

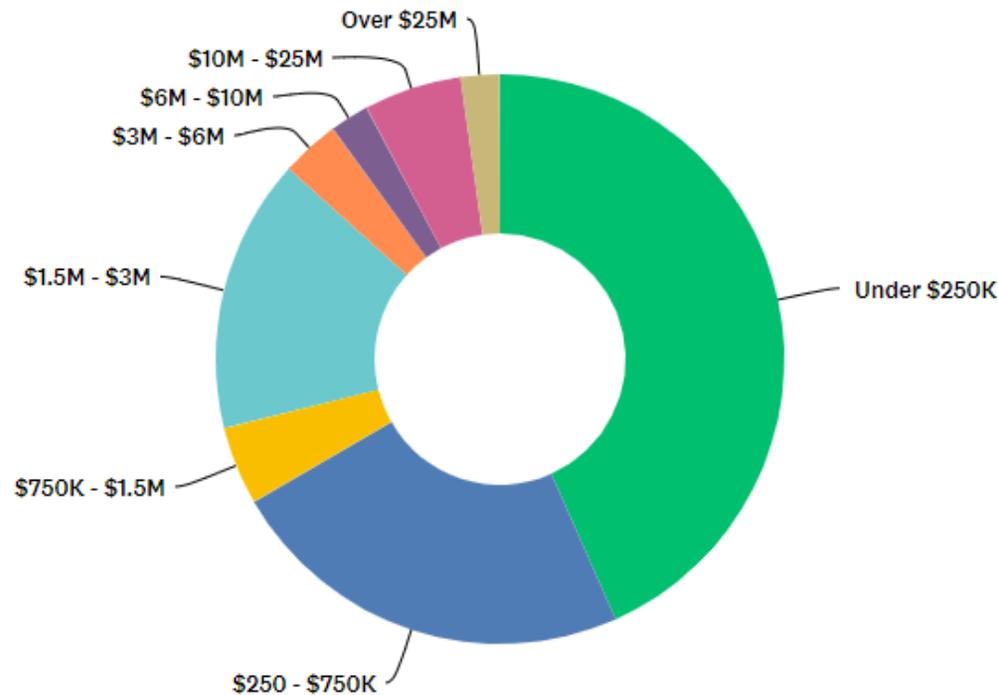
**COVID-19's Impact on  
Marion County,  
Florida's Nonprofits**

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In March 2020, the COVID-19 pandemic began shutting down the nation's economy and impacting states and communities, including Ocala/Marion County, Florida. Nonprofits, who rely on donors and volunteers for operations, started reaching out to The Community Foundation for Ocala/Marion County with immediate needs and concerns, so the Community Foundation created two surveys asking for their input.

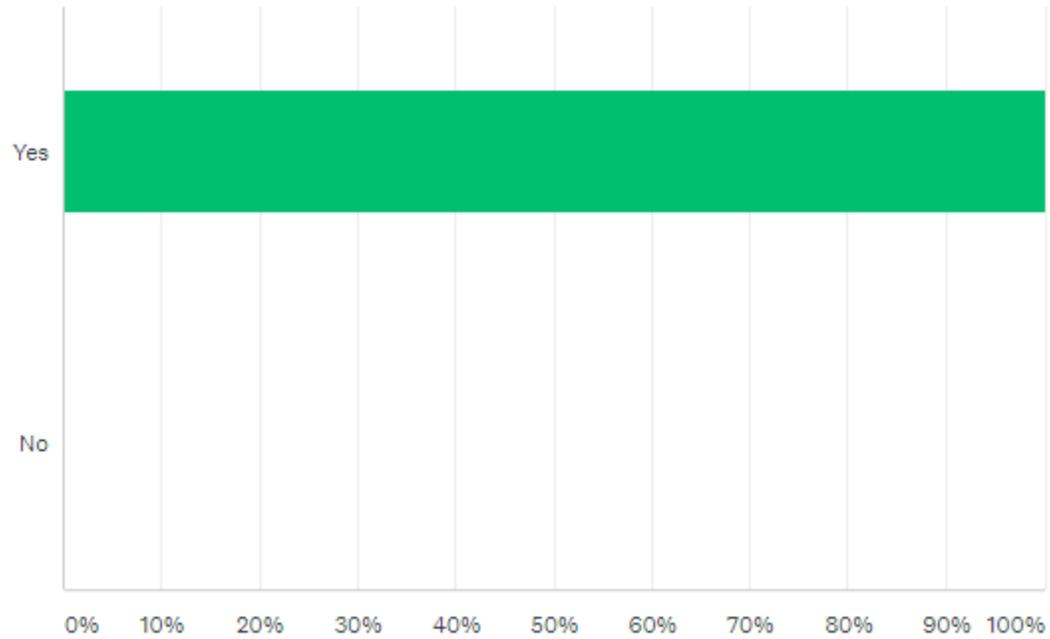
Between March 23 – April 24, 2020, 109 nonprofits responded representing all nonprofit sectors (animals, arts, education, environment, faith-based initiatives, health and human services, housing and more) with annual budget sizes from under \$250,000 to more than \$25 million. Of those respondents, 62% represent the small business sector with budgets less than \$750,000.



