



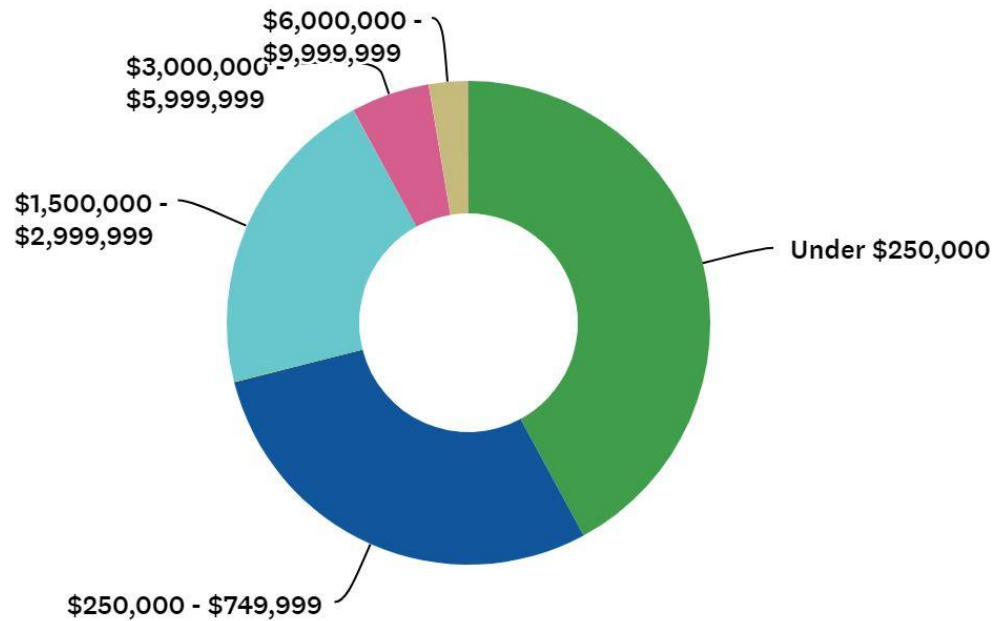
**2021 State of
Marion County,
Florida's Nonprofits**

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Following the 2020 COVID-19 pandemic that greatly affected local, state, and national economies, nonprofits, who rely on donors, corporations, and volunteers for operations, continue to feel the financial impact. The Community Foundation for Ocala/Marion County created a survey asking for their input as well as a focus group to learn more.

In February 2021, 38 nonprofit CEOs (28% of the NonProfit Business Council member representatives) responded representing a variety of nonprofit sectors (animals, arts, education, faith-based initiatives, health, human services, public/societal benefit, and veterans causes) with annual budget sizes from under \$250,000 to just under \$10 million. Of those respondents, 70% represent the small business sector with budgets less than \$750,000.

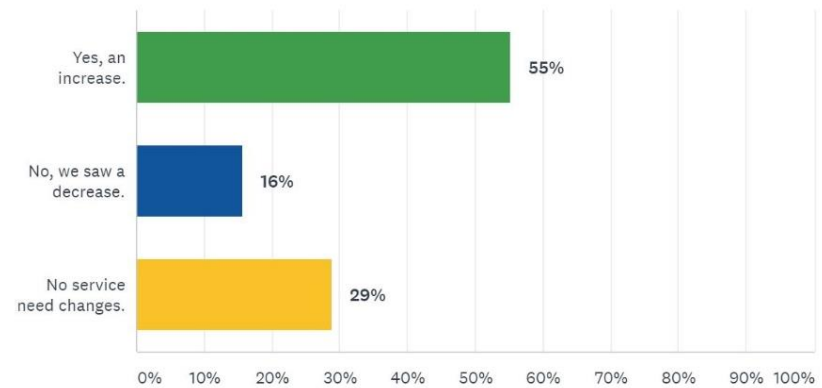
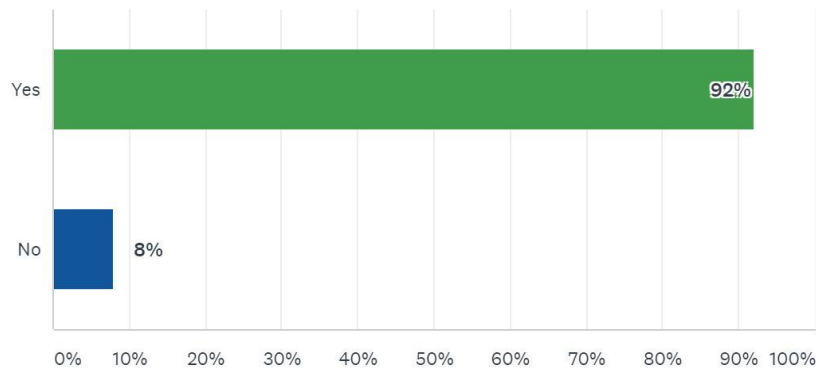


Impact

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In 2020, 92% of organizations saw program impacts during COVID-19. Those changes ranged from cancelling events and closing all programming for several months to needing to hire more staff due to older volunteers unable to participate. Others have not been able to accommodate the number of clients needing service due to social distancing and staff requirements with 55% of nonprofits seeing an increased demand for services during COVID-19. One nonprofit has had a 300% increase in demand during Q2 of 2020.

