

COVID-19 IMPACT ON NONPROFIT ORGANIZATIONS

Insights for
Christian foundations
and other funders



Tyndale House Foundation

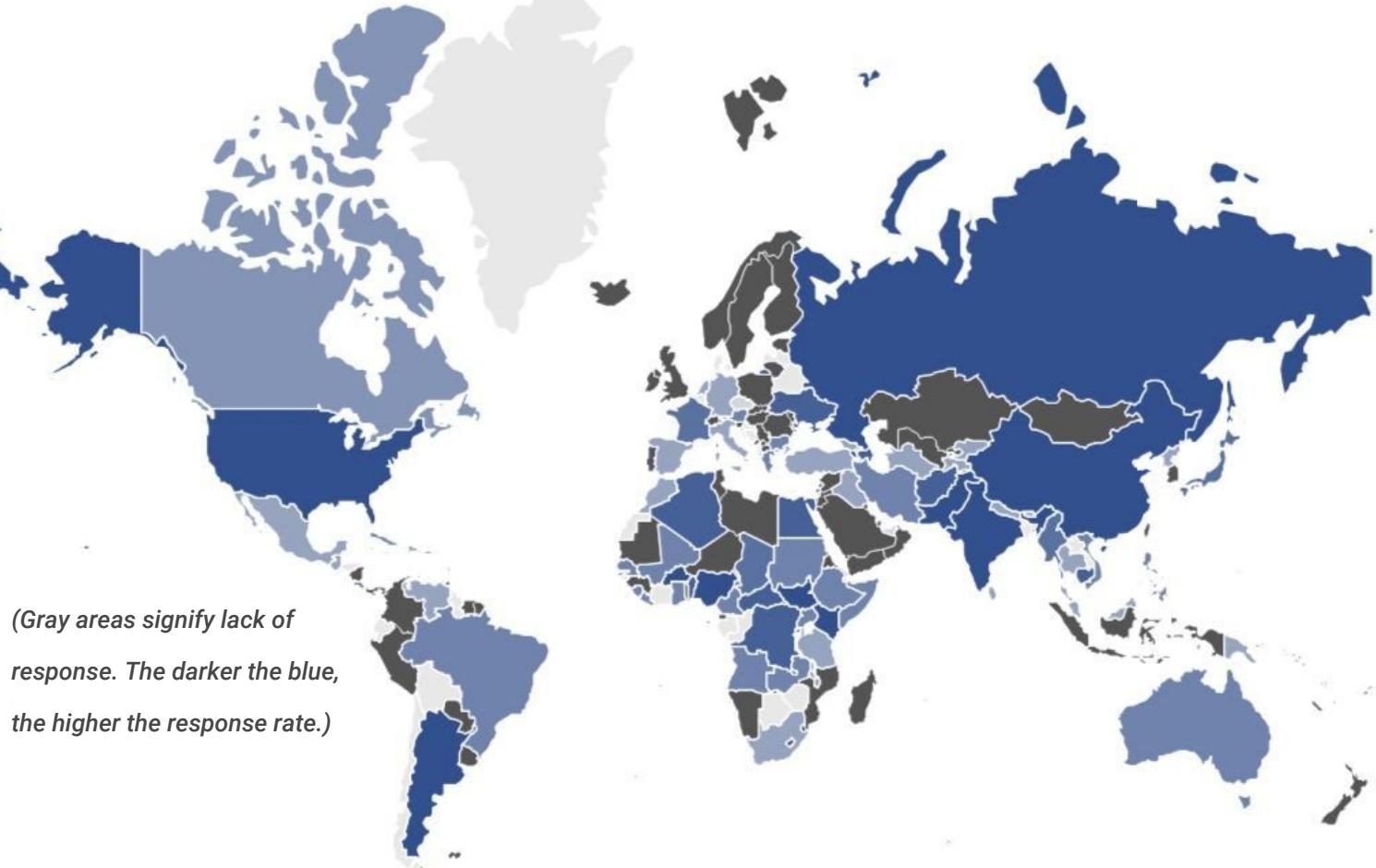
ABOUT THIS REPORT

Between June 8 and 26, 2020, Tyndale House Foundation conducted a survey of 204 active grantees to learn how the coronavirus pandemic has impacted their organizations, how they are coping with the challenges they face, and how they are responding to the needs around them.

