

# The Nonprofit Sector ... The Next Normal



# Where we Are

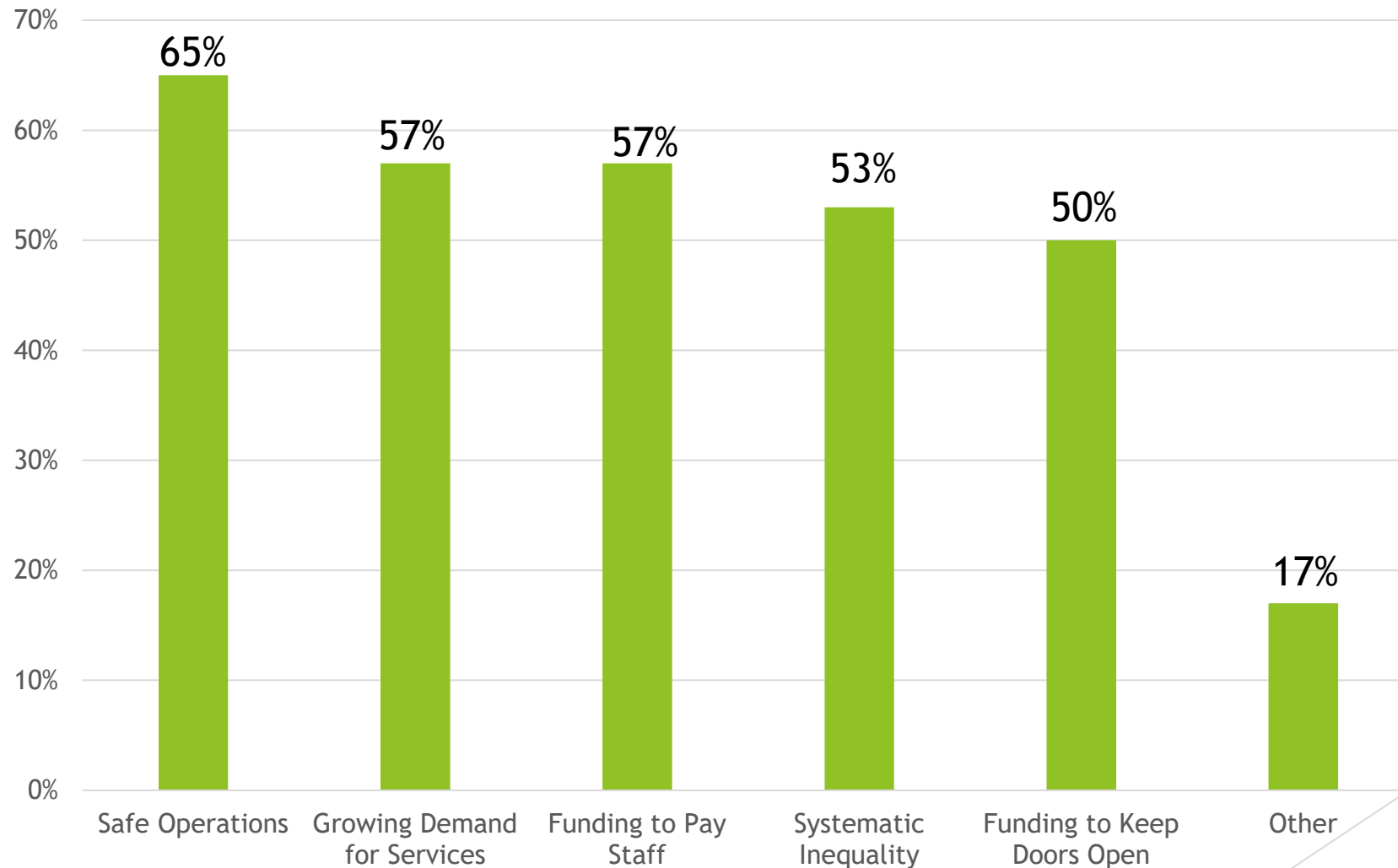
- ▶ Coronavirus continues to take center stage as we start to emerge from the pandemic
- ▶ The country is more polarized then it has been in decades
- ▶ On-going communication is essential
- ▶ Organizations need to remain dynamic and flexible
- ▶ Federal stimulus packages have provided some relief to the sector
- ▶ No more business as usual, unless usual means completely different ... need to develop your next normal
- ▶ Increased collaboration at all levels