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## Impact

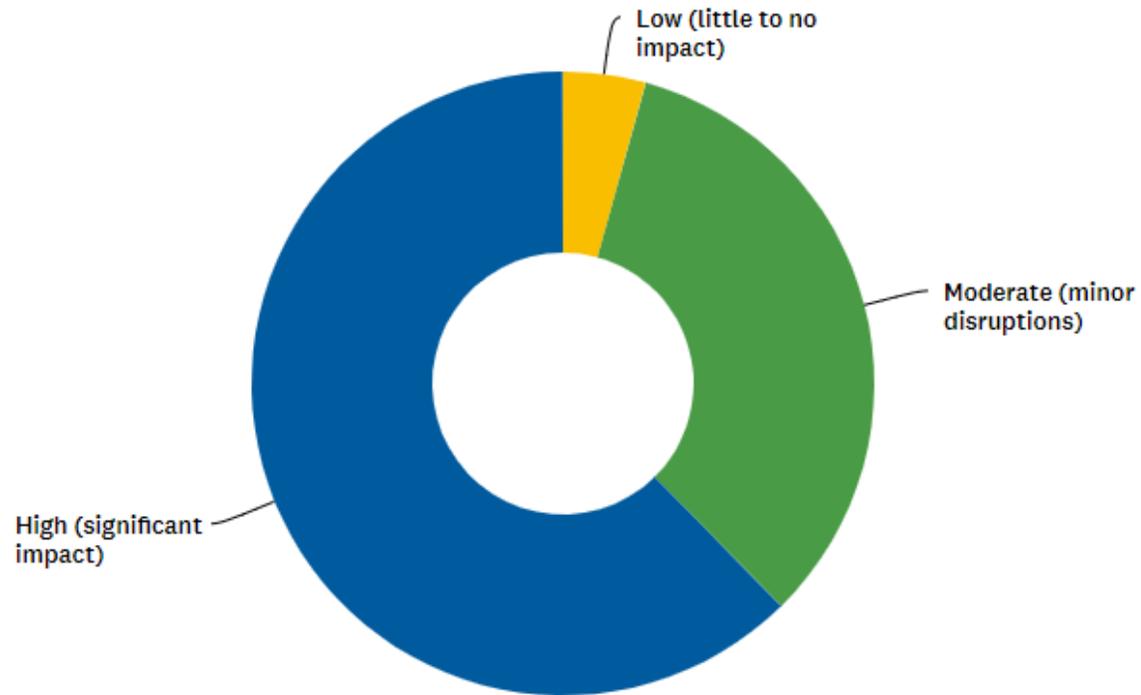
Of those surveyed, 100% responded they had been impacted by COVID-19.



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When asked to estimate the level of severity that the impacts were having or would have, 62% said a significant impact, while only 4% said COVID-19 had little impact on their nonprofit.