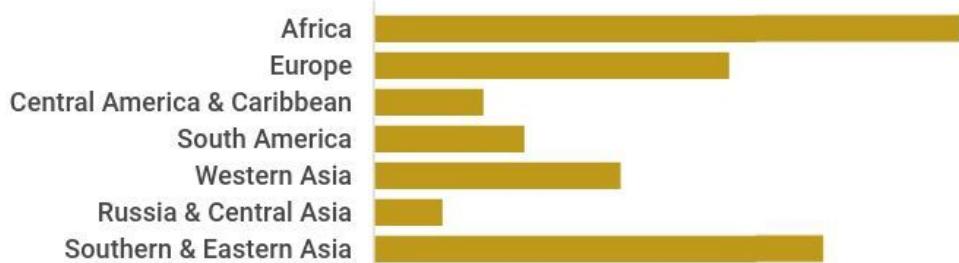
Out of 204 surveys sent, 151 executive leaders of nonprofit ministries responded, equating to a 74% response rate.



Responses by Region



(Gray areas signify lack of response. The darker the blue, the higher the response rate.)



Organizations Surveyed | Overview

U.S.
Respondents

79

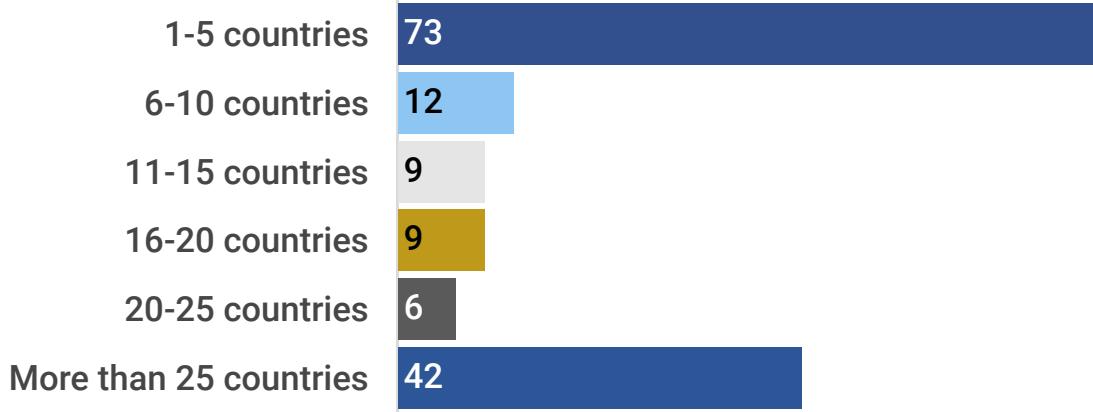
International
Respondents

72

Operating
Budget

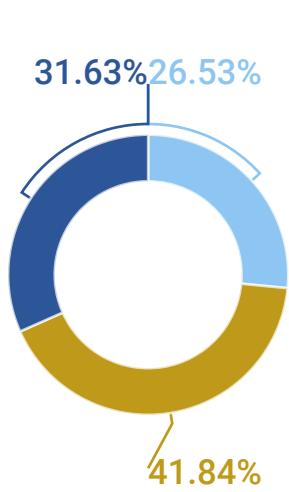
RANGE

\$12,000–\$66,000,000



Number of countries respondents are operating in

Breakdown of Organizations by Size



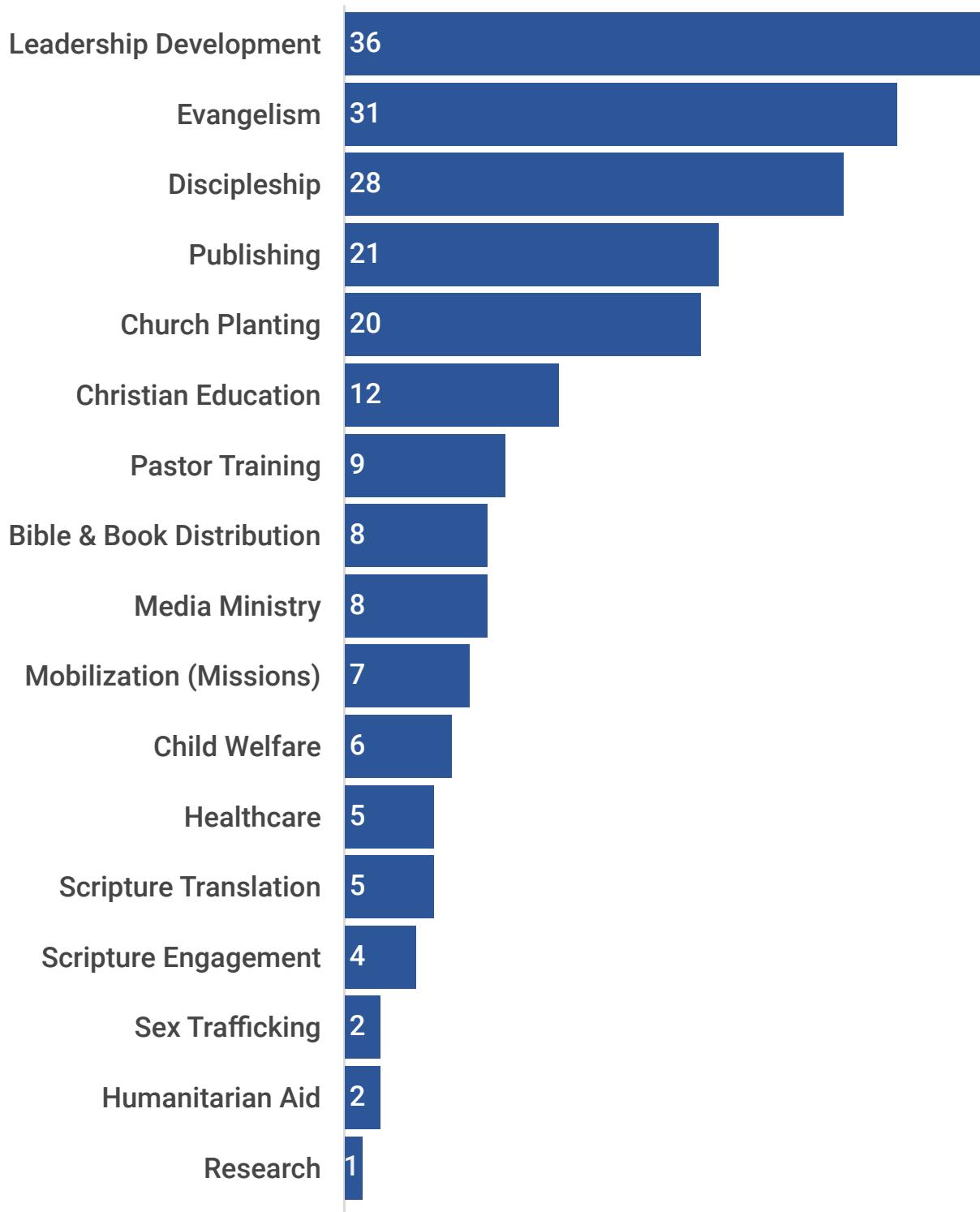
- Small Organizations (1-10 employees)
- Medium Organizations (11-25 employees)
- Large Organizations (More than 25 employees)

Ministry Focus

Scripture Translation
Mobilization (Missions)
Media Ministry
Pastor Training
Church Planting
Discipleship
Leadership Development
Child Welfare
Writer Training
Food Production
Research
Publishing
Evangelism
Christian Education
Book/Bible Distribution
Job Creation
Healthcare
Humanitarian Aid
Youth Outreach
Scripture Engagement
Scripture Translation
Theological Education

Organizations Surveyed | Ministry Focus

The majority of survey respondents have a ministry focus in leadership development (36), evangelism (31), discipleship (28), publishing (21), and church planting (20). Many of the organizations have a focus in multiple ministry areas.

