



Appendix H: Nonprofits Analyses and Reports

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Report on Nonprofit Forms 990 Quantitative Analysis



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Purpose

As part of the City of Wilsonville’s Arts, Culture and Heritage Strategy (ACHS) and its desire to provide a culturally vibrant community, the City is seeking to understand the health of its community-based nonprofit organizations.

Nonprofits offer many benefits to communities. They partner with governments and for-profit businesses in meeting social, cultural, economic, and educational needs among a host of other important services. The City of Wilsonville values its local community-oriented nonprofits and is seeking to **identify and evaluate financial and operational trends relevant to organizational health using information reported in IRS Forms 990.**

Project Overview

Data

Using the list of 23 local community-oriented nonprofit organizations provided by the City, Vistra gathered publicly available IRS Forms 990 for 3-5 years between the years 2013 and 2019. All Forms 990 were not available for all firms for all years. We captured quantitative data regarding revenues, expenses, assets, liabilities, net assets, board membership, employees, and volunteers. We calculated an estimate of reserves using the Form 990 financial information.

Form Type Filed	# of Organizations	Notes
990-N Only	7	Abbreviated filing allowed if Gross Receipts are < \$50,000 during the years examined
990-EZ Only	3	Simplified filing allowed if Gross Receipts are < \$200,000 and Total Assets are < \$500,000 during the years examined
990 Only	4	Comprehensive filing if 990-N or 990-EZ requirements are not met during the years examined
990/990-N	1	Organization filed 990 and 990-N during the years examined
990/990-EZ	2	Organizations filed 990 and 990-EZ during the years examined
990-N/990-EZ	4	Organizations filed 990-N and 990-EZ during the years examined
No Filings Available	2	See Appendix for information about these organizations
Total Organizations Analyzed	23	

We distinguish organizations filing Form 990-N from those filing Form 990 or 990-EZ because the Form 990-N does not require detailed financial information limiting the analysis of these organizations. The complete list of organizations, Form 990 type, and Form 990 availability is included in the appendix.

Analysis

Organizations filing Form 990-N

The organizations listed below are excluded from the detailed analysis that follows because either we were unable to locate filings for the organizations or they filed IRS Form 990-N which does not require detailed financial and operating information. This abbreviated filing is allowed for organizations with annual gross receipts of less than \$50,000. The gross receipts threshold indicates that these are small nonprofits in terms of revenue but does not indicate the impact of the organizations on the community.

Organization Name	EIN
Kiwanis International Inc (K16176 Wilsonville)	931005108
Rotary International (Rotary Club of Wilsonville)	930858406
Wilsonville Arts & Culture Council	931210288
Wilsonville Boones Ferry Historical Society	931174080
Wilsonville Choral Arts Society	842530540
Wilsonville Community Seniors Incorporated	202507967
Wilsonville Lions Foundation	931250347
Wilsonville Sister City Association	911857374
Wilsonville Stage	822544477

Analysis of Revenues, Expenses, Net Income, Net Assets, and Estimated Reserves

To identify trends within each nonprofit and within categories of nonprofits, we captured Total Revenues, Total Expenses, Net Income, and Net Assets from the Forms 990 and 990-EZ for each nonprofit. Net Assets are often used as a proxy for nonprofit reserves. We calculated Estimated Reserves for each nonprofit using the formula below, because Net Assets include amounts which may not be available for emergencies or designated expenses.

Formula used to calculate Estimated Reserves

Total Assets
 Less: Total Liabilities
 Less: Non-liquid Assets (e.g., Fixed Assets and Pre-paid expenses)
Less: 1/2 annual expenses (required cash for normal operations)
 Equals **Estimated Reserves**

The IRS has not required nonprofits to report financial reserves on Forms 990. Financial Accounting Standards, however, have recently changed to require reporting of reserves in financial statements prepared according to Generally Accepted Accounting Principles. Financial statements are not publicly available like Forms 990, so we did not use financial statements for our analysis. In addition, reserves information will be available on future financial statements, but not on historical statements. Financial reserves maintained by a nonprofit organization are at the discretion and are the responsibility of each Board of Directors which has fiduciary responsibility to ensure the financial sustainability and operations of the organization.

We summarized the annual and overall dollar and percentage changes in Revenues, Expenses, Net Income, Net Assets, and Estimated Reserves for each organization in the table below.

Change in Revenue, Expenses, Net Income, Net Assets, and Estimated Reserves by Organization

ORGANIZATION: CHARBONNEAU ARTS ASSOCIATION (CHARBONNEAU ART ASSOCIATION)														EIN: 474653404			Category Gov. Support		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2017	8,582	N/A	N/A	2,278	N/A	N/A	6,305	N/A	N/A	9,545	N/A	N/A	8,406	N/A	N/A				

ORGANIZATION: KOREAN WAR MEMORIAL FOUNDATION OF OREGON														EIN: 454942018			Category Gov. Support		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2017	72,774	N/A	N/A	38,841	N/A	N/A	33,933	N/A	N/A	56,155	N/A	N/A	36,735	N/A	N/A				

ORGANIZATION: SHRINERS INTERNATIONAL-> AL KADER SHRINERS														EIN: 930112708			Category Charity		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2018	101,975	\$ (499,788)	-83%	820,836	\$ 8,226	1%	(718,861)	\$ (508,014)	-241%	5,450,200	\$ (773,459)	-12%	3,081,175	\$ (892,307)	-22%				
2017	601,763	\$ 73,960	14%	812,610	\$ (19,429)	-2%	(210,847)	\$ 93,389	31%	6,223,659	\$ (262,565)	-4%	3,973,482	\$ (239,817)	-6%				
2016	527,803	\$ (2,108,305)	-80%	832,039	\$ (62,084)	-7%	(304,236)	\$ (2,046,221)	-117%	6,486,224	\$ (208,292)	-3%	4,213,299	\$ (215,251)	-5%				
2015	2,636,108	\$ 1,477,547	128%	894,123	\$ 264,439	42%	1,741,985	\$ 1,213,108	229%	6,694,516	\$ 1,241,947	23%	4,428,550	\$ 997,158	29%				
2014	1,158,561			629,684			528,877			5,452,569			3,431,392						
Total Δ \$		(1,056,586)			191,152			(1,247,738)			(2,369)			(350,217)					
Total Δ %			-91%			30%			-236%			0%			-10%				

ORGANIZATION: SHRINERS INTERNATIONAL-> AL KADER SHRINERS GROUP RETURN														EIN: 930157543			Category Charity		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2018	93,789	\$ 16,831	22%	89,995	\$ (3,049)	-3%	3,794	\$ 19,880	124%	207,335	\$ 3,794	2%	146,231	\$ (1,939)	-1%				
2017	76,958	\$ 47,943	165%	93,044	\$ 70,028	304%	(16,086)	\$ (22,085)	-368%	203,541	\$ 81,344	67%	148,169	\$ 37,480	34%				
2016	29,015			23,016			5,999			122,197			110,689						
Total Δ \$		64,774			66,979			(2,205)			85,138			35,542					
Total Δ %			223%			291%			-37%			70%			32%				

ORGANIZATION: WEST LINN WILSONVILLE MUSIC AND ARTS PARTNERS														EIN: 710958698			Category Gov. Support		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2019	43,402	\$ (12,364)	-22%	50,465	\$ 23,972	90%	(7,063)	\$ (36,336)	-124%	70,610	\$ (7,066)	-9%	45,378	\$ (19,052)	-30%				
2018	55,766	\$ 1,545	3%	26,493	\$ (10,791)	-29%	29,273	\$ 12,336	73%	77,676	\$ 29,274	60%	64,430	\$ 34,670	116%				
2017	54,221	\$ 15,804	41%	37,284	\$ 164	0.44%	16,937	\$ 15,640	1206%	48,402	\$ 16,937	54%	29,760	\$ 16,855	131%				
2016	38,417	\$ (2,274)	-6%	37,120	\$ (5,218)	-12%	1,297	\$ 2,944	179%	31,465	\$ 1,297	4%	12,905	\$ 3,906	43%				
2015	40,691			42,338			(1,647)			30,168			8,999						
Total Δ \$		2,711			8,127			(5,416)			40,442			36,379					
Total Δ %			7%			19%			-329%			134%			404%				

ORGANIZATION: WILSONVILLE CELEBRATION DAYS INC														EIN: 936068722			Category Cultural		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2019	41,385	N/A	N/A	44,882	N/A	N/A	(3,497)	N/A	N/A	(3,497)	N/A	N/A	***	N/A	N/A				



Change in Revenue, Expenses, Net Income, Net Assets, and Estimated Reserves by Organization (Continued)

ORGANIZATION: WILSONVILLE CHAMBER OF COMMERCE														EIN: 930613470			Category Association		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2018	353,860	\$ 153,841	77%	298,991	\$ 65,889	28%	54,869	\$ 87,952	266%	68,278	\$ 54,869	409%	***						
2017	200,019	\$ (15,300)	-7%	233,102	\$ 16,325	8%	(33,083)	\$ (31,625)	-2169%	13,409	\$ (33,083)	-71%	***						
2016	215,319	\$ (82,230)	-28%	216,777	\$ (81,436)	-27%	(1,458)	\$ (794)	-120%	46,492	\$ (1,458)	-3%	***						
2015	297,549	\$ (55,619)	-16%	298,213	\$ (49,835)	-14%	(664)	\$ (5,784)	-113%	47,950	\$ (664)	-1%	***						
2014	353,168			348,048			5,120			48,614			***						
Total Δ \$		692			(49,057)			49,749			19,664								
Total Δ %			0%			-14%			972%			40%							

ORGANIZATION: WILSONVILLE COMMUNITY SHARING														EIN: 930851927			Category Food bank		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2019	172,411	\$ (65,695)	-28%	158,420	\$ 23,456	17%	13,991	\$ (89,151)	-86%	269,386	\$ 13,991	5%	189,912	\$ 2,491	1%				
2018	238,106	\$ 40,084	20%	134,964	\$ (7,090)	-5%	103,142	\$ 47,174	84%	255,395	\$ 103,142	68%	187,421	\$ 106,195	131%				
2017	198,022	\$ 33,820	21%	142,054	\$ 7,480	6%	55,968	\$ 26,340	89%	152,253	\$ 55,968	58%	81,226	\$ 53,543	193%				
2016	164,202	\$ 34,560	27%	134,574	\$ (13,177)	-9%	29,628	\$ 47,737	264%	96,285	\$ 29,628	44%	27,683	\$ 34,902	484%				
2015	129,642			147,751			(18,109)			66,657			(7,219)						
Total Δ \$		42,769			10,669			32,100			202,729			197,131					
Total Δ %			33%			7%			177%			304%			2731%				

ORGANIZATION: WILSONVILLE FRIENDS OF THE LIBRARY														EIN: 930813402			Category Gov. Support		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2019	49,083	\$ 3,752	8%	58,667	\$ 11,143	23%	(9,584)	\$ (7,391)	-337%	40,692	\$ (9,584)	-19%	11,359	\$ (15,156)	-57%				
2018	45,331	\$ 2,402	6%	47,524	\$ 7,201	18%	(2,193)	\$ (4,799)	-184%	50,276	\$ (2,193)	-4%	26,514	\$ (5,794)	-18%				
2017	42,929	\$ (4,138)	-9%	40,323	\$ 7,462	23%	2,606	\$ (11,600)	-82%	52,469	\$ 2,606	5%	32,308	\$ (1,125)	-3%				
2016	47,067	\$ 5,293	13%	32,861	\$ (1,260)	-4%	14,206	\$ 6,553	86%	49,863	\$ 15,988	47%	33,433	\$ 16,618	99%				
2015	41,774			34,121			7,653			33,875			16,815						
Total Δ \$		7,309			24,546			(17,237)			6,817			(5,456)					
Total Δ %			17%			72%			-225%			20%			-32%				

ORGANIZATION: WILSONVILLE KIWANIS OUTREACH PROGRAM														EIN: 562584966			Category 0		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr				
2016	51,006	\$ (1,362)	-3%	38,587	\$ (3,507)	-8%	12,419	\$ 2,145	21%	61,037	\$ 12,418	26%	41,744	\$ 14,172	51%				
2015	52,368	\$ 16,097	44%	42,094	\$ 4,436	12%	10,274	\$ 11,661	841%	48,619	\$ 10,274	27%	27,572	\$ 8,056	41%				
2014	36,271	\$ (9,401)	-21%	37,658	\$ (758)	-2%	(1,387)	\$ (8,643)	-119%	38,345	\$ (1,387)	-3%	19,516	\$ (1,008)	-5%				
2013	45,672			38,416			7,256			39,732			20,524						
Total Δ \$		5,334			171			5,163			21,305			21,220					
Total Δ %			12%			0%			71%			54%			103%				

Change in Revenue, Expenses, Net Income, Net Assets, and Estimated Reserves by Organization (Continued)

ORGANIZATION: WILSONVILLE PUBLIC LIBRARY FOUNDATION INC										EIN: 931259098			Category Gov. Support		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr
2018	59,576	\$ (27,313)	-31%	41,238	\$ (9,627)	-19%	18,338	\$ (17,686)	-49%	211,097	\$ 18,338	10%	190,478	\$ 23,152	14%
2017	86,889	\$ 45,504	110%	50,865	\$ 29,181	135%	36,024	\$ 16,323	83%	192,759	\$ 88,279	84%	167,327	\$ 73,689	79%
2016	41,385	\$ (11,825)	-22%	21,684	\$ (7,385)	-25%	19,701	\$ (4,440)	-18%	104,480	\$ 19,701	23%	93,638	\$ 23,394	33%
2015	53,210			29,069			24,141			84,779			70,245		
Total Δ \$		6,366			12,169			(5,803)			126,318			120,234	
Total Δ %			12%			42%			-24%			149%			171%

ORGANIZATION: WILSONVILLE ROBOTICS STEWARDSHIP GROUP										EIN: 261354007			Category Cultural		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr
2018	55,034	\$ 31,881	138%	24,196	\$ (19,528)	-45%	30,838	\$ 51,409	250%	73,740	\$ 30,838	72%	61,642	\$ 40,602	193%
2017	23,153	\$ (33,345)	-59%	43,724	\$ (12,880)	-23%	(20,571)	\$ (20,465)	-19307%	42,902	\$ (20,571)	-32%	21,040	\$ (14,131)	-40%
2016	56,498	\$ 26,228	87%	56,604	\$ 22,683	67%	(106)	\$ 3,545	97%	63,473	\$ (106)	-0.17%	35,171	\$ (11,448)	-25%
2015	30,270	\$ 6,170	26%	33,921	\$ 8,923	36%	(3,651)	\$ (2,753)	-307%	63,579	\$ (3,651)	-5%	46,619	\$ (8,113)	-15%
2014	24,100			24,998			(898)			67,230			54,731		
Total Δ \$		30,934			(802)			31,736			6,510			6,911	
Total Δ %			128%			-3%			3534%			10%			13%

ORGANIZATION: WILSONVILLE ROTARY FOUNDATION INC										EIN: 931114902			Category Social		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr
2019	124,402	\$ (33,237)	-21%	113,581	\$ 14,392	15%	10,821	\$ (47,629)	-81%	322,342	\$ 37,685	13%	265,552	\$ 30,489	13%
2018	157,639	\$ 73,825	88%	99,189	\$ 13,195	15%	58,450	\$ 60,630	2781%	284,657	\$ 20,598	8%	235,063	\$ 14,001	6%
2017	83,814	\$ (17,352)	-17%	85,994	\$ (7,020)	-8%	(2,180)	\$ (10,332)	-127%	264,059	\$ 34,953	15%	221,062	\$ 38,463	21%
2016	101,166	\$ 7,696	8%	93,014	\$ 26,534	40%	8,152	\$ (18,838)	-70%	229,106	\$ (161)	-0.07%	182,599	\$ (12,577)	-6%
2015	93,470			66,480			26,990			229,267			195,176		
Total Δ \$		30,932			47,101			(16,169)			93,075			70,376	
Total Δ %			33%			71%			-60%			41%			36%

ORGANIZATION: WORLD OF SPEED										EIN: 465267468			Category Cultural		
Year*	REVENUE	Δ \$ Prior Yr	Δ % Prior Yr	EXPENSES	Δ \$ Prior Yr	Δ % Prior Yr	NET INCOME	Δ \$ Prior Yr	Δ % Prior Yr	NET ASSETS	Δ \$ Prior Yr	Δ % Prior Yr	ESTIMATED RESERVES**	Δ \$ Prior Yr	Δ % Prior Yr
2018	2,665,712	\$ 825,253	45%	2,252,852	\$ (150,141)	-6%	412,860	\$ 975,394	173%	3,459,975	\$ 412,860	14%	***		
2017	1,840,459	\$ 863,642	88%	2,402,993	\$ (23,920)	-1%	(562,534)	\$ 887,562	61%	3,047,115	\$ (562,534)	-16%	***		
2016	976,817	\$ (3,087,041)	-76%	2,426,913	\$ 515,733	27%	(1,450,096)	\$ (3,602,774)	-167%	3,609,649	\$ (1,450,096)	-29%	***		
2015	4,063,858	\$ 473,138	13%	1,911,180	\$ 1,378,510	259%	2,152,678	\$ (905,372)	-30%	5,059,745	\$ 2,001,695	65%	1,341,779	\$ 708,195	112%
2014	3,590,720			532,670			3,058,050			3,058,050			633,584		
Total Δ \$		(925,008)			1,720,182			(2,645,190)			401,925			(633,584)	
Total Δ %			-26%			323%			-86%			13%			-100%

*Includes the most recent years (up to 5 years) for which data was available

**Reserves are not reported on Forms 990. For this analysis, we estimated reserves using the following calculation:

- Total Assets
- Less: Total Liabilities
- Less: Total Non-liquid Assets (e.g., Fixed Assets and Pre-paid Expenses)
- Less: 1/2 annual expenses
- Equals Estimated Reserves

***Estimated Reserves calculated as negative numbers are reported as \$0 for this analysis.

Change in Revenue, Expenses, Net Income and Estimated Reserves by Category

We grouped Total Revenues, Total Expenses, Net Income, Net Assets, and Estimated Reserves by category to identify whether trends were apparent within certain categories. However, with no more than 3 organizations in any one category, reporting averages by category are not informative and could be misleading. The individual organization changes presented in the previous section provide more accurate and useful information.

Analysis of Board Membership, Employees, and Volunteers

We gathered information on the number of board members, the number of employees, and the number of volunteers. This information is reported only on Forms 990. Because only seven (7) of the organizations filed Forms 990 and some did not provide this information, there was insufficient data to identify trends or to analyze this operational data.

Observations and Results

Organization Size. Nearly one-half of the nonprofits included in this analysis are small organizations with gross receipts of less than \$50,000 in one or more of the years 2013-2019. Despite the limited financial resources of these organizations, they may have significant positive impact on the community. Evaluation of impact is beyond the scope of this analysis.

Organization Requirements. All nonprofits have compliance and operational requirements such as Form 990 filing, state registrations, financial management, board management, program management, etc. Organizations with limited financial resources are likely unable to hire staff to manage these activities and often rely on volunteers to perform these functions.

Revenues. Two (2) of the 14 organizations filing Forms 990/990-EZ reported overall decreases in Revenues on their most recent Forms 990/990-EZ filed between 2013 and 2019 (up to five forms for each organization included in the analysis). Three (3) organizations filed only one Form 990/990-EZ so no changes could be calculated.

Expenses. Two (2) of the 14 organizations filing Form 990/990-EZ reported overall decreases in Expenses on their most recent Forms 990/990-EZ filed between 2013 and 2019. Three (3) organizations filed only one Form 990/990-EZ so no changes could be calculated.

Net Income. Seven (7) of the 14 organizations filing Form 990/990-EZ reported overall decreases in Net Income on their most recent Forms 990/990-EZ filed between 2013 and 2019. Three (3) organizations filed only one Form 990/990-EZ so no changes could be calculated.

Net Assets. Ten of the 14 organizations filing Form 990/990-EZ reported overall increases in Net Assets on their most recent Forms 990/990-EZ filed between 2013 and 2019. Three (3) organizations filed only one Form 990/990-EZ so no changes could be calculated.

Estimated Reserves. We estimated reserves based on Total Assets, Total Liabilities, Total Non-liquid Assets and Expenses. Three (3) of the 14 organizations filing Form 990/990-EZ reported overall decreases in Estimated Reserves on their most recent Forms 990/990-EZ filed between 2013 and 2019. Three (3) organizations had years with no reserves based on our calculated estimate.

Recommendations

Based on our analysis of the Wilsonville nonprofit Forms 990 and our experience and expertise with the nonprofit sector, we offer the following recommendations.

Training. All organizations could benefit from fund development and other nonprofit management training such as the courses offered by the Nonprofit Leadership Center (<https://nlctb.org/>). Investing in training can lead to improved efficiency and sustainability for the organizations.

Consolidate or Collaborate. The administrative burden of operating a nonprofit can be overwhelming for some organizations, particularly those with all volunteer management. Wilsonville nonprofits may find it beneficial to consider consolidating or collaborating to gain efficiencies in management requirements.

Program vs. Independent Organization. An approach that offers cost savings and increased efficiencies is for new or small nonprofits to become programs of appropriate larger nonprofits, rather than becoming or remaining independent organizations with all the administrative and compliance requirements.

Management Service Organizations (MSO). These organizations may offer resources, training, facilities, services, and support to nonprofit organizations within communities. We understand that Wilsonville does not have an MSO, although the Nonprofit Association of Oregon provides some of these services. A local MSO may help Wilsonville nonprofits grow and gain efficiencies. Two examples of successful MSOs are the Nonprofit Leadership Center (<https://nlctb.org/>) and the Nonprofit Center of Northeast Florida (<https://nonprofitctr.org/>).

Closing

We appreciate the opportunity to help the City of Wilsonville evaluate its community-based nonprofits and offer recommendations to help these organizations have a greater impact on the City. The analyses reported here were limited to quantitative information available in Forms 900 and Forms 990-EZ.



About Vistra

Established in 2007, Vistra Communications, LLC (Vistra) is a marketing, communications and consulting agency providing a range of communications services to corporate, government and nonprofit organizations.



Our mission is to help our clients reach their goals. Our team of nearly 100 professionals with diverse backgrounds, experiences and expertise offer a broad range of customized solutions to our clients.



- Communications & Public Relations
- Marketing Services
- Business Strategy & Consulting
- Research & Analysis

We have deep roots in the nonprofit community, with our first clients being local nonprofit organizations. We have continued our nonprofit focus through our work with and support of the Nonprofit Leadership Center (NLC) and the Children’s Board of Hillsborough County. The NLC connects and develops nonprofit leaders to strengthen organizations and the community while the Children’s Board is a special purpose government entity that supports nonprofits serving children in the community. We have worked with multiple local government and nonprofit clients, including several with reach across the country. Below is a small sample of those organizations.



Key Team Member Bios



Brian A. Butler
President and CEO

Brian has extensive experiences working with nonprofit and local government organizations as a volunteer, board member and as a military leader in the community. Prior to founding Vistra, Brian provided Strategic Communications counsel to senior leaders at U.S. Central Command and served as a policy director on the Homeland Security Council in the White House. He also served as a Spokesperson for an Army Secretary and on the Communications Team for a Chairman of the Joint Chiefs of Staff in the Pentagon.

Brian was the 2018 Tampa Bay Chamber Outstanding Leader of the Year and founder of the CEOs in Schools initiative with Hillsborough County Public Schools. He holds master's degrees from the National War College and Central Michigan University and a bachelor's degree from Hampton University. His community involvement includes serving on boards: Tampa Bay Chamber, Visit Tampa Bay, WEDU Public Service Television and the Tampa Bay Partnership.



Maureen G. Butler, PhD, CPA
Executive Vice President

A former U.S. Army Finance Officer, Maureen has been instrumental in designing, developing, and managing the administrative operations of Vistra as well as ensuring a focus on quality service delivery. Maureen plays a key role in ensuring critical thinking and provides consultative services with select clients.

Maureen has worked in public accounting, corporate accounting, and academia, earning tenure at The University of Tampa prior to joining Vistra full time. A professional university educator for 13 years, Maureen developed curriculum, managed curriculum assessment programs, received teaching awards, and published research on human resource outsourcing and experiential education in the *Journal of Business Research* and the *Journal of Accounting Education*, respectively. Maureen earned a Ph.D. in accounting from the University of Arkansas and a Bachelor of Science in accounting from Syracuse University. Maureen is a former board member and former board treasurer of the Nonprofit Leadership Center.

Brian and Maureen teach, "Using Form 990 to Tell Your Nonprofit Story" at the Nonprofit Leadership Center and have published an article in the [*Journal of Accountancy*](#) based on this class.

APPENDIX

Organization List by Filing Type and Status

Organization Name	EIN	2019	2018	2017	2016	2015	2014	2013	Notes	Category
Charbonneau Arts Association	474653404	990-N	990-N	990-N & 990-EZ	990-N	Pre-Exempt Award	Pre-Exempt Award	Pre-Exempt Award	Exempt Status Awarded 7/27/2015	Cultural
Kiwanis International Inc (K16176 Wilsonville)	931005108	Not Available	990-N	990-N	990-N	990-N	990-N	990-N		Social
Korean War Memorial Foundation of Oregon	454942018	990-N	990-N	990-N & 990-EZ	990-N	990-N	990-N	990-N		Gov. Support
Rotary International (Rotary Club of Wilsonville)	930858406	Not Available	990-N	990-N	990-N	990-N	Not Available	Not Available		Social
Shriners International (Al Kader Shriners)	930112708	Not Available	990	990	990	990	990	990		Charity
Shriners International (Al Kader Shriners Group Return)	930157543	Not Available	990	990	990	990 (\$0)	990 (\$0)	990 (\$0)		Charity
West Linn Wilsonville Music and Arts Partners	710958698	990-EZ	990-EZ	990-EZ	990-EZ	990-EZ	990-EZ	990-EZ		Gov. Support
Wilsonville Arts & Culture Council	931210288	990-N	990-N	990-N	990-N	990-N	990-N	990-N		Cultural
Wilsonville Boones Ferry Historical Society	931174080	990-N	990-N	990-N	990-N	Not Available	990-N	990-N		Cultural
Wilsonville Celebration Days Inc.	936068722	990	990-N	990-N	990-N	990-N	990-N	990-N		Cultural
Wilsonville Chamber of Commerce	930613470	Not Available	990	990	990	990	990	990		Association
Wilsonville Choral Arts Society	842530540	990-N	Pre-Exempt Award	Pre-Exempt Award	Pre-Exempt Award	Pre-Exempt Award	Pre-Exempt Award	Pre-Exempt Award	Exempt Status Awarded 7/23/2019	Cultural
Wilsonville Community Seniors Incorporated	202507967	990-N	Not Available	Not Available	990-N	990-N	990-N	990-N		Government Support
Wilsonville Community Sharing	930851927	990	990	990-EZ	990-EZ	990-EZ	990-EZ	990-EZ		Food bank
Wilsonville Friends of the Library	930813402	990-EZ	990-EZ	990-EZ	990	990	990	990		Gov. Support
Wilsonville Kiwanis Outreach Program	562584966	990-N	990-N	990-N	990-EZ	990-EZ	990-EZ	990-EZ		Social
Wilsonville Lions Foundation	931250347	Not Available	Not Available	Not Available	990-N	990-N	990-N	990-N		Social
Wilsonville Public Library Foundation Inc	931259098	Not Available	990-EZ	990-EZ	990-EZ	990-EZ	990-N	990-N		Gov. Support
Wilsonville Robotics Stewardship Group	261354007	Not Available	990-EZ	990-EZ	990-EZ	990-EZ	990-EZ	990-EZ		Cultural
Wilsonville Rotary Foundation Inc	931114902	990-EZ	990-EZ	990-EZ	990-EZ	990-EZ	Not Available	990-EZ		Social
Wilsonville Sister City Association	911857374	Only OR DOJ CT-12	Only OR DOJ CT-12	Only OR DOJ CT-12	Only OR DOJ CT-12	Only OR DOJ CT-12	Not Available	Pre-Exempt Award	Exempt Status Awarded 5/15/2013 Revoked 5/15/2017 Oregon DOJ CT-12 filed 2015-2019	Cultural
Wilsonville Stage	822544477	Not Available	Not Available	Pre-Exempt Award	Pre-Exempt Award	Pre-Exempt Award	Pre-Exempt Award	Pre-Exempt Award	Exempt Status Awarded 8/21/2017	Cultural
World of Speed	465267468	Not Available	990	990	990	990	990	Pre-Exempt Award	Exempt Status Awarded 4/1/2014	Cultural

We obtained Forms 990, 990-EZ, and 990-N confirmations from the IRS, GuideStar, Urban Institute Pro Publica, and the Oregon Department of Justice.

Organization List by Category

Organization Name	EIN	Category
Wilsonville Chamber of Commerce	930613470	Association
Shriners International (Al Kader Shriners Group Return)	930157543	Charity
Shriners International (Al Kader Shriners)	930112708	Charity
Charbonneau Arts Association	474653404	Cultural
Wilsonville Arts & Culture Council	931210288	Cultural
Wilsonville Boones Ferry Historical Society	931174080	Cultural
Wilsonville Celebration Days Inc.	936068722	Cultural
Wilsonville Choral Arts Society	842530540	Cultural
Wilsonville Robotics Stewardship Group	261354007	Cultural
Wilsonville Sister City Association	911857374	Cultural
Wilsonville Stage	822544477	Cultural
World of Speed	465267468	Cultural
Wilsonville Community Sharing	930851927	Food bank
Korean War Memorial Foundation of Oregon	454942018	Gov. Support
West Linn Wilsonville Music and Arts Partners	710958698	Gov. Support
Wilsonville Friends of the Library	930813402	Gov. Support
Wilsonville Public Library Foundation Inc	931259098	Gov. Support
Wilsonville Community Seniors Incorporated	202507967	Government Support
Kiwanis International Inc (K16176 Wilsonville)	931005108	Social
Rotary International (Rotary Club of Wilsonville)	930858406	Social
Wilsonville Kiwanis Outreach Program	562584966	Social
Wilsonville Lions Foundation	931250347	Social
Wilsonville Rotary Foundation Inc	931114902	Social

Nonprofits at “Breaking Point”

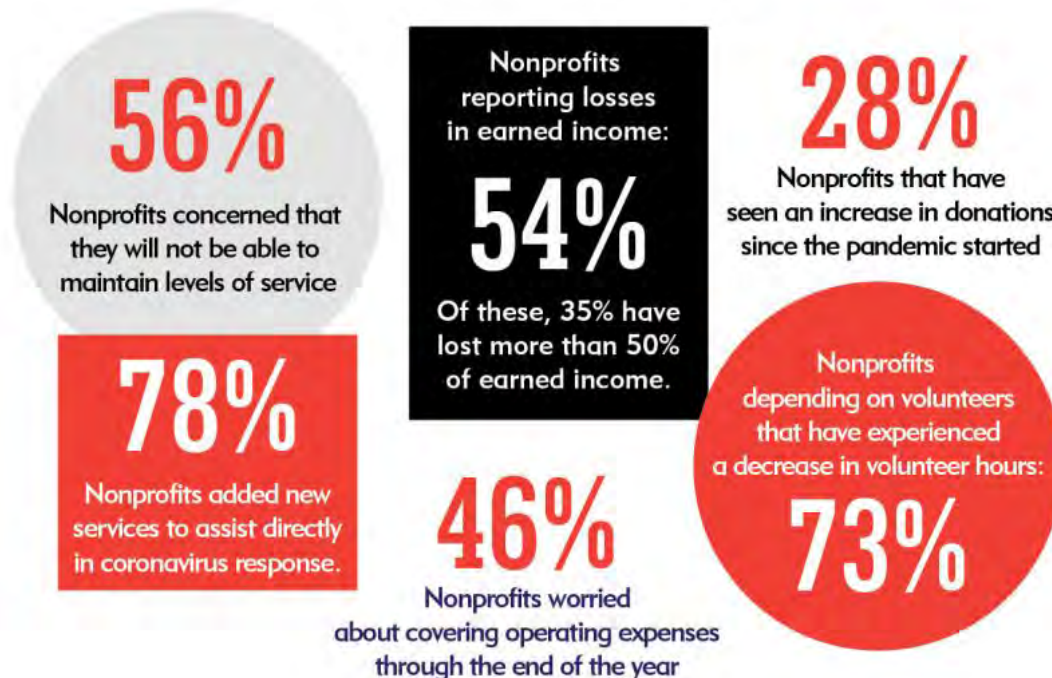
August 10, 2020

Written by [Kim Moore](#), Oregon Business

Published in [Economy and Finance](#)

<https://www.oregonbusiness.com/article/economy/item/19131-nonprofits-at-breaking-point>

**Oregon
Business**



Many charitable organizations face an uncertain future as the COVID-19 pandemic leads to losses in income and fewer volunteers.