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## Revenue Decreases

When asked if nonprofits expected a decrease in revenue, 87% said yes. On average, they anticipated at least a 25% deduction in resources with losses of up to \$500,000 for several nonprofits. Those revenue decreases are expected most in the following areas:

Recurring Donations	57%
Special Event Revenue	56%
Fees for Client Services	29%
Investment Income	13%
No Decrease Expected	13%

## Expense Increases

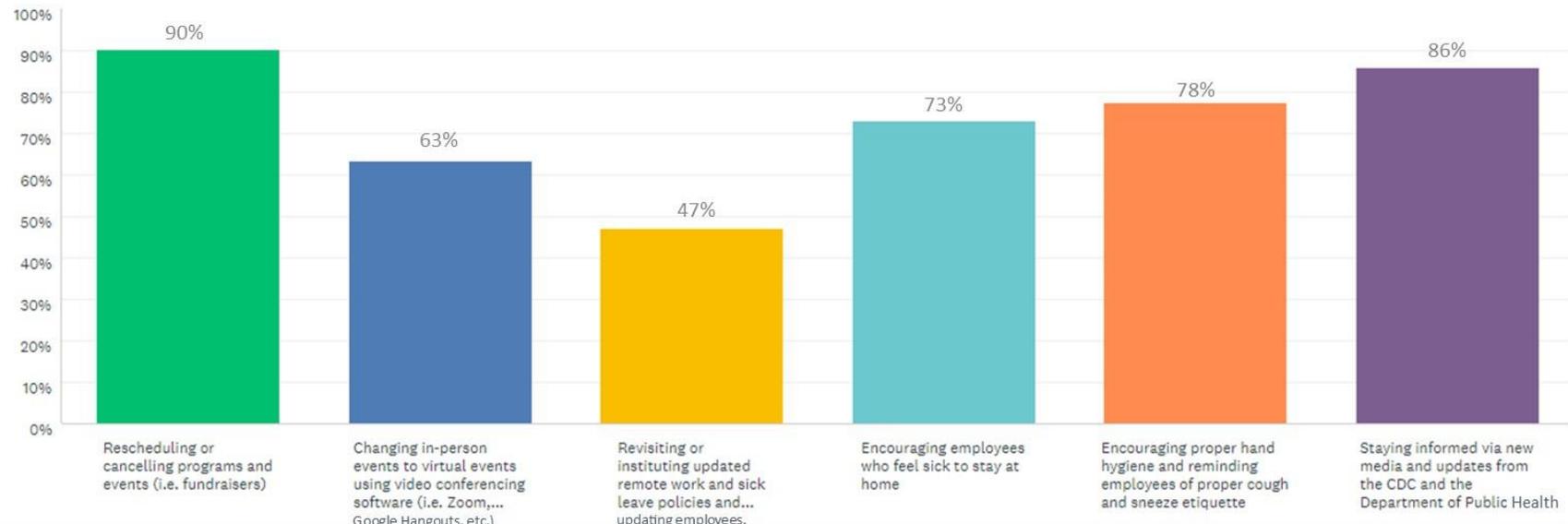
Upwards of 45% of nonprofits expect an increase in expenses due to COVID-19. Needs for more cleaning supplies and personal protective equipment (PPE) for staff when services go back online, technology and telehealth purchases, increased demand for food for more people in need, and purchasing items that were often donated were included in the list of increased expenses for nonprofits.

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## Changes within Nonprofits