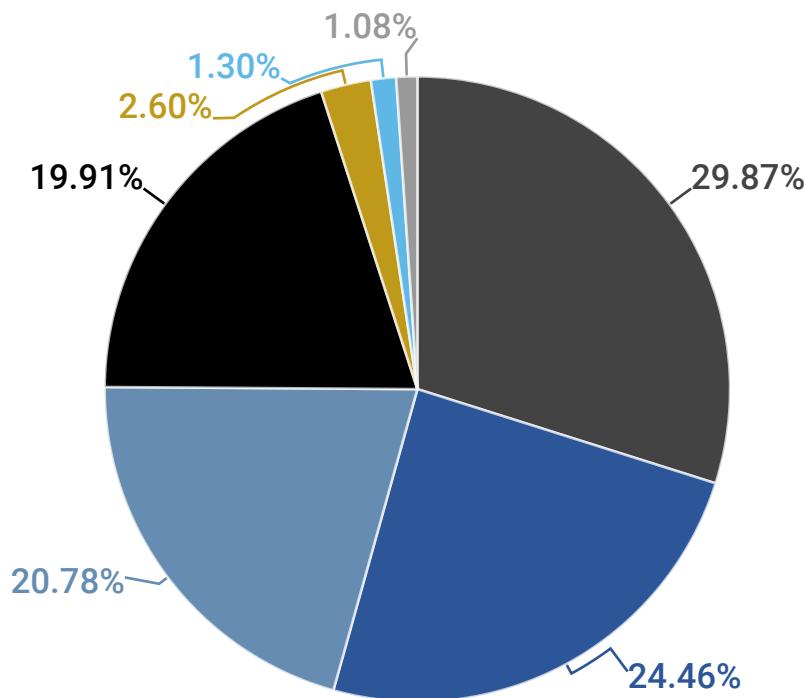


Impact | Economic

Of organizations surveyed, only 10% indicated that the countries they operate in have not been significantly impacted by the coronavirus. The other 90% indicated that the pandemic has brought at least one government-imposed restriction that has forced organizations to make adjustments to the way they operate.

Which COVID-19 related restrictions have impacted or are currently impacting your organization?

- Social distancing / mask wearing
- Closed borders
- Lockdown
- Government-imposed restrictions
- Organizational travel restrictions
- Partial lockdown
- Restricted gatherings



20% of respondents are currently under 3 or more COVID-related restrictions.



Impact | Community

How has the COVID-19 crisis affected the general sense of safety and community?



95% of respondents in Africa stated their communities are overwhelmed with fear and anxiety.



100% of respondents in Europe noted that people's general sense of safety and community has slightly decreased since the COVID-19 crisis hit.



In Asia, we saw a 50/50 split in responses between people feeling either slightly less safe, or feeling overwhelmed by fear and anxiety.

Across the globe, the two greatest fears people are wrestling with are the fear of contracting the virus and the fear of experiencing job loss. In Africa and Asia, we also saw a significant number of respondents report that the loss of access to necessities such as food and clean water are major concerns.

Roughly 40% reported that individuals in their communities have been impacted by job loss. In Kenya, Israel, and India, more than 50% of the general population is currently unemployed.

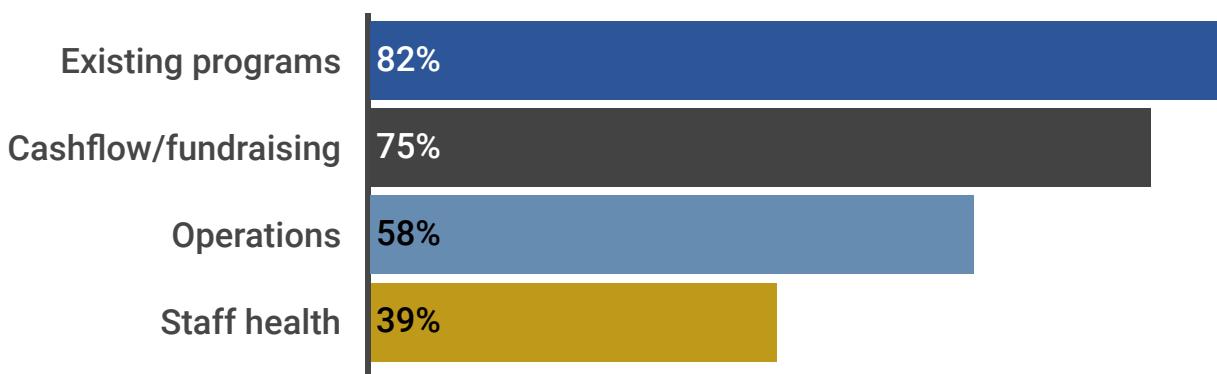
One respondent noted that governments that don't take clear and caring measures in times of crisis significantly increase the amount of fear and insecurity people feel.