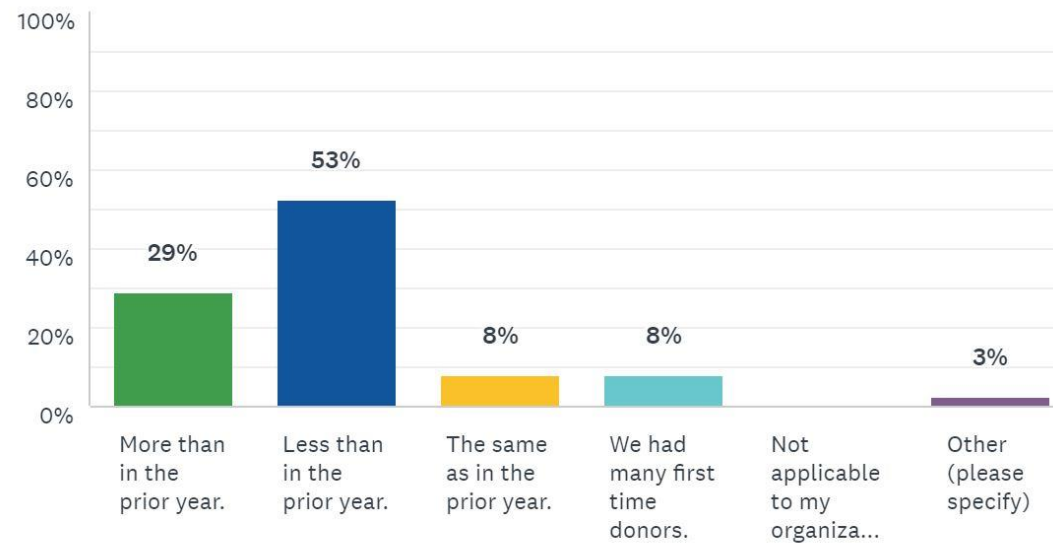


Programming Changes

Demand for Services

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Of those surveyed, 52% responded their individual donations were down while nearly 30% said they were up. Of those whose donations were up, more than half being in the human services sector with a couple benefiting healthcare or animal causes. The one “other” comment was that they received a higher amount in total donations but from fewer individuals.