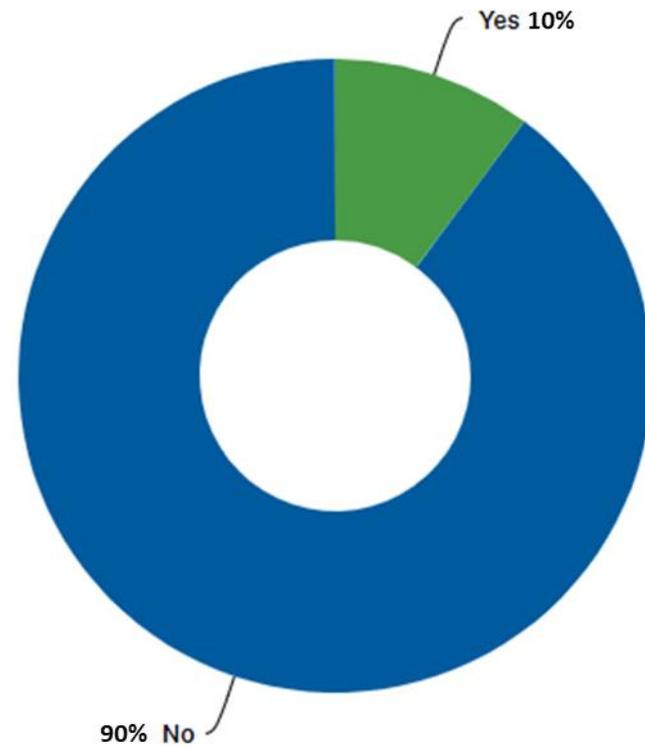
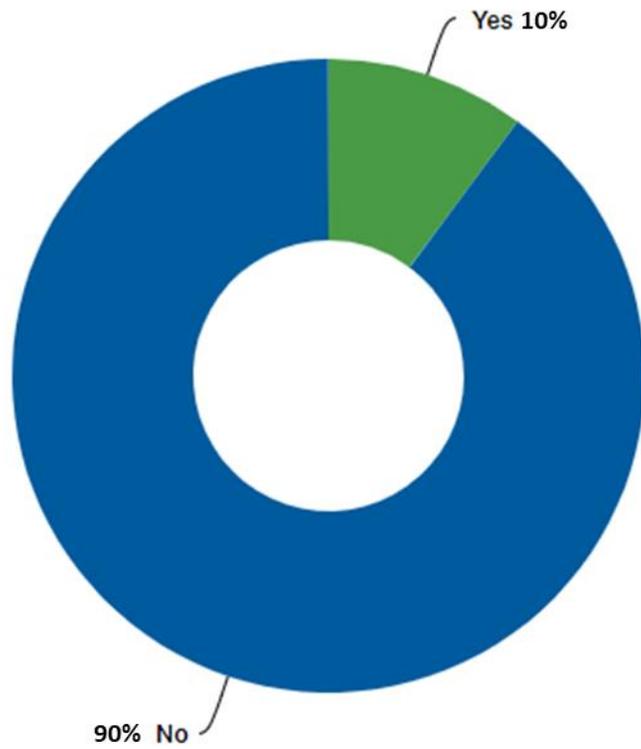
The Marion County nonprofits quickly responded to the changes COVID-19 brought to our community. From rescheduling and cancelling programs and services to moving to remote work, their levels of service didn't waver even if the way they provided services changed. Those who provide essential services and have remained partially open are checking temperatures of every client entering their centers. Those working in offices are cleaning and sanitizing and requiring frequent handwashing of everyone inside. Multiple times per day, they clean every surface staff use. Some are providing drive-up procedures to receive food or supplies, but all are still working to ensure the needs of their clients are met to the best of their abilities.