# Most Significant Challenges

- ▶ Easing back into in-person programs, events, and conferences
- ▶ Effectively managing remote work and workers
- ▶ Sustainability of financial support
- ▶ Communicating with constituents, volunteers, and donors (reinvigorating volunteer programs)
- ▶ Achieving greater diversity in staff and leadership
- ▶ Continuing need to advocate to funders and policy makers

# The Sector - By the Numbers

## Top Concerns Facing Nonprofits in 2021



Source: Independent Sector



# The Sector - By the Numbers



COVID-19 has left nonprofits in a lurch, having to answer greater needs with fewer resources.

**35%**

of nonprofits experienced an **increase in demand for services**



And reducing staffing levels was a common result.

**37%**

of organizations **reduced their workforce** because of COVID-19



But, there were some positive signs around hiring.

**24%**

of participants reported **hiring** during COVID-19

**75%**

report that COVID-19 has **negatively impacted revenues and funding**

The most common approach was furloughs.

Roughly

**75%**

of respondents consider these **new hires as permanent additions**



# Communication

- ▶ Open Communication has become even more critical:  
(information overload)
- New avenues for virtual communication (employee, donors, constituents)
- Information is key
  - CDC website has become pinned as a favorite
  - Listservs
  - Trade associations and increased collaboration
- Increased internal communications (Board, staff, management)
  - Necessitated by virtual work environment
  - Need to keep people “connected”
- Constituents are in crisis – information and service delivery is a critical lifeline
- Political advocacy
- Donors
  - Need to make them feel connected to your Organization

# Fundraising

## How will COVID-19 impact charitable giving?

25%

of donors plan to **increase** their donations

54%

of donors plan to **maintain** their giving levels

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Source: Fidelity Charitable

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# Fundraising/Communication

## ▶ Need to focus on retention

- ▶ 14.2% of first-time donors in 2019 gave a second donation to the Organization in 2020
  - ▶ Open lines of communication
  - ▶ Impact of gift
  - ▶ Connectivity to organization

## ▶ Personalize your Messaging (one size does not fit all)/Maximizing Donor experience

- ▶ What differentiates your organization
- ▶ On-going engagement
- ▶ “Backstage Tour” – Make it personal (less transactional)
- ▶ Better linkage of donations to impact/service (\$25 feeds a family for a week, \$500 provides a family shelter for the month)



# Fundraising/Communication

- ▶ Donors want to know how you pivoted your program during the Pandemic ... and what your program will look like going forward
- ▶ Giving was up in 2020 ... what about 2021
  - ▶ Giving Tuesday in December
    - ▶ 25% increase in dollars
    - ▶ 29% increase in donors
  - ▶ Market was strong in 2020 but has pulled back in 2021
  - ▶ Donor base will remain hesitant as long as economic uncertainty exists
- ▶ Donors have a shorter attention span – Need to show social impact succinctly
- ▶ Consider racial & social equity as it relates to mission

# Fundraising/Communication

- ▶ Know your Target Market (link social media to who you are targeting)
  - ▶ Tick Tock was the number one downloaded social media platform during 2020 (Tik Tock for Good – Community Focused)
  - ▶ Facebook is the most widely used platform (Facebook Fundraiser)
  - ▶ Instagram
  - ▶ Linked In
  - ▶ Twitter, Twitch, Snapchat

## U.S. SOCIAL MEDIA USERS BY AGE



# Fundraising/Communication

- ▶ Videos will Make-up more than 82% of on-line Traffic Next Year (Cisco)
  - ▶ Share snippets of your story
  - ▶ Show programs in action
  - ▶ Tap into celebrities and influencers
  - ▶ Live Streaming campaigns

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THE ULTIMATE  
NONPROFIT VIDEO  
MARKETING  
STRATEGY

+ 5 of the Best Nonprofit  
Videos We've Seen



 **Personify**  
WILD APRICOT

# Fundraising/Communication

- ▶ Increased levels of social entrepreneurship
  - ▶ Business becoming socially responsible
  - ▶ global social justice movements – consumers looking for businesses to take a stand
  - ▶ Nonprofits becoming more scalable and sustainable
- ▶ Find Ways to Creatively Partner with Your Business Donors  
(corporate giving is predicted to increase by 1.4% in 2021)
- ▶ Virtual events are here to stay
  - ▶ Ability to hold multiple touches throughout the year instead of one gala
    - ▶ 56% of Virtual Event Organizers met their goal in 2020
    - ▶ Events need to engage attendees
- ▶ Need to engage your volunteers
  - ▶ Volunteerism is down about 47%
  - ▶ Volunteer management systems
  - ▶ Gen Z and Millennials – Social media, videos, graphic design, App Development, etc.