Governments and foundations need to release funds from emergency reserves to support nonprofits or face an uphill struggle to recover from the economic strains caused by the coronavirus, a new report concludes.

The study was produced by the Nonprofit Association of Oregon, Portland State University’s Nonprofit Institute, Mercy Corps Northwest and Oregon Voluntary Organizations Active in Disasters. The organizations partnered on a survey that went out to 1,600 Oregon charitable nonprofits in June.

A preliminary report that summarizes responses shared by 490 nonprofit leaders illustrates the large strain faced by these charitable organizations.

Key findings:

- 54% of nonprofits reported losses in earned income, with 35% losing more than 50% in earned income.
- 56% have concerns that they will not be able to maintain levels of service.
- 46% say they are worried about covering operating expenses through the end of the year.

Arts and education nonprofits face the biggest challenges to surviving in the long term.

Forty-eight out of 56 nonprofits in this cohort report concerns over their future survival and ability to sustain their funding, fundraising and programs.

Most of these nonprofits have small operating budgets: 40% have budgets of between \$1,000 and \$5,000, and 22% have budgets between \$1 million and \$5 million.

The survey reveals how many organizations are suffering from a lack of volunteer help because of closures and social-distancing requirements.

Seventy-three percent of nonprofits that rely on volunteers have seen a decrease in volunteer hours. And 38% of nonprofits reported a decrease in hours worked by paid employees.

The struggle of nonprofits comes as many perform essential services in dealing with COVID-19. Thirty-eight percent have seen an increase in demand for services as a result of the COVID-19 crisis.

Seventy-seven percent added new services to assist directly with the coronavirus response. Almost half have added new clients, services or programs since the start of the pandemic.

A bright spot in the findings is that only 12% report losing more than 50% in donations from foundations or corporations. Twenty-eight percent have seen an increase in donations since the pandemic started.

But the report's authors warn many of the state's "cherished institutions" — such as domestic-violence shelters, children's museums, food banks and homeless shelters — are at their "breaking point."

"Without immediate attention and firm commitments of resources to this critical sector, our efforts to recover and move forward as a state will be severely impeded," the authors conclude.

Impact of COVID-19 on Oregon Charitable Nonprofits

Preliminary Report — Key Findings Summary July 30, 2020

The [Nonprofit Association of Oregon \(NAO\)](#), [Portland State University's Nonprofit Institute](#), [Mercy Corps Northwest](#), and [Oregon Voluntary Organizations Active in Disasters \(ORVOAD\)](#) partnered to quantify the impact and challenges of the COVID-19 crisis on 501(c)(3) charitable benefit nonprofits through a survey that ran from June 2 to June 28, 2020. This preliminary report is a summary of key findings from responses shared by 490 Oregon nonprofit leaders. The respondents represent a broad cross section of charitable nonprofit types and sizes from across the state.

Key Findings

Nonprofits are Essential to COVID-19 Response Efforts: 49% of the nonprofits reported adding new clients, services, or programs since the start of the pandemic. Of these nonprofits, 77% have added new services to directly assist with COVID-19 response, demonstrating the essentiality and agility of nonprofits in responding to societal needs and emergencies. Additionally, 23% reported they are serving brand new clients from their pre-COVID programming.

Significant Impacts on Core Programming:

Nonprofits indicated that their current levels of operations or services have been significantly impacted by the pandemic. 60% of respondents reported functioning at reduced levels of services, while 14% reported seeing no change, and 18% reported an increase in their levels of services or operations.

Changes in Demand for Nonprofits' Services:

38% of respondents have seen an increase in demand for their services, as a result of the COVID-19 crisis. 31% have seen a decrease, with 22% seeing no change. It should be noted that some demands for services of educational, arts and culture, and environmental nonprofits have decreased as a direct result of government mandated shelter-in-place requirements.



"We expect to see a food insecurity crisis... that will be unlike anything we've seen for generations. We also expect to see a significant increase in mental health and addiction crisis..."

Impacts on Paid Staff and Volunteers: The capacity to serve the missions of nonprofits has been severely impacted by a decrease in the total number of volunteer hours worked, due to state closures and social distancing measures. **73%** of nonprofits that rely on volunteers have seen a decrease in volunteer hours. In addition, **38%** of nonprofits reported a decrease in the number of hours worked by paid employees. To cope with resource pressures, nonprofits have implemented several austerity measures, including layoffs (79 nonprofits), furloughs (75 nonprofits), reduced employee salaries/wages (45 nonprofits), and reduced leadership salaries/wages (47 nonprofits).

Impacts on Funding: Charitable nonprofits rely on earned income, government contracts and grants, and charitable contributions to offer their services. The survey showed these streams have been significantly impacted by the pandemic.

- **54%** of nonprofit respondents reported losses in *earned income*, **35%** consist of nonprofits losing more than 50% in earned income. For **28%** of the nonprofits, earned income remains stable. Looking ahead through the end of 2020, nonprofits expect this picture to remain relatively similar, with slightly fewer nonprofits (23%) anticipating earned revenue decreases of **50%** or more.
- Regarding *donations from Individuals*, **22%** of nonprofits reported seeing “No Change,” with **23%** seeing an “Increase” in support from individuals. Looking ahead through the end of 2020, only **13%** anticipate donations to remain stable, **18%** expect an increase, and **38%** anticipate losing **16%** or more in individual donations, with **17%** unsure of what to expect.
- Also encouraging, only **12%** of nonprofits reported losing more than **50%** in *donations from foundations or corporations*; with **29%** reporting no change. **28%** of respondents saw an increase since the pandemic started.
- Nonprofits also reported positive results regarding *government contracts and grants* (excluding Paycheck Protection Program and Economic Injury Disaster Loan). **48%** of nonprofits did not see any change as of June, and **22%** reported an increase. Looking ahead through the end of 2020, nonprofits are less sure of government funding sources, with **18%** anticipating cuts of **16%** or greater. Interestingly, **40%** of nonprofits remain optimistic that they will not see any changes. This was a surprise to the research team in light of announced cuts by the State of Oregon and grim budget forecasts for most counties and municipalities.

“We cancelled our 2020 season of 50 concerts and school programs, furloughed our permanent staff of 4.5 and did not hire our seasonal staff of 5 tour crew.”

Permanent Closures: Only four nonprofits reported making the tough decision to permanently close. An additional two organizations anticipate closing permanently before the year is out.

Experience with the Paycheck Protection Program (PPP) and Economic Injury Disaster Loan (EIDL):

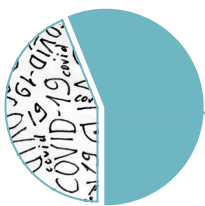
Not all nonprofits are eligible for the PPP or EIDL programs. Out of 480 respondents, **31%** did not apply for PPP. Only **58%** that applied, reported successfully receiving requested amounts. **89%** of respondents will seek full forgiveness, and **8%** will seek partial forgiveness. Only **11%** of nonprofits successfully applied and received their requested amounts of EIDL funding. **76%** of the respondents did not apply for EIDL funding. Some organizations that did apply were still awaiting a determination at the time of the survey.



“We work to protect community health from pesticide exposure. Communities of color and low income communities are already disproportionately affected by pesticides, and now the impact of COVID has increased health risks. We are dedicating more energy and resources to assist front line farm worker communities as they continue to work with inadequate PPE and support.”

Equity, Inclusion and Access: 40% of organizations reported applying an equity lens to program and operating decisions caused by COVID-19, but only some gave specifics. In an environment where so many programs have moved online, 35% of respondents indicated serious concerns about the technology available to their clients.

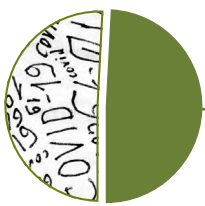
Top Five Concerns for the Future: Nonprofits reported being either “Very Concerned” or “Extremely Concerned” about the following:



Ability to Maintain Program Service Levels
56% of nonprofit respondents had significant concerns in their ability to maintain program service levels.



Meeting New Social Distance Operating Procedures
44% of respondents reported they are concerned and sometimes confused by changing social distancing procedures.



Mental Health/Stress Reduction for Our Employees
49% of respondents had serious concerns for the mental health and stress of their employees.



Keeping Our Volunteers Engaged
42% of nonprofits are feeling stress in keeping their volunteers engaged.



Revenue to Cover Operating Expenses through 2020
46% of nonprofits indicated they are worried about covering operating expenses through year end.

“We serve anyone homeless or near homeless due to domestic or sexual violence, or sex trafficking... Our shelter has remained... open and is full.... We are using emergency funds to pay for hotels. This is not sustainable...”

Future Sustainability: 48 out of 56 nonprofits reported significant concerns over their future survival and ability to sustain their funding, fundraising, and programs. This group of nonprofits is dominated by arts, culture and humanities, and human services nonprofits. Of these nonprofits, 40% have budgets between \$1K - \$5K and 22% have budgets between \$1M - \$5M.

Returning to pre-COVID-19 Levels of Operations: 28% of nonprofits foresee taking between six months to one year to return to pre-COVID-19 levels of operations. However, all this is based on the COVID-19 pandemic being contained. Only 17% of nonprofits believe they can return to pre-COVID-19 levels of operations in the next one to six months.

Conclusion

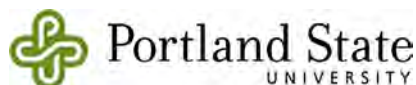
Across Oregon, the nonprofit community is pulling together in amazing ways to combat the impacts of the COVID-19 pandemic, including responding to emergent needs by establishing new services and programs, and responding to new clients. Even as creative as our sector has become in moving programs online, investing in PPE and physically distanced staff and volunteers, this study indicates many of our cherished institutions – domestic violence shelters, children’s museums, food banks, and homeless shelters – are at the breaking point. The future outlook is that the needs of communities and the resources available for response will simply become incongruent. For instance, while a sizeable number of nonprofits are optimistic about the stability of government contracts and grants through 2020, the extent to which this optimism is aligned with the announced cuts by the State of Oregon and the grim budget forecasts for most counties and municipalities remains to be seen.

The data reveals that nonprofits organizations need to work to improve outreach and inclusion efforts in a totally changed environment. Even well-intended response efforts, are also dramatically highlighting and exacerbating the damage and harm of the serious racial and social inequities in our nation and state. Lack of access to regular health care has compounded the pandemic for minorities, immigrant communities, the homeless, and the poor. The ‘digital divide’ denies many people both in cities (due to income disparities) and in rural areas access to vital information about the pandemic and online portals for financial assistance. The debacle that is the Oregon unemployment filing system have caused even greater strains.

The sustained support of federal and state government and foundations with direct and continuous fiscal assistance is imperative. The nonprofit sector is part of our “critical civic infrastructure” and must be thought of in terms of not only preserving and providing our safety net, but also building the quality of life we want in our communities. Unavoidable cuts in state and county budgets due to a down economy and less taxable income from individuals and companies will undercut much of the relief effort for people and communities in need. This is the time when government and foundations need to release funds from their respective emergency reserves. Without immediate attention and firm commitments of resources to this critical sector, our efforts to recover and move forward as a state will severely be impeded.

“We are having to completely remake our school. The state mandates on stable group size and other health and safety mandates will shift our daily work and ability to provide programming.”

Researched by the Nonprofit Association of Oregon (NAO), Portland State University’s Nonprofit Institute, Mercy Corps Northwest, and Oregon Voluntary Organizations Active in Disasters (ORVOAD)





Full Report — August 27, 2020

Impact of COVID-19 on Oregon Charitable Nonprofits

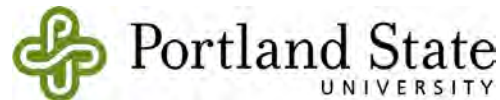


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Introduction

The Oregon Department of Justice reports that there are over 21,500 charitable organizations registered in Oregon. These private corporations are doing public good work in every community and touch nearly every facet of our lives. Nonprofits provide much-needed human and social services, address inequities, and create innovative solutions to community issues. These organizations keep our communities vibrant and healthy by catalyzing participation in civic affairs, creating opportunities for volunteerism, and enriching cultural life. Additionally, they generate significant economic impact in our Oregon communities, employing over 200,000 people before the COVID-19 crisis and paying over \$10 billion in annual payroll. Hence, it is important to document the impacts of the COVID-19 crisis on Oregon's nonprofit sector, as they have profound implications on the social fabric and welfare of society, the employment of Oregonians, and the broader economy.

Because of the importance of public charities in our community, the Nonprofit Association of Oregon (NAO), Portland State University's Nonprofit Institute, Mercy Corps Northwest, and Oregon Voluntary Organizations Active in Disasters (ORVOAD) partnered to quantify the impact and challenges of the COVID-19 crisis on Oregon's 501(c)(3) charitable benefit nonprofits. To capture the impact of one of the most unique public health issues of the 21st century, we developed and disseminated an online survey to over 1,400 charitable benefit nonprofits between June 2 and June 28, 2020.

The survey questions sought to document the impact of the COVID-19 crisis on nonprofits in the following areas:

1. **Core Programming:** Changes in demand for nonprofit services and service provision.
2. **Funding:** Impact on four key funding streams, that is, private giving which consists of donations from individuals and funding from foundations or corporations; earned income or fee-for-services; and government contracts or grants. We also wanted to document nonprofits' experiences with two primary loan programs - the Economic Injury Disaster Loan (EIDL) and the Paycheck Protection Program (PPP) - both established by the United States Congress through the Coronavirus Aid, Relief, and Economic Security (CARES) Act of March 27, 2020 to support small businesses' COVID-19 response and recovery efforts.
3. **Operations:** Questions focused on staffing changes, and whether nonprofits were undertaking layoffs and furloughs, as well as any key concerns nonprofits had as they project into the future.
4. **Volunteer Management:** Impact on volunteerism in light of social/physical distancing requirements.
5. **Response and Recovery:** Strategies nonprofits were implementing or considering implementing, including the social distancing measures they were implementing in preparation for a phased state reopening.
6. **Capacity-building:** Crisis management and resilience capacity-building needs that nonprofits felt they needed.

This report summarizes responses and experiences shared by 490 nonprofit leaders representing organizations from a broad cross-section of charitable nonprofit types and sizes from across the State of Oregon. In many respects, the survey sample represents a broad cross-section in types of services and sizes of nonprofits in Oregon.

Some notable findings from this study include the following:

- As of June 2020, only two (2) nonprofits had made the decision to officially close, and another two (2) anticipated closing by the end of 2020, with one of these closing a major component of its mission work, in favor of a much narrower focus.
- The COVID-19 crisis has left 56% of 472 public charities "very concerned" or "extremely concerned" about their ability to maintain program service levels, and this is in the face of increased demand for nonprofit services. In addition, the COVID-19 crisis has also caused significant mental health stress on nonprofit leaders and their staff, with 49% of the nonprofits in our sample reporting being very concerned or extremely concerned.
- In general, the results indicate some stability in financial support from individuals, foundations/corporations, and grants and contracts from government organizations and agencies. However, earned income is the most negatively impacted revenue stream. Arts, Culture & Humanities nonprofits especially, are experiencing the biggest brunt of this impact. In terms of forecasting future trends, the nonprofits in this study anticipate relatively similar impacts on earned income. There is also increased uncertainty, with more nonprofits anticipating drops in individual donations, in funding from foundations/corporations, and in grants and contracts from government sources. However, the impact on funding sources needs to be understood within the following contexts:
 - All these impacts were registered at the end of June 2020, a time when states across the country were planning for reopening, and when Congress was considering extending PPP loan applications. A lot has changed across different levels of government, with state and local governments experiencing fiscal crunches at the same time the human need for nonprofit services is increasing due to rising unemployment – including rising layoffs amongst nonprofits themselves.
 - Second, high decreases in funding have to be considered with respect to the nonprofits' funding structures (portfolio of different funding sources). Nonprofits with high revenue diversification will more likely find some measure of stability, while those organizations that primarily get their income from a single dominant funding mechanism (e.g., more than 50% of total revenue coming from donations or fees), will likely face reduced funding to continue to serve their communities, let alone maintain their human resources capacity levels.
- Only 34.4% of the nonprofits anticipated relying on their operating reserves from July till September 2020. This may mean that the remaining 65.6% of the nonprofits do not have any operating reserves – a fact that is quite common among nonprofit organizations – big or small. Only 5.4% anticipated relying on their reserves in order to continue operating through the remainder of the year.
- Our results also indicate that the majority of nonprofits in this sample successfully applied for PPP loans and received the amounts they requested. The opposite is true for EIDL.

The following sections will detail our findings from 490 Oregon nonprofit leaders' responses.

Section I addresses the impact COVID-19 has had on nonprofit employees, volunteers, programs, and their ability to provide services. **Section II** covers the COVID-19 crisis impact on nonprofit funding. It covers impact on all the nonprofits in our sample as a whole, as well as impact across the diverse subsectors that make up 501(c)(3) public charities. Foundations are excluded from this analysis. **Section III** provides information on nonprofits' experiences with PPP and EIDL, as types of coping mechanisms provided by the U.S. government. This section also addresses other coping measures that nonprofits are implementing, including their levels of engagement with philanthropy and government policy makers, as well as social distancing measures they have put in place. While **Section IV** describes the operational capacities that nonprofits anticipate relying upon in order to continue to operate and serve their missions, **Section V** looks to the future, by addressing the crisis management capacity-building needs nonprofits have identified in order to cope, as well as prepare for future crises of the likes of COVID-19. Organizational demographics are included in the Appendix, together with a description of our methods for conducting the survey.

Survey Results

Since 501(c)(3) charitable organizations are significant to the Oregon economy and community, it is important to understand the impact that the COVID-19 crisis has had on nonprofit programming, funding and revenue sources, and operations. The impact on Oregon nonprofits is exacerbated by the fact that **only 25%** of 410 nonprofits reported having a continuity of operation plan to address a variety of operational functions and procedures (e.g., revenues or funding, utilities, administrative costs, etc.) in the event of operational disruptions.

As it stands, the COVID-19 pandemic has left many Oregon charities either “very concerned” or “extremely concerned” about their future, particularly in the areas shown. Chart 1 shows that 56% of 472 charities are “very concerned” or “extremely concerned” about their ability to maintain program service levels. When we include an additional 24% that are “moderately concerned,” this number went up to about 80% of the charities indicating moderate-to-extreme concern about their ability to maintain program service levels. The number of those “very concerned” or “extremely concerned” are likely to increase if the COVID-19 crisis remains uncontained.

“We currently are closed to walk-in services and anticipate that will continue to be limited through 2020. Our shelter for safety has reduced our capacity as well and we are not sure at what point we change that.” – Nonprofit Leader

The COVID-19 crisis has also caused significant mental health stress on nonprofit leaders and their staff, with 49% of the nonprofits in our sample reporting being “very concerned” or “extremely concerned.” 46% of the nonprofits also stated high concern over having sufficient revenues to cover their operating expenses through the remainder of 2020. And, there is the issue of meeting the new and dynamic social distancing operating requirements; although a significant number of nonprofits reported taking various social distancing measures to facilitate safe reopening (See Section III), 44% voiced concerns about being able to do so effectively, as shown in Chart 1.

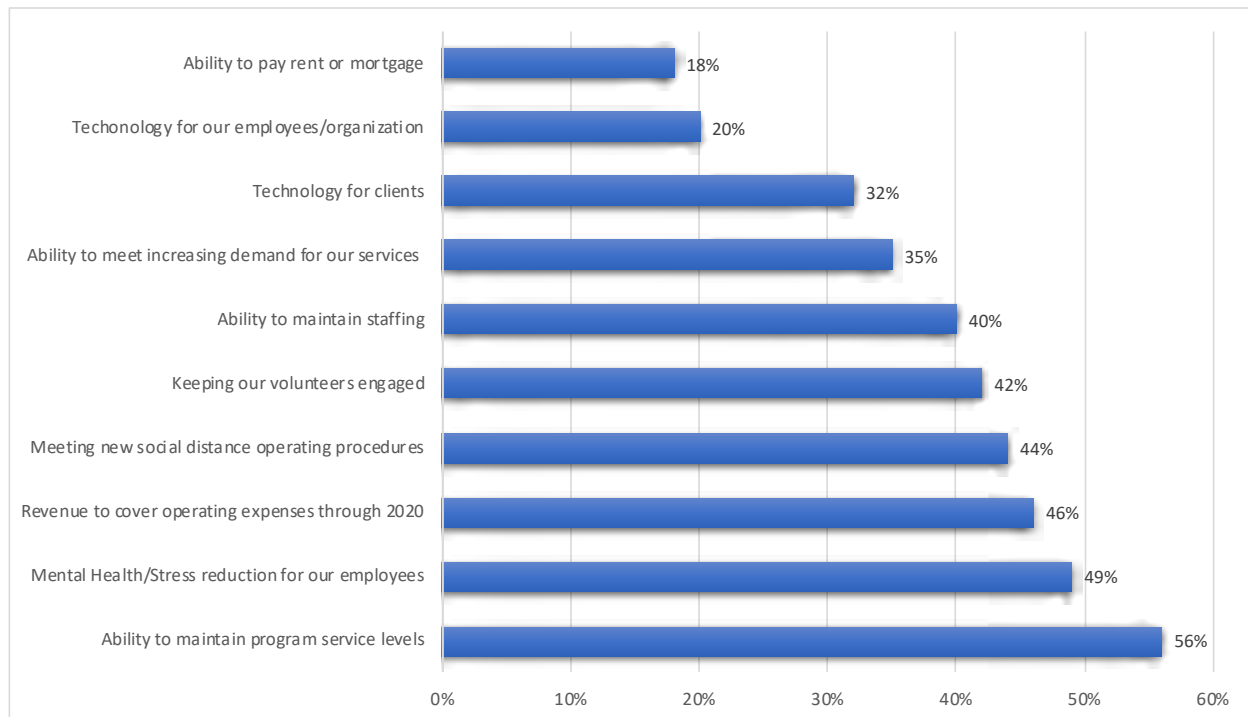


Chart 1. Charities' Concerns¹ For The Future

A little over a third – 32% (out of 364 nonprofits) indicated high concern with their capacity to provide technology for their clients (“very concerned” and “extremely concerned”). Out of 368 nonprofits, 18% are concerned about their ability to pay their rent or mortgage in the next several months.

In addition to the above, 48 out of 56 nonprofits reported deep concerns about their future survival regarding their inability to continue to raise unrestricted funding to supplement other funding streams (e.g., government grants) to fully cover their operations, fear of donor fatigue, their ability to sustain fundraising events and campaigns under current conditions, concerns about the financial and operational health of their program partners, the health vulnerability of volunteers, and the ability to maintain or increase membership.

Below we discuss the impact the COVID-19 crisis has had on Oregon nonprofits’ employees and volunteers, programming, funding, and future outlook.

¹ Please note that these percentages vary based on the number of nonprofits that answered each question, ranging from responses from 364 to 482 nonprofits.

Section I: Impact on Employees, Volunteers, Programming, & Service Provision

Permanent Closures: The good news is that COVID-19 has so far not resulted in significant closures of nonprofit organizations. Only two out of 490 nonprofits reported making the tough decision to permanently close. An additional two organizations anticipate closing permanently before the end of 2020. However, a sharp increase of COVID-19 cases and additional shutdowns might increase closures among these public charities – about 10% of nonprofits (46 out of 485 organizations) are uncertain of their future, compared to 90% (437) nonprofits that did not anticipate closing at the end of 2020. In the event that the COVID-19 crisis worsens the likelihood of permanent closures of these 46 nonprofits increases significantly.

Among the 46 public charities uncertain about their future, 14 are Arts, Culture & Humanities, 10 are in Human Services, six are in Public and Societal Benefits, five are in Education, and four are in Health Services. The data shows that nonprofits across all ages and organizational sizes are vulnerable to potential closures. For instance, among these 46 nonprofits, 18 (40%) nonprofits have budgets between \$100,000 - \$500,000, 10 (22%) have budgets between \$1 million - \$5 million, nine (20%) are very small entities with budgets under \$50,000, and six (13%) have budgets between \$500,000 - \$1 million. In terms of age, 67% (31 out of 46) of the nonprofits reporting uncertain futures have been in operation between 6-10 years (11 nonprofits) and 11-25 years (20 nonprofits).

Impact on Paid Staff and Volunteers: The most notable impact on capacity has been the decrease in the total number of volunteer hours worked, due to state closures and social distancing measures. 73% of 473 nonprofits that rely on volunteers have seen a decrease in volunteer hours, 38% of 476 nonprofits saw a decrease in the number of hours worked by paid employees, and 48% did not see any change.

Impact on Core Programming: The survey asked nonprofits to give us an idea of their current levels of operation or activity as of June 2020, when they took the survey. At that point, due to State of Oregon guidance, most nonprofits had officially been closed for about three months. As shown in Chart 2, COVID-19 forced 59.7% of the nonprofits in our sample or 290 out of 486 nonprofits to reduce their levels of services or programs. Only 40 nonprofits (8.2%) ceased service provision altogether – a little over half of these are Arts, Culture & and Humanities nonprofits (22).

“We provide many youth development programs so we will adapt those programs as we continue to follow the governor’s new rules and regulations plus learn the changing demand/interest from parents. For example, we launched Emergency Child Care to assist essential staff but now can include children from parents who have returned to work. They register by the day instead of the month and pick their price instead of having a set price.” – Nonprofit Leader

In addition, some nonprofits did not experience any change to their levels of operation or programs, and others reported experiencing an increase in their levels of operation, as shown above. For 13.6% (66) of the nonprofits, the levels of operation remained stable, while 18% or 88 nonprofits reported experiencing an increase in their levels of operations or programs.

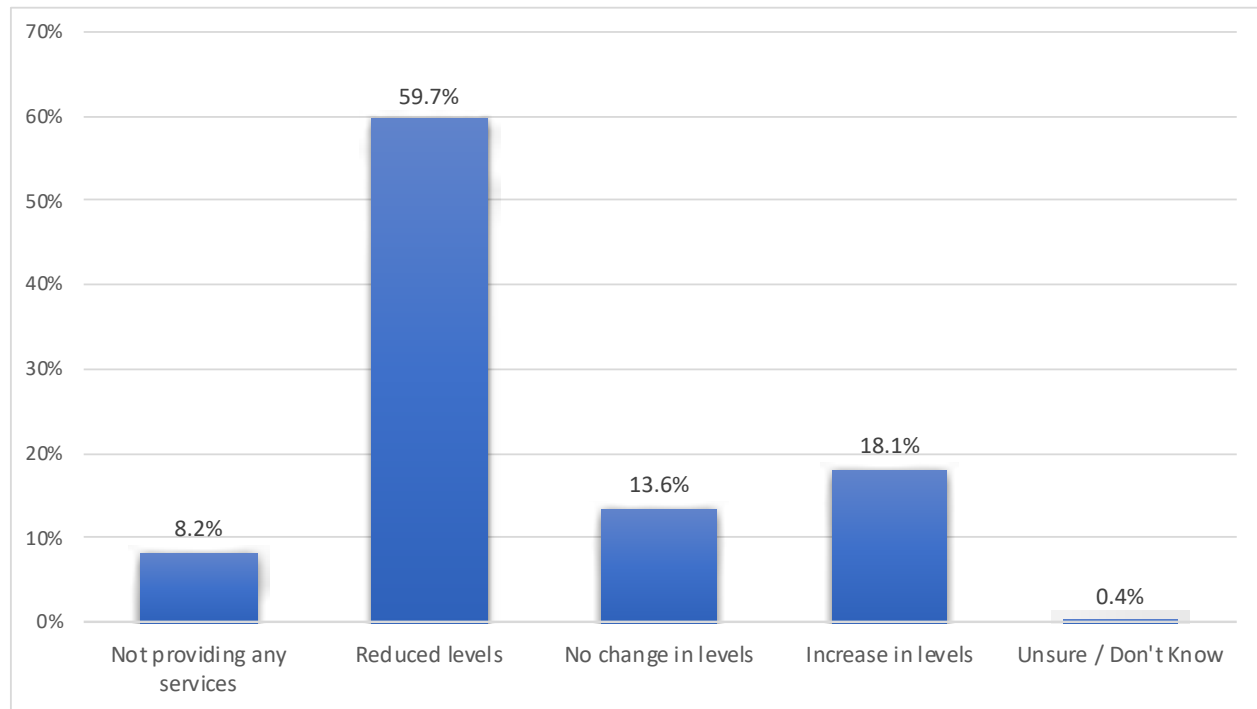


Chart 2. Nonprofits' Levels Of Operations As Of June 2020

Changes in Demand or Requests for Nonprofit Services: In general, as of June 2020, 38.4% of 485 nonprofits reported seeing an increase in demand for their services, while 31% reported seeing a decrease in the requests for their services (see Chart 3). Nearly 22% of nonprofits did not see any changes in demand for their services. And as shown below, some nonprofits are forced to adapt in extreme ways in order to save lives.

"We serve anyone homeless or near homeless due to domestic or sexual violence, or sex trafficking through community based advocacy, shelter, housing, and peer support groups. While calls are down since "stay at home" the abuse is far more physically horrific. Adults and children are trapped at home with their abuser, and can't get away. No one else wants them because of the fear of getting COVID. Our shelter has remained open and is full. In order to help these victims we are using emergency funds to pay for hotels. While they are in the hotels we provide advocacy, resources, and connect them to needed services (health, DHS, etc.). The need continues to grow, and now we are spending \$20,000 a month to keep them safe. This is not sustainable..." –Nonprofit Leader

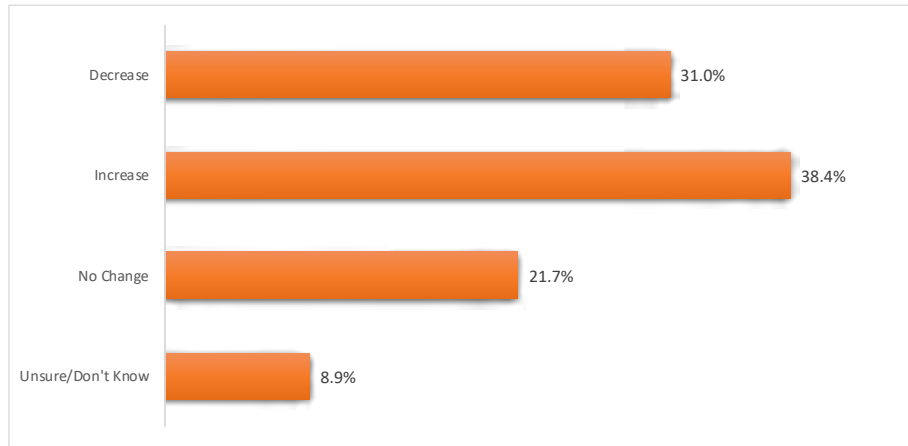


Chart 3. Change In Demand Or Requests For Nonprofit Services Or Programs

Returning to pre-COVID-19 Levels of Operations: Across all nonprofits in our sample, only 16.5% of nonprofits (80 out of 484) believed they could return to pre-COVID-19 levels of operations within 1-to-6 months, as shown in Chart 4. 27.7% of nonprofits believe they would require between 6 months-to-a-year to return to pre-COVID-19 levels of operations. The majority of nonprofits (31.8%, or 154) believe they will need more than a year to return to their pre-COVID-19 levels of operations. All this is assuming that the COVID-19 pandemic is contained. Combined with increasing demand, this paints a very grim picture for individuals, families, and communities that desperately need or rely on nonprofits.