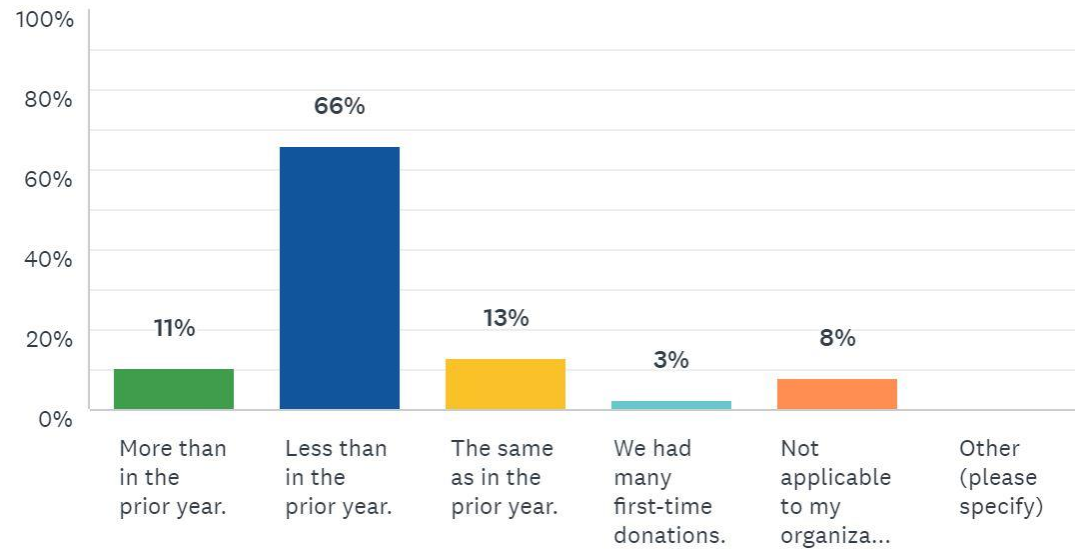


Individual Donations

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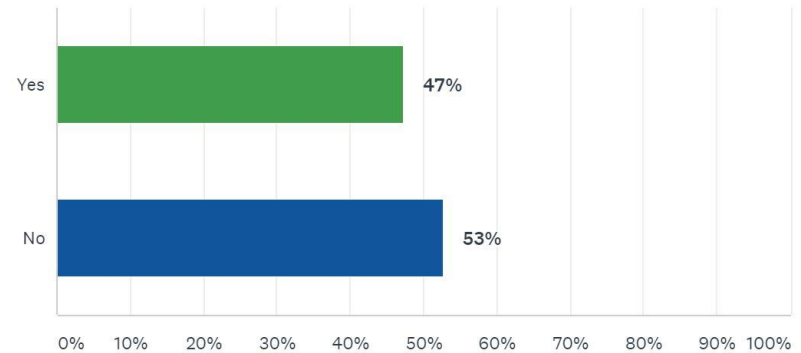
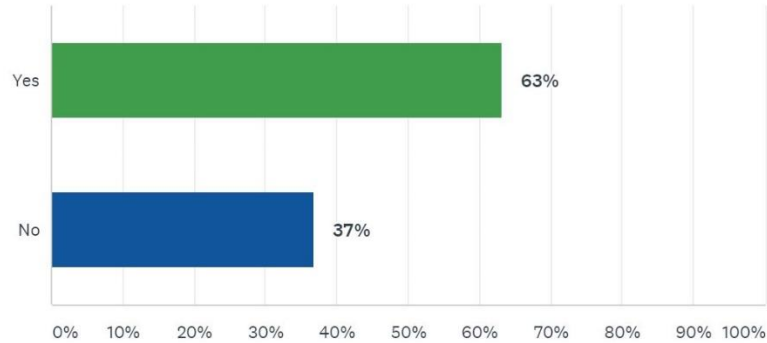
Of those surveyed, more than 65% responded their corporate donations were down. All sectors were impacted by the reduction in corporate donations with those benefiting subsectors of human services, animals, education, and the arts seeing the biggest change. Half of the organizations who saw an increase in individual gifts saw a decrease in donations from businesses.



Corporate Donations

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More than 63% of respondents applied for the Paycheck Protection Program Loan in 2020 receiving a total of \$1,900,795. This correlates to previous numbers we had seen last year with more than half of Marion County nonprofits applying for the PPP. At the time of last year's survey, those respondents received more than \$6.5 Million in PPP Assistance. However, less than half of new respondents (47%) plan to apply for the second round.



PPP Applications in 2020

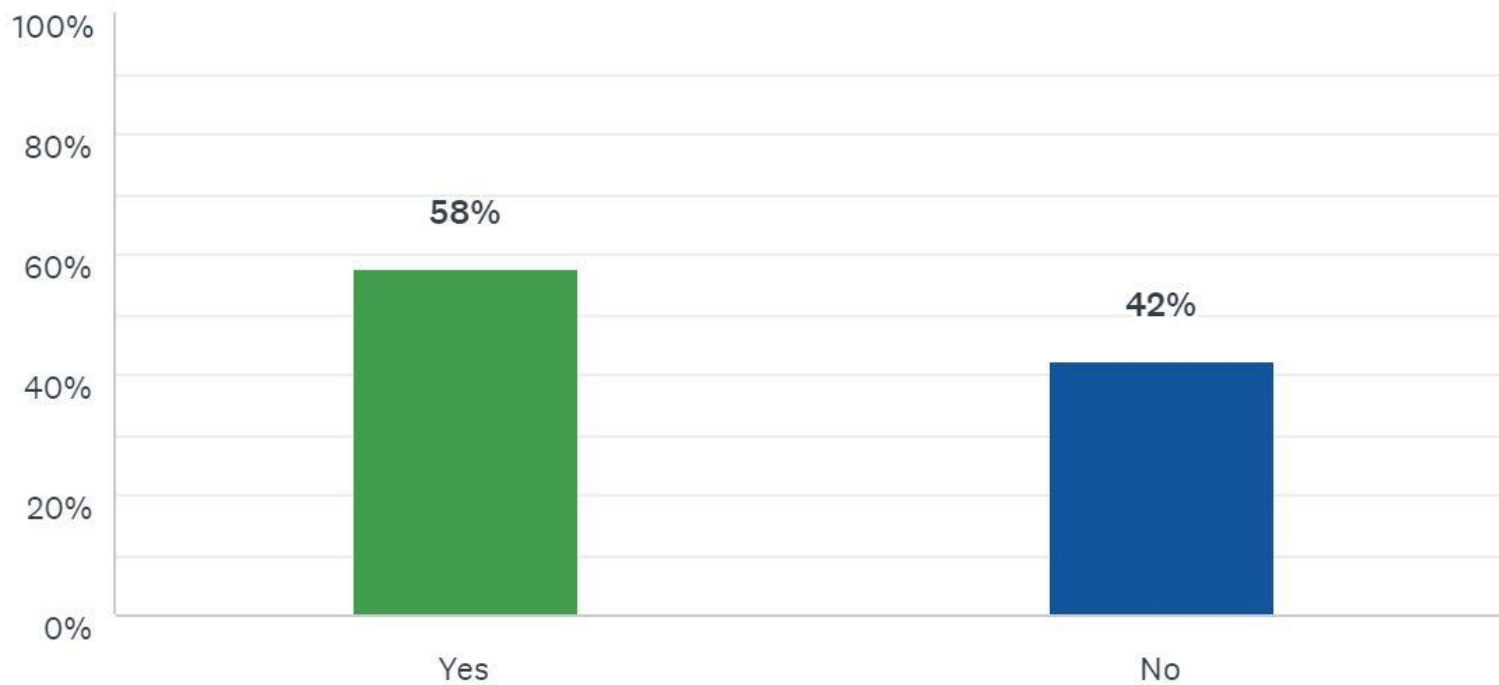
vs.