Impact | Organization

Overall, organizations are most impacted in the areas of existing programs (82%) and cashflow/fundraising (75%). Just over a third of organizations have experienced an increase in cost for running and maintaining their programs.



In which of the following areas has your organization been significantly impacted?



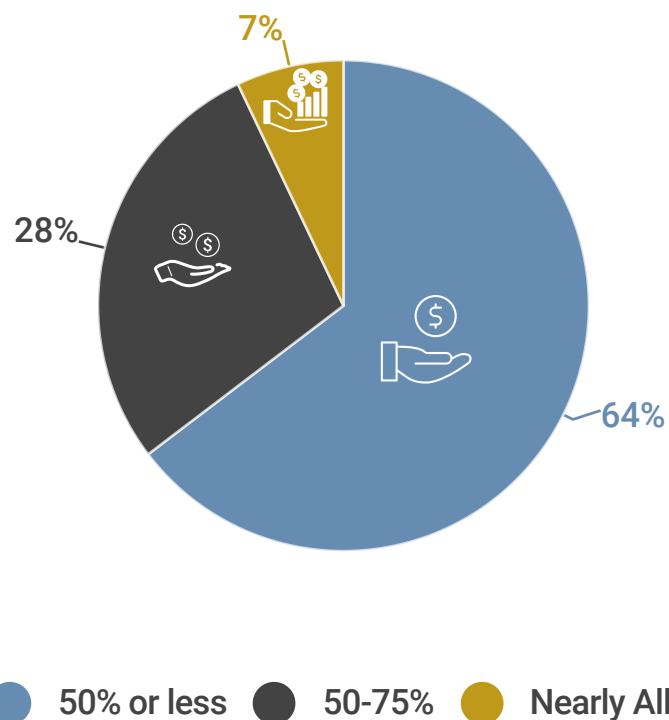
100% of respondents reported that at least two areas of their organizations are negatively impacted. Mid-sized organizations have taken the greatest hit to their programs, cash flow, and operations. Large organizations showed a 10% decrease in the number of areas impacted. Small organizations felt the least amount of organizational impact.

“ “No one and no thing unaffected.”

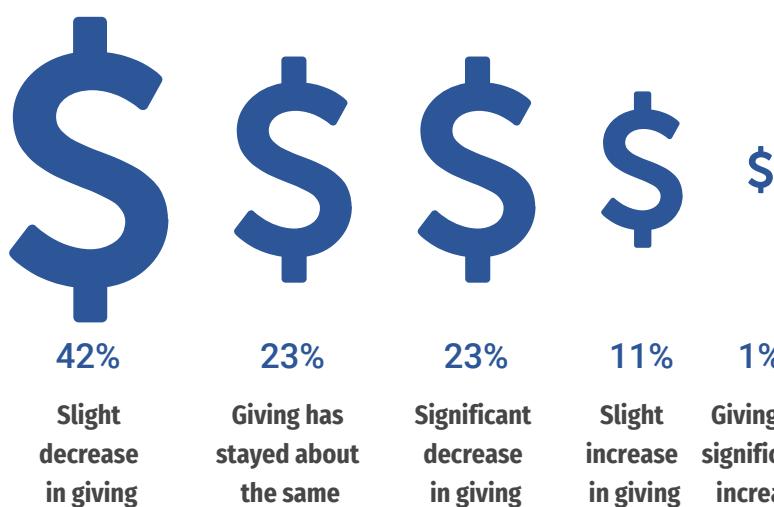
“ “We had to cancel our national conference and cover the already existing expenses.”

Impact | Financial

Prior to the COVID-19 outbreak,
what percentage of your
revenue came from grants?



How have your donors responded to
the COVID-19 crisis?

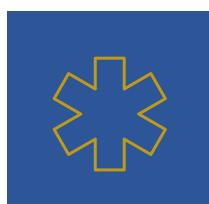


International organizations have experienced a 25% greater decline in donor giving than organizations based in the United States.

Only 10% of international respondents have received assistance from their local governments, while more than half of respondents in the U.S. received support in the form of SBA, PPP, or other loans.

