



Carlos Peralta <cperalta@cambridgeredevelopment.org>

CNC COVID Pandemic Impact on Nonprofits- Data Brief

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To: Carlos Peralta <cperalta@cambridgeredevelopment.org>

Wed, Feb 17, 2021 at 9:48 AM

Hi Carlos-

Can you please share this email and the attached document with your board?

Thank you for all of your support.

Best,

Elena

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Cambridge Redevelopment Authority Board and Staff-

As we all continue our work in 2021 amidst the coronavirus pandemic and a struggling economy, CNC writes with deep concerns about both the short and long term impacts of the COVID-19 pandemic on the Cambridge nonprofit sector.

We are deeply grateful for the COVID relief funding that has been provided to date, and the additional funds recently committed to Cambridge nonprofits from the Community Benefits Fund. These City of Cambridge resources have supported and will in future support Cambridge organizations in providing a wide range of vital services to Cambridge residents. However, the worsening economic impact of the pandemic is a growing threat to our local nonprofit sector now and in the future, and will require further support to ensure a full recovery.

As the CRA considers the role it can play in supporting the nonprofit sector during this difficult time, CNC would like to share a data brief on the impact that the pandemic has had on our local organizations. We urge you to review and be guided by this information, that highlights the need for any Cambridge institutions in the position to provide relief grants or other means of support to do so.

Thank you for your time and consideration.

Sincerely,

Elena Sokolow-Kaufman

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 **Data Brief_ Additional COVID-19 Relief Funding Needed for Cambridge Nonprofits 1.14.21 (2).pdf**
161K



COVID-19 Pandemic Impact on the Cambridge Nonprofit Sector

The information below describes the impact that the COVID-19 pandemic continues to have on the Cambridge nonprofit sector. The data is based on results from the third in a series of surveys CNC conducted during the pandemic (March, April and November 2020). CNC's most recent survey elicited responses from over 80 Cambridge nonprofit leaders in November 2020, across a variety of mission areas.

Main Area of Focus	Organizations
Education	42%
Arts, Culture, Recreation	35%
Youth Development	27%
Food Security	24%
Civic Engagement and Social Capital	20%

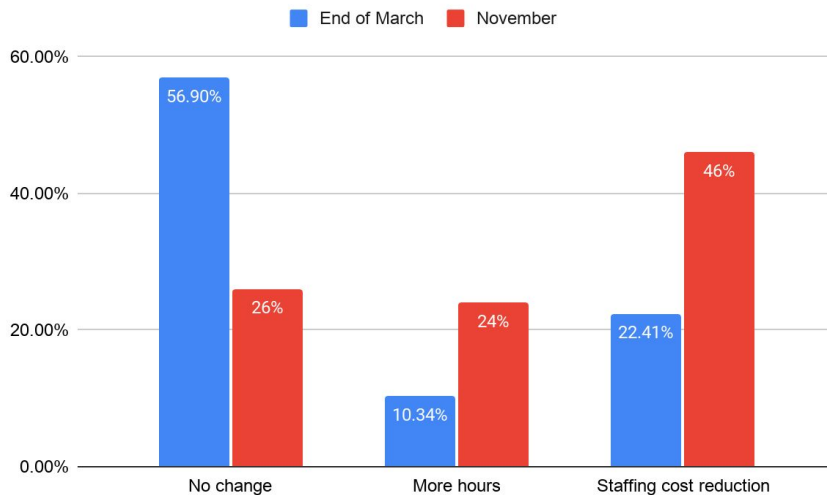
Survey results showed many Cambridge organizations are experiencing decreasing revenues and increasing expenses:

- 67% of organizations are experiencing decreased revenues from this time last year
- 57% have either the same or greater expenses than last year

As a result, many organizations have made staffing changes, either cutting staffing to make up for lost revenue, adding staff hours to meet sharply increasing demands, or both simultaneously. Findings show:

- 46% have instituted cost cutting measures including salary reductions, reductions in hours and benefits, layoffs, and furloughs, while
- 24% report increased hours of staff to meet growing needs

Staffing Changes in Cambridge Organizations: March vs. November 2020



This data is even more striking when compared to staffing levels at the beginning of the pandemic in March. The chart above displays this significant shift in staff capacity in response to the pandemic, showing the percentage of organizations adding hours to meet demands increasing from 10% to 24% and the percentage of organizations cutting staff costs increasing from 22% to 46%.

Further, with the current staffing level, 37% of organizations reported the ability to only “somewhat” meet client needs, and 5% reported they are “not at all” able to meet client needs.

These changes align with national data which show a decline in nonprofit jobs. A recent report from Johns Hopkins Center for Civil Society Studies showed as of October 2020, the nonprofit workforce remained down by over 900,000 jobs compared to its February 2020 level, representing a 7.3% decline.

In the Words of Leaders

“[We have] been lucky to benefit from a number of pandemic-related emergency grants this year; however, we anticipate that client needs will continue to outpace and outlast the availability of this emergency funding. Instead, our ability to remain flexible and respond to emerging client needs will rely heavily on our unrestricted resources going forward. [we] hired several new staff to help meet the increased demand for legal and mental health services. These positions are funded via one-time grants and, without additional funding, are unsustainable.”

“While [a] PPP loan kept staff intact through June 2020.. we are now at a point where expenses are exceeding income. Even with the furlough of 4 positions (3 of which we will have an allowance of 20% of those salaries applied to replacement help), we will still be dipping into reserves to stay afloat. We see this as a contraction so we can stay solvent [until] a vaccine is in place and we can reopen fully. We do however feel there are productive actions possible: seizing collaborations, working on our equity diversity and inclusion - cultural competency - through engagement (via zoom mostly) of our community; and by keeping [our work] present.. in the community...[during] the isolating times of COVID”

Recommendations

CNC strongly believes that further funding is needed to stabilize nonprofit employment and put the local Cambridge nonprofit sector on the path to recovery. Nonprofits across mission areas would continue to benefit from additional financial support with simple application and reporting processes, allowing agencies to focus scarce resources on service delivery.

We encourage all Cambridge institutions in the position of providing financial support to local organizations to do so. It will take a sustained financial commitment from many to ensure a thriving nonprofit sector with the capacity to fully meet the needs of our community as the pandemic ends and the recovery period begins.