PPP applications in 2021

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The Community Foundation administered CARES Act funding to nonprofits for Marion County as well as COVID-19 grants from the Marion County Hospital District. More than half of those surveyed received COVID-19 related grants. Overall grant assistance received by those who responded totaled **\$5,367,329.79**.

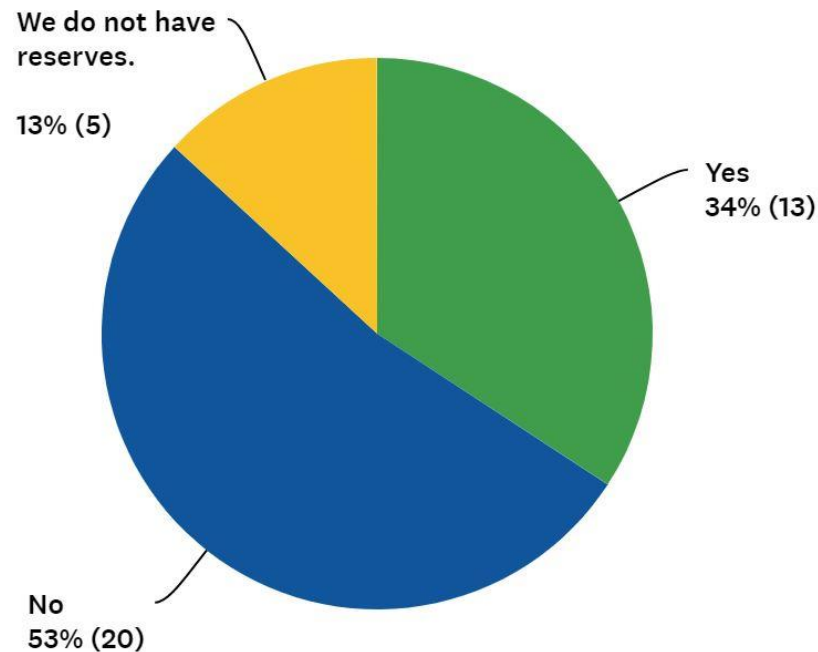


Local COVID-19 Grants

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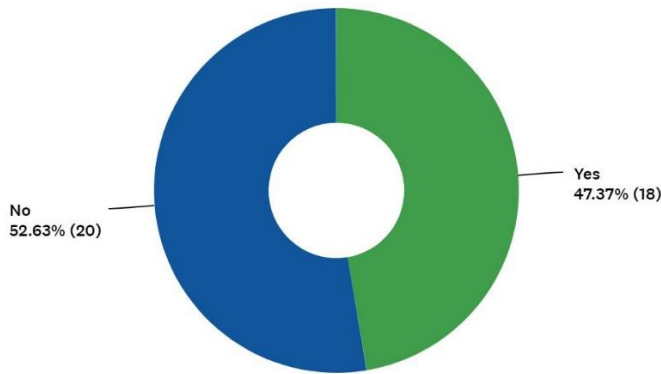
Qualitative focus group information revealed many community nonprofits would not have survived without the efforts of the Community Foundation facilitating the CARES Act grants for nonprofits. In 2020, 34% of organizations had to dip into their reserve funds to keep programming operational. Another 13% said they do not have reserve funds. This is a focus of the Community Foundation's Nonprofit Resource Center, to ensure nonprofits have diversified revenue streams as well as maintain adequate reserves for times when revenue falls short.



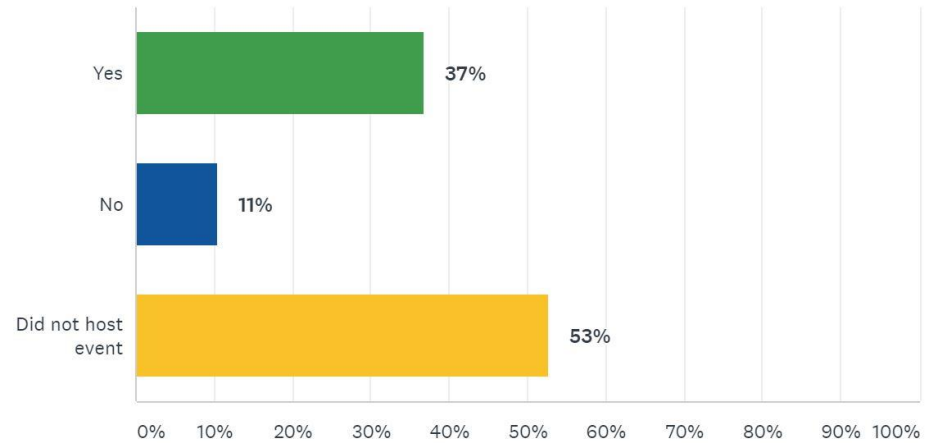
Using Reserve Funds

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Our qualitative analysis revealed “special events” make up a substantial amount of income for our local nonprofits. COVID-19 impacted special events and those revenue sources significantly. Only 47% of nonprofits held any type of fundraising event in 2020, and of those who did, two-thirds had to make significant modifications to the event. Modifications included: turning a face-to-face event to a virtual event, having face-to-face events with limited capacity and face coverings required or had other organizations host events for them. It appears that those nonprofits who are open to change and creativity in fundraising may be most fit for success. In October, 81 nonprofits benefited from the Community Foundation’s inaugural 24-hours of giving event, Give4Marion.