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## Staffing Nonprofits

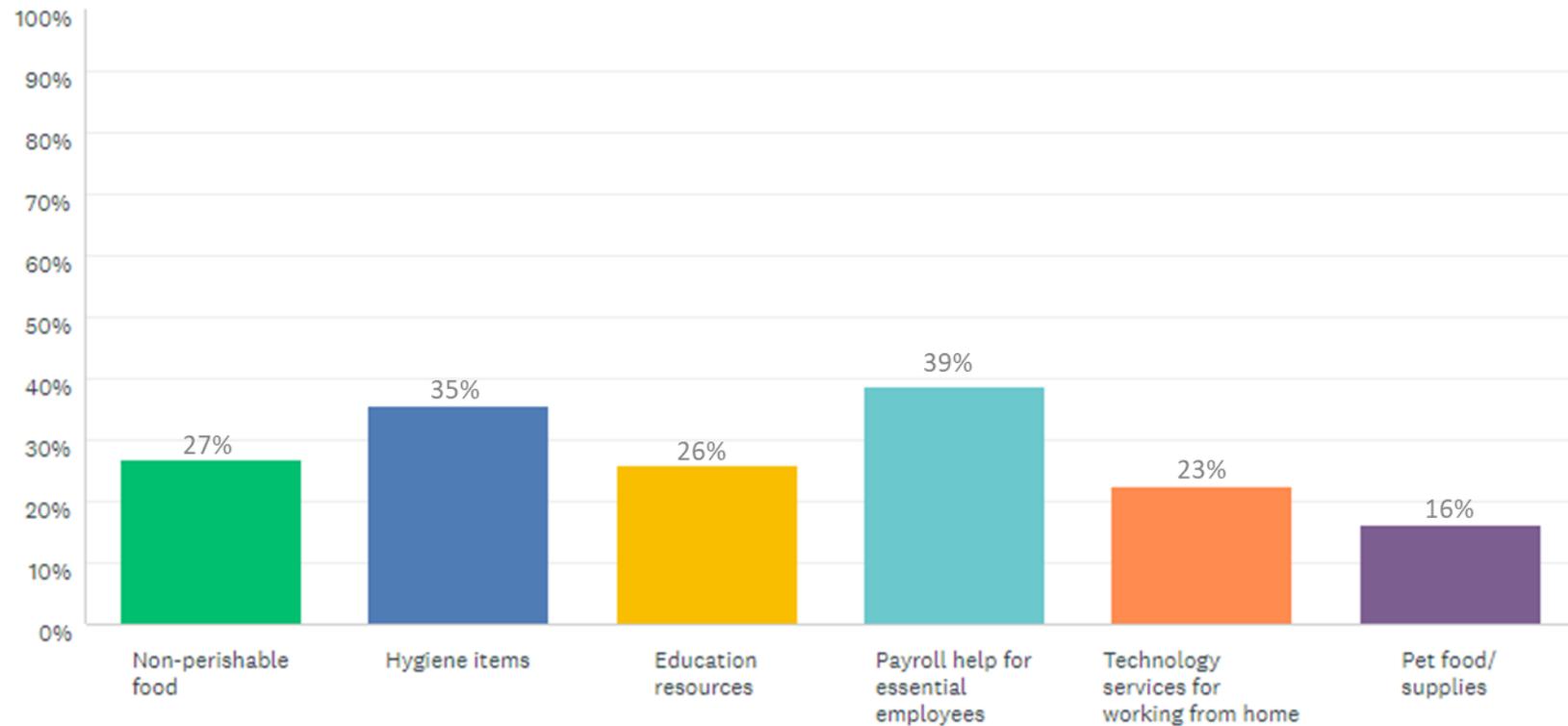
When asked if they had to furlough or lay-off any employees related to COVID-19, so far, few have done either. However, of those who have, five nonprofits laid off 26 employees, and five nonprofits furloughed 15 employees.