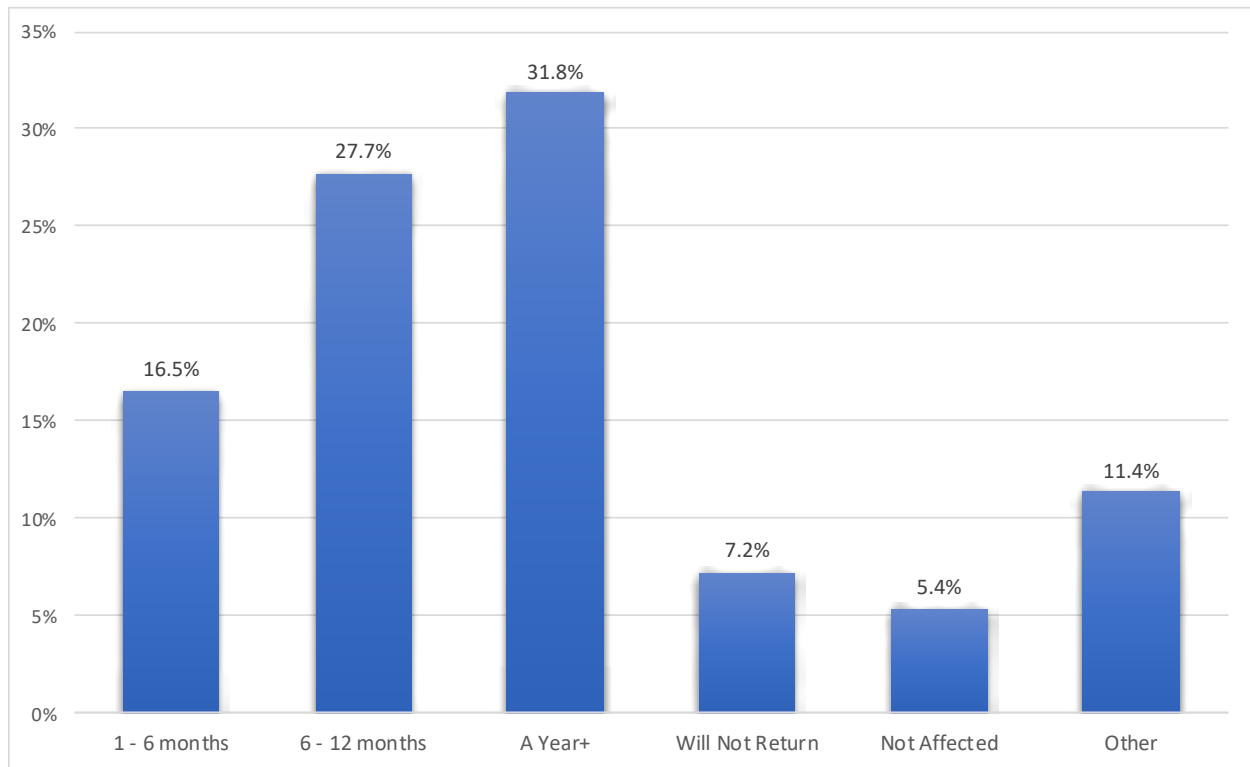


Chart 4. Projections About Returning To Pre-COVID-19 Levels Of Operations – Across All Nonprofits

Chart 4 shows that the operations of 5.4% of the nonprofits that responded to the survey were not affected at all by the COVID-19 crisis. Digging a little deeper, we find that half of these consist of 10 Human Services nonprofits, three Housing & Shelter nonprofits, and two Mental Health & Crisis Intervention nonprofits. More research is needed to gain a better understanding of the factors driving this stability, and if this will be long lasting.

Finally, 7.2% of nonprofits believe that they will never be able to revert to their pre-COVID-19 levels of operations. Further investigations show that this group is dominated by 15 Human Services nonprofits out of the 35 organizations. Furthermore, these 35 organizations vary in budget size. Ten (10) nonprofits have budget sizes between \$1 million - \$5 million, another 10 nonprofits have budgets between \$100,000 - \$500,000, six are much smaller, with budgets under \$50,000, with another six with \$5 million or more in annual revenues (based on 2018 IRS reported total revenues).

Again, additional qualitative research is needed to gain a better understanding of the reasons why these organizations believe they will never recover to pre-COVID-19 levels of operations. One thing disasters or crises do is alter the clientele base upon which nonprofits rely on or serve. For example, the catastrophic 2010 earthquake in Haiti turned many NGO staff into victims in need of aid, since they too had experienced personal injuries and loss (Levie et al., 2017). Following Hurricane Katrina, many surviving nonprofit staff, volunteers, and donors opted to seek safer ground, which for many meant leaving the area altogether (Clermont et al., 2011; Simo & Bies, 2007; Chikoto-Schultz et al., 2019). In addition, nonprofit providers outside the Greater New Orleans region ended up serving more new clients than before the storm (Auer & Lampkin, 2006), yet the people they assisted in quieter pre-storm times still required those services, if not more than before (Pipa, 2006; Chikoto-Schultz et al., 2019).

Judging from the variations in responses from across the different subsectors (see Chart 5), the general belief remains relatively similar – the majority of nonprofits within each of the subsectors anticipate requiring a year or more to recover (portrayed in green), with others requiring six months-to-a year (in purple).

"We are a hands-on children's museum and still working to adapt to the needs and safety requirements. Children playing together, sharing toys and supplies, is not currently a safe activity therefore our entire model has to be adapted." – Nonprofit Leader

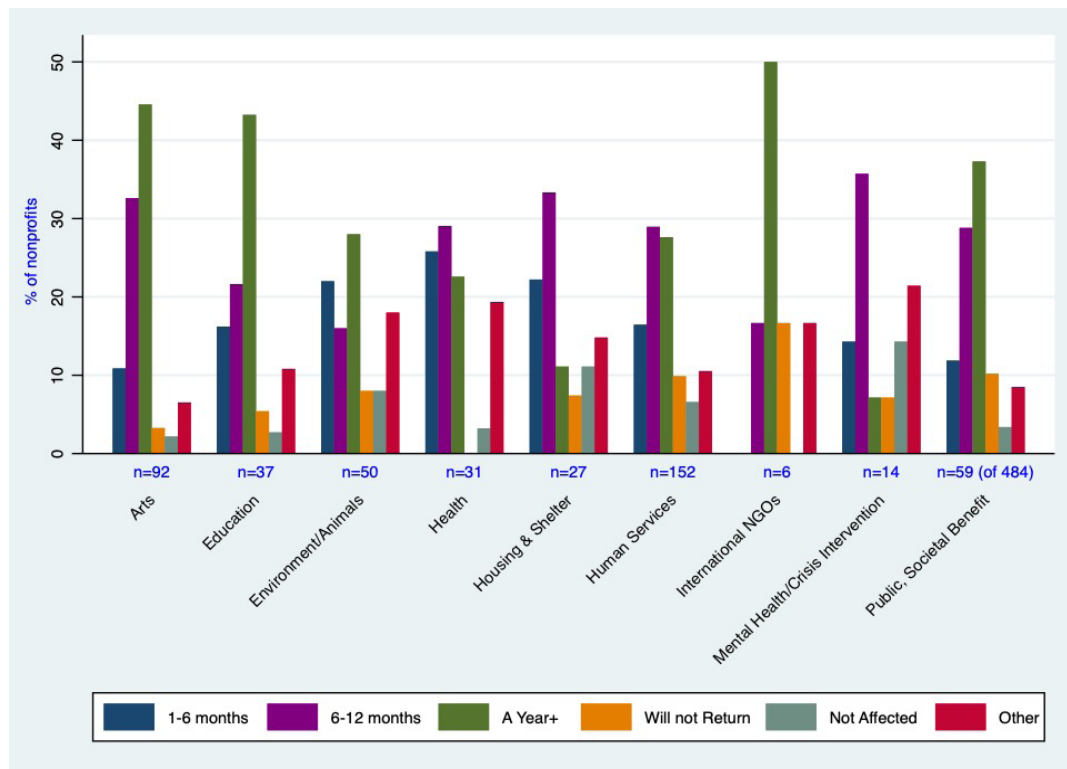


Chart 5. Projections About Returning To Pre-COVID-19 Levels Of Operations By Subsectors

The general optimism portrayed in Chart 4 and 5 are understandable to some degree, but it may be premature. For the most part, this will depend on the degree to which Oregon, the United States, and the rest of the world are able to contain the COVID-19 virus, and the availability of a viable and safe vaccine. As nonprofits ponder their recovery efforts they need to keep in mind that: 1) recovery efforts often create time compressions (Olshansky et al., 2012) where there will be increased competition for limited resources that will exacerbate inequalities; and that 2) an inability to return to pre-COVID-19 levels may not necessarily be a negative scenario because recovery could present windows of opportunity for nonprofits to seek "build back better" (Kim & Olshansky et al., 2014).

In spite of the challenges that nonprofits are facing, one thing is clear, Oregon nonprofits remain essential to the COVID-19 response efforts. For instance, nearly half of all the nonprofits (49.2%, or 239 of 486 nonprofits, compared to 51%) reported adding new clientele, services, or programs to their missions. Of these 239 nonprofits or 77% have added new services/programs specifically to assist with COVID-19 response, demonstrating the essentiality and agility of nonprofits in responding to societal needs and emergencies. Another 22.6% are serving an entirely new clientele altogether. More information is needed here to understand the nature of these COVID-19-related response efforts.

Volunteer Engagement under COVID-19 Conditions

Volunteers represent one of the defining characteristics of nonprofit organizations; they provide invaluable benefits to nonprofit organizations, in terms of time, skills, and monetary donations, amongst other benefits. According to the federal agency that oversees AmeriCorps and Senior Corps – Corporation for National and Community Service (CNCS) – 43.2% of Oregonians volunteer, placing Oregon just behind Utah and Minnesota. This amounted to 1,448,752 Oregonians contributing 177.7 million hours in volunteer service in Oregon in 2018. In monetary terms, volunteer services were worth \$4.2 billion in 2018.

² <https://www.nationalservice.gov/serve/via/states>

As noted, the COVID-19 crisis has grossly undermined nonprofits' ability to engage their volunteers, as well as volunteers' ability to engage with the organizations they are dedicated to. As a result, 73% of 473 nonprofits that rely on volunteers have seen a decrease in volunteer hours. For all-volunteer run nonprofits, this may mean grinding all activities to a halt, particularly for organizations that rely on older volunteers.

"We are an essential agency, and in order to provide the best direct service it is important to do it in person or over the phone. The type of direct services we provide is difficult, and we know that vicarious trauma can occur. For that reason we do not have our volunteer[s] work from home. Also because of the social distancing we do not have adequate space for volunteers and staff. Therefore we have decreased the number of volunteers coming into our facilities." – Nonprofit Leader

To get a deeper understanding of how nonprofits were engaging their volunteers in a COVID-19 and "shutdown" environment, we also asked nonprofit leaders to tell us how they were engaging volunteers – keep in mind, this is as of end of June 2020. Responses to the open-ended question reveal three trends:

1. **No Issue Engaging:** Out of 345 responses, more than half of the nonprofit leaders who responded to this question (201 or 58%) reported continued success engaging their volunteers during this time. They reported achieving this through:
 - Constant communication and allowing their volunteers to be flexible in the ways they can support the organization. Additionally, about 64 nonprofit leaders specifically mentioned communication as the most helpful component to their success in keeping volunteers engaged. In cases where volunteer participation is limited, nonprofit leaders have attempted to at least maintain contact. While regular telephone calls are helpful, video and other virtual means of communication have become influential as well.
 - For some, it has been through connecting with their communities and gaining support indirectly through resources, networks, and services that had not been available before COVID-19; all this due to the organizations' efforts to be transparent. For example, one organization started a program to connect community members with isolated seniors. Another nonprofit has invested in a news subscription to provide members and clients with access to current events.
 - Other engagement activities have included inviting volunteers to make masks, distribute care packages and school supplies, deliver food boxes, and acquire "Personal Protective Equipment (PPE) and other cleaning supplies," to provide to their stakeholders/clients.
 - In some cases, other nonprofits have had more volunteer engagement during this time. As one nonprofit involved in the subsector of Food, Agriculture & Nutrition noted; "We didn't rely heavily on volunteers before COVID-19 [and] we have actually seen more of an interest from volunteers in supporting our work since COVID-19." And for one Human Services nonprofit, their "use of volunteers in emergency services has increased by more than 500%."

- 2. Increased Virtual Volunteer Engagement:** Also, out of the 201 nonprofits that were successful in engaging their volunteers, 118 noted how the use of technology has increased or maintained their ability to keep volunteers informed and engaged.
- Representing 34% of all responses to this question, organizations in this category have stayed connected with volunteers in various ways; from as simple as emailing “updates on our mission and how we are adapting” to full-fledged “Zoom meetings [and] participation in fundraising events virtually.”
 - Although social distancing measures have presented challenges for in-person fundraising activities, they have also propelled greater creativity in virtual engagement out of necessity. An increase in the availability of, and access to more user-friendly software platforms such as Zoom (and others) has also contributed to the normalization of such virtual involvement.
 - Nonprofits have also harkened back and amped up use of some “traditional” strategies to reach and maintain contact with their volunteers through podcasts, online newsletters, social media, remote assignments, webinars, and online training. In some cases, virtual engagement has been more effective and efficient than in-person activities. One nonprofit leader stated that they “have been more successful with bringing new volunteers on than engaging established volunteers,” while another shared that they “have had an influx of new volunteers and have developed a new volunteer-driven program” in response to the pandemic. However, not all organizations have had success in engaging through virtual and other means.

“We have been calling and sending emails. They have also been reaching out to us begging to get back in and volunteer -- so wonderful!!!” – Nonprofit Leader

- 3. Struggling to Engage Volunteers:** In spite of the successes noted, for about 42% of the responses (or 144 out of 345 nonprofits), maintaining volunteer engagement has not been an easy task.
- Some nonprofit leaders in this grouping have “made the difficult decision to reduce [the number of] volunteers until further notice,” due to the nature of volunteer activities. For instance, when in-person or on-site participation is required, it is difficult to pivot those activities virtually.
 - Due to restrictions against large gatherings, organizations that rely both on these events and the engagement of volunteer assistance to hold them have seen considerable drop-off in that engagement.
 - Another issue is that in many charitable organizations, volunteers tend to be older individuals who are likely more vulnerable to COVID-19 complications. Additionally, some volunteers are with colleges or other educational institutions and with many schools not meeting in-person and/or holding online classes, it is more difficult for nonprofits to engage and recruit student volunteers.
 - For other organizations, the issue is simply that they “do not have the staffing capacity... to manage volunteers right now.”

- While this pandemic brings about a lot of uncertainty, volunteers may also be hesitant to participate due to personal, health-related, and safety concerns.

Section II: Current & Anticipated Impact on Funding Streams

Nonprofit organizations rely on a number of resources to support their missions. These include non-financial contributions such as volunteer services, as well as financial resources such as donations from individuals and from foundations/corporations (charitable giving), government support, which can come in the form of grants and contracts, (or the occasional bailouts such as PPP and EIDL), as well as fees and commercial income, also known as fee-for-services or earned income (Chang, Tuckman, & Chikoto-Schultz, 2019). Other revenue streams include membership dues and return on investments. In general, according to resource dependence theory, “the key to organizational survival is the ability to acquire and maintain resources” (Pfeffer & Salancik, 1978, p.2). However, from an open-systems perspective (Katz & Kahn, 1966; Buckley, 1967), the fact that nonprofits are in constant interaction with a dynamic environment, the results of their organizations – from funding choices to the people served – all are equally environment dependent.

Recent research in nonprofit finance also indicates that understanding how each individual funding source behaves is important, as well as understanding how funding streams behave relative to each other. Some funding streams have been found to crowd others in or out (Tinkelman & Neely, 2018), and tend to respond to or are affected by fiscal shocks in varied ways. COVID-19 has certainly increased the dynamism of the social, political, and economic environment within which nonprofits operate and the survey findings show a grim impact on earned income, with an encouraging picture for other funding streams.

As a whole, the nonprofit sector tends to rely heavily on earned income or fee-for-services from private sources (roughly about 47%), fee-for-services and goods from government sources (approx. 25%), private/charitable contributions (approx. 13%), government grants (about 8%), and investment income is estimated at 5%, and 2% from other sources (Chang et al., 2019). What is clear from this is the prominence of earned income from private sources, although this dependence varies by the subsector a nonprofit operates in. For instance, nonprofits in Education, Health, Arts, Culture, and Humanities, tend to rely more heavily on earned income and private contributions with very little government revenues.

Impact on Earned Income

Overall, a combined 54% of 467 Oregon nonprofits reported losing 16% or greater in earned income, with about 35% of nonprofits losing more than 50% in earned income (Chart 6). For 28% of nonprofits, earned income did not change. However, given the closures and social distancing requirements, a negative impact is to be expected as nonprofits such as museums and historical sites rely on people paying a fee to visit these facilities.

"We've had to build new online programs and lower-cost services to meet the current demand. We're concerned our clients may lose the ability to pay at some point during the pandemic, and we know a LOT of potential clients are unable to hire us for lack of funds." – Nonprofit Leader

Looking ahead through the end of 2020, nonprofits expect this picture to remain relatively similar, with slightly fewer nonprofits (23%) anticipating greater than 50% decreases in earned income. However, the percent of nonprofits that indicate they are unsure of what will happen with this funding stream for their organizations increases from 5.4% to nearly 10% (as shown in Chart 6).

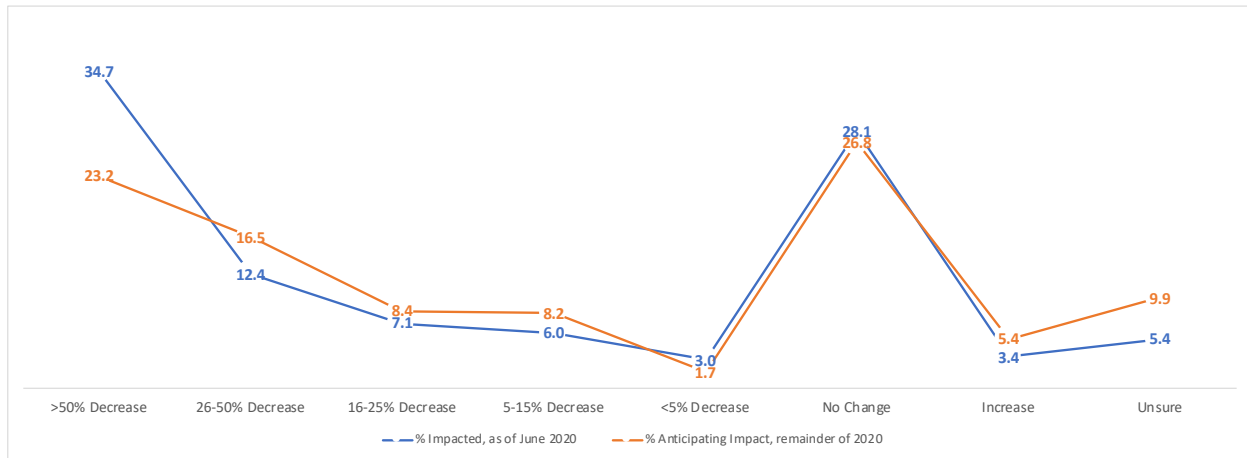


Chart 6. % Of Nonprofits Currently Impacted vs. Anticipating Impact Through 2020 On Earned Income

Impact on Earned Income by Subsector

As noted earlier, resource dependence varies by the subsector or field of work a nonprofit operates in. As a result, nonprofits in Education, Health, and Arts, Culture & Humanities, tend to rely more heavily on earned income. Over the years, the nonprofit sector has seen an increasing number of Human Services nonprofits rely on this revenue stream more and more.

Chart 7 shows the impact of the COVID-19 crisis and state closures on earned income for nonprofits in each subsector. A few noteworthy observations follows in Chart 7 (relative impacts are organized in descending order):

- 1. Greater than 50% Decreases in Earned Income among Arts, Culture, & Humanities Nonprofits:**
 Not surprising given their high dependence on earned income, a disproportionate number of nonprofits in this subsector reported experiencing decreases greater than 50% in earned income. 63% out of 92 Arts nonprofits in our sample reported losing 50% or more in earned income, and 9.8% reported losing between 26-50% in earned income. Put another way, 72.8% of Arts nonprofits have lost 26% or more in earned income.

Not shown in the chart below, data indicates that the outlook through the rest of 2020 remains relatively similar, with 52% of these nonprofits anticipating declines of greater than 50% in earned income, and another 19.6% expecting decreases between 26% and 50% in earned income. In other words, 71.7% of Arts nonprofits anticipate losing 26% or more in earned income for the remainder of 2020. This is critical in that, Arts organizations in particular, face relatively more fiscal pressures than other types of nonprofits, especially in crises of this nature, as well as during times of recessions (Kim, 2017). This is mainly because they end up competing with other urgent social needs such as health and social welfare for limited public support, as well as with for-profits entertainment companies for audiences (Kim, 2017). And in this present COVID-19 environment, Arts organizations are confronted with another challenge – the social distancing measures, which are compelling them to find alternative “remote” or social-distance-friendly avenues to continue operating.

"We are hoping to reopen under Phase 2 requirements. This will limit the number of tickets we can sell to approximately 1/3 of the possible seats. It will restrict the number of participants, and it may change (in a way that is yet to be determined) the content of our productions. Furthermore, an increase in COVID-19 cases would cause us to close again. We are currently engaged in some virtual performances, but they will not provide any meaningful financial assistance." – Nonprofit Leader

2. **Two other subsectors that also have a significant percentage of the same decrease are International/Foreign Affairs and Religious organizations:** Due to the small response rate from these two subsectors we cannot generalize this finding to those sectors.

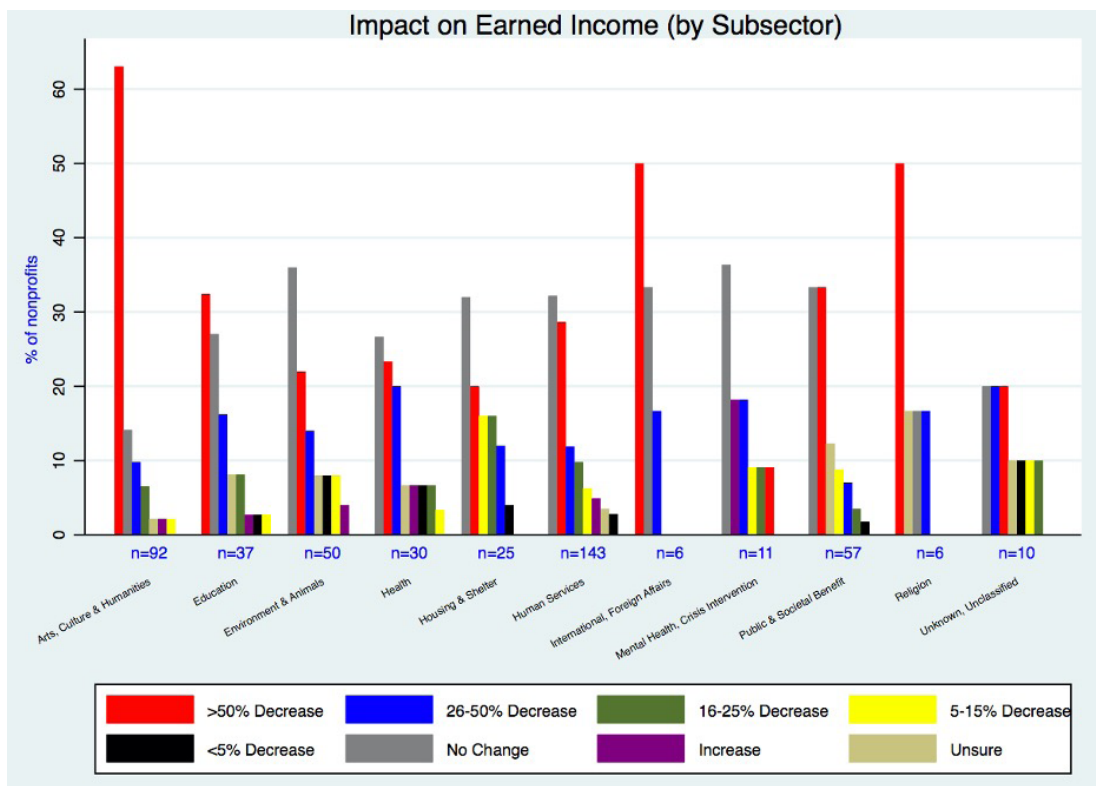


Chart 7. Impact On Earned Income By Subsector

3. **“No change” in Earned Income:** While significant numbers of nonprofits within the rest of the subsectors also reported 50% or more decreases in earned income, a slight majority have not experienced much change in earned income (shown in gray above). However, extreme caution is needed in interpreting this result. It is possible that those that do not have earned income in their income portfolios may have selected this response option.
4. **Human Services Nonprofits & Earned Income:** Among Human Services – the largest subsector in our sample – 32.2% report experiencing “no change” in earned income. In terms of decreases in earned income, while 28.7% reported seeing greater than 50% decreases in earned income, and another 11.9% saw declines between 26% and 50%.

Impact on Individual Donations

Individual donations often reflect the strength of relationships nonprofits have with the general public or communities they are embedded in and the opportunities to inform and rally others to invest in the mission of the nonprofits. The majority of nonprofits reported seeing “no change” or seeing an “increase” in support from individuals as shown in Chart 8. Specifically, 22% have seen a stable flow of individual donations to their organizations, and 23% reported an increase in donations from individuals. Looking ahead through the end of 2020, only 13% do not anticipate any change, with 18% expecting an increase, 38.7% anticipate losing 16% in individual donations, and 17% are unsure of what to expect.

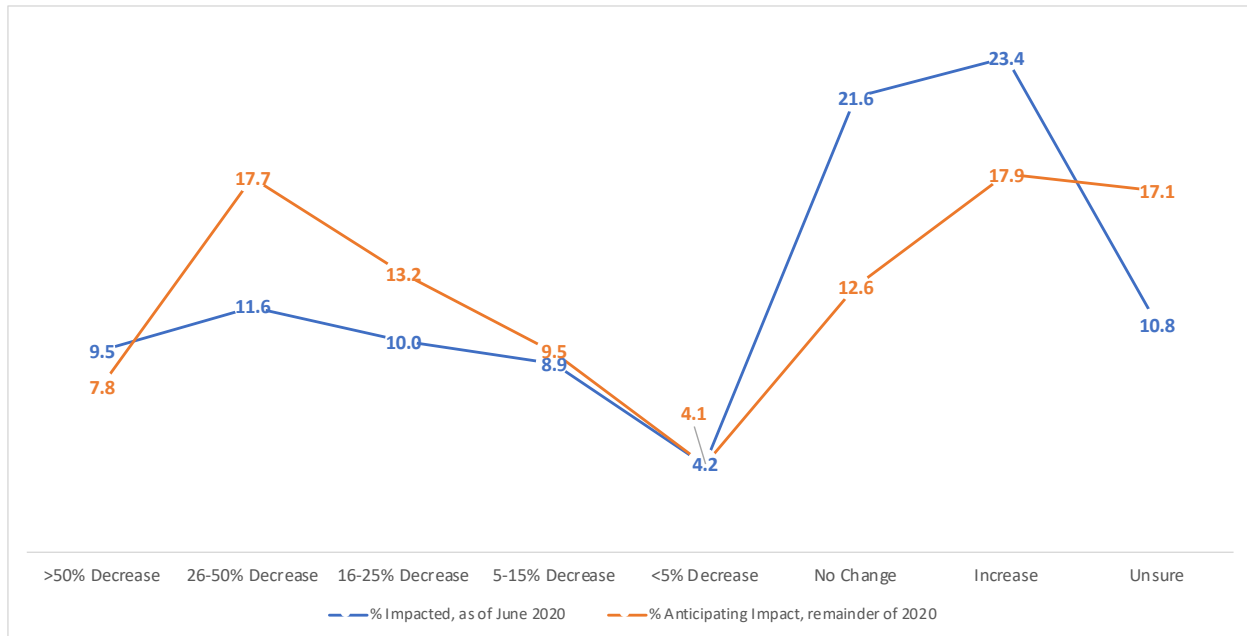


Chart 8. % Of Nonprofits Currently Impacted vs. % Anticipating Impact Through 2020 On Individual Donations

Impact on Individual Donations by Subsector

- “No Change” or “Increases” in Individual Donations:** Based on Chart 8, a positive pattern is evident across a number of subsectors, where individual donations are concerned. Judging from the patterns denoted in gray and purple below, we find that the dominant impacts have been “no change” or increases” in individual donations – at least for now.

 - No Change:** For instance, the majority of the nonprofits within Education (35.2%), Environment (24%), Housing & Shelter (35.7%), a third of the few international non-governmental organizations (NGOs) in our sample, and 20.3% of Public & Societal Benefits, all reported seeing some stability in individual donations as of June, 2020. Regarding Educational nonprofit organizations, next to Religious organizations, they tend to receive the second-largest share of private giving, which includes giving from individuals and households, gifts from foundations and corporations, and personal bequests (McKeever et al., 2016).

- **Increases:** Although there is a lot of variability in impact across the Arts, a small majority – 19.8% reported seeing an increase. 42.9% of Mental Health & Crisis Intervention nonprofits also reported an increase in individual donations, as well as 29.8% of Human Services nonprofits, 26.7% of Health nonprofits, and two out of the six International NGOs in our sample.

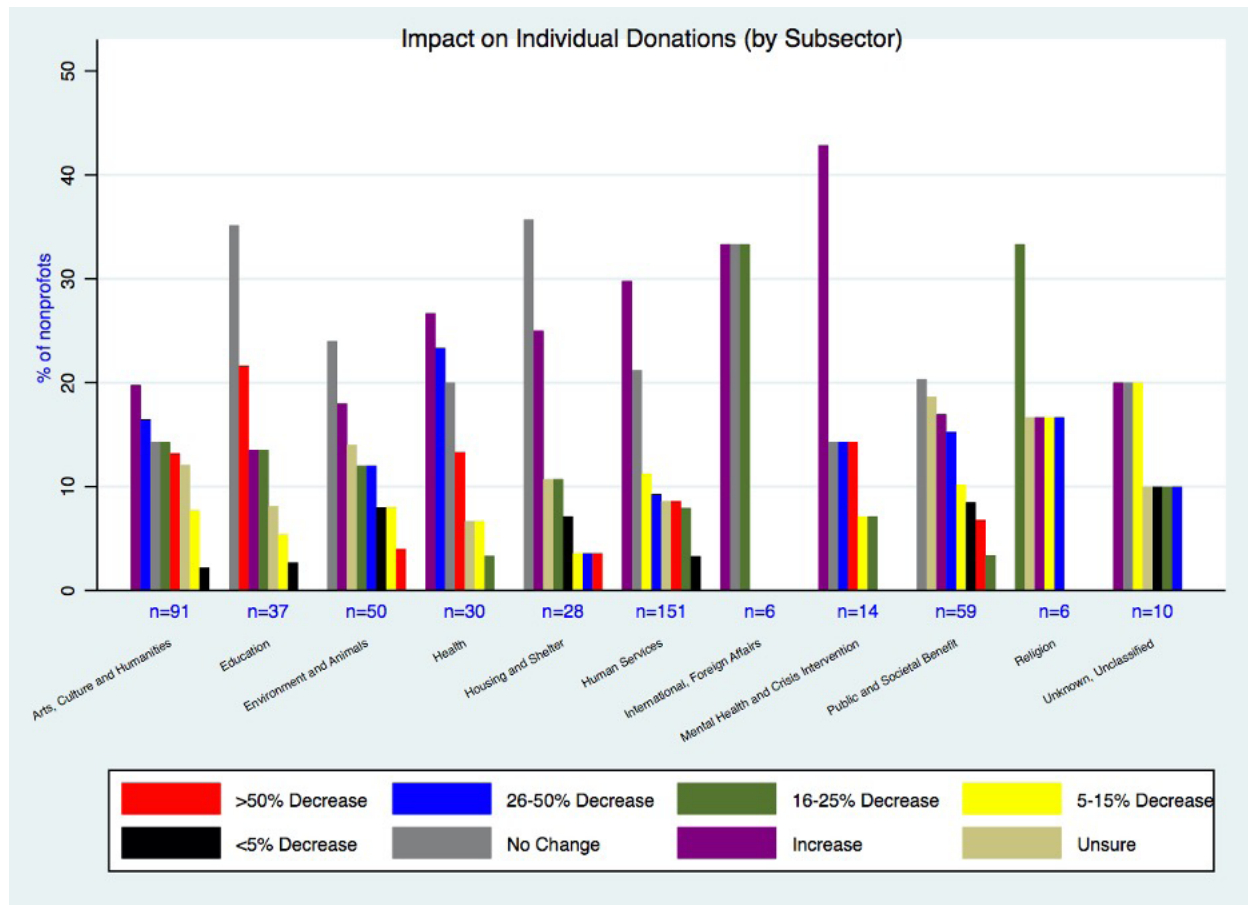


Chart 9. Impact On Individual Donations By Subsector

- **Religious-related organizations:** Although the six organizations in our sample are hardly representative of all religious-related organizations in Oregon, it is interesting to note that two organizations reported experiencing between 26% - 50% decreases in individual donations. Religious-related organizations tend to receive the lion’s share of private individual and household contributions, gifts from foundations/corporations, and personal bequests (McKeever et al., 2016). However, there has been a declining trend since its peak in 1985 (McKeever et al., 2016). As such, if the decline noted by the two organizations is representative of what is occurring in this subsector, there may be cause for concern mainly because, religious-related organizations also house other human services programs such as food pantries.

Impact on Foundations and Corporate Donations

It is encouraging that only 12% of 480 nonprofits reported losing more than 50% in funding from foundations/corporations; funding from foundations/corporations did not change for 29% of the nonprofits, and another 28% of the nonprofits in our sample reported an increase in this funding stream.

Looking ahead through the end of 2020, a lot more nonprofits are unsure of what to anticipate (22%, up from about 11%). In addition, far less nonprofits, 19%, expect to see stable funding (“no change”) with even fewer organizations (about 18%) expecting an increase in this funding stream. However, a lot depends on how the investments of foundations/corporations are affected by the economic losses and recession.