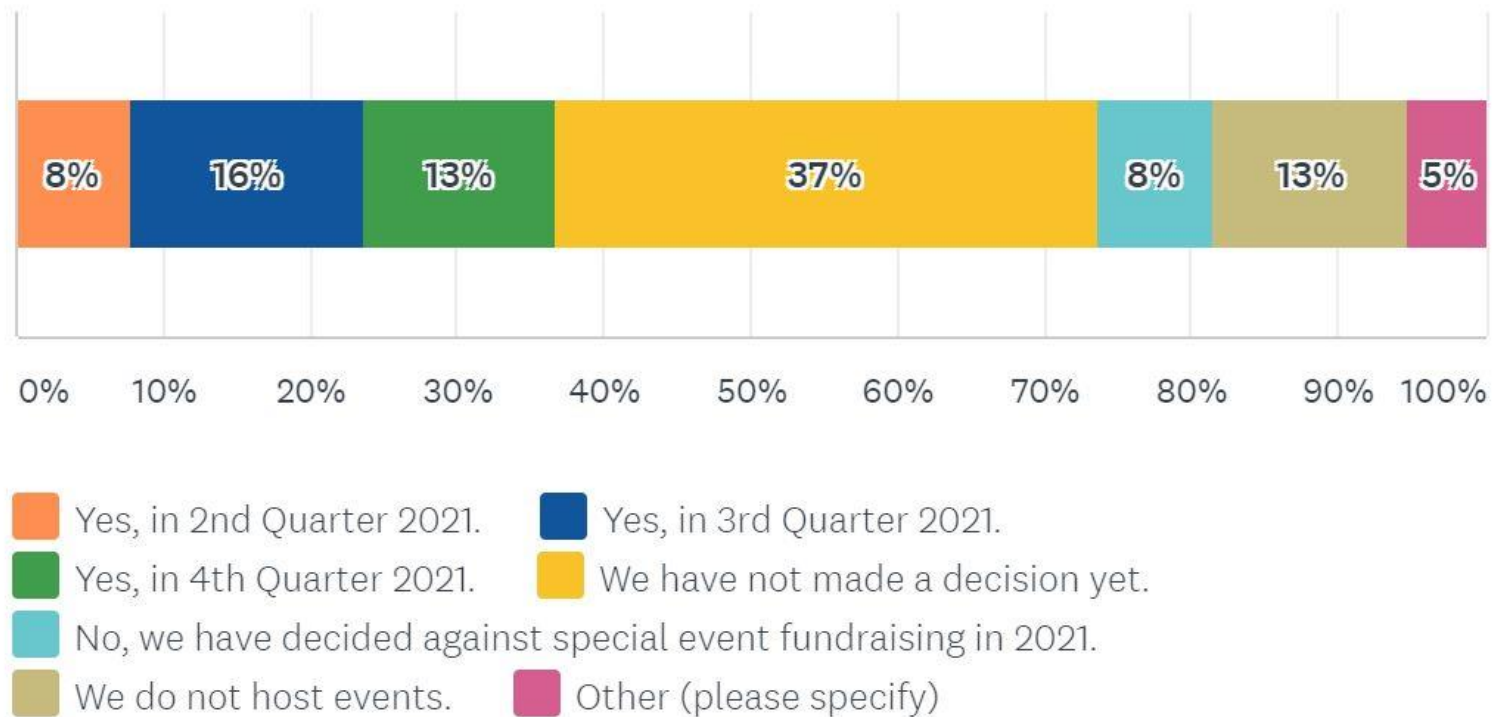
Special Events



2020 Special Event Modifications

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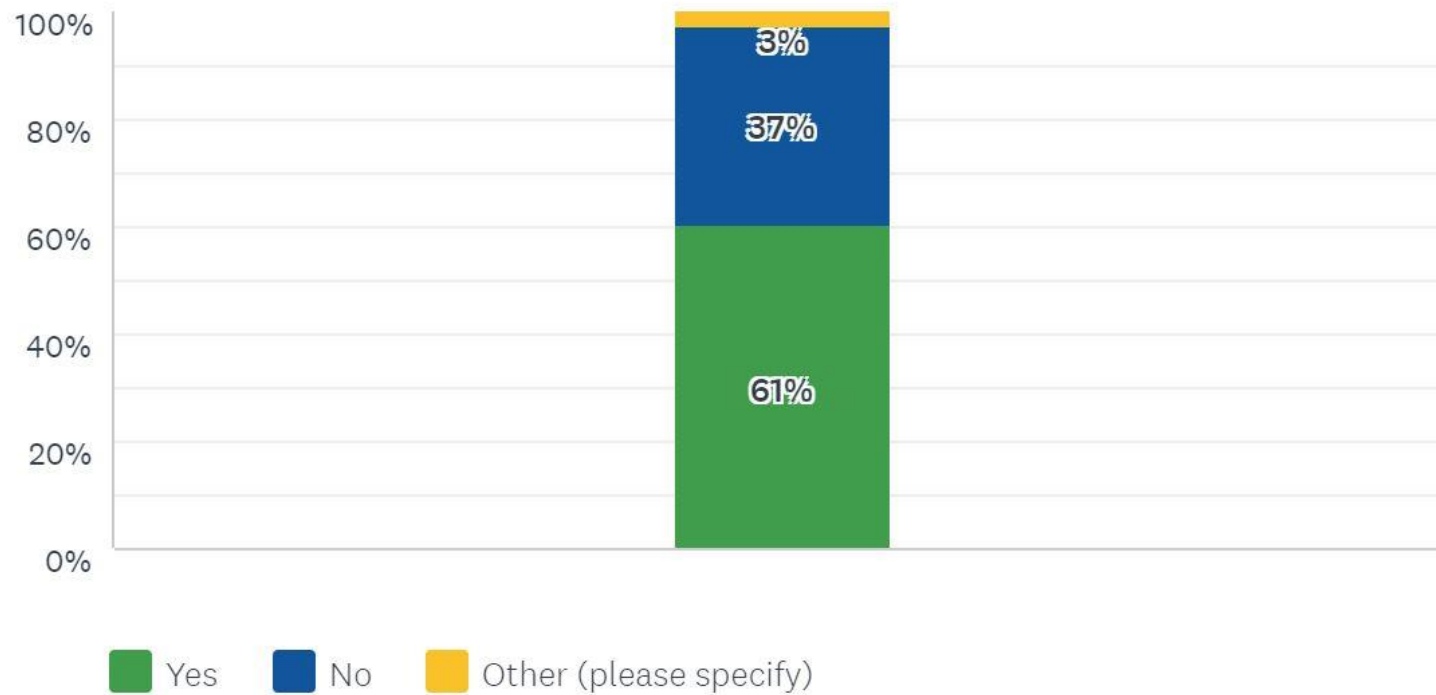
The 2021 nonprofit special events calendar may be filling up as nonprofits determine when to host their next event. When asked if their special fundraising events will resume, no one said they were holding events in 1st quarter 2021 indicating continued uncertainty. Many are still trying to determine when will be the right time. There are many factors at work in this decision including those prospective attendees who may fear group interaction for the foreseeable future, the availability and effect of vaccines, and more. Those with “other” responses have chosen to move their events to 2022 or are still unsure when to move their events.



