Welcome to our Webex Meeting...

Please keep your microphone setting on mute during the presentation.

Please use the Chat box feature to post questions that will be answered during the Q&A.

Philanthropy's Response to COVID-19
WELCOME

Michael Stershic
Chair, Board of Associates
Spring 2020 Meeting

BOARD OF ASSOCIATES

Philanthropy's Response to COVID-19

Erin Connelly
Senior Director, Impact
United Way of the Greater Lehigh Valley

Megan Briggs
Director of Community Investments
Lehigh Valley Community Foundation
COVID-19: Largest economic and health and human services challenge our country has ever faced.

What does this mean for the nonprofit sector?
Nonprofits were already in a risky position pre-COVID-19 due to external factors

- Positive net income, with 11% income margin
- Healthy net asset balance (15 months)
- Almost three months of cash in the bank, with no deterioration since 2009
- A healthy balance between public and private funding, with philanthropy providing almost a third of revenue at the median nonprofit

But 40% of non-profits have negative 3 year average margin
But 7% of non-profits – 13% in Health and Human Services – are insolvent
But 35% of non-profits have less than two months cash, and 25% have less than one Literally zero margin for error
But 40% in Health and Human Services derive 1% (or less) of their revenue from private philanthropy
IMPACT: COVID-19 SECTOR DATA

• 93 nonprofits reporting between mid-March to early April
• Services to 90,132 people are disrupted
• $17,604,555 loss in revenue that is at risk
• $2,196,671 increase in expenses
• 2,166 staff that are or will have a reduction in pay, furloughed or laid off
IMPACT: ON THE GROUND

City of Allentown Covid-19 Dashboard

1,839 Positive Cases

Data source is City of Allentown Health Bureau. Data is updated regularly as the data is catalogued. Testing sites have a limited supply of tests and are triaging those being tested. Updated 02/20/2020.
IMPACT: ON THE GROUND

Shelter and Housing Community

Philanthropy's Response to COVID-19
IMPACT: SIGNIFICANT BARRIERS

The CARES Act Small Business Association loans were difficult for all applicants. However, nonprofit organizations (and therefore community) suffered significantly due to:

- How nonprofit organizations’ funding streams are structured
- Current increased demands on many organization’s services

Of the 55 total organizations who reported applying for the Paycheck Protection Program, only 49% (27) were successful.
## COVID-19: NONPROFIT RESPONSE

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<tr>
<th>Responders</th>
<th>Hibernators</th>
<th>Pivot Orgs.</th>
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<tbody>
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<td>Demand for services has increased, and cost has gone up.</td>
<td>Unable to operate during this crisis.</td>
<td>Offer programs that can be provided, to some degree, despite the COVID-19 crisis but which are not directly related.</td>
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Each type of organization should be approached differently in terms of support, communication, and how resources are deployed.

COVID-19: NONPROFIT RESPONSE

Philanthropy's Response to COVID-19
COVID-19 - A coordinated response that is cross-sector is required. Private philanthropy has a specific role to play
Resolve, Resilience, Return, Reimagination, and Reform.


Philanthropy's Response to COVID-19
The Power of Private Philanthropy

- Able to respond rapidly
- Fund gaps
- Support innovation & collaboration
- Complement government funding
Philanthropic Responses: Resolve Phase

Lehigh Valley Community Foundation

- Learning from national and regional initiatives
- Encouraging giving directly to nonprofit organizations
- Raising funds
- Supporting grantees
- Future grantmaking
- Shifting administrative functions
Philanthropic Responses: Resolve Phase

United Way of the Greater Lehigh Valley

- Information gathering/sharing
- Community conversations
  - Facebook group
  - Nonprofit-specific resources
  - Advocacy
    - Working with existing coalitions on COVID response (ex: child abuse prevention, supporting seniors, food access, etc.)
- Funders’ conversations
Philanthropic Responses: Resolve Phase

Coordinated COVID-19 Response
  o Pooled Funding - Greater Lehigh Valley Community Response Fund
  o Technical assistance
  o Communications
Philanthropic Responses: Resolve Phase

• There is a current influx of funding to responders

• Funding will be cut significantly; demand will still be increasing for responders
COVID-19 - We really do need all of us in this together now, and in the future, too.
How to plug into ongoing efforts

• Supporting nonprofit organizations directly, both now and in the future.

• Funds Supporting Nonprofits
  o GLV COVID-19 Community Response Fund
  o LVCF’s COVID-19 Fund
  o LVCF’s Arts & Culture Relief Fund
  o Upper Bucks Community Response Fund
How to plug into ongoing efforts

- Volunteering
- In-kind gifts
- Partnering on coordinated efforts

https://www.volunteerlv.org/covid_volunteer
WHAT WE WANT YOU TO KNOW:

• COVID-19 crisis is detrimental to the nonprofit sector, but we are seeing innovation, passion, commitment and strength; even as organizations face insurmountable barriers.

• A coordinated response that is cross-sector is required. Private philanthropy has a specific role to play.

• There are ways you as an individual and/or a community leader can plug into ongoing efforts.
Questions? Comments?

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