“Our number one concern is finding enough revenue to survive. Along with applying to Covid-specific funders and arts foundations, we are actively seeking small business partners in sectors that are doing relatively well (e.g. home improvement, grocery)” – Nonprofit Leader

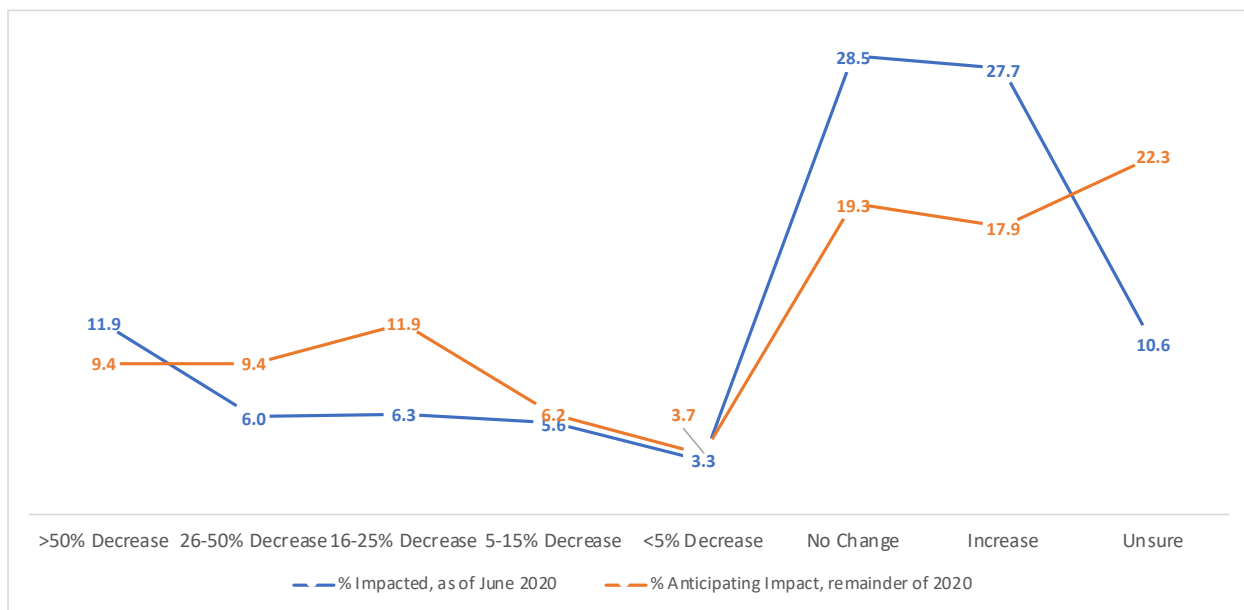


Chart 10. % Of Nonprofits Currently Impacted vs. % Anticipating Impact Through 2020 Foundations And Corporate Donations

Impact on Institutional Donations by Subsector

Considering subsector differences, findings in Chart 11 show generally positive results with a few noted anomalies.

- Increases in Donations from Foundations/Corporations:** At least six out of 10 known subsectors reported seeing increases in funding from foundations/corporations. These include 36.7% of Health nonprofits, 46.4% of nonprofits in Housing & Shelter, 34.4% of Human Services nonprofits, 25.4% of Public & Societal Benefit nonprofits, as well as half of the 14 Mental Health & Crisis Intervention, and three out of the six International NGOs that responded to the survey.

2. **No Change:** Furthermore, a number of subsectors also reported unchanged funding levels as shown in gray in Chart 11 for this funding stream. In fact, four types of nonprofits – 32.2% of Arts, Culture & Humanities, 27.8% of Education, 34% of Animals & Environment, and the two out of the six religious nonprofits that responded to our survey – reported no change in this funding stream.
3. **Decreases Greater than 50% in Foundation/Corporate Donations:** In terms of experiencing huge decreases in this funding stream, there are two notable observations within the Arts and Education subsectors – 18.9% of Arts nonprofits and 19.4% of nonprofits in Education reported experiencing decreases greater than 50% in this funding source. In terms of future outlook through the remainder of 2020, (not shown in chart below) 33.3% of the Arts nonprofits anticipate decreases greater than 50% in funding from foundations/corporations, and another 15.6% anticipate decreases between 26% - 50%.

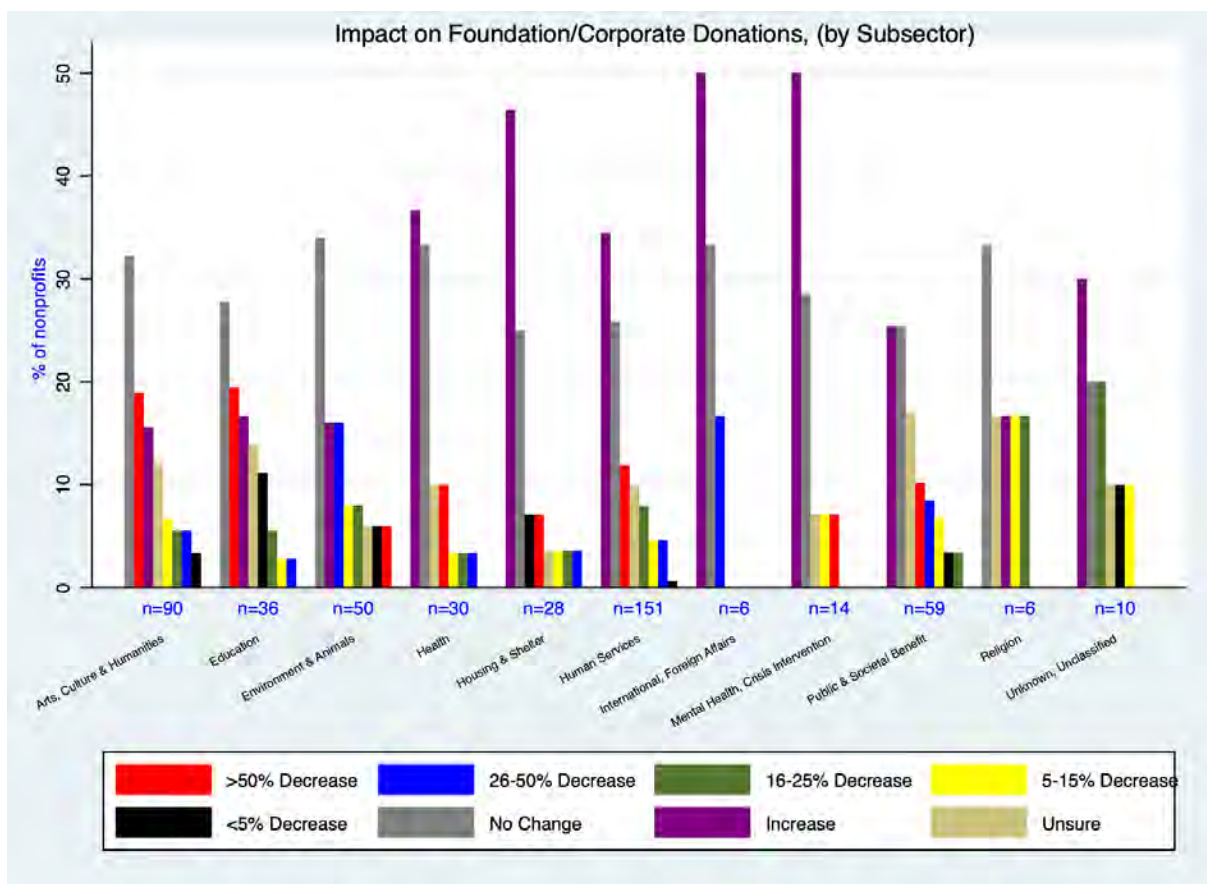


Chart 11. Impact On Institutional Giving (Foundations And Corporations) By Subsector

"Exhibitions have been cancelled through mid-October. On-site education programs have also been cancelled through Autumn. Summer outreach programs may be cancelled. We have switched many of our education events and programs to on-line programs. We just need operational funds!" – Nonprofit Leader

Impact on Government Contracts and Grants (excluding EIDL and PPP)

As shown on Chart 12, COVID-19’s impact on nonprofits has not been as drastic with respect to government grants and contracts, which could be encouraging. For instance, 48% of 467 nonprofits did not see any change – government funding as of June 2020 was stable. It is possible that non-recipients of government funding may have selected this “no change” response option, thus exaggerating the stability of this funding source. Overall 467 out of 480 nonprofits responded to this question, which may very well mean that non-recipients also responded to this question. 21% reported an increase in government contracts and grants; however, it is unclear whether this increase is driven by government efforts to support nonprofits’ COVID-19 responses efforts. Please note that government funding does not include PPP and EIDL, which are covered in Section III.

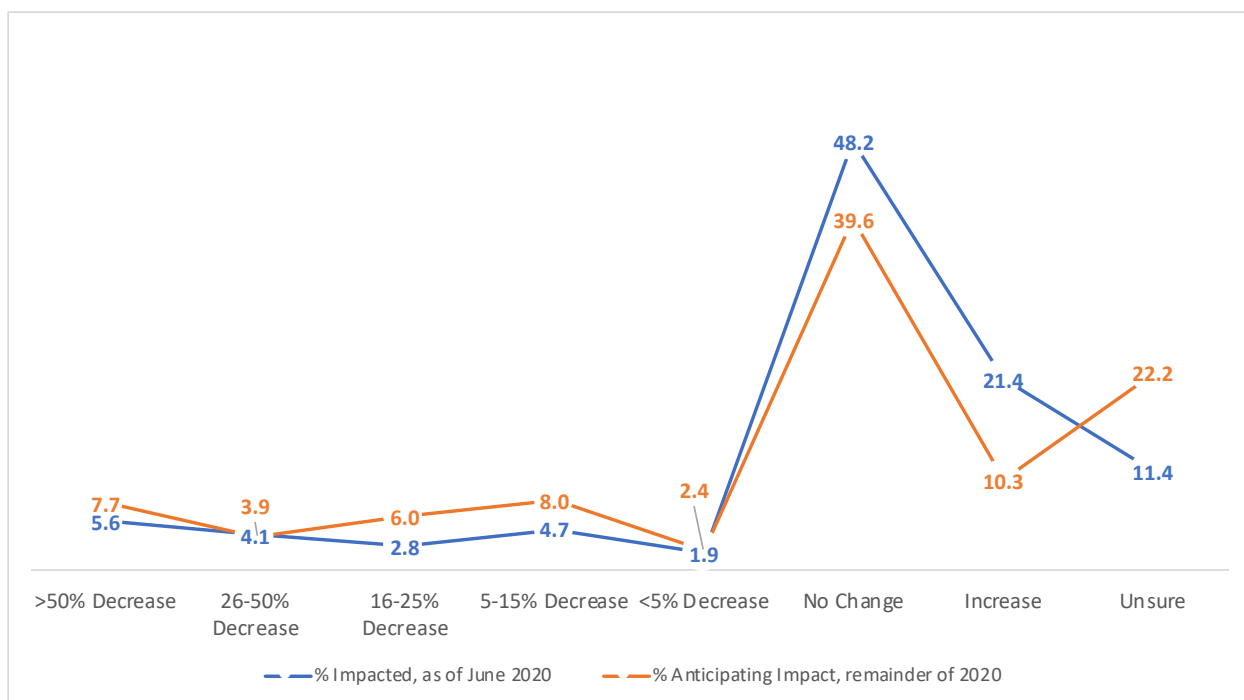


Chart 12. % Of Nonprofits Currently Impacted vs. % Anticipating Impact Through 2020 Government Contracts And Grants

Although the survey results show a great deal of optimism as nonprofits look ahead through the end of 2020 regarding the reliability and stability of this funding stream, there is evidence of some skepticism or caution. For instance, twice as many nonprofits (22.2% compared to 11.4%) are unsure of what will happen with government funding and slightly more nonprofits (7.7 % compared to 5.6%) are expecting decreases of greater than 50% in the future, with nearly twice as many nonprofits expecting decreases anywhere from 5% to 50%.

"We need grants from DOE and DHS to fund services that address the mental health and academic needs of students with disabilities grades K-8. This will help offset the projected loss of revenue from school district contracts that were in the works and/or in the process of being renewed when COVID-19 struck." – Nonprofit Leader

Overall, 21% of nonprofits are expecting to see increases in government contracts and grants in the future. However, juxtaposed against the recently announced funding cuts by the State of Oregon and grim budget forecasts for most counties and municipalities, this optimism may be short-lived. For instance, in mid-August, the Oregon legislature voted to reduce planned spending by about \$400 million across a range of government agencies³. According to the Lund Report, overall, “[t]he cuts are not as deep as some had feared,” as the Oregon state government will be relying in part on its reserves⁴. But with COVID-19 still not under control, a lot remains to be seen.

Impact on Government Contracts and Grants by Subsector

Similar to the pattern observed in foundation/corporate funding, nonprofits reported observing some stability in government grants/contracts depicting it as a reliable source of revenue despite the government’s fiscal challenges.

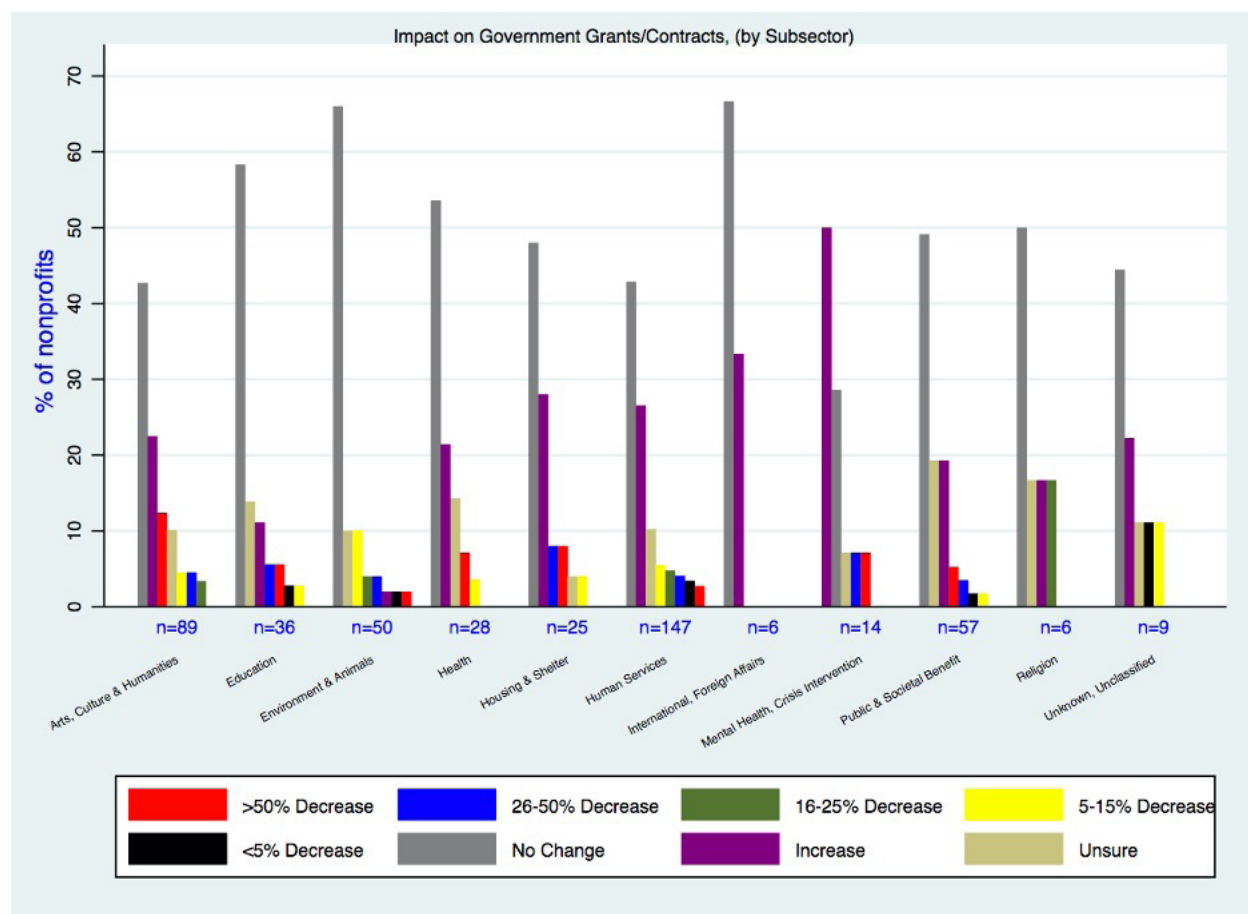


Chart 13. Impact On Government Grants And Contacts (Less PPP & EIDL) By Subsector

³ <https://www.statesmanjournal.com/story/news/politics/2020/08/17/coronavirus-covid-19-oregon-special-session-budget-cuts/3359925001/>
⁴ <https://www.thelundreport.org/content/lawmakers-revise-budget-cuts-not-deep-feared%2%A0>

Based on the magnitude of impact (Chart 13), the majority of nonprofits reported seeing “no change” in government grants and contracts as of June, 2020. This positive result is consistent across all subsectors, with one exception: 50% of Mental Health & Crisis Prevention nonprofits reported experiencing an increase in government funding – which is quite positive.

The few international organizations in our sample reported seeing either “no change” (4 out of the 6), or an “increase” in government funding, compared to two that reported no changes. While the majority of Arts, Culture, & Humanities nonprofits (42.7%) reported seeing “no change,” in government funding, 22.5% reported seeing an “increase” in government funding.

To summarize, judging from the trends above, only earned income was identified as a significant concern, while the rest of the funding streams were believed to have been stable at the time these nonprofits took the survey. In general, it is expected that the compositions of nonprofits’ income portfolios will change over time as the conditions in the economy, or political or social environment shift (Kearns, 2007; Buckley, 1967; Katz & Kahn, 1966).

One thing to keep in mind as we consider the decreases and increases across these funding streams is the overall impact on a nonprofit’s overall funding portfolio. A disproportionate resource dependence on one of the negatively impacted revenue sources will likely result in financial instability should a nonprofit lose 26% or more in that funding stream. Moving forward, nonprofits are encouraged to use this crisis as an opportunity to review their funding portfolios for resource diversification or the lack thereof. However, this view must be qualified by the fact that, for some nonprofits like those in the Arts, Culture & Humanities, resource concentration, particularly in earned or contributed income, is common due to the nature of the services that such organizations tend to provide (Young, 2007).

"It's impossible to budget at this time, so we opted to 'ride' our current budget until the legislators vote on Oregon's DHS budget. We will know our fate at that time." – Nonprofit Leader

Ultimately, when we consider the fiscal injections from the Coronavirus Aid, Relief, and Economic Security (CARES) Act channeled through PPP and EIDL, as well as other COVID-19-specific fiscal injections from foundations and government agencies and departments, the "true" holistic picture of nonprofits’ financial health both now and in the near future is one that this report cannot speak to, but can only speculate on. At the time of this survey, nonprofit leaders had not yet heard the second quarter financial projections showing the worst loss of GDP capital in American history, nor had we, as a state, yet experienced the “July spike” in COVID-19 cases and the reversal to tighter restrictions on social distancing and protocols. At best, we can only conject that when we compare the findings in this report with any future surveying, the true nature of the financial impact will begin to reveal itself.

Section III: Paycheck Protection Program (PPP) & Economic Injury Disaster Loan (EIDL)

On March 27, 2020, the United States Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support COVID-19 response and recovery efforts. This culminated in several funding options, two of which were addressed in our survey - the PPP and the EIDL.

Administered by the Small Business Administration (SBA), the PPP was designed to provide small businesses, including the 501(c)(3)s charities, with funds, in the form of a loan, to cover payroll costs and benefits for up to eight weeks (Department of the Treasury, 2020). It was meant to operate as a direct incentive for small businesses and nonprofits to keep their employees on the payroll. PPP loans can be forgiven fully or partially, on the basis of employers' abilities to maintain or quickly hire employees, as well as maintain salary levels (Department of the Treasury, 2020)⁵. To obtain the funds, nonprofits, like all other small businesses, had to apply for the loan directly through the SBA or through participating local credit unions, banks, and other lenders. According to the SBA, as of May 23, 2020, 56,638 PPP loans were approved for a total of over \$6.7 billion in the State of Oregon. This number includes nonprofits as well. At the time of this publication, the SBA was accepting additional applications for PPP until August 8, 2020⁶.

The EIDL program also sought to "provide economic relief to small businesses with no more than 500 employees, or with more than 500 employees but are considered small under the SBA Size Standards⁷, as well as to nonprofit organizations that were experiencing temporary loss of revenue. Funds could be used to cover an array of normal operating expenses and working capital (e.g., continuation of health care benefits, rent, fixed debt payments, and utilities)⁸. Unlike PPP, the amount of EIDL loans were much smaller, and were based on an organization's number of employees at \$1,000 per employee, up to a maximum of \$10,000. As of August 8, 2020, a total of 35,730 small businesses and nonprofits had successfully applied and received EIDL loans totaling \$1.98 billion.

Oregon Nonprofits' Experience with PPP: Based on our survey, 71.9% (or 205 out of 285 responses) successfully applied for PPP in their first attempt, compared to 27.7% (or 79) that were not successful the first time they applied (Chart 14).

⁵ <https://www.sba.gov/document/support--table-size-standards>; https://www.sba.gov/sites/default/files/2020-06/PPP__200523-508.pdf

⁶ <https://www.sba.gov/sites/default/files/2020-07/PPP-Borrower-Application-Form-508.pdf>; <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>

⁷ According the SBA website, "A size standard..., usually stated in number of employees or average annual receipts, represents the largest size that a business... may be to remain classified as a small business for SBA and federal contracting programs." This recognizes that the "definition of "small" varies by industry."

⁸ <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/economic-injury-disaster-loans>

In terms of success with applying and receiving requested loan amounts, 58.1% or 279 out of 481 nonprofits successfully applied and received their requested amounts of PPP funds. Overall, 31% or 149 of the nonprofits in our sample did not apply for PPP, as shown in Chart 14. And of those that successfully applied for PPP, 89% anticipate seeking full forgiveness, with 8% expecting to seek partial forgiveness. Note that loan forgiveness is based on employers “maintaining or quickly rehiring employees, as well as maintaining salary levels⁹. Organizations will incur reductions in forgiveness if full-time headcount or salaries and wages decline¹⁰.”

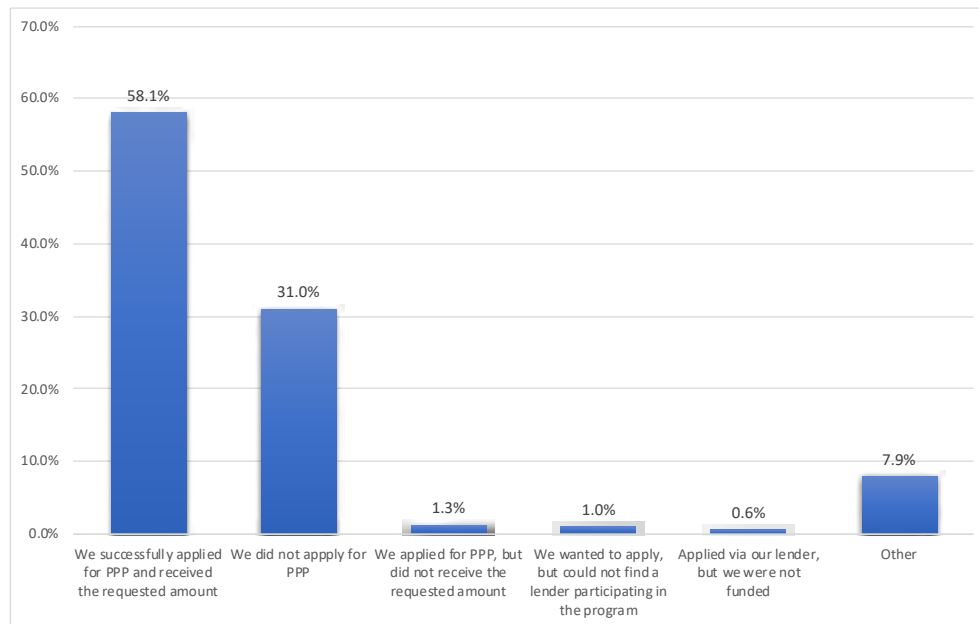


Chart 14. Success With Applying And Receiving Requested PPP Loan Amounts

Complications with PPP: For 7.9% or 38 nonprofits in the “Other” category; applying for PPP was not as straightforward or easy. Organizations were either ineligible simply because they were all-volunteer-run and thus did not have paid staff. A few others were still waiting on a resolution regarding their applications. And while others had successfully applied for PPP, they had not received their requested amounts due to administrative errors, or some misrepresentation.

“Understand that the PPP was baited as an “easy” and “forgiving” process for NPOs. Now, it feels more complicated and convoluted than ever. Feels like an “easy” bait-and-switch.” - Nonprofit Leader

Oregon Nonprofits’ Experience with EIDL: Unlike PPP, the majority of Oregon nonprofits in our sample (76% of 470 nonprofits) chose not to apply for EIDL. Only 52 or 11% of the nonprofits successfully applied and received their requested amount of EIDL funding. There were a few more organizations that applied but were still awaiting a determination at the time of the survey.

⁹ <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>

¹⁰ *ibid.*

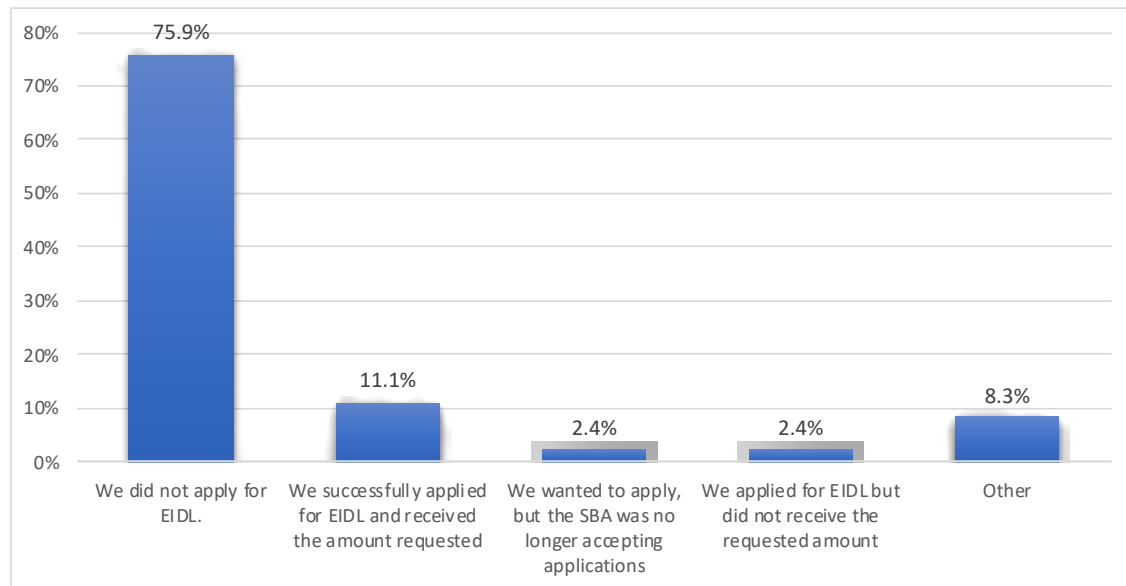


Chart 15. Success With Applying And Receiving Requested PPP Loan Amounts

For 39 or 8.3% of nonprofits in the “Other” category; some had never heard of the EIDL loan, others were simply ineligible, and a significant number had applied, but had not heard back from the SBA about the status of their applications. There were also a few that had successfully applied but reported that they had not received the approved funds from SBA despite being approved, at the time of the survey. Finally, a handful of nonprofits ultimately decided against taking and utilizing the loan after they had received the loan.

Advocacy & Lobbying Strategies

Advocacy entails providing critical information, testimonials, or technical advice, in an effort to educate those in positions of authority and decision-making on particular issues of key interest or importance¹¹. On the other hand, lobbying seeks to influence legislative action and decisions through information sharing, testimonials, and communications with legislative officials, with the explicit goal of influencing policies and decisions.

Participation in the State or Federal Legislative Arenas: The Oregon nonprofits in our sample have also been tackling the challenges created by the COVID-19 crisis through advocacy and lobbying. To voice their concerns over their ability to provide services, manage their staffs’ stress and mental health, amongst other concerns (see Chart 16), 41.5% of 479 nonprofits reported contacting their state or federal elected representatives to voice their concerns. In general, our data shows that larger sized nonprofits are doing most of the lobbying. Among the 118 nonprofits with budgets between \$1 million - \$5 million, 65.3% are engaged in advocacy and lobbying in the legislative arena. 69.6% of nonprofits in the \$5 million - \$10 million budget range state that they too are engaged in advocacy and lobbying in the legislative arena. Fewer smaller nonprofits are engaged in conversations with elected officials. Only 15.5% out of 71 nonprofits with budgets of under \$50,000 are talking with their elected officials, and of those with budgets between \$50,000 - \$100,000, only five out of 31 are actively engaged in such conversations with their elected officials.

¹¹ <https://www.councilofnonprofits.org/advocacy-vs-lobbying>

"(We) have a mission of advocacy. We have a volunteer board, no employees, no clients. We advocate with local housing orgs and Oregon legislature for affordable housing for adults with special needs. The biggest impact is no face-to-face engagement and fewer meeting opportunities for our voice. We are preparing a presentation about current housing needs and plan to engage local agencies when the state opens them." – Nonprofit Leader

By subsector, Chart 16 below shows that the majority of Mental Health & Crisis Intervention nonprofits in our sample (eight of 14, or 57.1%) are engaged in advocacy and lobbying activities in the state or federal legislative arenas. For the rest of the subsectors, the majority of the nonprofits are not making their voices heard in these important arenas.

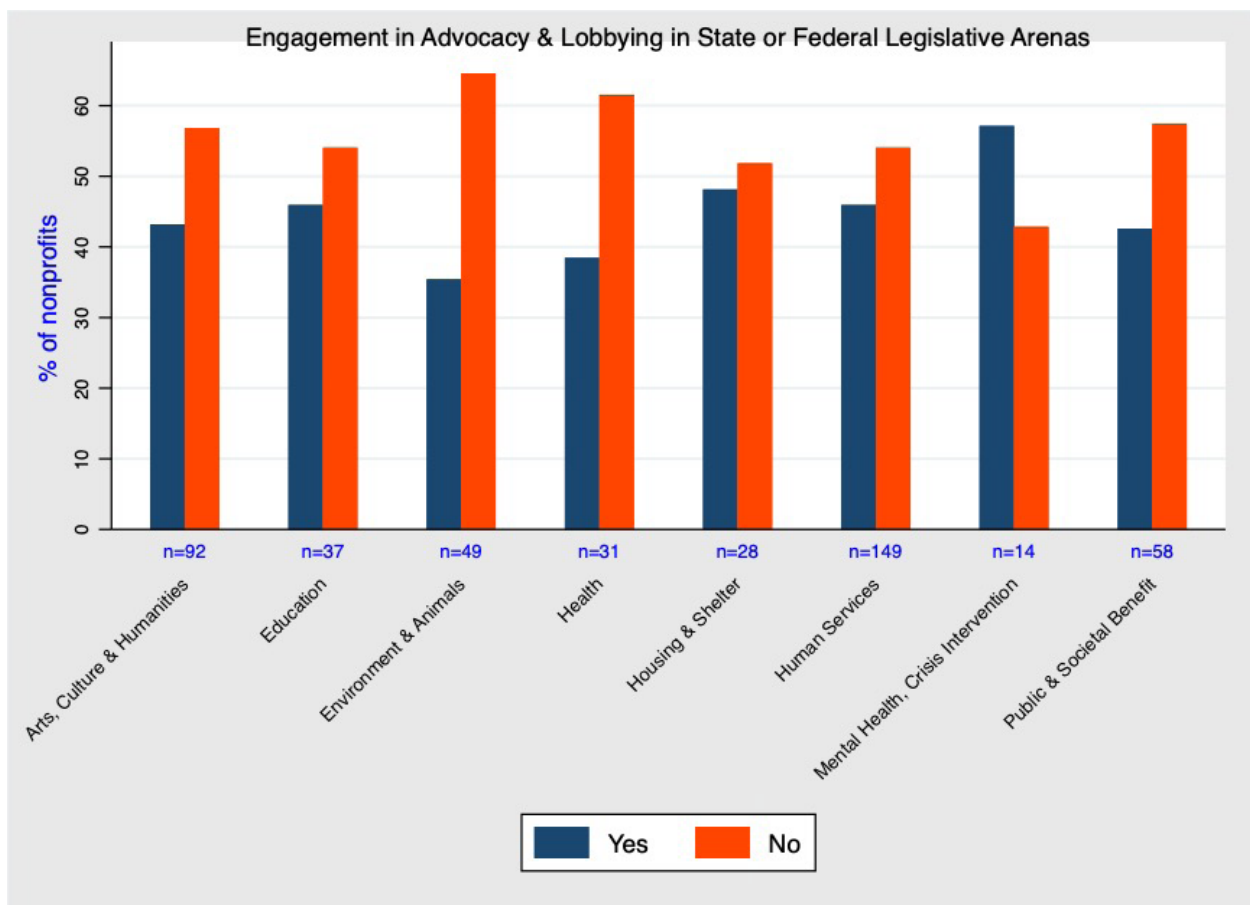


Chart 16. Advocacy And Lobbying In State Or Federal Legislative Arenas

Based on Chart 16, nonprofits need to know that it is legal to lobby their state and federal elected officials in order to influence legislative actions and decisions. Not only is this critical to mission accomplishment, lobbying is an opportunity for nonprofits to participate in decisions, including budget decisions that ultimately influence the communities they serve, the environments they operate in, as well as their organizations.