2021 Special Event Fundraisers in Question

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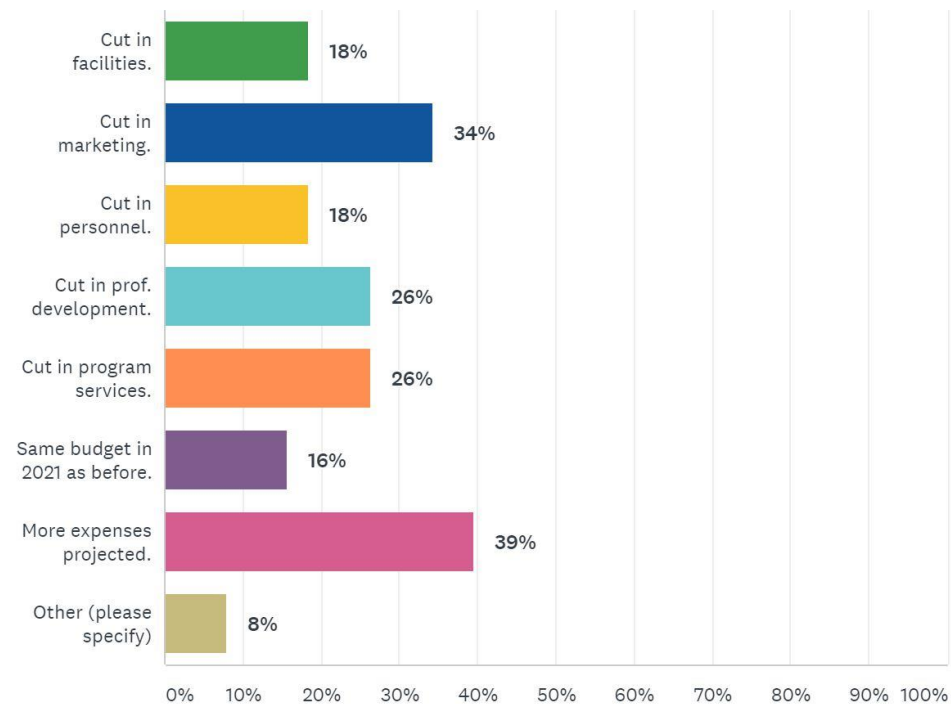
All funding issues point back to budgeting, so when asked if the nonprofit boards were forecasting significant cuts or changes for 2021, 61% said yes.



2021 Nonprofit Budget Reductions Forecasted

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The breakdown of where those projected budget impacts will occur include facilities, personnel, programming, and marketing with 39% projecting higher expenses in 2021. The other responses were increases in income and expenses as well as increased expense due to strategic planning initiatives.

