

Local Nonprofits Lose Revenue During the COVID-19 Pandemic

By Glenn Ullmann, President

Across the country, nonprofits of all types and sizes are in extreme distress. As we have seen during times of crisis – be it a recession, hurricane or the current COVID-19 pandemic, the demand for services from the nonprofit sector increases dramatically. For many organizations, fund-raising events have been delayed or cancelled, and other fee for service transactions are limited or gone. Thrift stores are closed. Summer Camp fees and ticket revenue are gone. These organizations have also been hit by the sidelining of many volunteers (often retirees) who are heavily relied on to keep staffing costs low.



Consider, for example, the YMCA. It is a place of fitness, summer camps, and all-around healthy living. Now COVID-19 threatens its future. The YMCA of the First Coast recently furloughed 1,700 employees and will have an unbudgeted increase of \$300,000 per year in additional sanitation costs when it reopens.

My family and our firm are active partners with the Community Foundation of Northeast Florida (www.jaxcf.org), an organization that works to stimulate philanthropy to build a better community. The Community Foundation is on the frontline of our area's philanthropic response to the COVID-19 pandemic. We recently participated in a webinar with Nina Waters, the organization's president. During this meeting, Nina shared the biggest challenges currently facing many local nonprofits and her ideas on what we can do to help them.

The Community Foundation's response to the pandemic has primarily been via Florida's First Coast Relief Fund, a joint effort with the United Way of NE Florida and other community-based organizations. The fund provides grants in six NE Florida counties – Duval, Baker, Clay, Nassau, St. Johns and Putnam. "Priority" areas were chosen by administrators because they focused on the greatest need above what private dollars would cover. These four areas are:

- **Homeless Individuals** – This group depends on other people for their lives - food, shelter, medicine, and clothing.
- **Food Insecurity** – Due to stay at home restrictions, homebound individuals were impacted greatly. Senior citizens who rely on Meals on Wheels and students who depend on breakfast and lunch at school had to be fed in other ways. Also, as food flew off grocery store shelves, excess inventory was no longer available for foodbanks, so food had to be purchased to meet normal inventory levels and increased demand.
- **Financial assistance** – People lost jobs and immediately needed money to pay for food and rent. Many of these people had never sought assistance before in their lives!

- **Community Health Clinics-Supplies/PPE** – These clinics are critical for the delivery of medical services for the uninsured and working poor and they keep hospital emergency rooms from being overwhelmed.

As of May 15, 2020, the fund has approved more than \$2.4 million in relief through grants to 75 different nonprofit organizations. These grants have ranged from \$1,000 - \$200,000. While these figures are impressive and reflect the generosity of our local citizens, it is just a drop in the bucket of what nonprofits need to continue to operate as they have in the past.

For many of our clients, Charitable Giving is part of their wealth management plan. Positively impacting the community in which we work and live is also one of our firm's core values. By following Nina's calls-to action, we can all assist local nonprofits. Here are ways to help:

- Double down on support to agencies that you regularly support or those that address causes that you care deeply about.
- 'Gift' the cost of an event that isn't taking place rather than applying it to a future year or asking for a refund (i.e. BEAM has had to cancel its annual Beach Ball Fundraiser which raises nearly \$75,000 to fund their programs).
- Make annual gifts now (do not wait until the end of the year).
- Make general operating grants, and/or loosen restrictions on current grants. General operating grants allow nonprofits to use the funds wherever they are needed most.
- Give to nonprofits in the arts community. They have experienced loss of revenue that will not be addressed by government funding or the First Coast Relief Fund.



We are hopeful our lives can get back to normal soon. We are optimistic that nonprofit organizations like the YMCA will be fully up and running again - staffed and sparkling clean, so that you can attend your favorite yoga class or socialize (albeit six feet apart!) with others in the gym. But the need for the most vulnerable among us will continue for years to come and we can help to mitigate that need.

If you have more specific questions about what you could do to help, please call us!