Advocacy in the Philanthropic Arena: The story of participation is a bit stronger in that 58.6% of 355 nonprofits reported contacting their foundation program officers to voice their concerns. The hope is that such lobbying and advocacy will help influence the actions and decisions philanthropic leaders make to continue to support nonprofit organizations in their work with local communities.

"(Foundations) get into advocacy! Your silence is like a howl... you need to engage! Consider giving more of your assets away rather than just what the law requires." – Nonprofit Leader

By subsectors, as shown in Chart 17, we find that a strong majority of nonprofits within each subsector are in communications with their foundation program officers in an effort to voice their concerns, and advocate for continued financial support. For instance, 68.1% of Arts, Culture & Humanities are advocating in this philanthropic arena, compared to 65% of Environment & Animals nonprofits.

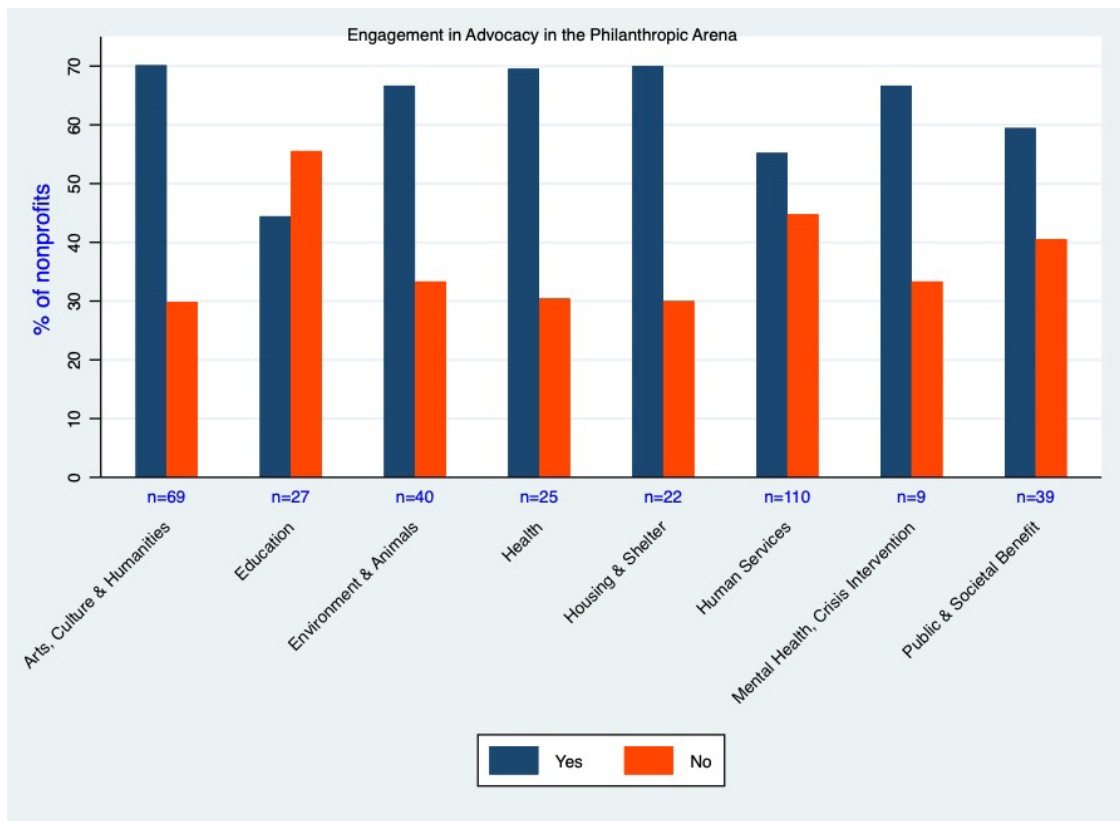


Chart 17. Engagement In Advocacy In The Philanthropic Arena

While advocacy and lobbying may seem adversarial, these strategies can engender relationship and collaboration building between funders and their grantees. Particularly within the legislative arena, advocacy and lobbying offer reputation-building opportunities for nonprofits to demonstrate and showcase their importance in the communities they serve, the nature and impact of their work, and as key suppliers of critical evidence-based information and technical assistance.

Other Coping Strategies

Survey findings also identified other coping strategies being adopted by nonprofits. Based on the few nonprofits that have closed or anticipate closing permanently, nonprofits appear to have been quite resilient. However, based on the kinds of austerity measures nonprofits have employed or plan to employ starting July 1, 2020, captured in Chart 18, the impact is concerning. While 81 organizations indicated they have laid off workers, the magnitude of those layoffs is unknown.

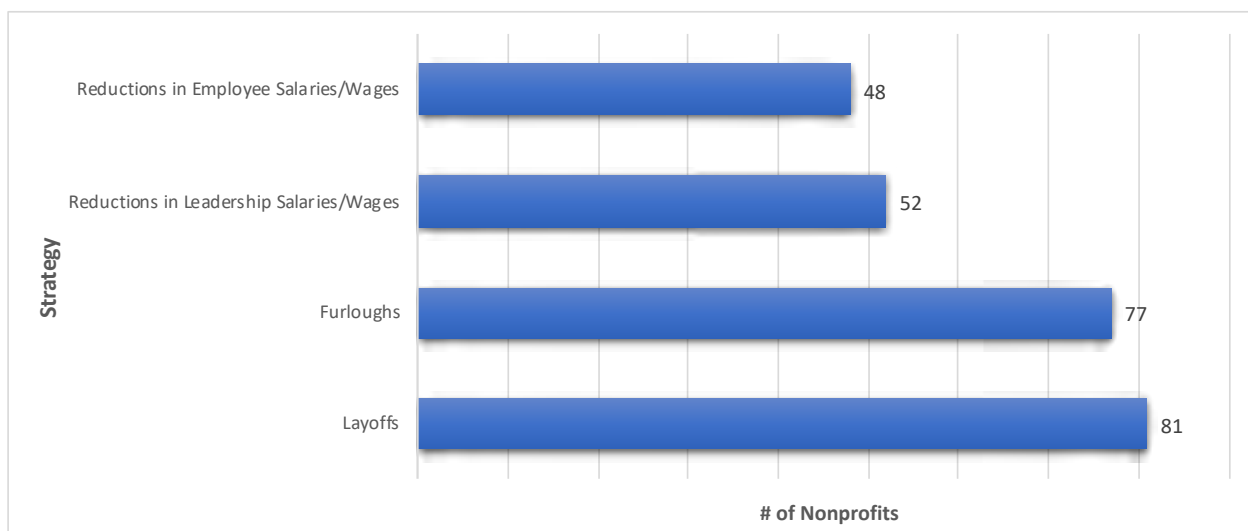


Chart 18. Other Coping Strategies¹²

A caveat to keep in mind is that, for seven nonprofits, the PPP loans allowed them to maintain pre-COVID levels of employees and employee hours. With the expiration of PPP, nonprofit organizations plan to implement the four strategies noted above. That indicates that while PPP is a welcome bailout, it remains a temporary one. Nonprofits and the State of Oregon should expect additional layoffs, furloughs, reductions in salaries/wages for nonprofit leaders and their staffs in the foreseeable future if programs like PPP are not extended.

¹² Numbers shown have been adjusted to capture additional information provided in the qualitative responses to this question.

"(We) reduced hours for every person in the organization that did not get furloughed."

- Nonprofit Leader

In addition, nonprofits are implementing safe resumption of operations and service provision in anticipation of phased reopening. Chart 19 highlights the social/physical distancing procedures nonprofits have implemented. In light of new infections across the U.S. and in Oregon, adopting and maintaining these procedures as the new modus operandi is going to be key while concurrently remaining open to adapting new measures as new information develops.

Chart 19. Steps Nonprofits Have Taken To Prepare For Safe Reopening

Set up a COVID-19 Taskforce or Coordinator (42%)	Identified the Personal Protective Equipment (PPE) we will need (72%)	Procured the Personal Protective Equipment (PPE) we will need (56%)	Implemented physical distancing measures in Client & Workspaces (85%)
Stagger or rotate work schedules to ensure physical distancing (64%)	Limit non-essential work travel (86%)	Ensure that soap and water or alcohol-based (60-95%) hand sanitizer is provided in the workplace (86%)	Regularly disinfect commonly touched surfaces (e.g., workstations, keyboards, telephones, handrails, doorknobs) (85%)
Restrict use of shared equipment and require disinfection between uses (79%)	Encourage or require employee use of cloth or disposable face coverings (if required, employer must provide) (80%)	Limit the number of employees gathering in shared spaces (e.g., conference rooms, break rooms) (86%)	Restrict non-essential meetings and conduct meetings virtually as much as possible (98%)
Train all employees in safety requirements and expectations at physical worksites (66%)	Maintain an office registry for contact tracing should the need arise (40%)		

Section IV: Operational Capacity from July through the Remainder of 2020

The survey also asked respondents to identify the key resources they anticipated using in the next three months (roughly between July and September), as well as those resources they anticipate needing to continue operations through 2020.

Cash-on-Hand: The majority of nonprofits (352 or 72%) anticipated using cash-on-hand for the next three months (between July and September of 2020). Cash is considered a short-term resource, one that should be kept for “three principal reasons: transactions, safety, and investment,” (Finkler et al., 2019). In this case, for 72% of the nonprofits in our sample, the cash they had on hand is functioning as a much-needed cushion or safety margin available for unanticipated crises like the COVID-19 crisis.

However, the degree of safety money in the bank offers (Finkler et al., 2019) often dwindles with time, unless it is replaced. In addition, there is a tradeoff between how much cash-on-hand one has and the level of services that can be provided. As such, having “too much” cash-on-hand may mean unduly reducing the level of services provided (Finkler et al., 2019).

Our results, as shown in Chart 20 indicate that, in order to be able to continue to operate through the remainder of 2020, far less nonprofits anticipate relying on cash-in-hand, as this number drops from 72% (or 352) of nonprofits to 28% (or 137 nonprofits). The pendulum, however, shifts towards an increased reliance on funds provided through business interruption or contingency business insurance.

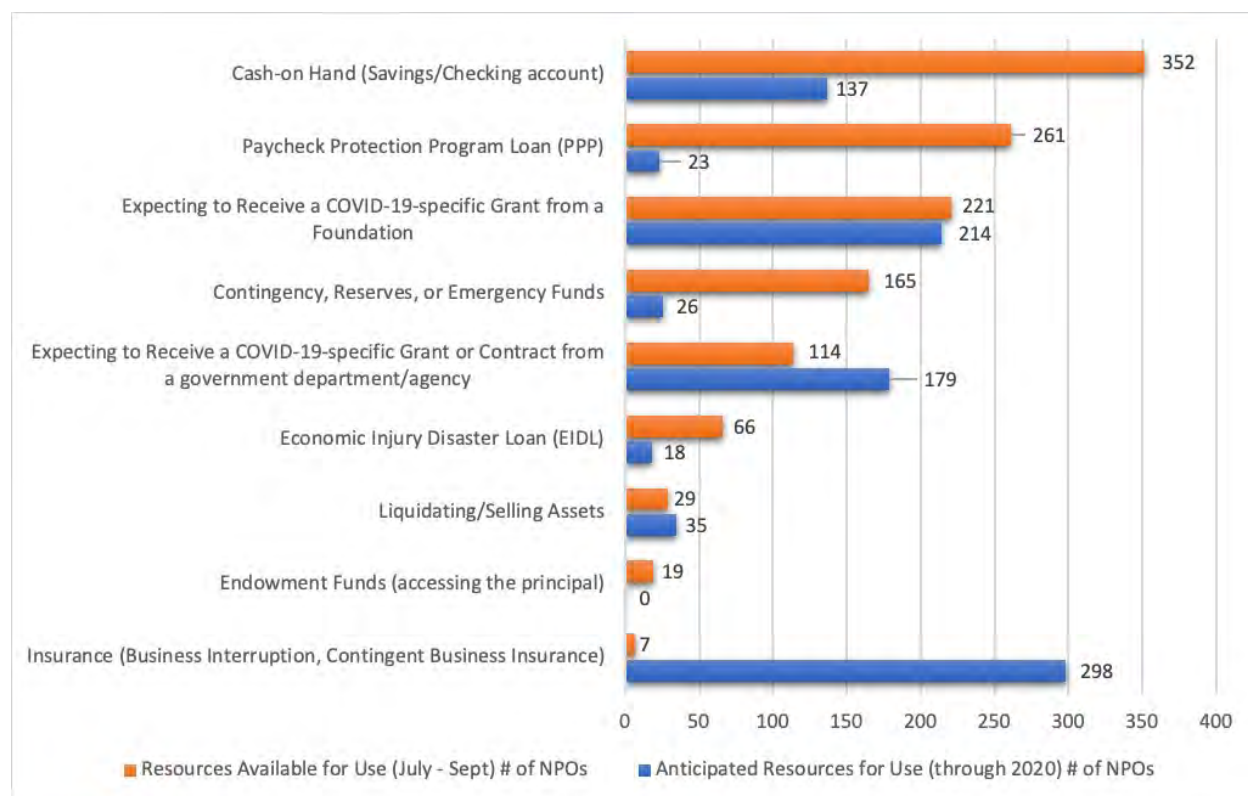


Chart 20. Resources Nonprofits Anticipate Using To Continue To Operate Through 2020

Paycheck Protection Program (PPP): 261 (53.3% of nonprofits) plan to use PPP funds provided through the CARES Act passed by Congress on March 27, 2020 to provide small businesses with funds, in the form of a loan, to cover payroll costs and benefits for up to eight weeks (Department of the Treasury, 2020). Even fewer nonprofits (0.2% or 23 nonprofits) anticipated using this resource to support their operations for the remainder of the year.

COVID-19-Specific Grants from Foundations: It appears that foundations stepped up to support a majority of Oregon nonprofits in our sample during this unprecedented and challenging time. 45% of the nonprofits (221) were anticipating a COVID-19-specific grant from a foundation, to support their operations for the months of July through September of this year. About 44% (214 nonprofits) also anticipated receiving a COVID-19-specific grant from a foundation, to support their operations through the end of 2020.

Reserves, Contingency, or Emergency Funds: Judging from the shifts nonprofits have experienced (or anticipate) across the four funding streams addressed, the composition of nonprofits' income portfolios will change over time as the conditions in the economy, or political or social environment shift (Kearns, 2007). Because nonprofits should expect for there to be shifts in their income portfolios, establishing contingency funds or reserves (Bowman, 2007; Kearns, 2007) makes for a "sensible risk management strategy" (Young, 2007). Because operating "reserves exist to hold excess resources for future use" (Calabrese, 2018, p.298), they "allow nonprofit organizations to smooth out imbalances between revenues and expenses, [in order to help] maintain program output in the presence of fiscal shocks" (Calabrese, 2013, p.281) of the likes nonprofits reported with regards to earned income.

Per current rule of thumb, it is recommended that nonprofits maintain up to six months of operating reserves (McLaughlin, 2012), effectively creating an internal financing source of funding to be used for managing temporary fiscal shocks (Calabrese, 2013). However, nonprofits encounter several challenges in maintaining operating reserves to last six months, including the trade-off between providing more services today and saving for future use. In addition, nonprofits are often hesitant to portray themselves as "too wealthy" to stakeholders and funders (Calabrese, 2013).

For the nonprofits in our sample, 33.7% of nonprofits (165) anticipated relying on their reserves, contingency, or emergency funds to cover their operations for the months of July through September 2020, with even less – 5.3% (or 26 nonprofits) anticipating dipping into these funds to support their operations for the remainder of 2020. Operating reserves are meant "to not only offset trend deviations [between revenues and expenses] partially, while alternative strategies are sought" (Calabrese, 2018, p.296) for enabling an organization to continue to operate and serve its mission.

"We are spending down our reserves to make sure that we are able to continue to provide our services to the community at the same level as we always have. We have adjusted our focus and adjusted our programs that we still need to offer to fit the state guidelines. Many within our community are facing zero or close to zero income for 2020." - Nonprofit Leader

COVID-19-specific Grants/Contracts from a Government Agency or Department: Only 23% (or 114 nonprofits) were expecting to rely on COVID-19-specific grants or contracts for the months of July – September 2020. And a little over a third of the nonprofits (37%, or 179) anticipate tapping into COVID-19-specific grants or contracts from a government agency or department to support their operation through the end of 2020. However, it is unclear how many COVID-19-specific grants or contracts are currently available.

Insurance Coverage (Business Interruption, Contingency Business Insurance): Business interruption insurance policies are meant to make businesses “whole” following a disaster or event that caused a temporary shutdown¹³. For instance, they can cover operating losses resulting from interruptions caused by emergencies, as well as lost income resulting from the suspension of normal operations that we saw with COVID-19 induced state closures. However, the “period of recovery or restoration” may be limited. The “period of restoration” usually runs from the date of suspension of operations to the date the business is returned to the pre-emergency operating condition¹⁴. NAO also researched and found that pathogen-borne disasters are not covered by catastrophic business interruption insurance plans. From our sample, only seven nonprofits planned to rely on resources provided through their insurance coverage to cover operations for the months of July – September. Moving forward through the remainder of 2020, however, far more nonprofits (61%, or 298 nonprofits to be exact) plan on tapping into this resource. An additional concern raised is the liability of organizations that do open and the inability to be covered by insurance should a program participant, staff or volunteer contract COVID.

“Watching other entities such as Portland Public Schools to see what they do as a guide for our reopening strategy. We have a high-risk clientele. Our insurance precludes liability coverage for damages incurred by a pandemic, which I’m to understand is typical - increasing the risk to the organization liability.”

– Nonprofit Leader

Confidence in the Capacity needed to Continue to Serve One’s Mission?

As shown in Chart 21, and certainly not surprising, nonprofits’ confidence in having the capacity needed to continue serving their missions tapers with time. Capacity is about having the resources needed to accomplish one’s operational goals. While 80% of the nonprofits were very confident that they would have the capacity needed to continue to serve their missions through July 2020, 61% were confident they would have enough capacity to see them through the end of September 2020. 40% claimed to have sufficient capacity to last till end of 2020, with only 23.7% coping till June 2021. It is possible that this confidence, albeit declining, may have been fueled by promising talks about reopening and declining infections back in June 2020 – that picture, however, has not remained as rosy. In fact, summer 2020 saw increases in new coronavirus infections and deaths.

¹³ <https://www.smith-howard.com/how-does-business-interruption-insurance-work/>

¹⁴ *ibid.*

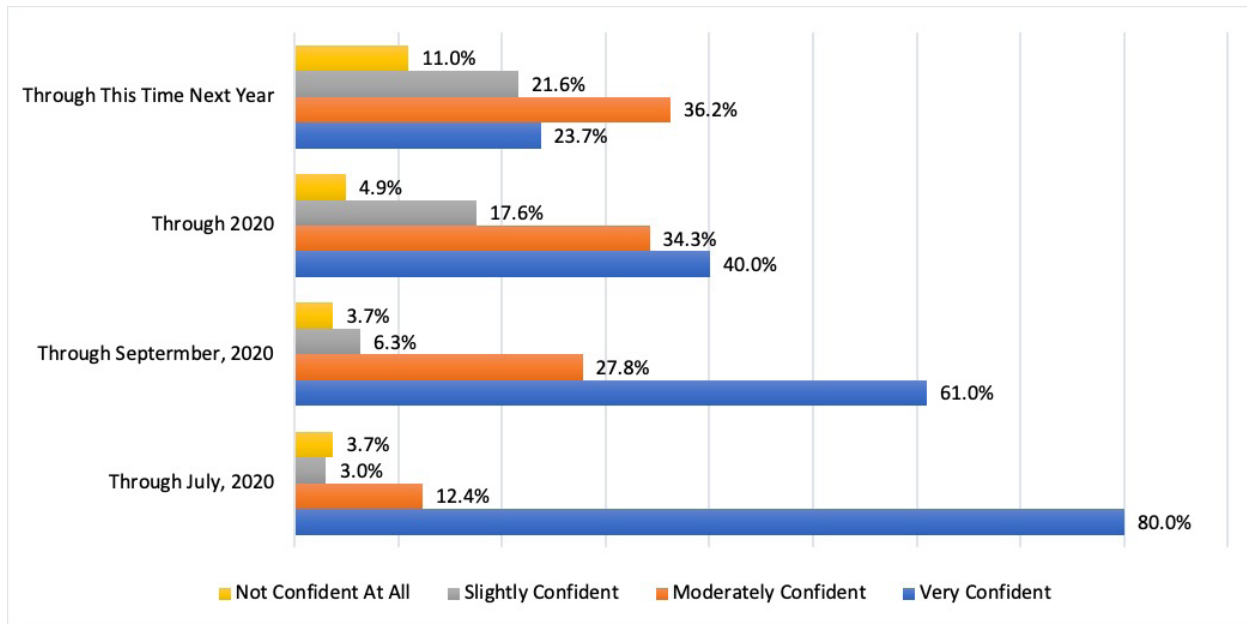


Chart 21. Confidence In Future Capacity To Serve Mission

Section V: Capacity-Building for Crisis Management and Future Resilience

The data already presented thus far shows a marked need in additional support across multiple areas of the responding organizations’ business models and programs. Based on responses from this survey and observations of the response efforts across the United States and the world, it is clear that many were not prepared for a crisis of the likes of COVID-19. As a result, our survey also asked nonprofits to identify the kinds of capacity-building support they might require in the future from government and philanthropy.

Many Oregon nonprofits did not have [continuity of operations plans](#) (COOPs)/business continuity plans or contingency plans (Chikoto-Schultz et al., 2018). 74.6% do not have COOPs, compared to 25.4% that do. Nonetheless, the nonprofits in our sample identified the following types of assistance and support to enhance their resilience and crisis management expertise. Consistent with the funding challenges nonprofits anticipate encountering in the future, the majority of nonprofits – 60.3% out of 453 are requesting assistance with reevaluating their fundraising strategies.

Also shown in Chart 22, 53.4% or 236 out of 442 nonprofits would like assistance with sharing real-time data on their needs with funders, government officials, and corporate leaders. The authors classified this assistance as a type of advocacy in which nonprofits are trying to ensure that decision- and policy-makers have the best available information available to them. In fact, 52.8% (or 122) of these nonprofits are not currently participating in any advocacy and lobbying engagement in the state and federal legislative arenas. In addition, 62 are also not in communications with their foundation program officers. A point to emphasize is that, even those that are engaging in both the state and federal legislative as well as philanthropic arenas, would still like assistance with facilitating such information sharing with funders, government officials, and corporate leaders.

“(We) will likely see a surge of new patients due to unemployment and enrollment in Oregon Health Plan. We are concerned about the State budget and the resources available to meet the need of exponential growth in Oregon Health Plan enrollment without the Heroes Act passing at the federal level.” - Nonprofit Leader

Chart 22. Support And Assistance Required To Enhance Resilience & Crisis Management

Assistance or Support Need	Yes	Ranking
Reevaluating fundraising strategies	273	1
Sharing real-time data about our nonprofit needs with funders, government officials, and corporate leaders	236	2
Strategic Planning for challenging times	210	3
Guidance for applying an Equity lens to planning and response	182	4
Wellness and self-care for myself and/or team	173	5
Guidance to our board of directors	171	6
Coaching sessions for leading in ambiguity	168	7
Financial forecasting/scenario planning	166	8
Technology support	144	9
Leadership training	135	10
Volunteer recruitment and management	131	11
Human resource management	122	12
Convenings around issues/affinity groups	104	13
Other needs: Marketing support; Social media planning; Resources, templates, and guidance/coaching on re-opening; Pro bono legal & accounting work related to mergers; Bookkeeping assistance.		

Government Assistance Required Through the End of 2020

In response to the question of the kinds of assistance nonprofits need from the government to help continue to operate and serve their missions through the remainder of 2020, an overwhelming number of respondents pointed to the PPP loan. Their answers varied from requesting a period of loan forgiveness, to restructuring the loan entirely. Stemming from the financial burden nonprofits are encountering, nonprofits also want the government to create more opportunities and availability to fully benefit from the PPP and EIDL loans.

"We had planned furloughs and reduced leadership salaries until we received the PPP, at which point we were able to maintain staff and salaries. As of July 1, salaries will be reduced due to reduced workload and reduced revenue, as well as end of PPP funds." – Nonprofit Leader

- **Fewer restrictions & more flexibility in PPP funds:** Over 60 nonprofits also wanted government to place fewer restrictions and allow charitable organizations to have more flexibility with use of PPP funds. Such flexibility would assist them with their recovery efforts. Examples of flexibility include PPP loan forgiveness and extension; "second round of PPP loans;" "looser constraints on PPP forgiveness;" "leniency on how we utilize PPP;" and the "ability to roll dollars into the next contract year to best use PPP funds."
- **Unclear eligibility and forgiveness guidelines:** Additionally, about 10 organizations shared that their applications were denied or overlooked because "government never funds work like ours," the nonprofit was "viewed as less-essential," or it appeared "too small to fund" than others.
- **Unrestricted Pandemic-Specific Funding:** Related to injecting more flexibility in the PPP loans, widely requested was that the government create a general, but pandemic-specific fund to allow any organization to apply, regardless of size or other predetermined characteristics. This came from over 50 nonprofits.
- **Technical Licensing, Training, & Equity resources:** Apart from fund-related support, over 20 nonprofits would also like government entities to help with technical, licensing, training, and equity resources.
- **Funding Support Earmarked for Aiding Communities of Color & Vulnerable Populations:** Another 20 respondents highlighted the need for government to focus their efforts and funding on communities of color and other vulnerable populations. Some suggestions include active advocacy, financial leniency or forgiveness of debts such as with housing, state fees, and raising awareness on the challenges facing the families of the area (e.g., food security, childcare, racial disparity, and access to resources to name a few).
- **Clear Guidance and Communications:** Another aspect of government assistance that over 70 nonprofits would have benefited from is communication. A few nonprofit leaders in the community already stated that they could not count on government to help and were planning to look to other sources for relief and support. This may be linked to a lack of efficient and clear communications. Respondents stated that they needed government to be consistent, timely, and transparent on re-opening requirements and emergency guidelines while being clear on where/who to contact for specific questions and information. Furthermore, respondents pleaded that government officials overcome party politics to allow clear and consistent direction so organizations can prepare for the ensuing changes, requirements, and laws. In addition, many have suggested that the government invest in funds and resources to discover a vaccine.

Philanthropic Assistance Required Through the End of 2020

- **Financial support:** Regarding assistance from philanthropic organizations to help nonprofits continue to operate and serve their missions through the remainder of 2020, the number one request was continued financial assistance. Around 310 nonprofits would prefer grants over loans, since not all are confident in their ability to repay loans any time soon.
- **Flexible or Unrestricted funding (including use of funds for operations):** The second most common response, from 137 nonprofits, was asking foundations to allow greater flexibility with the use of the funds/grants. In other words, nonprofits would appreciate unrestricted funding in the form of new opportunities or re-structuring of already acquired restricted donations. New and returning applicants for grants could then increase their organizations' ability to recover or continue services.
- **Philanthropic Engagement in Programming & Connecting Nonprofits to other Potential Philanthropic Funders:** Foundations that cannot provide more funding opportunities could still strengthen their nonprofit partners through engagement in programming and connecting them to other potential funders and resources. If possible, some 40 nonprofits are hoping that foundations will "step up to assist" their community and stakeholder needs by assisting them with fundraising, marketing, advocacy, and training.
- **Clear Communication on Grant Application Requirements:** To maintain relationships, foundations can also be transparent and helpful with information; being clear about application requirements and process while offering streamlined application review is an effective way to do just that according to many respondents.
- **Streamlining Bureaucratic Procedures and Increasing Transparency:** In line with improved communications, nonprofits would also like to see foundations operating with "more trust and less bureaucracy." Converting application processes into user-friendly and efficient procedures will build that trust. Other suggested ways to demonstrate that trust would be for foundations to suspend requirements such as matching funds, eliminate arbitrary "hoops to jump through," and reduce reporting requirements. Since organizational energy is spent on keeping missions, operations, and even stakeholders alive and well, foundations can show their appreciation of efforts by nonprofits by focusing more on the relationship than on financial details.
- **Training:** One area of training that is especially sought by about 10 nonprofits is around receiving professional diversity, equity, and inclusion (DEI) training, and "more grants for those implementing new programs [around] DEI work and social justice."

Nonprofit's Role in Addressing Issues of Outreach, Equity, Diversity & Inclusion

As with disasters and crises of the past, issues of inequity that disproportionately affect many people from racial and ethnic minority groups are always present. The impact and response to COVID-19 has been no exception. Communities of color have disproportionately suffered as a result of the COVID-19 crisis. For example, in a statement made by the American Hospital Association for the Committee on Ways and Means of the U.S. House Representatives on May 27, 2020, "African-Americans accounted for more than half of COVID-19 positive test results" in Chicago, as well as "72% of recorded virus-related deaths, although they represent[ed] only 32% of the city's population."¹⁵ The Oregon Health Authority has reported with regularity the disproportionate number of Latinx Oregonians that have contracted COVID-19.

¹⁵ <https://www.aha.org/testimony/2020-05-27-testimony-disproportionate-impact-covid-19-communities-color>

The Center for Disease Control attributes the increased risk of COVID-19 infections and virus-related deaths to “inequities in social determinants of health” such as, discrimination within systems meant to protect people’s health; inequitable healthcare access and utilization, with some racial and ethnic minority groups more likely being uninsured compared to non-Hispanic minorities; occupation, wherein “racial and ethnic minority groups are disproportionately represented in essential work settings” (e.g., farms, factories, healthcare facilities, grocery stores, and public transportation); educational, income, and wealth gaps, which often prevents people from missing work even when they are sick; and housing, with some people from racial and ethnic minority groups living in crowded conditions¹⁶.

Our survey asked respondents to identify whether they have been applying an equity lens to their work during the pandemic. 39.6% of respondents reported using an equity lens when making program and operating decisions, and fewer identified successfully implementing new equitable policies since the pandemic began due to many reasons, including:

- **Disproportionate Impact of COVID-19:** Several organizations specifically called out the disproportionate impact on those they serve, including Black, Indigenous and other People of Color (BIPOC), immigrants and refugees, people with disabilities, seniors (60 years+), and rural communities. Many narrative responses spoke to the need to particular ensure these historically marginalized groups receive the support they need.

“Indigenous people are among those most affected by COVID-19 (cases and deaths). As the curve is flattening in many places, it is just starting to spike in many tribal communities. Tribes need government support/relief for both immediate health crises and to address long-standing, significantly underfunded service delivery infrastructure as well as to spur recovery.” – Nonprofit Leader

- **Access to Technology:** Based on the responses, many nonprofit clients are struggling due to lack of access to technology, including computers, WIFI, phones, and devices used for virtual learning. This is particularly affecting low-income populations, and those located in rural communities. In addition, several organizations expressed frustration that they lacked the funding and resources needed to meet the technological needs of their communities, especially when it impacts access to education.

“The education gap that has existed for years is only widening based on the extended time out of school and the challenges many parents and families face in trying to meet the in-home educational needs of their children. Not all families have access to the technology that is necessary for distance learning. Not all parents are able to stay home with their children and support their efforts to engage in distance learning.” – Nonprofit Leader

- **Operations:** Since the pandemic began, nonprofits are centering equity in their hiring, promotion, and layoff processes. Six nonprofits specifically cited the importance they put on hiring those who speak multiple languages in order to better serve the needs of their communities. A few organizations mentioned the importance of including many perspectives in the planning process of their programs.

¹⁶ <https://www.cdc.gov/coronavirus/2019-ncov/community/health-equity/race-ethnicity.html>

However, as noted above, not many nonprofits are centering equity in their programming and operations, which means that nonprofits are failing to meet the human needs of those that need assistance the most. Centering equity in programming and operations is essential if nonprofits are going to live up to their esteemed roles. As a refresher, Lester Salamon (2000), a prominent nonprofit scholar characterized nonprofits' roles in terms of the services they provide, the innovation they bring in pioneering solutions to critical societal problems, and the advocacy role they play in amplifying the voice of the downtrodden, the marginalized, and in speaking truth to power and fighting for democratic policies and the dismantling of systemic racism. In addition, nonprofits also have the role of the "value guardian of voluntaristic, particularistic, and sectarian values" with the expectation that they will fight "to promote citizen participation, develop leadership, protect interests of social, religious, cultural, or other minority groups" (Kramer, 1981, p.9). Finally, nonprofits have a community building and democratization role of promoting diversity and pluralism, encouraging social interaction in an effort to build community (Salamon, 2000).

