



## Executive Summary

March 2022

The world is now emerging from suffering two years of the COVID-19 pandemic disrupting, perhaps forever, our personal and professional lives. The future looks promising as we return to a life of normalcy. However, I have wondered how the pandemic has affected nonprofit organizations with their fundraising and operations.

The June 2021 Giving USA Annual Report on Philanthropy for 2020 was encouraging. It reported philanthropic giving increased 5.1% over 2019 with only two of its 10 reported sectors declining – Health by 3% and Arts, Culture, and Humanities by 7.5%. Of course, its analysis is national in scope and I look forward to its upcoming report on 2021.

But what about the Greater Richmond area? How has the pandemic affected the nonprofit sector's fundraising and operations locally?

To learn more Warner & Associates Consulting conducted a survey sent to 380 local nonprofit organizations representing a broad spectrum of type and budget. 104 NPOs participated, answering 17 questions about their organizations, fundraising results, the pandemic effect on operations, and what the future may look like. Key observations are:

- Only 11% reported annual fundraising decreased from pre-pandemic levels. 59% saw an increase.
- 67% postponed other fundraising efforts with events
- 20% completed a capital campaign in the last two years.

In fact, one development director shared her organization launched an \$8 million campaign in August 2020, and while not complete, has raised \$6.9 million (86%) towards its goal in those 19 months.

- 69% reported programs or services were negatively impacted.

The consensus is that being shut down meant services could not be offered, or that services that could be moved to a virtual format experienced decreased participation.

- However, a full 79% did not have to lay off employees.

Much of this could be attributed to 89% receiving federal financial support through the Paycheck Protection Program (PPP) or the Coronavirus Aid, Relief, and Economic Security Act (CARES).

- As of when the survey was taken, 30% of organizations' annual giving has rebounded to pre-pandemic levels, 42% have increased, and 18% have not yet gotten back to pre-pandemic levels.

The pandemic detonated a shock to the system as businesses, schools, and institutions shut down en masse accompanied with all the unknowns and hysteria. However, this survey indicates that as a sector, our local nonprofits have rebounded or continue to rebound with little long-term repercussions. Fundraising was impacted and curtailed. Operations were severely hampered. Certainly, the federal government financial support helped stave off drastic cuts and many closings. But I also believe philanthropic support has sustained our organizations through these worst of times the pandemic has wrought.

Philanthropic generosity also sustained us in other national calamities that I have experienced during my nonprofit career such as Y2K and 9/11. I'm reminded of my time at the Virginia War Memorial running a \$12 million campaign when the 2008 "great recession" hit. At first the bottom seemingly dropped out of sight with the stock markets tanking almost 50% and the country's money supply seemingly vanishing. We slogged it out though through persistence and determination, adapting the campaign plan as needed. In the end we exceeded our goal to open the Galanti Education Center in the fall of 2010.

From this survey results I see much of the same persistence and determination to sustain your organizations. I am heartened to see our local nonprofit sector survive this latest calamity to continue serving our Richmond community.

Harry Warner  
Principal