# Employees

## Pros

- Workforce Flexibility (the new normal)
- Better work/life balance
- Expanded talent pool

## Cons

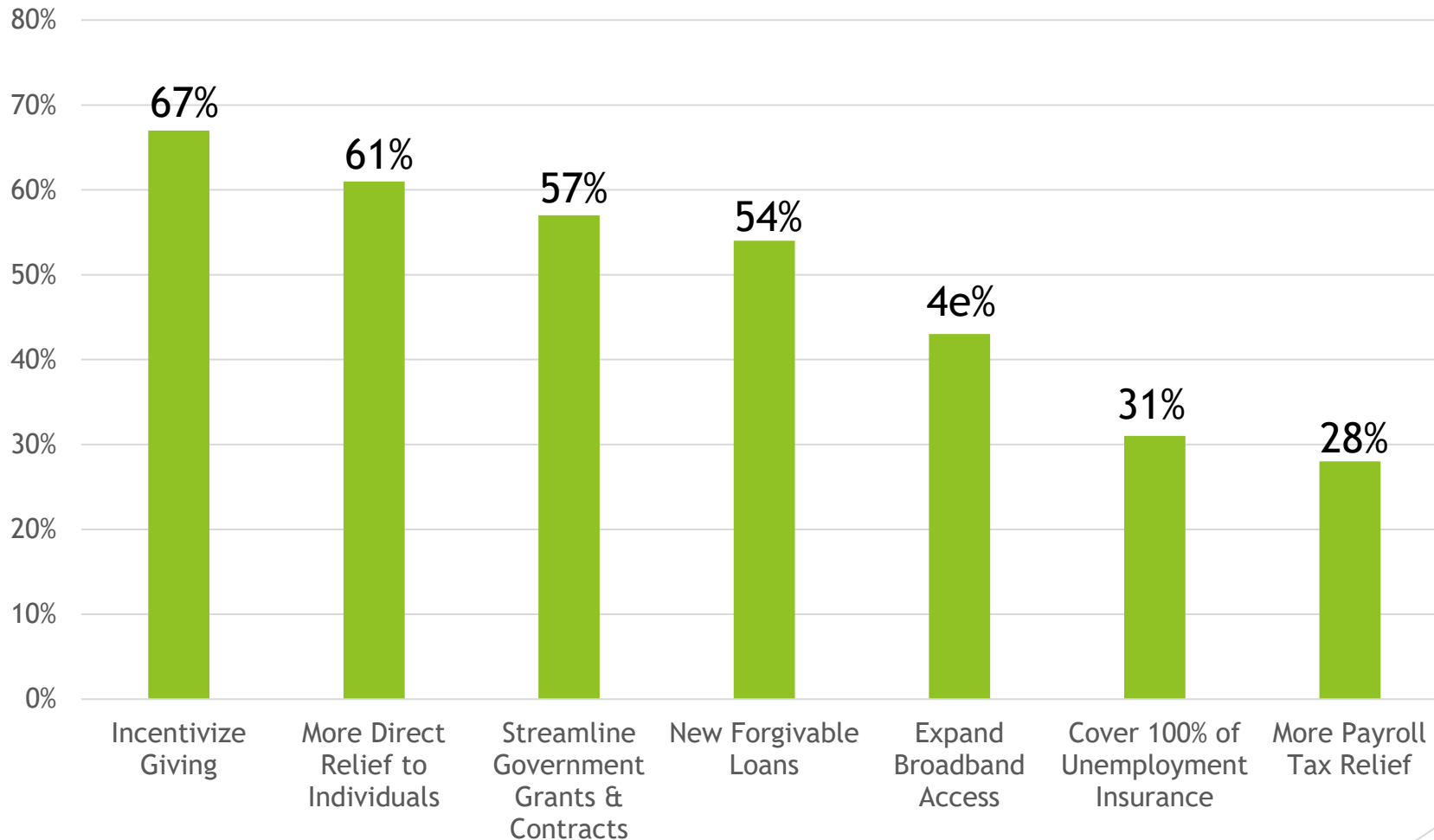
- Harder for co-workers to connect
- Increased isolation and lack of socialization
- Blurring of work/life boundaries
- Harder to connect with organization
- Hard to develop strong organizational culture