Conclusions

Across Oregon, the nonprofit community is pulling together in amazing ways to combat the impacts of the COVID-19 pandemic, including responding to emergent needs by establishing new services and programs, and responding to new clients. Even as creative as the sector has become in moving programs online, investing in PPE and physically distanced staff and volunteers, this study indicates many of our cherished institutions – domestic violence shelters, children's museums, food banks, and homeless shelters – are at the breaking point. The future outlook is that the needs of communities and the resources available for response will simply become incongruent. For instance, while a sizeable number of nonprofits are optimistic about the stability of government contracts and grants through 2020, the extent to which this optimism is aligned with the announced cuts by the State of Oregon and the grim budget forecasts for most counties and municipalities remains to be seen.

The data also reveals that nonprofit organizations need to work to improve outreach and inclusion efforts in a totally changed environment. Even well-intended response efforts are also dramatically highlighting and exacerbating the damage and harm of the serious racial and social inequities in our nation and state. Lack of access to regular healthcare has compounded the pandemic for minorities, immigrant communities, the homeless, and the poor. The 'digital divide' denies many people both in cities (due to income disparities) and in rural areas access to vital information about the pandemic and online portals for financial assistance. The continued struggle for many to simply process unemployment claims and the lack of assurances of consistent unemployment benefits have caused even greater strains.

The sustained support of federal and state government and foundations with direct and continuous fiscal assistance is imperative. As part of our "critical civic infrastructure," the nonprofit sector must be thought of in terms of not only preserving and providing our safety net, but also building the quality of life we want in our communities. Unavoidable cuts in state and county budgets due to a down economy and less taxable income from individuals and companies will undercut much of the relief effort for children, families, workers and Oregon's communities at their time of greatest need. This is the time when government and foundations need to release funds from their respective emergency reserves. Without immediate attention and firm commitments of resources to this critical sector, our efforts to recover and move forward together will be severely impeded.

Appendix

Methodology

Our team set out to design a survey that not only captured the impact of the COVID-19 crisis on Oregon nonprofits, but also understand the resources they had on hand, their coping strategies and resilience, as well as document resource needs in order to remain viable.

Drawing from several surveys, the survey instrument focused on questions on how the COVID-19 pandemic and state shutdowns had affected Oregon charities' employees, programs and service provision. In terms of financial resources, we included questions on current and anticipated impact on four key funding streams, namely, government contracts and grants (excluding PPP and EIDL), private contributions from individuals and funding from foundations and corporations, and earned income or fee-for-services. Additional questions focused on nonprofits' experience with the Paycheck Protection Program (PPP) & Economic Injury Disaster Loan (EIDL) loan programs. When considering nonprofit resilience, we also wanted to know what resources nonprofits had on hand or anticipated having on hand to help them to continue to operate and provide services till the end of 2020.

Finally, our survey also asked questions around what future capacity-building needs nonprofits thought necessary, in light of future crisis management. Once our survey instrument was completed, the Institutional Review Board (IRB) application for Exempt Certification was submitted; following some amendments, the protocol was finally approved on June 4, 2020.

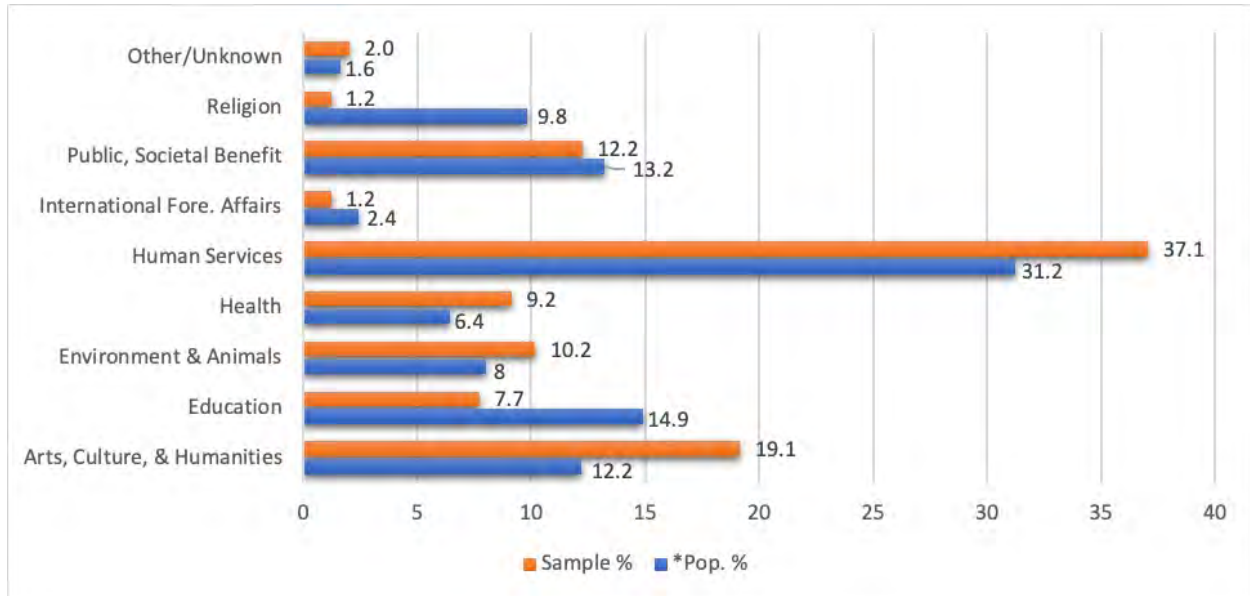
The survey distribution was limited to 501(c)(3)s public charities in Oregon. We relied on the Nonprofit Association of Oregon's massive database for email contacts. There were several additional advantages with this database, apart from having access to contact emails; the database contained very diverse classifications or types of nonprofit organizations. The database also offered information on the organizations' Employer Identification Numbers (EINs), which allowed us to merge financial and other data from the Internal Revenue Service's (IRS) Exempt Organizations (EO) 2018 financial data. Phase I of this study, therefore, involved sending email survey links to the 1,400 nonprofits using Qualtrics. In this way, we were also able to track non-responders to invite them to take the survey.

The IRS EO data, however, had some missing data on a few nonprofits, particularly those with revenues under \$50,000, as well as missing National Taxonomy of Exempt Entities (NTEE) codes that identify the primary mission area of a nonprofit or the type of work it does. In such cases, we relied on various databases to fill in the gaps; these include Oregon's Department of Justice (DOJ), Charity Navigator, and Guidestar.

Phase II of the study involved disseminating the Qualtrics survey through partner organizations, namely, Mercy Corps Northwest, the Oregon Voluntary Organizations Active in Disaster (ORVOAD), Regional Disaster Preparedness Organization (RDPO), Clackamas County Department of Disaster Management, and Portland Metro. Combined, Phase I and II dissemination avenues yielded 480 public charities. Three foundations were excluded from this analysis.

Demographics of Public Charities that Responded to the Survey

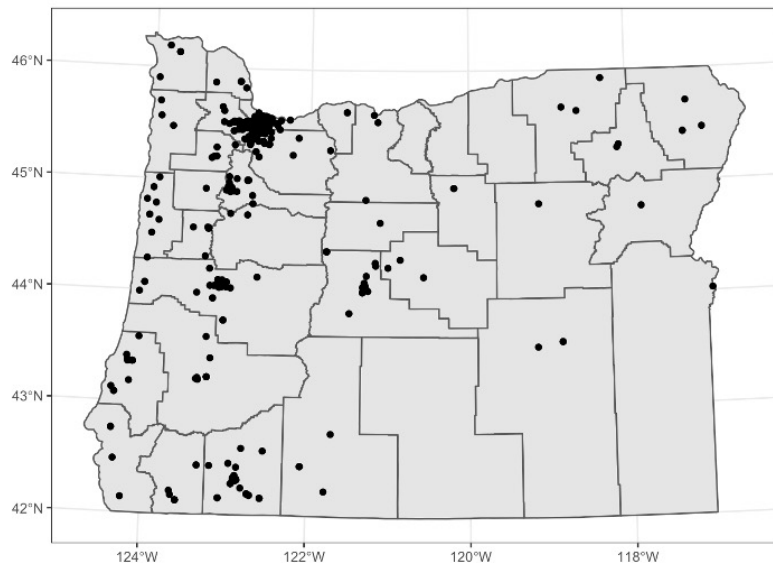
Our survey respondents are closely aligned with the population of public charities in Oregon, with respect to nonprofits in the Public & Societal Benefit, Environment & Animals, and Health fields of services. However, more nonprofits in the Human Services and the Arts, Culture & Humanities subsectors responded to our survey relative to their corresponding population.



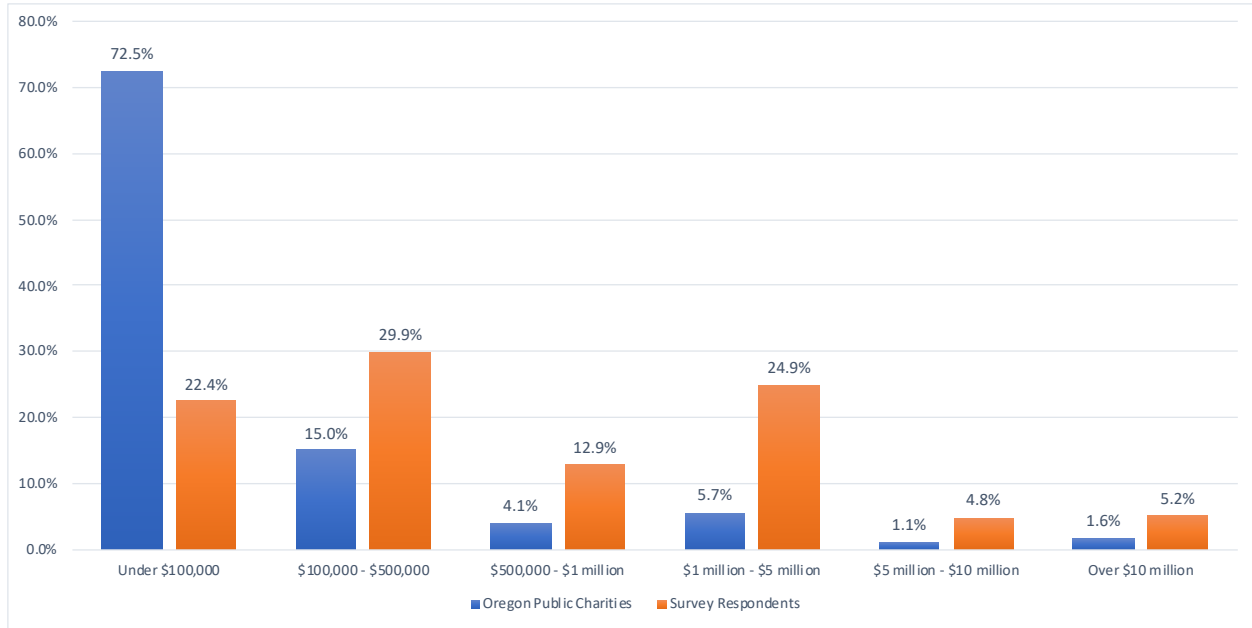
Percent Of Respondents By Subsector

Location in Oregon

As shown in the map, in descending order, the majority of the nonprofit respondents were from Multnomah County (n=189), Washington County (42) Lane County (40), Jackson County (36), Clackamas County (32), Marion County (18) Coos County (13) and Douglas County (9). This is consistent with the population of registered nonprofits across Oregon counties.



Budget Size (Total Annual Revenues)



Age of Responding Nonprofits

The majority of nonprofits that responded to our survey range from “Younger Middle-Aged,” that is, 11-25-year-old nonprofits (35.7%), to “Older Middle-Aged” – 25-50-year-old charities (31.4%).

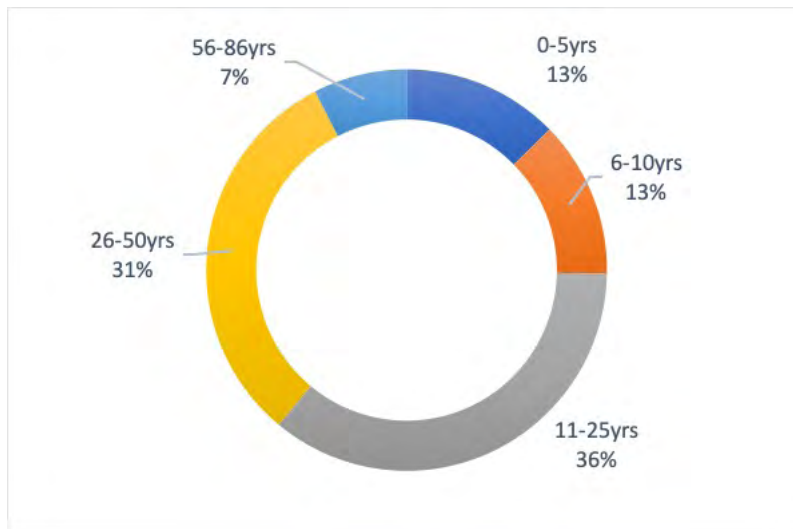


Chart 24. Age of nonprofits in our sample

The remainder; 12.7% of the public charities in our sample are either “Very Young” (0-5-year-old nonprofits), another 12.7% are “Young” (6-10 years old), with 7.6% considered “Mature,” with age ranging from 56 to 86-year-old nonprofits. These numbers are calculated using the Internal Revenue Service’s rule date.

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World of Speed closing because of COVID-19 crisis

By Jim Redden, Wilsonville Spokesman

Tuesday, May 12, 2020

<https://pamplinmedia.com/wsp/134-news/466406-377950-world-of-speed-closing-because-of-covid-19-crisis>

Prolonged shutdown due to pandemic forces Wilsonville-based motorsport museum to close its doors permanently



PMG FILE PHOTO - A previous Porsche exhibit at the World of Speed.

The World of Speed is permanently closing because of restrictions to fight the COVID-19 pandemic.

The motorsports museum in Wilsonville announced the closure Tuesday, May 12. It opened five years ago as a place for enthusiasts from all walks of life to come together and share their mutual love of all things race-related.

"Voting to close the museum permanently was an extremely difficult decision for the board," said Sally Bany, co-founder of World of Speed. "As with other Oregon establishments, World of Speed has been temporarily shut down since March 16 due to the COVID-19 outbreak. As currently outlined, the museum would fall into Phase Two or Three of Oregon's reopening plan,

pushing our ability to reopen potentially into 2021. After much deliberation, our board determined that we are unable to continue our mission for such an extended closure period."

The museum featured many permanent and rotating exhibits, and also hosted numerous motorsport legends, including Mario Andretti, Janet Guthrie and Herm Petersen, just to name a few. Through interactive exhibits and hands-on activities, the World of Speed offered visitors a behind-the-scenes view of many aspects of motorsports, including drag racing, road racing, land speed racing, motorcycle racing, open wheel, NASCAR and hydroplanes.

In addition to being a world class motorsport museum, World of Speed hosted local high school students in conjunction with Clackamas Community College. Students were taught accredited automotive classes, providing the opportunity to learn skills needed in the automotive industry while receiving dual credit for high school and college.

The museum is located in a remodeled auto dealership at 27490 S.W. 95th Ave., in Wilsonville, and was funded by income from sponsorships, foundations, admissions, corporate and individual memberships, and from events held at the museum.

All of the museum's assets will be distributed to other 501(c)(3) museums and schools throughout the next three to eight months, as required by Oregon law, allowing World of Speed's collection to live on for future generations to enjoy, the announcement said.

You can learn more about the World of Speed at www.worldofspeed.org.

World of Speed museum will close permanently in Wilsonville due to coronavirus crisis

By [Jamie Goldberg | The Oregonian/OregonLive](#)

May 12, 2020

World of Speed museum closes in Wilsonville, citing coronavirus restrictions

The World of Speed motorsport museum in Wilsonville is permanently shutting down because of [the coronavirus crisis](#).

The board announced Tuesday that directors had voted to close the museum after it became clear it would not reopen for months under Gov. Kate Brown's [phased plan to restart the state economy](#). The museum had been shut down since March 16.

"Voting to close the museum permanently was an extremely difficult decision for the board," said Sally Bany, co-founder of World of Speed, in a statement.

Bany said board members took into consideration that the museum would likely fall into Phase 2 or Phase 3 of the governor's [current reopening plan](#), which could push the museum's reopening date into 2021.

"After much deliberation, our board determined that we are unable to continue our mission for such an extended closure period," she said.

The museum was founded in April 2015 and offered visitors a behind-the-scenes view of the racing world through its exhibits, hands-on activities and collection of historic race cars, boats and motorcycles.

In 2018, the museum brought in more than 51,000 visitors and generated \$340,000 in ticket sales and program fees.

During its five years of operation, the museum hosted motorsport legends Mario Andretti, Janet Guthrie and Herm Petersen, among others. It also ran accredited automotive classes for local high school students in conjunction with Clackamas Community College.

The museum's assets will be distributed to other museums and schools over the next three to eight months, its board of directors said.

-- [Jamie Goldberg | jgoldberg@oregonian.com](#) | [@jamielgoldberg](#)

September 10, 2020

FOR IMMEDIATE RELEASE

DeVos Institute of Arts Management Publishes In-Depth Study on Ecology of Portland Arts

Research project investigates challenges facing Rose City’s arts organizations, identifies strategies for success moving forward

<https://murdocktrust.org/2020/09/devos-institute-of-arts-management-research-on-portland-arts/>

(Portland, OR) – **The DeVos Institute of Arts Management at the University of Maryland** today released the final report from an in-depth research project examining the current arts ecosystem in the Portland/Vancouver Metro Area.

“The Portland/Vancouver Metro Area is home to a vibrant arts community supported by a diverse, regional audience. However, the immediate challenges raised in 2020 by the COVID-19 pandemic and the desire to see a rapid evolution of management through an equity lens only add to the long-running discussions related to other chronic issues under discussion by leaders,” said Steve Moore, Executive Director, M.J. Murdock Charitable Trust.

“While we know that there is a wise path forward that will help strengthen our arts community and ensure access to diverse cultural programming for all, we want to ensure that approach is informed by hard data and real world feedback. We are grateful to be longtime partners with the DeVos Institute, and we were fortunate to have their partnership in this effort.”

The report compiles a wealth of data related to management of local arts organizations contrasted against groups from similar-sized metropolitan areas. Researchers also conducted dozens of interviews with local arts and community leaders to best understand where the Portland/Vancouver Metro Area arts community draws its strength and where opportunities exist for future growth. The collected data also helps shed light as to the role arts organizations play as economic engines within the region and their contributions to the broader health and success of the local economy.

“We have had the opportunity to work with a variety of arts organizations in the Rose City and across the Pacific Northwest over the last several years,” said Michael Kaiser, Chairman, DeVos Institute of Arts Management. “Studies like this help crystallize opportunities for collaboration and strategies for growth that support the full ecosystem. We were grateful to see arts leaders from a variety of backgrounds willing to lend their voices to this work and eager to continue engaging in a collaborative approach to serve and support the arts community.”

Key Findings

The full report is now available online ([download here](#)) and provides a robust overview of the Portland/Vancouver Metro Area’s arts community, how it has grown over time and what factors contribute to its success. Research began before the COVID-19 pandemic came to fruition, and

while the unique challenges presented by social distancing guidelines are considered, the report takes a long-term view of the opportunities and challenges facing the sector.

Key findings of the report include:

- A magnet for growth, the Portland/Vancouver Metro Area has the potential to be a leader within the national arts community, buoyed by its growing economy, rapidly increasing young population base that actively seeks diverse experiences, an established cultural ethos and a grassroots, “can-do” spirit.
- While the Portland/Vancouver Metro Area is home to a collection of larger, renowned anchor organizations with decades of history and several smaller groups serving modern needs of niche audiences, the region is thinner when it comes to strong, mid-sized arts groups. Through strategies such as thoughtful merger of or collaboration by similarly minded small organizations, purposeful investment by donors and increased support from elected leaders, the city can achieve more balance in terms of the range of groups serving patrons.
- Residents in the Rose City love attending live performances and exhibitions and are quick to purchase tickets and admissions, yet additional financial donations are not as common as in similarly sized metropolitan areas. Researchers recommend a concerted effort to increase financial giving by donors to the city’s arts community to help strengthen and grow their capacity.
- The arts community cannot grow on its own. The study reveals that cultivating a task force of diverse voices can help identify and advance collective opportunities for success for multiple groups.
- An investment in the Rose City’s arts community is an investment in the region’s broader economy. Establishing Portland/Vancouver Area arts organizations on a national level helps generate tourism and additional income from regional visitors.

“The Portland/Vancouver Metro Area arts community has a long history of producing outstanding work and is well positioned for a long and bright future,” said Michael Kaiser. “That said, there are challenges that arise in the evolution of any nonprofit sector, and the arts are not immune. As the Rose City seeks to address a wide range of challenges related to population growth and evolving economics, continuing to thoughtfully invest in the arts must also remain a priority.”

The Latest Step in a Long Partnership

This report is the latest phase of a partnership between the DeVos Institute and the Portland/Vancouver Metro Area arts community.

For **several years**, the DeVos Institute **has invested in building the capacity** of arts organizations throughout the Rose City and across the Pacific Northwest with the support of a coalition of **14 nonprofit foundations and funders**, including the Collins Foundation, Community Foundation for SW Washington, Harold & Arlene Schnitzer CARE Foundation, James F. & Marion L. Miller Foundation, M.J. Murdock Charitable Trust, Marie Lamfrom Charitable Foundation, Maybelle Clark MacDonald Fund, Meyer Memorial Trust, Robert D. and Marcia H. Randall Charitable Trust, The Ford Family Foundation and The Oregon Community Foundation.

“The leaders at the DeVos Institute have a long history of ‘digging in’ with local arts groups in our region to truly understand and support their needs from the ground up. They have successfully helped dozens of our arts organizations flourish and thrive in a variety of settings,”

said Steve Moore. “We are grateful for their willingness to bring this expertise to our community and for their commitment to help serve and support nonprofits across the Rose City and the broader Pacific Northwest.”

About M. J. Murdock Charitable Trust

The Murdock Trust, created by the will of the late **Melvin J. (Jack) Murdock**, provides grants to organizations in five states of the Pacific Northwest—Alaska, Idaho, Montana, Oregon and Washington—that seek to strengthen the region’s educational, spiritual and cultural base in creative and sustainable ways. **Since its inception in 1975, the Trust has awarded more than 7,000 grants totaling more than \$1 billion.** For more information, find the Murdock Trust on **Twitter, Facebook, LinkedIn, Instagram** and **on our website**.

About the DeVos Institute of Arts Management

The DeVos Institute of Arts Management at the University of Maryland, led by Michael M. Kaiser and Brett Egan, provides training, consultation and implementation support for arts managers and their boards.

It operates on the premise that while much is spent to train artists, too little is spent to support the managers and boards who keep those artists at work.

The DeVos Institute has designed its services to assist a wide range of institutions, from traditional performing and presenting organizations, museums, galleries, art schools and libraries, to botanical gardens, glass-making studios, public art trusts and nonprofit cinemas, to name a few.

The DeVos Institute has served more than 1,200 organizations from over 80 countries since its founding at the John F. Kennedy Center for the Performing Arts in 2001. In 2014, the DeVos Institute transferred its operations to the University of Maryland, maintaining offices in Washington D.C. and partnering with the University on research, teaching and fellowship initiatives serving thousands of students and practitioners worldwide.

Portland Metropolitan Area Arts Ecology Study

September 10, 2020

Profile of Portland Metropolitan Area

Portland, OR
Vancouver, WA
Beaverton, OR
Hillsboro, OR
Lake Oswego, OR
Gresham, OR

(Referred to as “Portland” or “Portland MSA” in this study.)

1. Area History, Demographics, and Culture
2. National Trends in the Arts Ecology
3. Portland Arts Ecology: Profile & Key Issues
4. Portland Arts Organizations: Strengths & Weaknesses
5. Recommendations

Data Collection

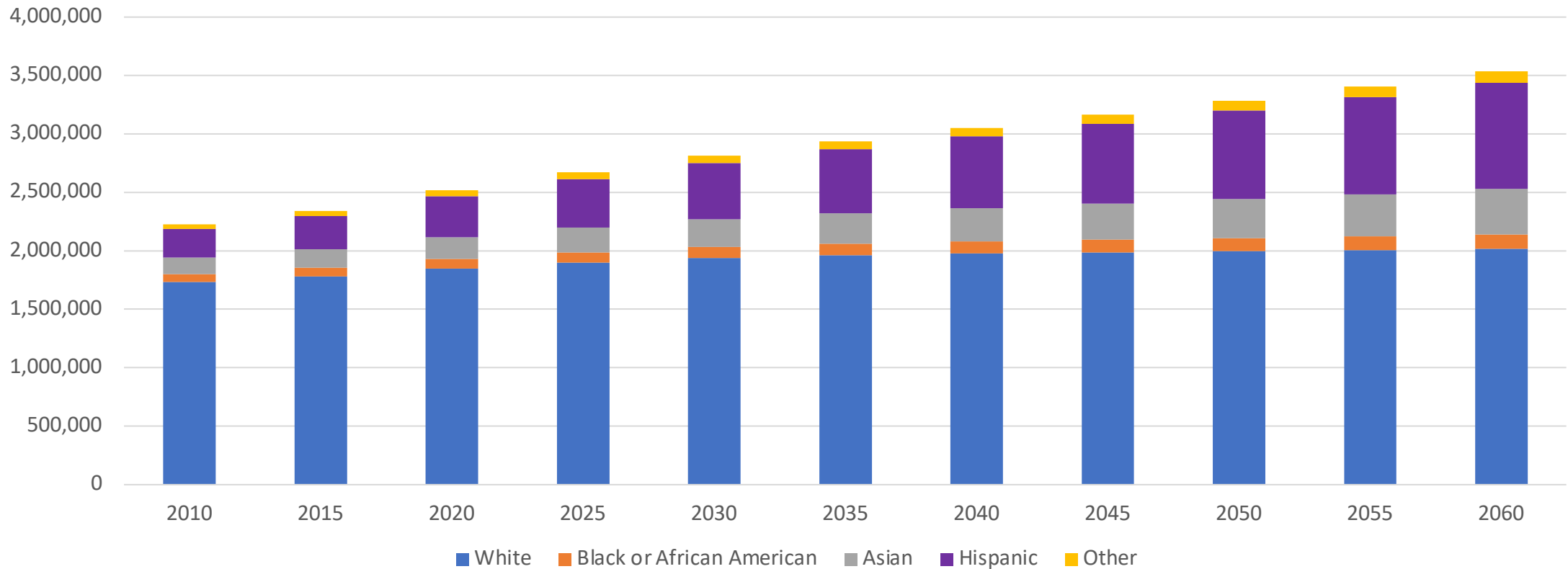
- Environmental research was conducted. Sources are noted on each slide.
- A request for interviews was sent to list of 94 arts leaders, funders, elected officials, business leaders, and board members.
- 58 telephone interviews were conducted, 30-60 minutes in duration.
 - 26 leaders of arts organizations
 - 12 funders
 - 5 politicians
 - 9 board members / business leaders
 - 3 media
 - 2 arts consultants
 - 1 independent artist (several leaders of arts organizations were also practicing artists)
- Questions were both quantitative and qualitative regarding their own organizations, and opinions regarding the arts ecology of Portland.
- Interviewees were informed that only aggregate information without identifiers would be brought forward for the study.
- A survey was also circulated by email, to all non-profit arts and culture organizations in the Portland MSA with annual budgets >\$200K (56 organizations).

Portland Is Growing and Evolving

- The population of Portland MSA has grown by more than 1M since 1980 (1.3M to 2.5M).
- It is attracting tech and creative workers from San Francisco, Seattle, looking for a more affordable alternative.
- People are drawn to Portland's attractive lifestyle offered by its food scene, creative culture, and outdoors.
- Creative economy industries like technology, apparel, marketing are growing.
- Newcomers tend to be younger and more ethnically diverse than the existing population base.
- The area population is expected to reach 3M+ by 2040.

Portland Will Continue to Become More Ethnically Diverse

Portland MSA Population Projections, 2010 to 2060



Source: Metro Research Center: Population Forecast to 2060 (Portland-Vancouver-Hillsboro, OR-WA, Metropolitan Statistical Area) (2016)

Portland's Relationship to Its Suburbs Is Changing

- Gentrification is displacing artists and smaller arts organizations to outer neighborhoods and neighboring cities.
- Traffic is making it less desirable to travel downtown for arts and entertainment.
- Several suburbs are becoming younger and more culturally diverse. E.g., Hillsboro and Beaverton.
- Some suburban cities (e.g. Beaverton) are building arts infrastructure to serve citizens locally.
- This shifting landscape influences audience participation patterns and the availability of arts and culture spaces to create and present work.

Trends in the National Arts Ecology

- COVID-19
- Focus on Anti-Racism
- Reduction in arts and humanities education in the public schools
- Aging of traditional donor base
- Role of electronic substitutes
- Role of electronic distribution of cultural programming: In 2017, 74% of adults got arts on the internet, 50% attended a live event
- Many cultural institutions are having difficulty adapting to this new environment

Portland MSA Lags in State Arts Funding

Oregon

- Ranked 26th nationally in per capita spending on State Arts Agencies (\$1.29/pc in FY2020)
- The 1:1 tax credit program for arts donations via Oregon Cultural Trust offers a unique opportunity, but its potential is not yet maximized.
- The Oregon Cultural Trust Awarded \$3.02M to 137 cultural nonprofits in 2019.
- A recent study by The National Policy Consensus Centre at PSU suggested that the Oregon Arts Commission and Oregon Cultural Trust merge and become a semi-independent entity, to become more responsive to sectoral needs.
- Portland MSA contains 46.7% of the state population.

Washington

- Ranked 41st in per capita spending on State Arts Agencies (\$0.71/pc in FY2020)
- The Washington State Arts Commission issued \$420K in grants to 153 organizations in 2019.
- Vancouver contains 6.7% of the state population.

State governments across the nation face major budget shortfalls, as the post-pandemic economy will shrink tax revenue in coming years.

