, vision, intellectual), 26 per cent
- People living with mental health or addictions, 25 per cent
- People living with employment barriers, 25 per cent
- People experiencing homelessness, 16 per cent
- People experiencing poverty, 29 per cent
- Rural and remote communities, 17 per cent
- Racialized communities (e.g. Black, People of Colour), 22 per cent
- Seniors, 26 per cent
- Women and/or girls, 23 per cent
- Youths experiencing multiple barriers, 26 per cent
- Other (e.g. Francophone communities recently incarcerated), 17 per cent
- Not applicable, 12 per cent

### Organizational scope

- Local, 43 per cent
- Regional, 29 per cent
- Provincial, 13 per cent
- National, 13 per cent
- International, 2 per cent

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## Appendix C - Profile of Respondents

### Budget

- 0 - \$99,999, 8 per cent
- \$100,000 - \$249,999, 17 per cent
- \$250,000 - \$499,999, 13 per cent
- \$500,000 - \$999,999, 16 per cent
- \$1,000,000 - \$2,999,999, 24 per cent
- \$3,000,000 - \$4,999,999, 6 per cent
- \$5,000,000 - 9,999,999, 6 per cent
- \$10,000,000 or more, 10 per cent

### Number of paid staff

- 0, 6 per cent
- 1-19, 61 per cent
- 20-49, 14 per cent
- 50 - 99, 9 per cent
- 100-249, 5 per cent
- 250 -499, 3 per cent
- 500+, 2 per cent