Response | Community

63% of respondents have engaged in relief efforts to support their local communities and individuals affected by COVID-19. Organizations have provided aid in the form of emergency services (**26%**), developing COVID-related materials (**32%**), and offering small grants to those in need (**5%**).



Emergency Services

Providing food, clothes, medical care, and shelter to those affected by the virus.



COVID-Materials

Developing educational resources about disease prevention and how to support those suffering from anxiety, fear, and loss.



Emergency Fund

Distributing small grants to those in need to help offset challenges in paying for food, rent, medicine, and more.

“

“We developed online campaigns to specifically reach out to people who are struggling with anxiety, fear for job loss, for getting the virus, depression, feelings of insecurity, etc. Campaigns are focusing on the biblical concepts of hope and peace. Sometimes our follow-up workers just listen while people share their fears, in order to help them get away from suicide plans.”

“

“We made financial grants to partner churches in other countries directly assisting their ministries in surrounding communities.”

“

“We are working remotely to facilitate the production and distribution of COVID-19 hygiene songs for local communities by indigenous artists.”

“

“We have launched a hygiene-kit distribution program and a face-mask production program and have started providing relief supplies to other ministries working in the region to enable further outreach.”

“

“We launched an entirely new virtual program, mobilized our network to provide emergency resources, opened a fund for critical support, and expanded the scope of our work to help children and families.”

Response | Organization

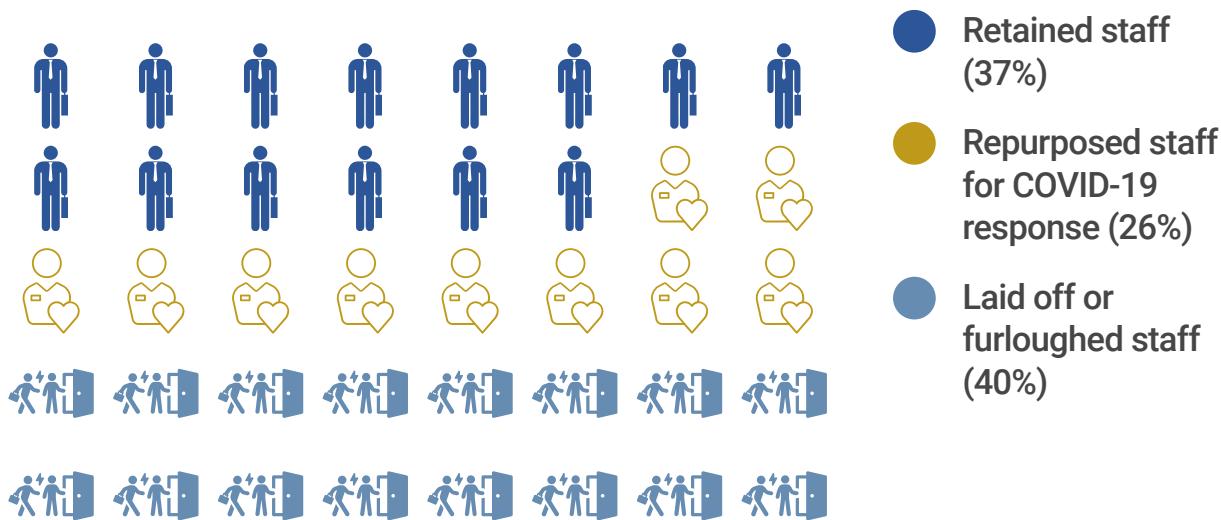
95% of respondents reported that they have transitioned the majority of their programs to an online platform. Education institutions have shifted to online classes, while leadership-development and other ministries have transitioned to online training, mentoring, and discipleship programs. A large majority have also added new programs geared toward COVID-19 response. Many organizations have instituted daily or weekly online prayer events with staff and ministry partners. In order to operate with decreased budgets, respondents have worked to reduce expenditures and implement online fundraising events.

What pivots has your organization made in response to COVID-19?

Organizational Pivots Made by Respondents	Programmatic Pivots Made by Respondents
<input checked="" type="checkbox"/> Cancelled Programs	<input checked="" type="checkbox"/> Terminated In-Person Programs
<input checked="" type="checkbox"/> Reduced Expenditures	<input checked="" type="checkbox"/> Shifted Existing Programs to Online
<input checked="" type="checkbox"/> Developed or Revised Strategic Plan	<input checked="" type="checkbox"/> Launched COVID-19 Response Programs
<input checked="" type="checkbox"/> Increased Fundraising	
<input checked="" type="checkbox"/> Suspended Organization Travel	
<input checked="" type="checkbox"/> Transitioned Staff to Working Remote	

Response | Organization

What staffing adjustments have you made in response to the coronavirus?