Portland's Top 10 Arts Organizations Are Smaller Compared to Similar Sized MSAs

MSA	Population	Low End	High End	Average
Seattle-Tacoma-Bellevue, WA MSA	3.9M	\$5.1M	\$77.8M	\$25.5M
Minneapolis-St. Paul-Bloomington, MN-WI MSA	3.6M	\$11.8M	\$43.0M	\$26.3M
Denver-Aurora-Lakewood, CO MSA	2.9M	\$5.2M	\$80.0M	\$17.9M
St. Louis, MO-IL MSA	2.8M	\$7.0M	\$45.9M	\$16.7M
Portland-Vancouver-Hillsboro, OR-WA MSA	2.5M	\$3.3M	\$21.5M	\$10.7M
Pittsburgh, PA MSA*	2.3M	\$6.7M	\$60.9M	\$20.4M
Austin-Round Rock-Georgetown, TX MSA	2.2M	\$4.1M	\$13.2M	\$7.6M
Nashville-Davidson-Murfreesboro-Franklin, TN MSA	1.9M	\$5.4M	\$45.2M	\$15.2M

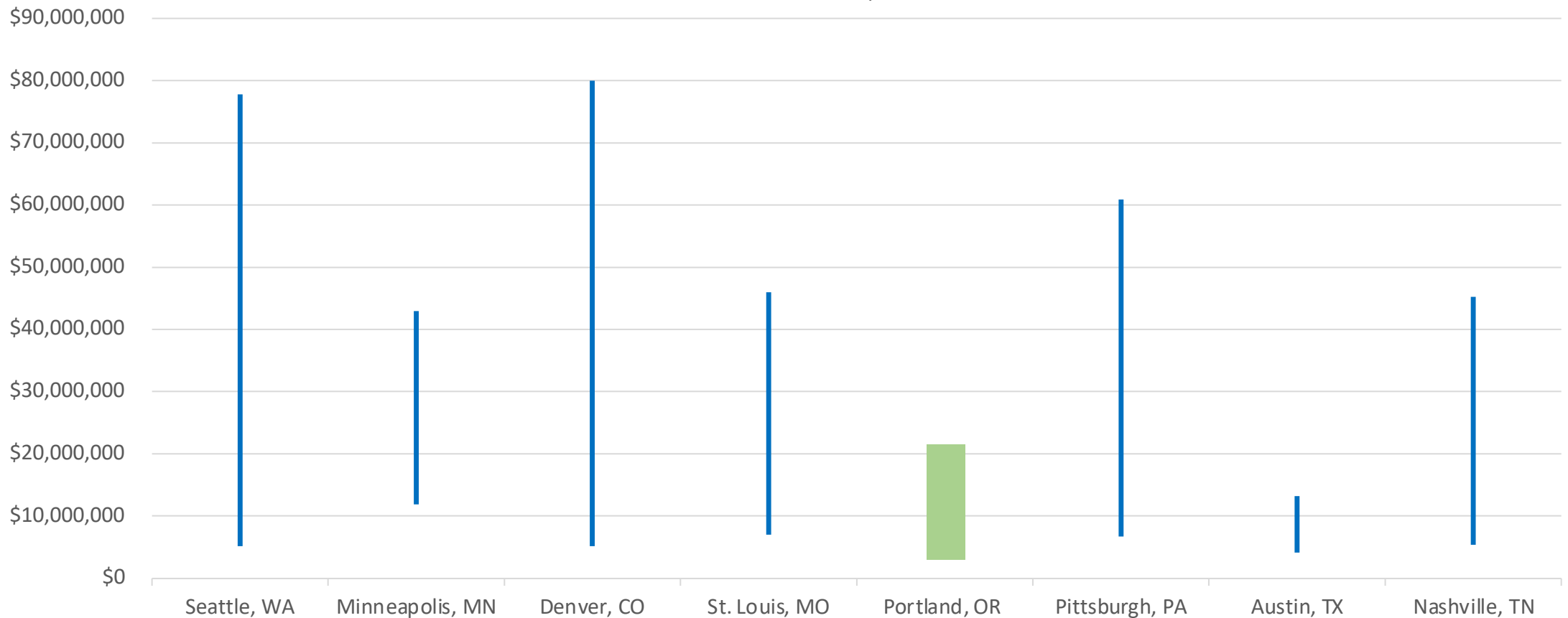
*Portland data excludes Oregon Public Broadcasting

**Pittsburgh data excludes Carnegie Institute, but includes Carnegie Museums and Carnegie Library

Source: IRS 990's FY18

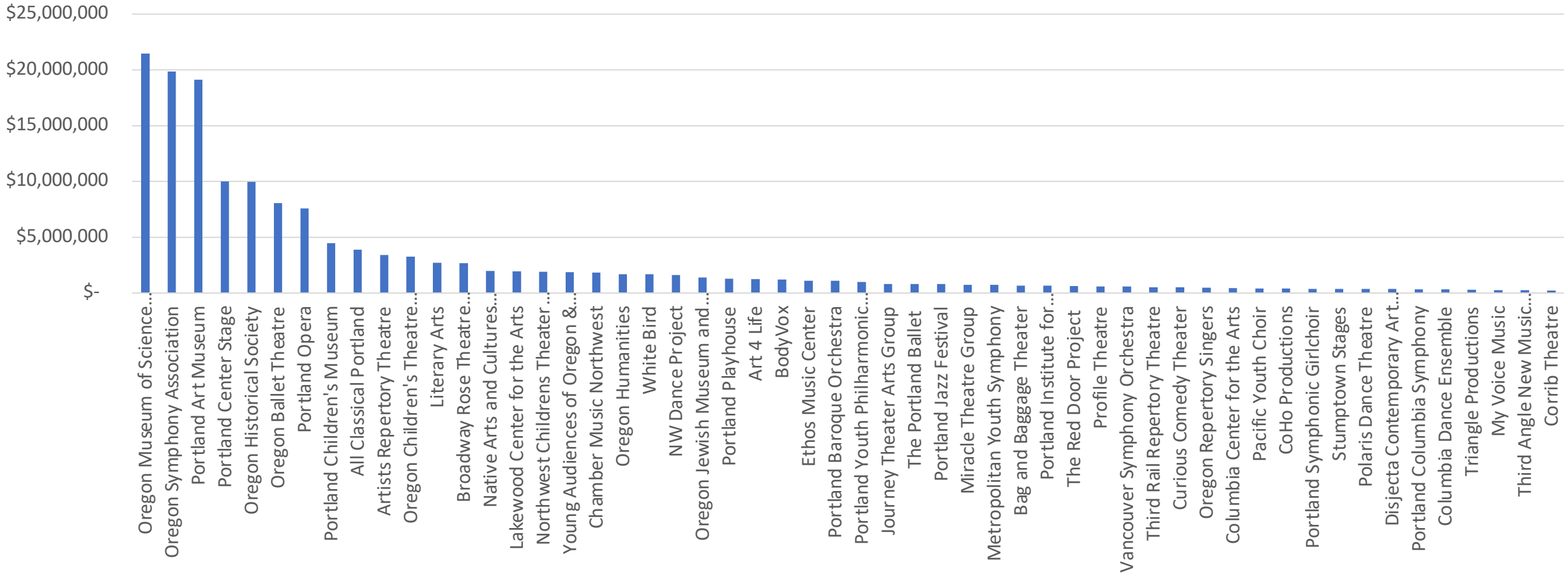
Portland's Top 10 Arts Organizations Are Smaller Compared to Similar Sized MSAs

Budget Range of 10 Largest Arts Organizations
Source: IRS 990 FY18 Expenses



Portland Has Many Modestly Sized Organizations

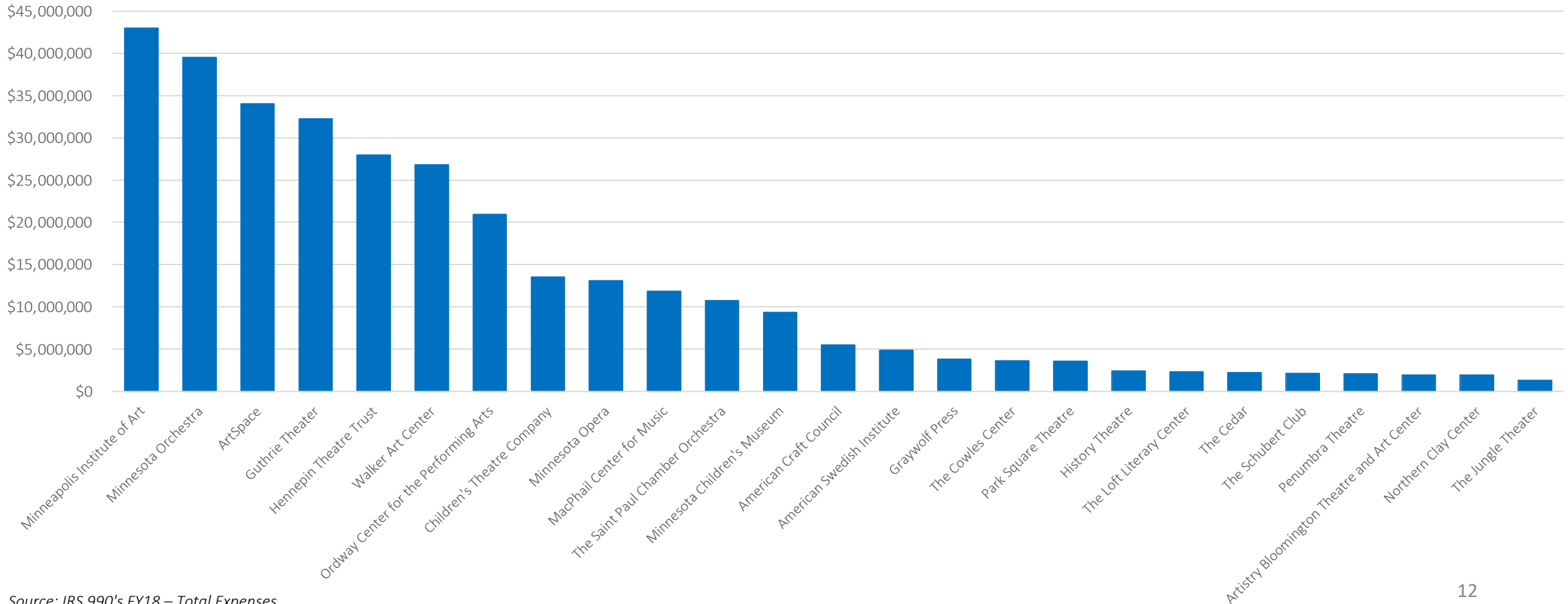
Non-Profit Arts Organizations in Portland MSA With Annual Budget > \$200k



Source: IRS 990s; Excludes Oregon Public Broadcasting and Portland's Centers for the Arts

Minneapolis Has a More 'Even' Spread With Large and Mid-Sized Arts Organizations

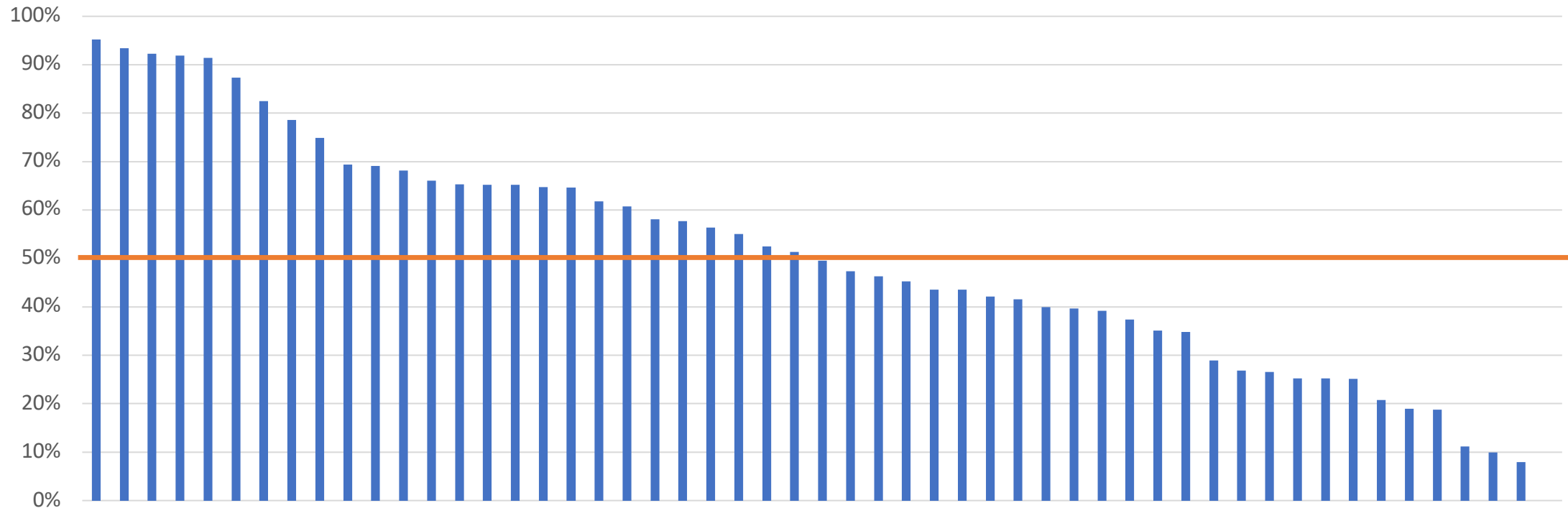
Top 25 NFP Arts Organizations



Source: IRS 990's FY18 – Total Expenses

Portland Arts Organizations, Contributed Revenue

% Contributed of Total Revenue of all Organizations with Budgets Over \$200K



- 17% of organizations rely on over 70% contributed revenue
- 24% of organizations receive less than 30% contributed revenue
- While there is no ideal mix for all, organizations that lean heavily on either type face greater exposure.

Source: IRS 990's FY16, *FY15; **FY17 Financial Statements

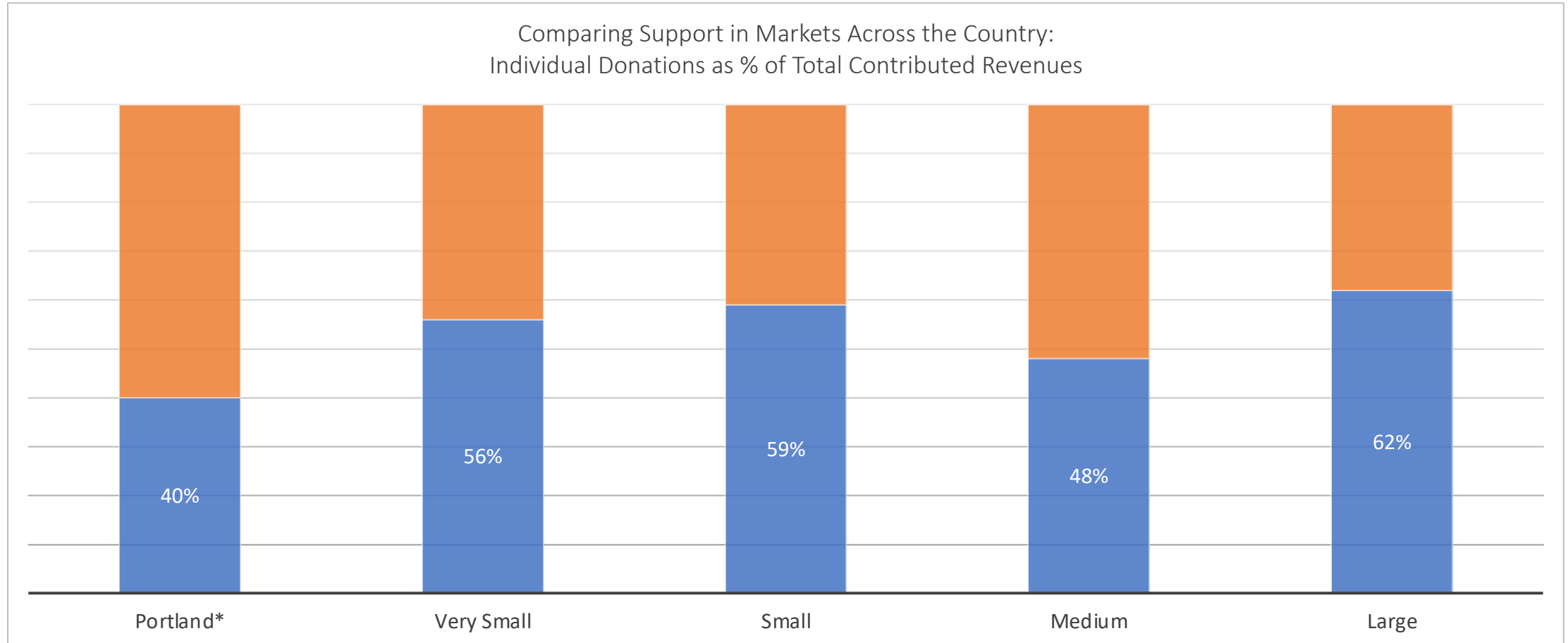
Philanthropy in Portland

Portlanders lead the nation in volunteerism, but lag in charitable giving.

- Wallethub ranks Oregon 1st in volunteer service, but 37th in charitable donations. Portlanders donated \$1.5B to charities in 2015.
- The top causes Portlanders support include poverty, health, the environment.
- Portland city is experiencing significant income growth; in 2017 it became the 10th wealthiest major US city.
- On average, arts organizations surveyed receive 40% of contributed revenue from individual donations. The national average for 2016 was 60%.

*Sources: <https://imgnorthwest.com/news/portland-is-the-10th-wealthiest-major-u-s-city/> | <https://wallethub.com/edu/most-and-least-charitable-states/8555/>
<https://www.philanthropy.com/article/Giving-in-the-50-Largest/241357> | https://www.americansforthearts.org/sites/default/files/2017AF_SourceRevenueNonprofitArtsOrgs.pdf
<https://www.bizjournals.com/portland/news/2017/03/29/list-leaders-meet-the-10-largest-nonprofits-in-the.html#g/409426/3>*

Portland Arts Organizations Received Less Contributed Revenue From Individuals



*Based on the % of contributed revenue from individuals in FY2019 reported by 27 sample organizations in Portland MSA.
Source: SMU National Center for Arts Research: Fundraising Report (2017)

Corporate Sponsorship

- New industries are growing, but are not very engaged with the arts.
- Corporations are giving, but not much to the arts. In 2018:
 - Nike \$12M, to Health, Transportation, Community Foundation, Sport
 - Kaiser Permanente \$8.6M, to Health & Wellness
 - An exception is Oregon Children’s Theatre’s major partnership to deliver its “Educational Theatre Program”
 - Intel \$8.4M, to Universities and Environment
 - Cambia Health \$6.3M, to Health
 - Harsh Investments \$3.9M, to Universities and Oregon Public Broadcasting
- Interviews suggest a lack of outreach by most arts organizations, to executives and senior staff at major corporations.
- Interviews report that despite best efforts, Portland's Business Committee for the Arts has been mostly ineffective over the past 10 years.

“Innovation seems to be at the heart of companies like Intel, Nike, and R2C group. The arts seem like a natural brand partner.”

“Corporate partnerships in the arts aren't being rewarded, celebrated, or developed.”

“I don't think the arts community is commanding the kind of attention they could be, or once did, from those remaining corporate headquarters and leading executives.” – Major Portland CEO & Philanthropist

Foundations

- Several local foundations are redirecting funds away from the arts to address cultural inequity and social issues.
- This shift is not unique to Portland, it is a national trend.
- Some organizations are responding with socially-engaged programming and successfully attracting foundation funding.
- Some organizations are responding by increasing individual giving.

“On the positive side, we have been able to hold the line in individual giving. We feel that we have the most opportunity there to replace the foundation funding we have lost.” – ED of Arts Organization

“I am interested in how the arts and culture community can strengthen its case for art as a solution to some of the pressing social issues in Portland, and better communicate that impact to funders.” - Local Foundation Trustee

Equity, Diversity, and Inclusion

“It is an exciting time to be involved in the arts in Portland in terms of the influx of energy, viewpoints, contexts, and perspectives that people are bringing to the arts.”

- Portland's trademark progressiveness rests on Oregon's troubled history of racial exclusion.
- Portland was slower to diversify than other cities in the Pacific Northwest, like San Francisco.
- Today Portland is still a majority white city, but racial diversification is expected to continue in future years.
- In recent years, public and private sector funders have increased diversity requirements to address cultural inequity. This has accelerated due to the recent national racial justice movement.
- Several surveyed arts organizations indicate increasing audience interest in the work of underrepresented artists.

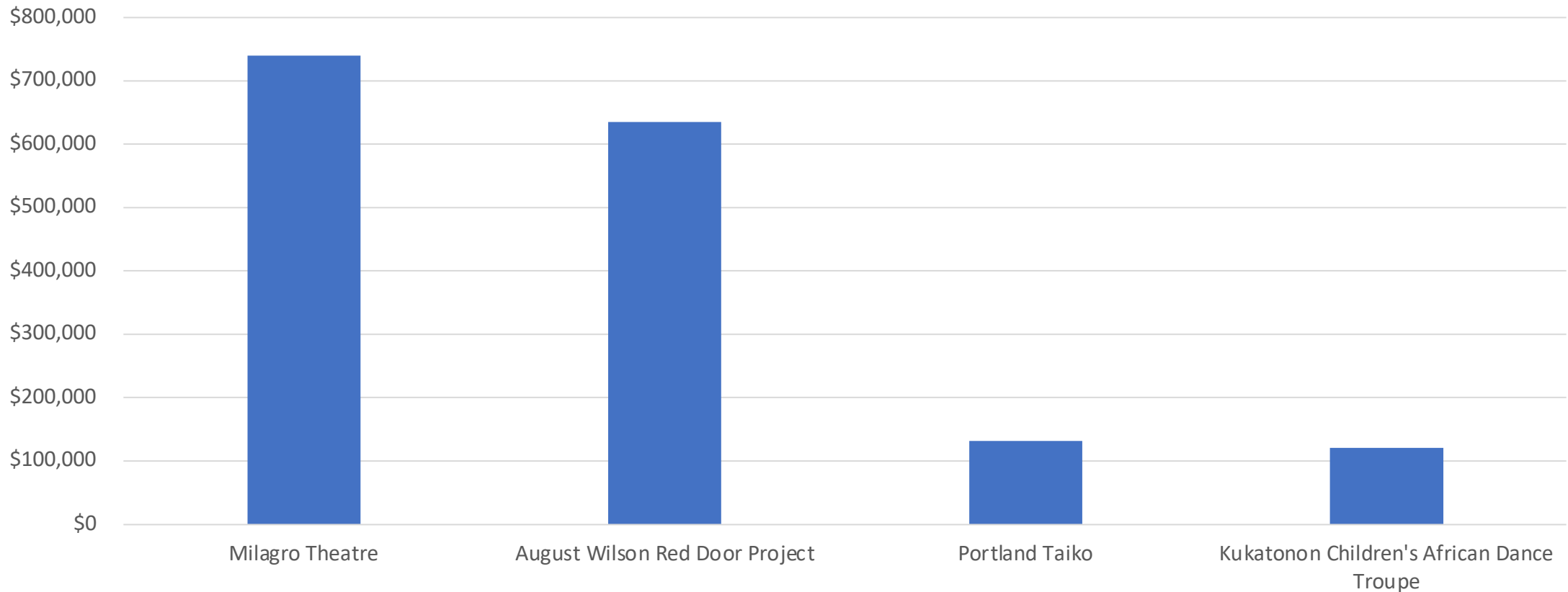
Organizational Responses to E.D.I.

- Many organizations report being ill-equipped to address EDI.
- Established euro-centric organizations face unique challenges in addressing cultural diversity.
- Most culturally-specific organizations are under resourced.
- Some organizations are successfully pivoting to include more culturally responsive programming oriented around social justice:
 - The Oregon Symphony's "Sounds of Home" series brings together social service organizations, community leaders, and arts groups to take action in the realms of immigration, environment, and homelessness.
 - Portland Institute for Contemporary Art prioritizes socially-engaged programming and partnerships. E.g. Offering space for a Black owned/run printing press.
 - Bag and Baggage Theatres' "Problem Play Project" invites POC artists to rewrite traditional euro-centric plays to give voice to the underrepresented.
 - Literary Arts has included an honest and thorough assessment of its E.D.I. goals in its most recent, publicly available strategic plan.
- Joint ventures and programming partnerships are reported as a popular strategy for expanding inclusivity.
- Barrier-free pricing initiatives are ubiquitous but there are concerns about the identification and removal of other logistical barriers (e.g. transportation) and other deterrents like the homogeneity of existing audiences.

"I think it is unfairly assumed that traditional organizations can't participate meaningfully in E.D.I. work."

"It seems like the same leaders of color get asked to join every arts board."

Culturally Specific Arts and Cultural Non-Profit Organizations in Portland MSA Have Comparatively Small Budget Sizes



Source: IRS 990s FY18 – Total Expenses

Racial Justice and the Arts in Portland

- On May 28, 2020 protests began in Portland, part of a national movement in support of racial justice. These nightly protests have continued for 60+ consecutive days.
- Portland has a history of social activism, so the length and intensity of recent protests is not entirely unexpected.
- Several arts organizations are providing support to protesters by offering their spaces for protesters to organize. This has demanded flexibility from, and stretched the capacity of already downsized staff teams.
- This recent swell of racial justice has emboldened organizations to reexamine and accelerate existing anti-racism work, and examine gaps in these efforts.
- There is an urgency to go beyond presentational actions like Black Lives Matter statements, to enact lasting changes.
- For one organization, this involved striking a special adaptive planning group led by a hired POC facilitator.
- It is expected that higher standards in this area will exist permanently, after protests subside.

“We began anti-racism work a few years ago, but the recent activism has heightened our intent and fortified our direction. It has encouraged us to be even bolder.”

“We can actually do more structural renewal because we downsized our staff during COVID. We can rebuild the staff in a way that is more equitable, make more sweeping and structural changes.”

Space

- Downtown is becoming too expensive for small and mid-sized organizations.
- Larger organizations are facing increased occupancy costs at city owned venues; city venues are also facing cost increases.
- Some new spaces are being built, both downtown and in suburbs.
- Some interviewees believe that existing spaces are underutilized. (off hours, dark days, etc.)

"There are so many complaints about space, but arts leaders aren't thinking innovatively about this. They should be approaching the public institutions like schools, which have many underutilized theatre spaces which could be retrofitted."

"We partner with the community extensively to try to address the lack of space and resources to create and show work. We are responding to displacement, in what is sometimes an immediate and reactionary way."

Civic Leadership Is Not Championing the Arts

- There is concern that local civic leaders are not recognizing the value of the arts and culture sector, how it could be used to stimulate the economy, enhance quality of life, and advance cultural equity.
- The city could be more bold and innovative in taking risks, and seeing the value of the arts and culture as an agent of change.
- There seems to be confusion about which state level entity is charged with arts advocacy, both locally and statewide. Funders are playing a role, but there are also pure advocacy entities.
 - Locally is it the Regional Arts and Culture Council?
 - Statewide is it the Oregon Arts Commission (OAC), or the Cultural Advocacy Coalition?
- COVID-19 has focused advocacy efforts. A for-profit/non-profit coalition of music organizations successfully lobbied the state government for \$50M in relief funding.

"The arts always complains about how much money sports get, but we should really be looking to that sector to find out how to do a better job."

"I have seen how essential the arts are to the development of individuals and community. We need to voice to the City that the arts are an investment into society. We need to explain our case better. We need to make our needs clearer. We need to show the City how they can help."

"There is a lack of a central convener. Everyone is looking for leadership in terms of advocacy at a city-wide level. Leadership in regards to promotion and advocacy of the arts as a whole."

"After successfully securing this relief funding I think the community is realizing that serious, sustained advocacy can actually work in influencing government. I think we haven't created a collective voice like this in a long time."

Tourism

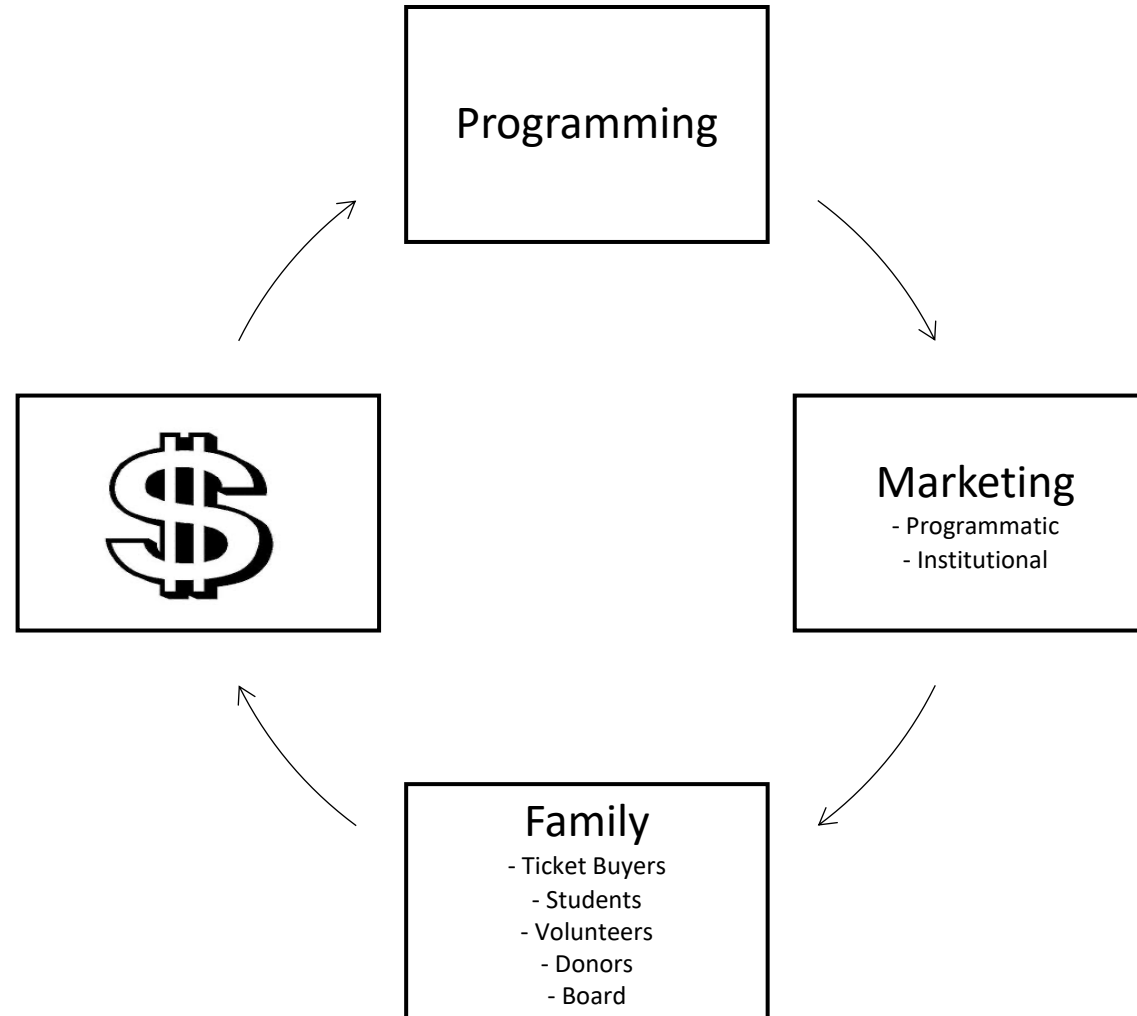
- Portland is a national tourist destination, but not for the arts.
- In 2019, Portland welcomed 8.8M overnight visitors who spent \$5.6B.
- Economic impact of tourism has increased annually since 2015.
- There is some regional arts tourism for marquee-level events.
- People are attracted to Portland for its food and beverage scene, the outdoors, and the aura of creativity and “DIY” artisanal spirit created by its artistic community.
- Arts and culture activities are a natural value-add for these visitor motives.
- Santa Fe has a small population of 84,000, but vibrant arts tourism entwined with its culinary scene and intriguing history. It welcomes 2M visitors each year.
- The arts are upfront and center in its marketing to tourists and its arts organizations are adept at attracting and serving an out of town audience.

Organizations With National Profile in Comparator Cities

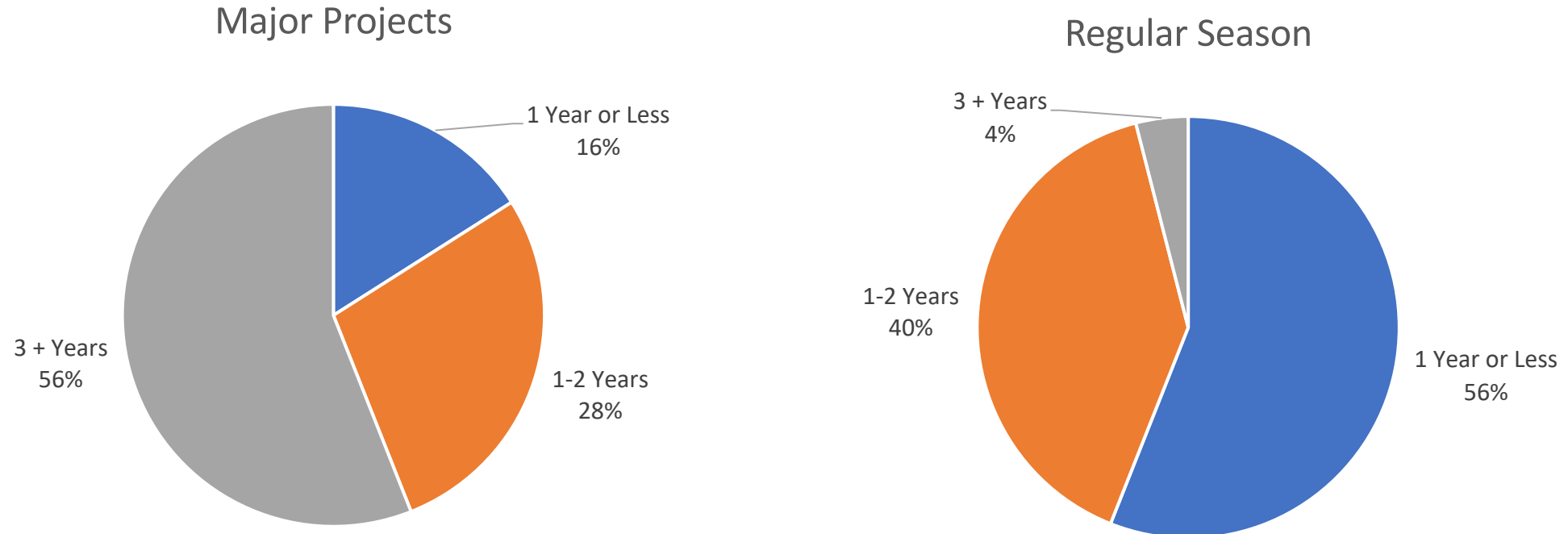
Some organizations in mid-sized cities hold rank with the nations biggest and best.