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## Nonprofit Immediate Needs

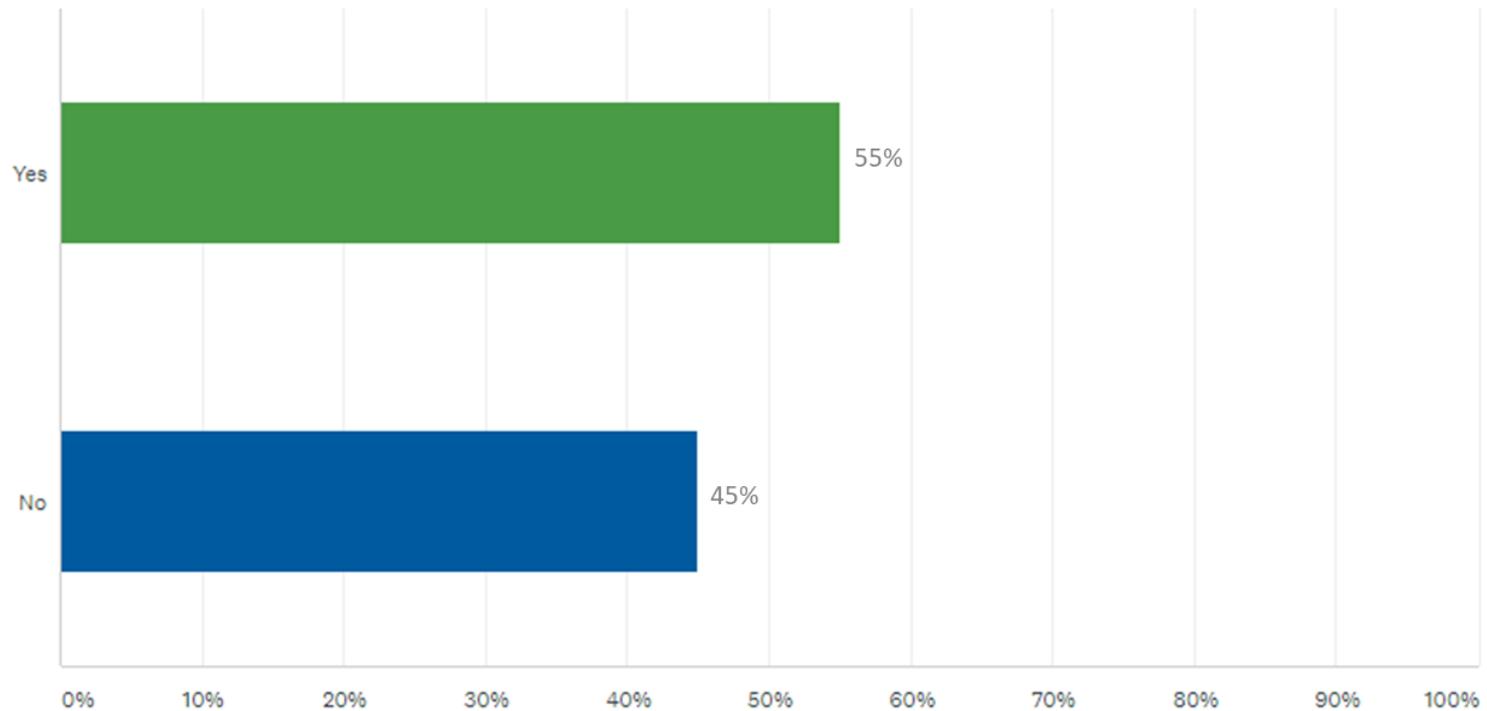
When asked about immediate tangible needs, in addition to those listed in the chart below, nonprofits also mentioned sanitation wipes, toilet paper, tissues, PPE, gas cards, diapers and food including grocery gift cards.