More than a third of respondents (37%), have been able to retain their staff, and approximately one-quarter have repurposed staff for COVID-19 response. Fully 40% have had to scale down staffing levels through lay-offs or furloughs.

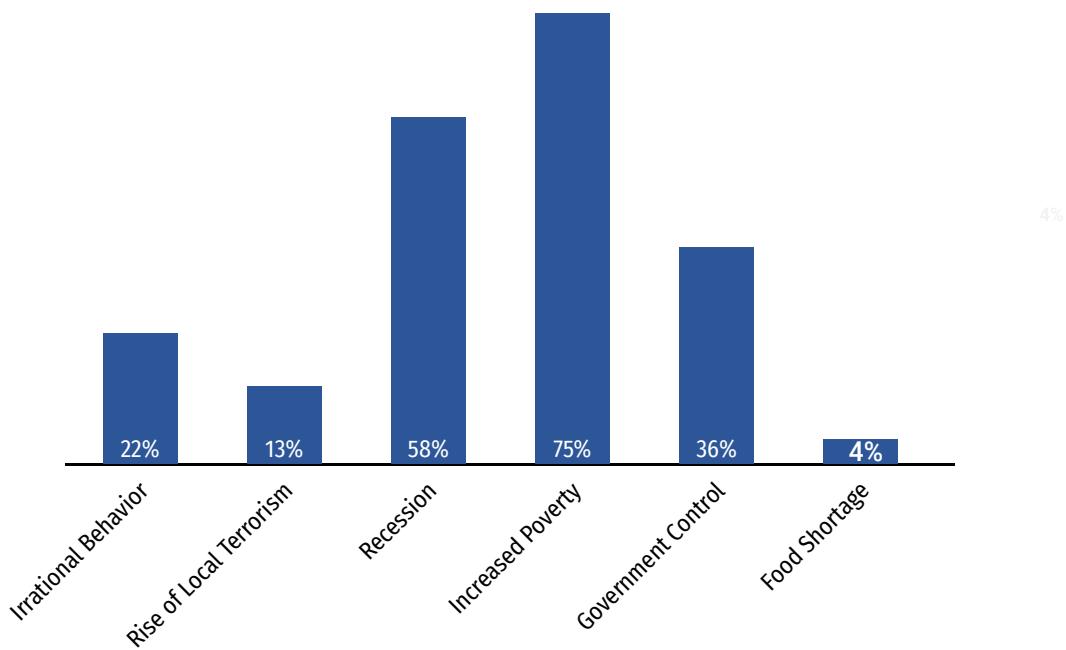
“Several of our HQ staff members have taken on multiple roles in order to protect our most at-risk employees.”

“We have very low infrastructure needs and utilize volunteers, so impact has been minimal in a formal sense, but the upheaval has forced a lot of rethinking in terms of personnel usage.”

“We are working to retain staff; our mission has become more important than ever before.”

Projections | Economic

What economic hardship will be the most prevalent in your region after lockdown restrictions are lifted?