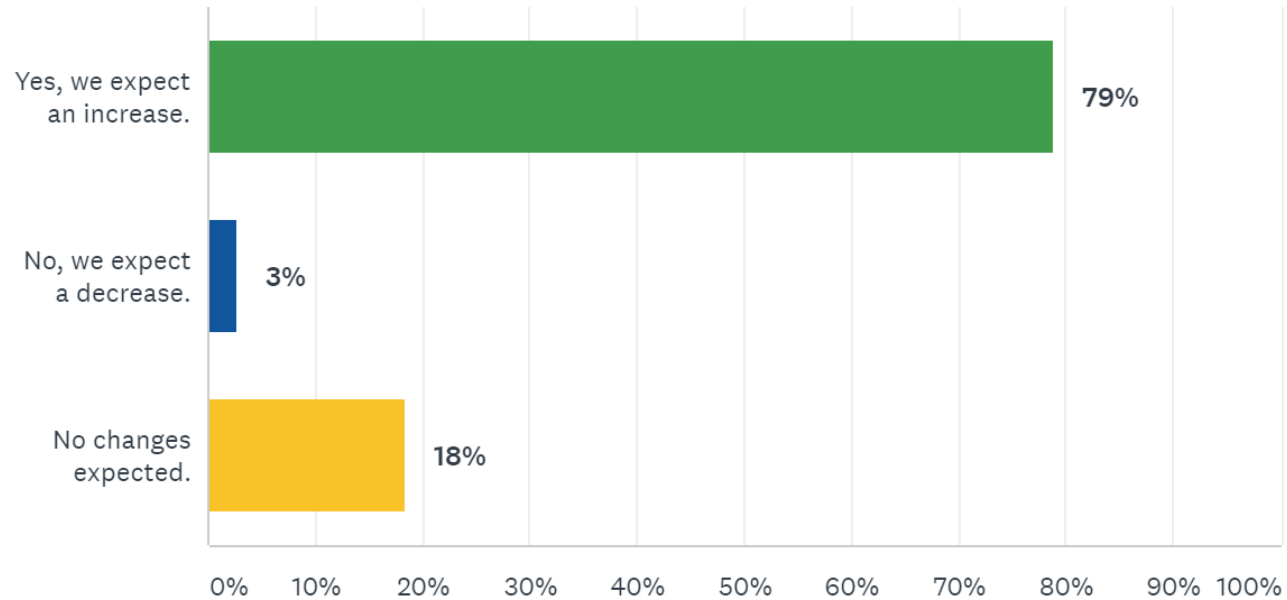


2021 Nonprofit Budget Changes Anticipated

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Nonprofits also anticipate a significant change in demand for services with 79% expecting an increase in service need. Organizationally, this increase will put a bigger strain on the nonprofits. Alternatives to their traditional delivery methods might need to include strategies to overcome fears and other reasons for potential staff apathy.



2021 Anticipated Service Demand Changes

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When asked about their organization's **biggest challenges** looking forward, nonprofits said:

- “FUNDING!! We also need to hire more personnel to fill the void left by lack of volunteers.”
- “Cuts in funding, staffing and service delivery.”
- “Dealing with the uncertainty of special event fundraising.”
- “To provide a safe environment for clients, general public, volunteers and staff.”
- “Lack of operational funding for necessary staff and programs. Lack of transport for some patients to our site as we lost the city bus service to our area.”
- “Staffing – not sure when volunteers will return for duty as most are elderly.”
- “It will be a long road to recovery for arts organizations in the near and far future.”
- “Improve delivery of services within existing budget constraints.”
- “Fundraising for overall operational costs.”
- “Keeping COVID out of our shelter.”
- “Getting back to providing all of our services that our participants are used to. Bringing in enough revenue to stay sustainable.”
- “Whether to stay in business.”
- “Continued challenges from 2020 as well as the possibility of State contracts being cut.”
- “Finances and more up to date technology.”

Anticipated Challenges in 2021

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When asked what nonprofits would like *local leaders* to know when considering future legislation to assist nonprofits, answers included:

- “Please recognize that NONPROFITS ARE BUSINESSES, too! We cannot solely operate on the generosity of our community.”
- “Nonprofits are the heart of our communities providing support, even in the hardest times. Both private and public sources are required to provide consistent and quality programs. Nonprofits exist because there is a gap in public resources to support several social issues. These social issues, such as aging seniors, adults with intellectual and developmental disabilities, homeless, medically needy, and even animal welfare are not going away. These issues continue to exist, even if the nonprofits go away. The issues will still need to be addressed and how will they be supported? It will become a lot more costly for government entities to address these issues without nonprofits providing services. We need support - financial funding through grants/loans, tax credits to provide donor incentives, and direct financial support to families who are caregivers.”
- “Nonprofits provide ESSENTIAL services to the community, services that are often not provided affordably by the private sector.”
- “Please highlight what we do. Not just a few nonprofit groups, but everyone so that we have more collaboration and sharing of resources.”
- “If nonprofits are not caring for our most vulnerable citizens, who will?”
- “Typically, nonprofits do not have a large nest egg to insulate them when operations are impacted by either being closed or limited in scope.”
- “Please continue to take into account the needs of nonprofits as well as the needs of the for-profit businesses in our area.”
- “The PPP loans and CARES act grants helped immensely. Another year of help from these programs would help us get back on our feet.”
- “Please work cooperatively to offset the ever-increasing demand.”
- “COVID19 has exacerbated the needs of those that were already in or close to a crisis situation. Non-profits are being called upon to do much more with less. I would ask the question, "If non-profits did not exist in our communities, who would pay for and provide the necessary services to those in need.”
- “We fill a need in our society that have no other resource for what we do. The need is enormous and lifesaving.”