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## Small Business Administration's Loan Assistance for Nonprofits

Of those nonprofits surveyed, 55% applied for at least one of the Small Business Administration's loan assistance programs with the vast majority (97%) applying for the Paycheck Protection Program. Another 12% also applied for the Economic Injury Disaster Loan.



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## Nonprofits Not Applying for the Small Business Administration's Loan Assistance

With 45% of Marion County nonprofits not applying for the Small Business Administration's loan assistance, we inquired why. Key comments from those responding included:

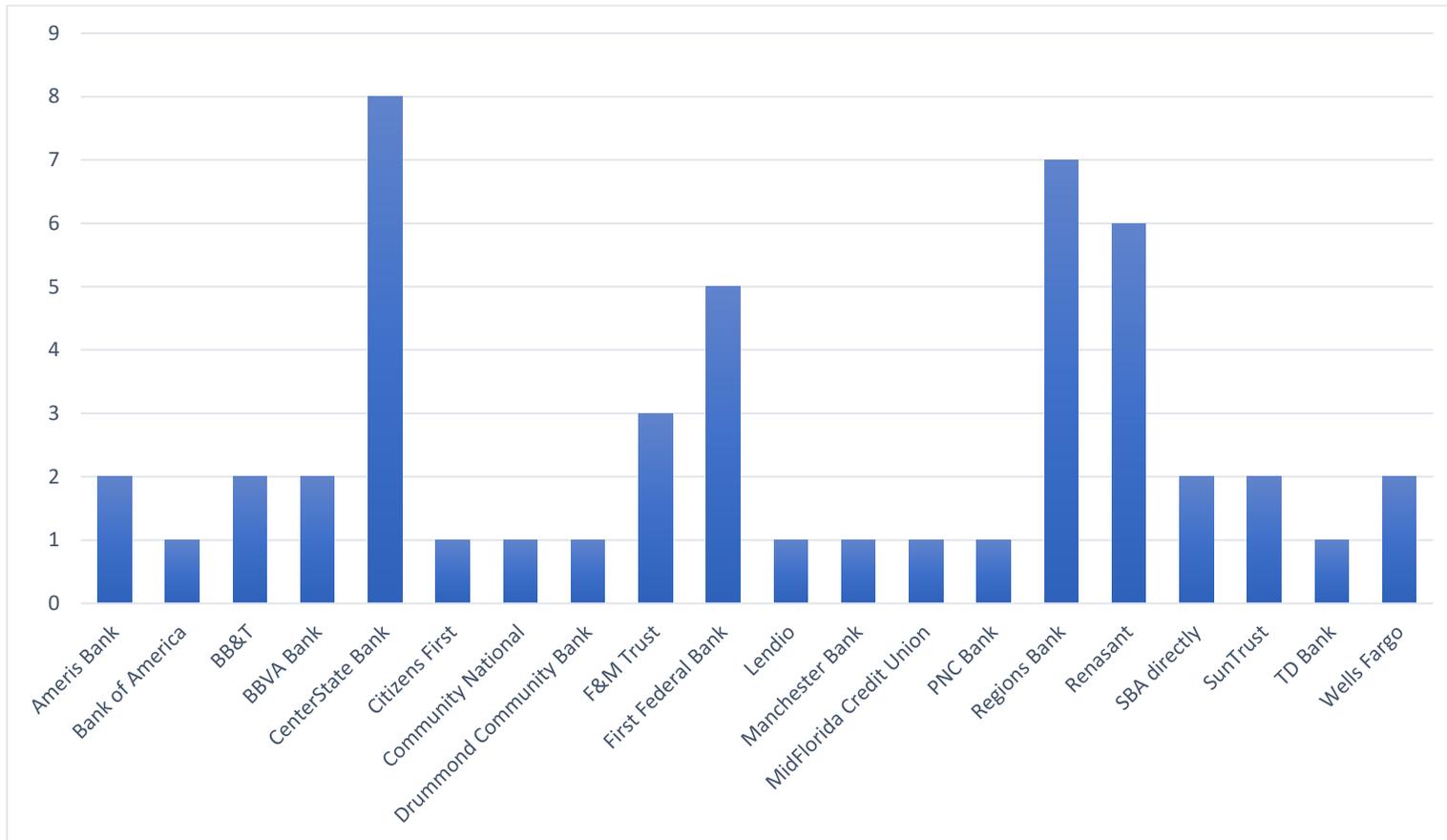
- "We are an all-volunteer nonprofit without paid staff."
- "Our expenses are not high enough at the time to take this money from another nonprofit that may need it more than us."
- "We did not qualify."
- "We cannot afford any debt for our organization."
- "We are looking for grants."
- "We are an affiliate of a national organization."
- "Other people need it more."
- "We need PPE the most; our revenue was not compromised."
- "We are considered essential and service lines have not been impacted."
- "We do not have paid employees. We are all volunteer."
- "Our funders did not withdraw their funding; therefore, we have continued financial support."
- "We don't want to go into debt."
- "All employees are 1099 workers, but it appears they don't make enough to be issued a 1099 to apply for themselves. There is a gap in the law."

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## Nonprofits' Banking Institutions

When asked which banking institution the nonprofit used, results revealed multiple community and national establishments.



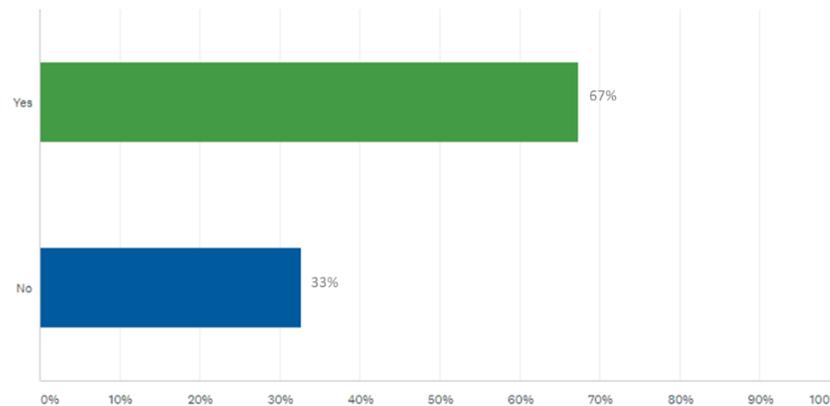
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## Amounts Requested in the SBA Loans

Of those responding to the survey, a total of 60 nonprofit organizations applied for \$ 6,526,094.00 in funding through the SBA.