- St. Louis Symphony
 - Built a reputation as one of the nation's top orchestras through illustrious and prolific recording and touring.
- Opera Theatre of St. Louis
 - Positioned its summer festival as a fun, accessible, destination experience
 - First US company to appear at the Edinburgh Festival
 - Regularly enjoys coverage in national media like the New York Times and Fox News
- Guthrie Theatre, Minneapolis
 - Built a reputation for excellence that extends far beyond the Twin Cities
 - Won a Tony Award in 1982, for outstanding contribution to the American theatre
 - Reaches 350,000 patrons annually
- 5th Avenue Theatre, Seattle
 - Maintains a significant national profile and is the largest non-profit arts employer in the region (600+ persons)
 - Has established itself as a proving ground for exciting new musicals before they hit Broadway.
 - Played a major role in the revitalization of downtown Seattle in the 80's
 - Each year it reaches 300,000 audience members at performances and 75,000 youth with its extensive education programs.

The Cycle: A Model for Institutional Growth and Stability



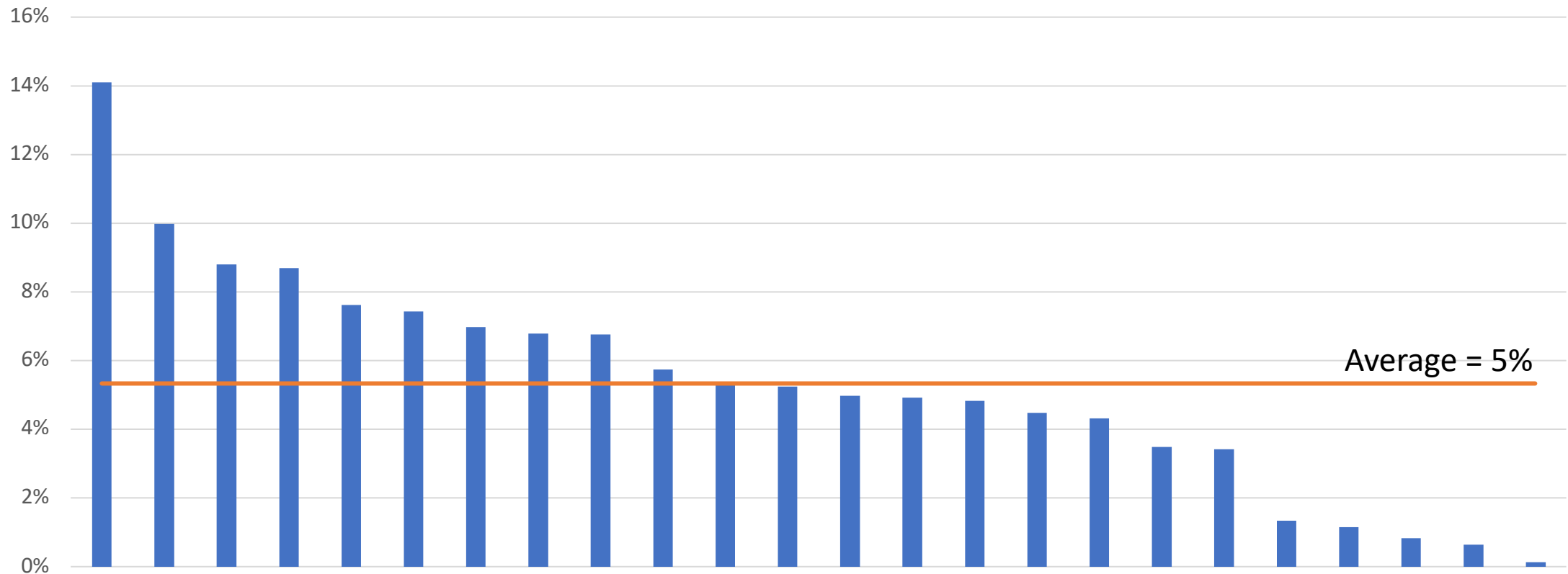
Artistic Planning



- The majority of organizations plan major projects 3+ years in advance, however regular programming is on a much tighter 1 year lead.
- Most respondents indicated a desire to extend the planning cycle further.

Many Organizations Spend Modestly on Programmatic Marketing

% of Budget Spent on Marketing*



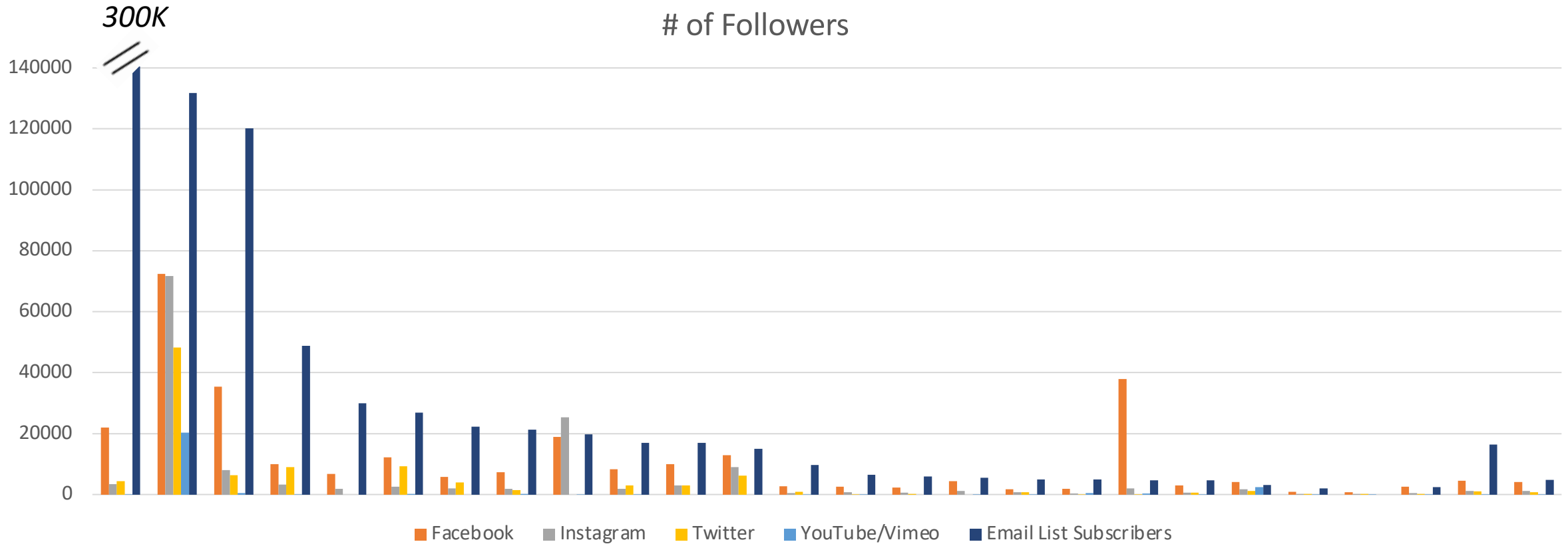
*Staff salaries excluded.
Source: Email survey. N=24

Marketing

- 59% of organizations think that they are spending "too little" on marketing.
- 41% believe they are spending "enough".
- None reported overspending in this area.
- Marketing was frequently cited as an area lacking staff capacity.
- Some organizations reported acute staff recruitment and retention issues in marketing.
- Digital platforms are primary for nearly all organizations.
- There is a lack of institutional marketing. Most respondents indicated need to raise organizational profile, but cited lack of time and knowledge as barriers.

“Our marketing budget has stayed flat over the years, while other costs keep going up.”

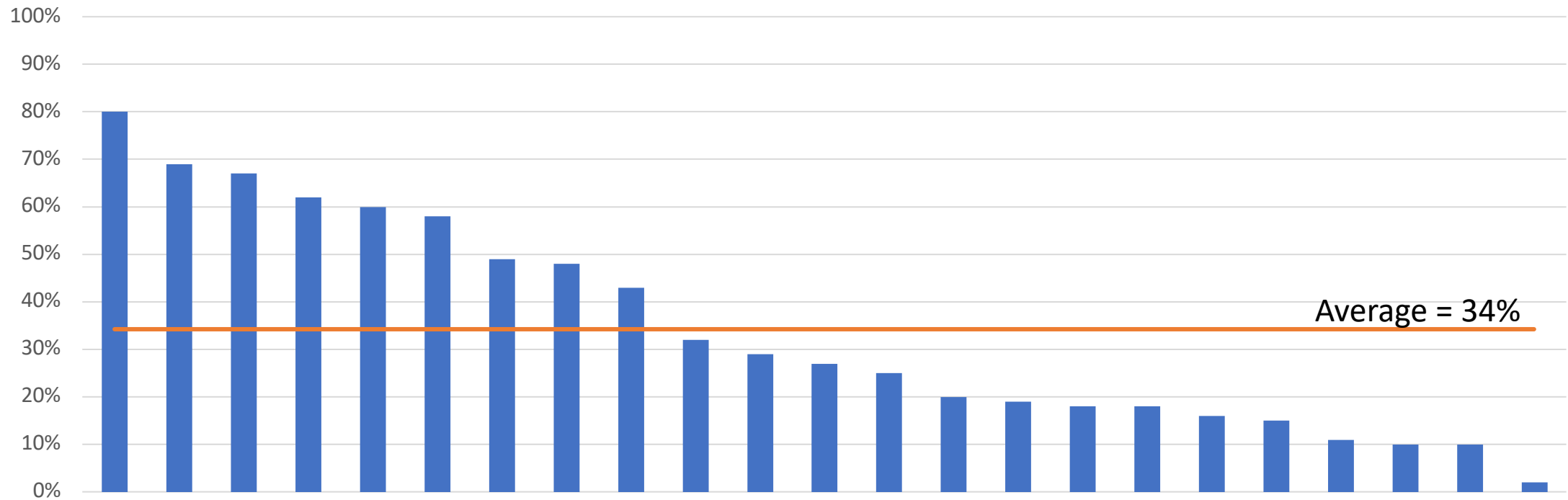
Audience Scope, “Reachable Universe”



- Most organizations have modest market penetration.
- In 2017, an estimated 71% of Oregonians attended a visual or performing arts event; this translates to 1.96M potential attendees in the Portland MSA.
- Email newsletters are crucial for most organizations.

Many Arts Organizations Rely on a Few Donors

% of Total Contributed Revenue From Top 5 Contributors

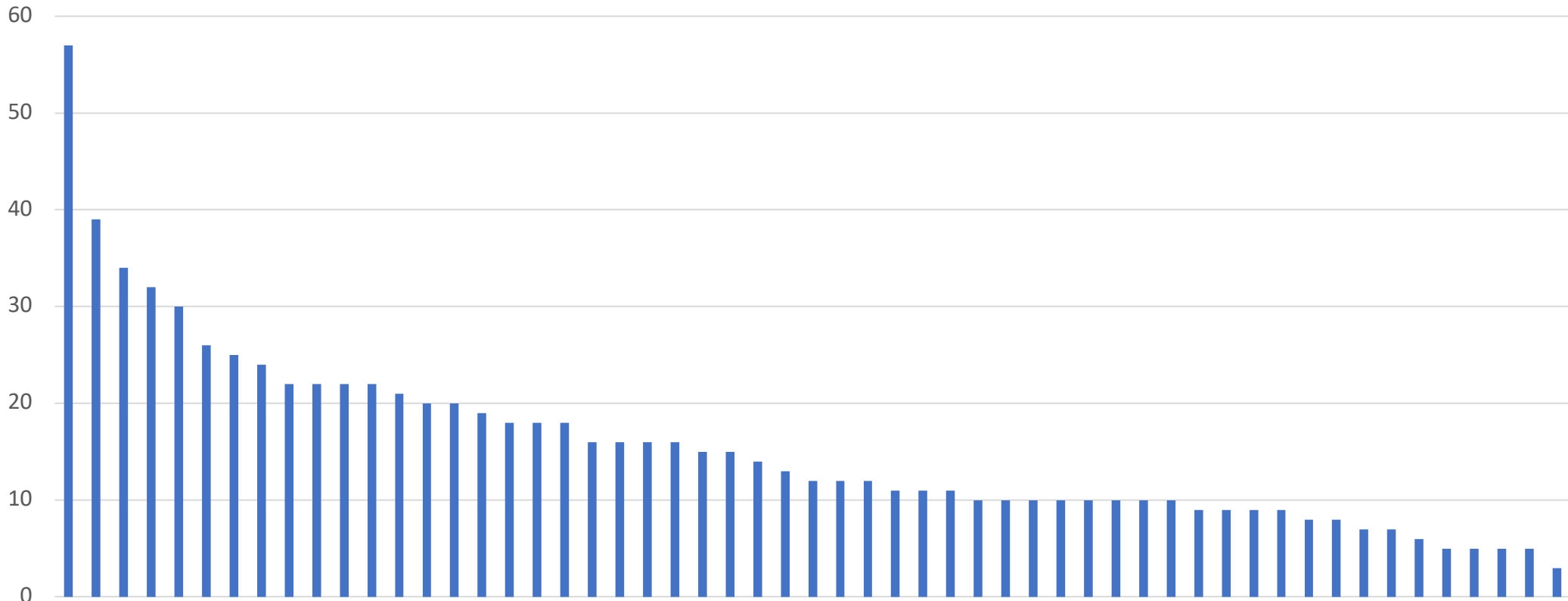


- 39% of respondents receive more than 40% of contributed revenue from their top 5 donors.

"We keep returning to the same small number of philanthropic families. I don't think we can keep relying on their generosity alone."

Arts Boards Are Relatively Small

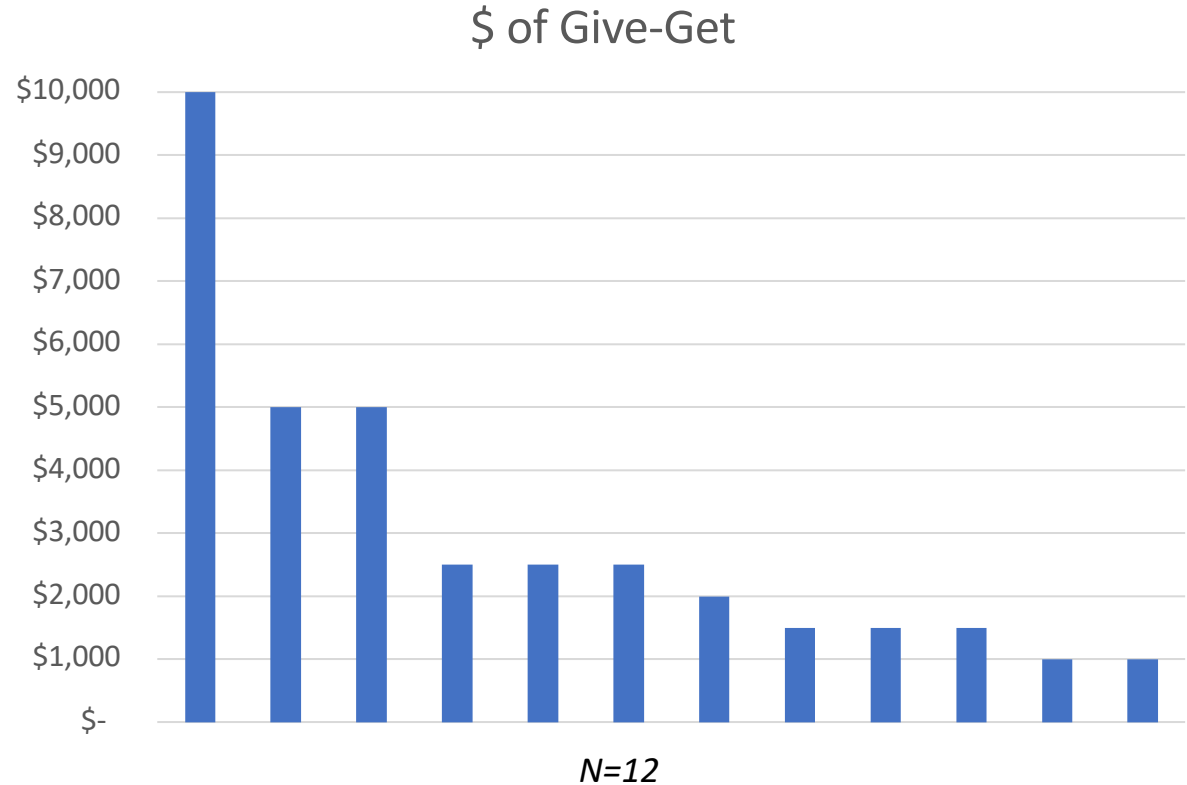
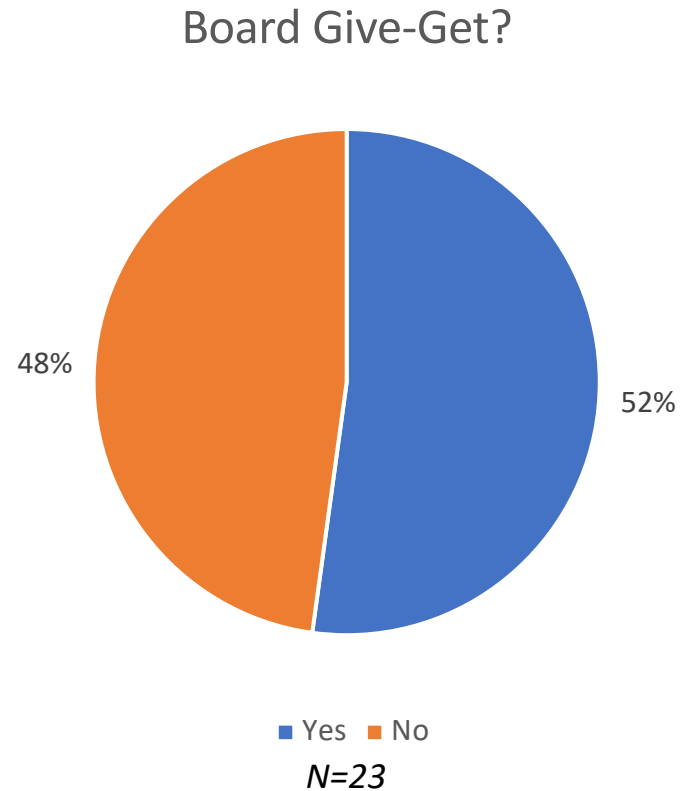
of Board Members, Arts Organizations With Budgets \$200K+



- Several respondents indicated they were trying to increase the size of the board.
- 58% of respondents have a board with 15 or less members.

Source: IRS 990s

Contributions From Arts Boards



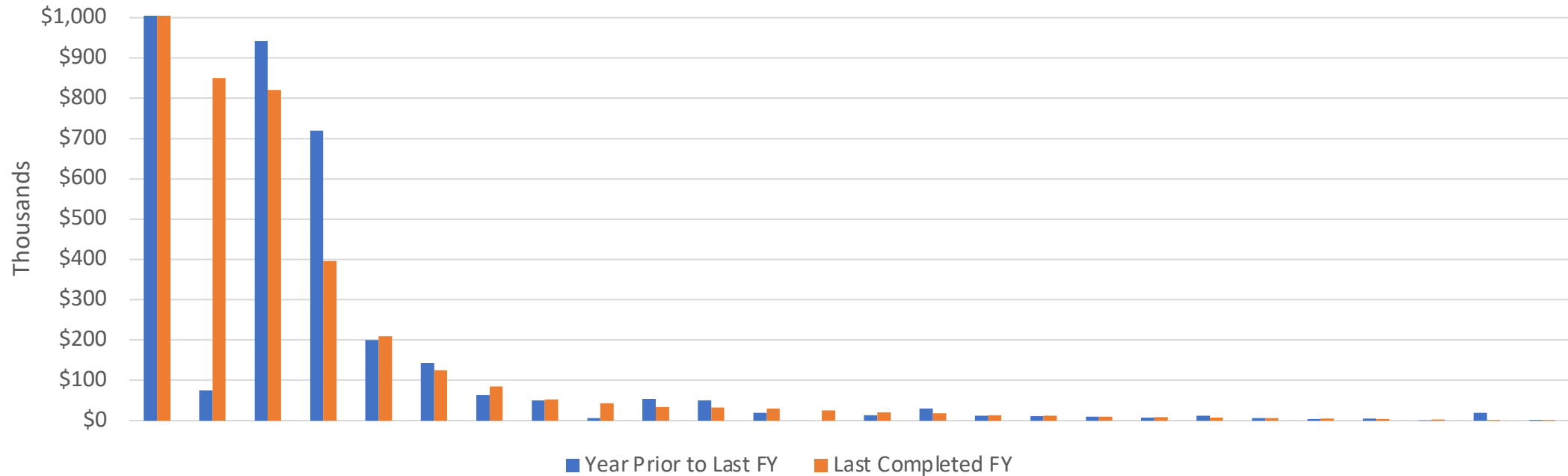
- Some organizations are turning away from give-get policies, in an effort to diversify board membership.
- Of those that have a give-get, the amount is typically modest.

Contributions From Arts Boards

5M/5.6M



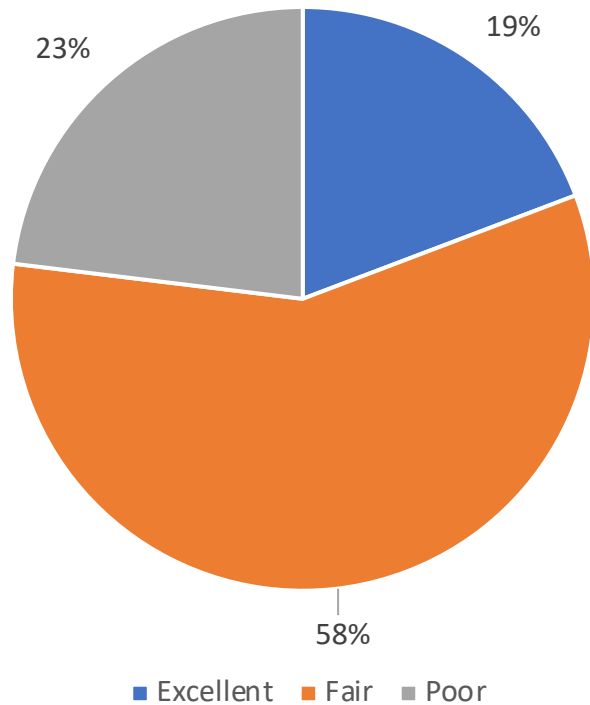
Total Board Contributions, Last 2 Years
(each pair of bars represents one arts organization)



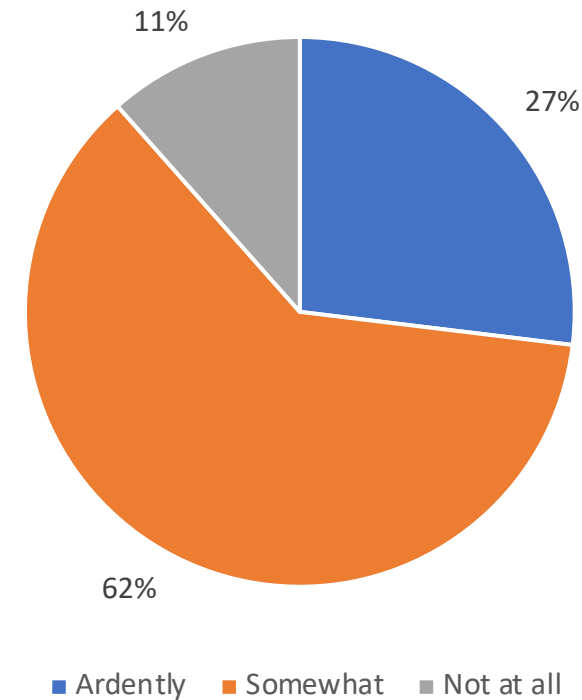
- For some organizations, the amount of board giving varies significantly year to year.
- The national average for board giving is 4-5% of total expenses. 73% of organizations surveyed fall short of this benchmark.

Board Fundraising Engagement and Capacity Are Lacking

Board Engagement in Fundraising



Is Your Board Working to Increase Fundraising Capacity?



- According to arts leaders interviewed, the majority of board members are not deeply engaged in fundraising.

Staff Retention, Training, and Capacity

- There are numerous entry level opportunities at small organizations, but career advancement options thin out quickly. Senior roles are harder to find.
- Staff retention appears stronger at larger institutions; several large organizations attributed competitive wages as a strength, as compared to smaller arts organizations.
- Development and Marketing were overwhelmingly cited as areas lacking capacity, both in terms of skills and number of staff.

“Small organizations run on skeleton budgets can't hire development staff with the skills to cultivate strong donor relationships.”

“It's hard to 'grow up' as an institution here; I'm constantly hiring 20-year-olds.”

“We are often forced to hire people with limited experience and train them. The training and support is challenging.”

“I am excited about the talented, exciting young leaders we have entering the Portland arts ecology. I think they are better prepared than the arts leaders that came up in previous generations. They may be facing more challenges, but they also seem to have more tools.”

Arts Education

- Since major state funding cuts to arts education in the 1980's, schools have worked to restore these programs
- Portland's "Arts Tax" was initially conceived to provide operating funding to arts organizations, but now primarily provides an arts teacher in every elementary school in Portland.
- In tax year 2018 \$11.09M of revenue was collected. \$7.57M was dispersed to school districts, \$2.06M to RACC, and \$1.47M to admin/overhead costs.
- The tax itself is fraught with optics and compliance issues. A quick analysis indicates that compliance is low. $\$11.09\text{M} / 536,888 \text{ adults} = \21 per capita , or 60% of the \$35 per capita goal.
- The quality and breadth of programs is uneven across neighborhoods.
 - Not all students have access to each core discipline (theatre, music, dance, visual art).
 - Arts organizations are filling the gap in exciting ways but offering sequential curriculum is challenging.
 - Programs are better in affluent neighborhoods that can supplement with parent council fundraising.

Summary Observations

- Portland's marquee institutions are modestly funded compared to similar cities
- There are many small, under-resourced organizations, fewer mid-size
- Access to space for creation and presentation is limited and shrinking
- Portland's population is becoming younger and more culturally diverse; some organizations are adjusting successfully, others face diminishing support
- The corporate community could be more engaged in the arts
- The donor community is underdeveloped; many organizations achieve less than the national average in individual giving
- Board giving is modest

Summary Observations

- Audience demand and enthusiasm is generally healthy
- Planning cycles are relatively short, especially in small organizations
- Staff capacity challenges in fundraising and marketing are common
- Most organizations underspend on marketing
- A lack of institutional marketing has resulted in tepid cultural tourism
- There is a lack of collective impact, joint ventures, and programming initiatives that produce visibility outside of Portland
- The intensity and complexity of the current pandemic and racial justice movement have coalesced to create conditions conducive to bold change.

Recommendations

Pandemic Support

Create a bridge to sustain during shutdown, and re-emerge with relevance and strength.

- Support for major organizations
 - Stabilization funding
- Planning services for midsized and small organizations
 - Response and scenario planning
- Assist mergers, prompted by pandemic conditions
 - Some small organizations with similar missions may find opportunity in mergers or formalized joint ventures
 - Provide consulting
 - Provide legal advice
 - Provide initial grant funding

Empowering Equity Initiatives

Advancing equity by helping culturally-specific organizations to flourish, while equipping historically white organizations to create comprehensive and lasting systemic changes.

- Funding for arts organizations to hire BIPOC facilitators to advance EDI work, over a 3 year period.
 - Complement this work with guest speakers, seminars, or peer learning.
 - Use an evidence-based approach to measuring change.
- Funding for partnerships between culturally-specific and historically white organizations.
 - Support production, residencies, research and experimentation in cross-cultural/intercultural work.
 - To spark new relationships, foster dialogue, create new opportunities, and access to wider markets.
 - Funds would flow directly to the culturally-specific organization.
- Offer focused capacity building program for organizations of color
 - Special training in artistic planning, marketing, fundraising, financial management.
 - Targeted grants.

Arts Incubator for Emerging Organizations

Create a program aimed at assisting new and small arts organizations:

- Offer low cost, subsidized office and rehearsal space
- Offer subsidized, shared back office services and technical assistance
- Support organizational development; provide access to consultation
- Stimulate collaboration and joint ventures
- Reserve space and resources specifically for BIPOC organizations
- E.g. [Intersection for the Arts](#), San Francisco

Funding for Flagship Organizations

- A healthy ecology depends on robust large organizations
- A healthy ecology depends on synergy between large and small organizations
- Invest to ensure a strong future for major organizations
 - Require marquee organizations to mentor smaller organizations
 - Require marquee organizations to share resources with smaller organizations

"We need to shift from a scarcity mentality to one of abundance, realizing that the sum is greater than its parts."

Building National Brand Awareness

- Position Portland as a national leader in artistic innovation
- Strong institutional marketing from major organizations
- Festivals and joint programming
- Export ambitious works created in Portland

"Portland's arts and culture scene seems hyper-local. There is a big opportunity to showcase the arts and culture scene here on a national scale. There is a unique freedom to the creativity here that could be celebrated externally."

Major Bi-Annual Festival

There are plenty of great Portland festivals, but none are a nationally significant, cross-discipline celebration of Portland's ingenuity.

- Amplify Portland's spirit of innovation and entrepreneurialism
- Focus on out-of-state tourism and get Travel Portland onboard
- Connect arts with other creative workers in tech, apparel, design, even health.
- Thematic thought leadership, e.g. *"Portland Festival of Arts & Ideas 2022: Frontier"*

The idea that boundaries are meant to be pushed and rules rewritten runs deep in Oregonian identity. It's that spirit that fuels the unbridled creativity in Portland's prolific arts scene. Experience the best Portland has to offer in this week-long festival, as the city comes alive with performances, street art, design and fashion showcases, talks, and culinary delights.

- Convene multiple cultural perspectives on the theme
- Take inspiration from The 1905 Lewis & Clark Expo. that showcased arts and industry, and profoundly raised Portland's National profile

Support of Marketing Efforts

Market penetration and institutional visibility is low for many organizations.

- Major funders could consider providing specific support for marketing plans that:
 - Create strong institutional images for arts organizations
 - Create high efficiency/high effectiveness programmatic marketing activities
 - Employ innovative digital marketing techniques
 - Build recognition outside of Portland
 - Foster collaborations between arts institutions to lower the cost of marketing while increasing reach

“It can be scary for my marketing staff to 'buy in' to institutional marketing because it doesn't generate immediate, measurable results. It's an important long-term investment.”

Developing a Vital Philanthropic Base

1) Foster Individual Giving

- Funding and capacity building for organizations committed to establishing a healthy individual giving program.
- Channel Portland's spirit of volunteerism and grassroots changemaking into financial support.
 - Is there an opportunity to offer more participatory engagement opportunities to appeal to 'hands on' millennial donors?
- Foundations could make matching grants to incentivize donor acquisition.

Developing a Vital Philanthropic Base

2) Build Bridges to the Business Community

- Consider re-establishing the Business Committee for the Arts, under private sector leadership
- Recognize star arts philanthropists from the business community
- Build excitement with ambitiously scaled, cross-sector programming with national visibility
- Political leaders and foundation leaders work together to engage corporate executives in the arts
- Encourage civic and business leaders to join arts boards

Celebrating Success is Essential

The prevailing attitude that “Portlanders have deep pockets, but short arms.” has created overly pessimistic view of the opportunity to cultivate a robust donor base.

- The Oregon Symphony, Literary Arts, and The Portland Art Museum maintain substantial donor bases.
- As of 2018-19, these organizations are raising 39-75% more private sector contributions than they were 5 years ago.

Space

- Conduct an inventory of vacant or underused community space which could be activated. Is [SpaceFinder](#) meeting this need?
- Consider an active matchmaking effort to identify and allocate unused space. This could be driven by a special committee.
- Large and mid-sized organizations have indicated a willingness to share space.
 - Clarify and formalize spaces that are being offered.
 - Offer residencies for smaller organizations with no home venue.
- Lobbying city government to reserve low cost space in downtown.
 - Make this a central issue in the upcoming municipal election.

Collective Advocacy

- Interviews suggest advocacy efforts have not been effective in recent years.
- Can the RACC Business Committee for the Arts or Cultural Advocacy Coalition be strengthened?
- Or, is there a need for a more comprehensive task force, with business leaders, politicians, philanthropists, representatives from major foundations, and educators?
 - E.g. Denver Commission on Cultural Affairs.
- The committee could act in an advisory capacity to municipal governments and public sector funders.
- This volunteer group could advance collective efforts in programming, public awareness and engagement, and advocacy.
- This group could be convened as an independent association, rather than be beholden to a specific funding body.

Major Initiatives Summary

- Help organizations survive the pandemic
- Advance cultural equity and racial justice with targeted initiatives
- Portland as a national leader in artistic innovation, entrepreneurialism, and diverse cultural perspectives
- Achieving scale and prominence need not be at odds with nurturing a diverse, responsive, and inclusive creative community
- Invest in the growth of exceptional small organizations and the sustainability of the largest sectoral leaders
- Get serious about developing and celebrating an engaged donor community
- Invest in building and reviving creation and development space
- Establish an arts task force to identify and advance collective opportunities