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When asked what nonprofits would like **state leaders** to know when considering future legislation to assist nonprofits, answers included:

- “Reinstate matching funds to some degree.”
- “Individuals with intellectual and developmental disabilities as well as those with serious health issues need financial support.”
- “When the general population suffers, the demand for our services increases dramatically.”
- “Be reminded of the role of pets and pet charities. Pets provide companionship and joy, a small ray of sunshine in the pandemic.”
- “Provide more funding to deal with substance abuse epidemic.”
- “Florida's arts and cultural industry generated \$4.68 billion of economic activity, including \$2.29 billion by nonprofit arts and culture organizations. This economic activity supports 132,366 full-time jobs and generates \$3.35 billion in resident household income. Source MyFlorida.com”
- “Even small cuts in State contracts can have severe consequences for nonprofits.”
- “We need more nonprofit medical clinic funding.”
- “Nonprofits are a vital and important part of a community. If we were not providing these services, who would and what would the cost be to the government to provide them?”
- “Assist organizations trying to assist vulnerable or at-risk populations.
- “Demands for our services will continue to grow especially due to things such as pandemics, therefore our needs for further assistance will continue beyond the needs of the for-profit industry.”

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When asked what nonprofits would like **federal leaders** to know when considering future legislation to assist nonprofits, answers included:

- “Donors need incentives to support nonprofits. Please continue tax credits to these donors, so they can continue to support us. We need funding sources out of the normal grant requests like assistance with salaries, programming, rent, utilities and equipment like never before.”
- “Know that we are essential to the well-being of our local communities.”
- “Nonprofits provide ESSENTIAL services to the community, services that are not often provided affordably in the private sector.”
- “Find some way to provide grant funding for overhead without requiring delinquency and, ideally, allow that funding to repay EIDL funds borrowed in 2020.”
- “We request that OAA funded home and community-based programs be held harmless.” We serve the frailest citizens and have an increased demand of 100+% in the number requesting support with home delivered meals, in home support, shopping assistance and telephone reassurance.”
- “Keep assisting us in our nonprofit endeavors.”
- “Make research funds more accessible to young researchers.”
- “We are invaluable providing jobs and filling gaps in services that are not easily managed by government, and we need funding.”
- “The quality of residential group homes for children in our community is very good.”
- “Please increase tax incentives for individuals and corporations to donate to nonprofits.”
- “Consider a safety net for the nonprofits until the economy normalizes.”
- “Nonprofits provide essential services for families that have limited resources.”
- “Increase funding for returning ex-felons back into the community.”
- “Allow faith-based organizations to operate freely according to their convictions and beliefs. There are no one size fits all fixes. Faith-based options for services should be permitted for those who want them.”
- “States and local governments should control spending of federal funds to avoid federal administrative costs.”
- “The value-added to GDP by arts and cultural production is nearly five times greater than that of the agricultural sector. Arts and culture add nearly \$60 billion more than construction and \$227 billion more than transportation and warehousing to the U.S. economy. Arts and cultural goods create a trade surplus. Source: arts.gov”

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Conclusion and Discussion

This report offers insight into the needs and challenges the COVID-19 pandemic 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. Even a year later, COVID-19's impacts continue across our nonprofit community as well as to other nonprofits around the state and nation.

Many of the qualitative open-ended comments illustrate the nonprofits' needs to greater tell their stories as plainly as those in the for-profit sector. Charitable organizations are the only means present to catalyze "individuals" with the means to help. One notable phenomenon with those nonprofits supporting animals and pets saw mass adoptions taking place as people were housebound and alone. However, now those same adopters who are now without jobs may be left abandoning those pets they can no longer afford to feed. All the while, the nonprofit is there to help with adoption and abandonment.

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. Though the stock market and personal wealth is on the rebound, the contracting of individual and corporate philanthropic giving cannot go unnoticed. Since most nonprofits depend on the generosity of their donors as a main source of revenue, a reduction in giving has already been devastating. If these trends continue, nonprofit businesses may have to make tough decisions to limit their programming, services or even close their doors. Community leaders and elected officials as well as lead organizations must help nonprofits rebound.

The Community Foundation will continue research among nonprofits, sponsors, and donors throughout Ocala/Marion County to ensure we are operating with the most accurate picture possible. As we all convert to a new degree of progress, all nonprofits, donors, lending institutions, and elected leaders need to 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, communications and public relations counseling and more.

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