

Nonprofits show resilience and initiative during second year of pandemic

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More than a year into the pandemic, Washington nonprofits have shown

resiliency in serving their communities and staying afloat, a study from the Evans School of Public Policy & Governance at the University of Washington shows.

The new study explores not only how the [pandemic](#) economy impacted donations to—and the operations of—charitable organizations, but also how nonprofits responded to the simultaneous call for racial justice.

"The dual pandemic created challenges and opportunities for funding, service delivery and operations," said Emily Finchum-Mason, a doctoral candidate in public policy and one of the report's authors. "Changes made by nonprofits and funders will bring long-term benefits in terms of access to services and a greater focus on addressing racial inequities. But the short-term sacrifices—especially for smaller, BIPOC-led and -serving organizations—were significant. And those sacrifices are ongoing."

The study marks the second phase of research into the effects of the pandemic on Washington's [nonprofit](#) sector. The first phase, published in fall 2020, surveyed more than 200 organizations and showed how donations were down, community needs were up, and called on governments and other institutions to step up their support.

A year later, new findings from a subset of 37 organizations have revealed how public and private relief funds came to the rescue for many organizations but can't be counted on over the long term. The new phase of research also concentrated on how organizations responded to communities of color and incorporated diversity, equity and inclusion into their decision-making and administration.

The more than three dozen organizations sampled for this second phase were based around the state and included those in health and human services, education, the environment and the arts. Researchers

interviewed nonprofit leaders during spring and summer 2021.

Among the findings:

- Nonprofits have been stretched thin in an effort to continue providing services. Some shut down programs that were running at a deficit and others had to close their doors altogether
- Emergency relief funds and generous donations helped stave off even more dramatic losses than were expected after the first several months of the pandemic, when last year's study found that funding was down 30%. Some nonprofits noted that a switch to online services helped reduce costs, so they could make the [donations](#) go even further
- Rapidly-mobilized federal assistance programs, especially the Paycheck Protection Program, were critical in keeping many nonprofits solvent at the peak of the COVID-19 crisis
- Some large foundations and government agencies prioritized nonprofits serving communities of color by increasing funding or loosening certain application and reporting requirements
- More nonprofits were able to engage in advocacy and participate in the legislative process as a result of their ability to provide online as it eliminated time and resource barriers
- Many nonprofits instituted or strengthened existing efforts to prioritize diversity, equity, inclusion and accessibility in their organizations. Researchers say it remains to be seen whether this results in stronger efforts to combat underlying structural racism.

"We've known that there are deep racial disparities in the nonprofit sector," says report co-author and professor Mary Kay Gugerty. "Seeing that their values, including their commitment to diversity, equity, inclusion and access, were out of alignment with their mission, many nonprofits started shifting program priorities and engaging in advocacy efforts. There's a lot more work to be done, but this trend is promising."

In light of the findings, researchers recommend governments and large foundations take further steps to help nonprofits continue to provide essential services: Allocating funding over longer periods of time (beyond just emergency relief), and imposing fewer restrictions on funds, thus allowing nonprofits to take actions they deem necessary both to survive and to serve their communities. "Nonprofits are closer to the communities they serve and understand the dynamic nature of the challenges those communities face. Trust them," the authors wrote.

More information: The research is available at [s3-us-west-2.amazonaws.com/uw- ...ncertainty_FINAL.pdf](https://s3-us-west-2.amazonaws.com/uw-...ncertainty_FINAL.pdf)

Provided by University of Washington

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