# Operations

- ▶ 2021 is your year to regroup, refocus your mission, and communicate your intentions to stakeholders
  - ▶ Proactive and not reactive
  - ▶ Consider changes in services brought about by the pandemic
  - ▶ Strategic planning
- ▶ Many nonprofits will be looking to streamline operations
- ▶ Consider your new realities
  - ▶ Brick & Mortar vs. Virtual
  - ▶ Back-office vs out of office (HR, Accounting, CRM)
  - ▶ Local vs anywhere
  - ▶ Increased investment in technology
    - ▶ Cybersecurity concerns
    - ▶ Cloud based solutions
- ▶ Increased Collaboration in the Sector
  - ▶ Shared Services
  - ▶ Joint Programming
  - ▶ Consolidation

# Policy and Advocacy

Areas the Federal Government Can Help in the Next Six Months



Source: Independent Sector



# Policy and Advocacy

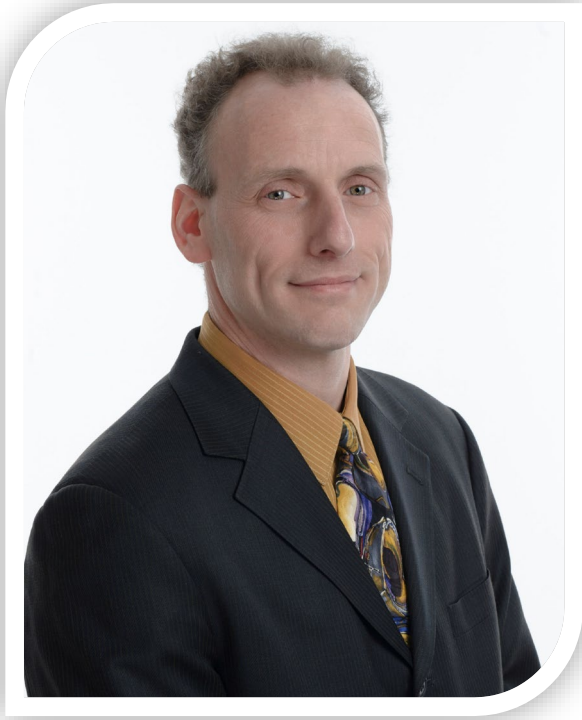
- Significant level of CARES Act funding available
  - Important to strategize how the funds can be utilized in conjunction with each other and your other funding sources (link to webinar)
- American Rescue Plan \$3.1 Trillion
  - Provided significant funding to NY State and municipalities
    - Returning 20% withholds
    - Removed proposed cut-backs
    - 1 year of benefit
  - Expanded PPP eligibility to larger nonprofits
  - Expanded unemployment relief to nonprofits
    - 50% through 3/31/21
    - 75% from 4/1/21 to 9/6/21
  - Increased paid leave credits under the Family First Coronavirus Response Act
    - Increased wage limits from \$10,000 to \$12,000
    - Expanded coverage to include obtaining vaccinations
  - Provided additional funding support for nonprofit organizations ... some of which we are still awaiting to see how the funds will be distributed



# Policy and Advocacy

- ▶ The COVID Pandemic and the corresponding government relief packages has made it clear that nonprofit organization's need more advocates/allies in Washington
  - ▶ PPP and other CARES act funding focused on business metrics which do not necessarily work for nonprofit organizations
  - ▶ Need a cabinet level position that considers the nonprofit sector
- ▶ One year extension of \$300/\$600 non-itemizer charitable contribution deduction through 12/31/21

# Thank you!



- ▶ Ken Cerini, CPA, CFP, FABFA
- ▶ Managing Partner of Cerini & Associates, LLP
- ▶ [kcerini@cerinicpa.com](mailto:kcerini@cerinicpa.com) | (631) 868-1103
- ▶ [www.cerinicpa.com](http://www.cerinicpa.com)