## Approvals of Loans

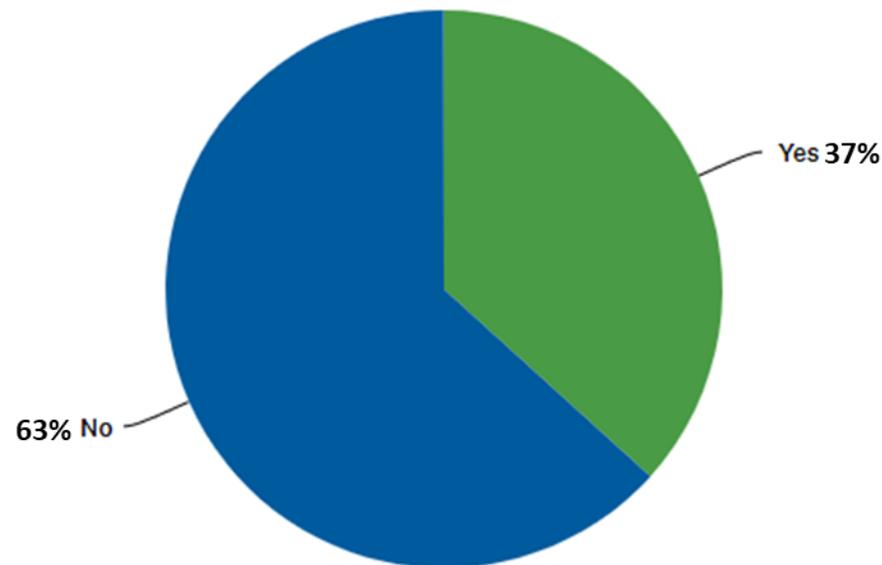
At the time of the survey, 33% of local nonprofits had not received notification regarding their SBA loan approval. Several of those have since been approved in the second round of funding that started on April 27, 2020.



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## Difficulties in the SBA Loan Process for Nonprofits

Of those who applied for the SBA loans (PPP or EID), 37% said they experienced issues in the application process. Of those challenges, several mentioned the sites were slow or kept crashing, the documents requested were not necessarily appropriate to nonprofits as nonprofits don't have "owners" like other small businesses, and others weren't able to complete the application until after the PPP ran out of money (in the first round).



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## Conclusion and Discussion

This report offers insight into the needs and challenges COVID-19 has brought to nonprofits in Ocala/Marion County. This data mirrors conclusions made by the Florida Nonprofit Alliance in their survey of other organizations across the state of Florida. The Community Foundation for Ocala/Marion County chose to keep this data localized to Ocala/Marion County. COVID-19's impacts are reverberating across this community as well as those around the state and nation.

Our partners and peers around the state expect some nonprofits to remain in crisis due to COVID-19 for months if not years to come. With the economy contracting and the future still uncertain, individuals and businesses may have to make tough decisions to limit their giving to nonprofits. Since most nonprofits depend on the generosity of their donors as a main source of revenue, a reduction in giving could be devastating. It could translate to the elimination of vital programs if not the closing of many nonprofits. Community leaders & lead organizations must help nonprofits develop new strategies for tackling this crisis head on. One potential strategy is looking closely at duplication of services and finding ways to move some nonprofits into areas that would fill gaps to create a continuum of services within key community issues.

Future research by the Community Foundation will include surveying corporate sponsors and partners of nonprofits throughout Ocala/Marion County and surveying individual donors to receive a clearer indication of the financial future for nonprofits and nonprofit missions and initiatives in 2020 and beyond. It's possible that "business as usual" will convert to a "new normal." If that's the case, all nonprofits, donors and lending institutions will adapt and adjust so that nonprofits can continue to fulfill their missions, serving our community's most vulnerable and providing a better quality of life for everyone in Ocala/Marion County.

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## Community Foundation for Ocala/Marion County

The Community Foundation for Ocala/Marion County is Building a Stronger Community...One Passion at a Time. Programs include the NonProfit Business Council, the Estate Planning Council, and the Nonprofit Resource Center in partnership with Marion County, the City of Ocala, the Marion County Hospital District and Advent Health. The Nonprofit Resource Center offers grant services, strategic planning resources, finance and accounting counseling services and more.

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