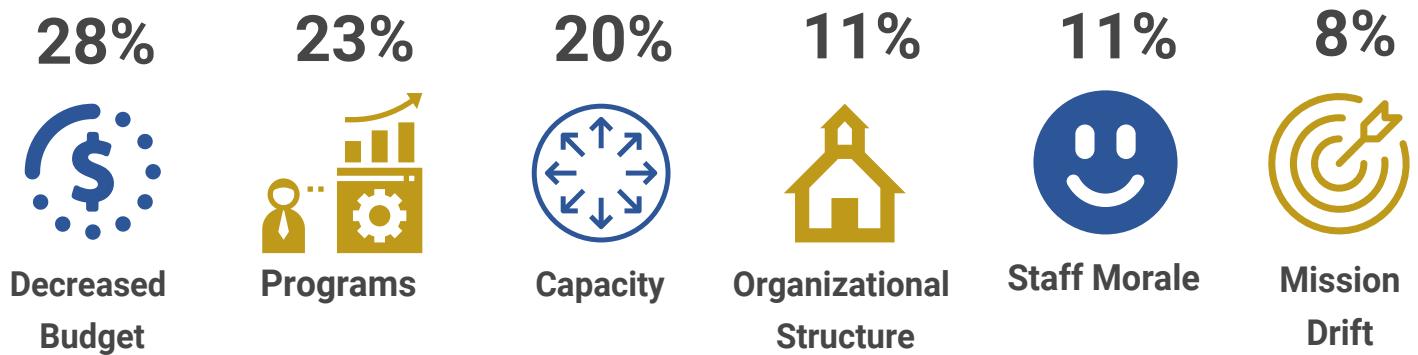
According to respondents, organizations in countries where the number of refugees continues to increase are anticipating a quagmire in the post-COVID world. Many UN member nations are losing international support for resources such as water, food, shelter, medical care. This creates a dire situation for refugees, especially in camps where dependence on the local communities is great. In areas like Lebanon, respondents noted that tensions and resentment are growing toward refugees.



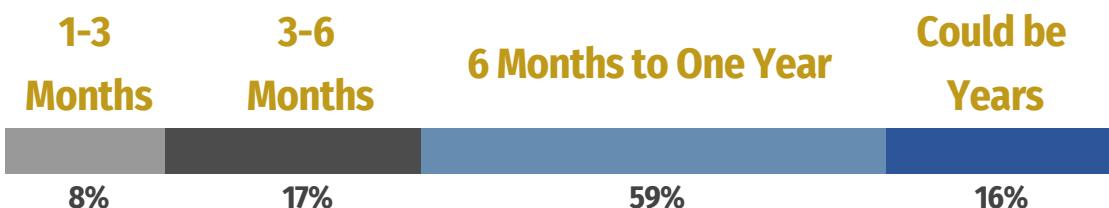
More than half of respondents are anticipating 4 to 6 economic challenges to persist post-COVID.

Projections | Organization

What areas of your organization are you most concerned about long-term in the post-COVID world?



How long do you anticipate it will be before your organization has fully recovered?



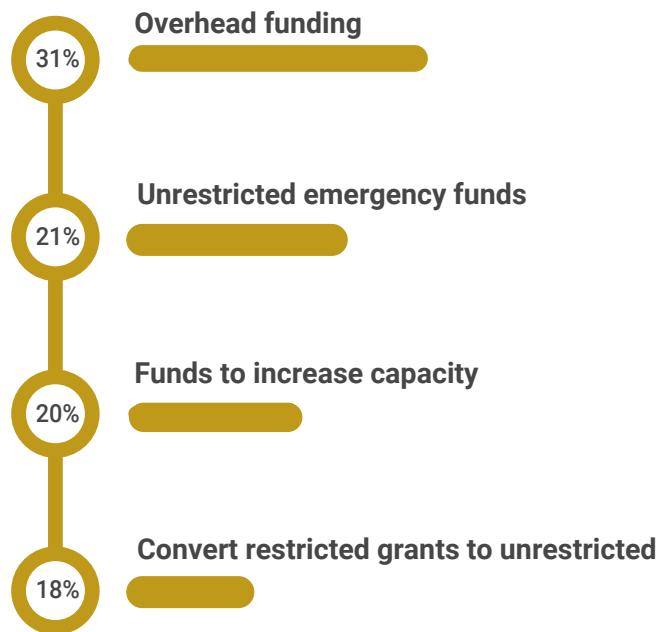
57% of respondents are anticipating that their organizations will look at least slightly different post-COVID. Approximately 30% are expecting to look significantly different, while 1% reported they will look drastically different.

Respondents who are projecting their recovery to take multiple years work in Christian education, leadership development, evangelism, discipleship, and publishing.

Donor Support | Financial & Non-Financial

The financial state of organizations during the pandemic has been hit from multiple angles including declines in donor giving, self-generated income, and funding materials and initiatives for relief efforts. 31% of respondents stated their greatest financial need is for overhead funding to bring their organizations back into the black. 21% are asking for unrestricted emergency funds to help them address COVID-related needs or recover from COVID-related challenges. 20% are seeking support to increase their capacity, and 18% need current grants to be redesignated as unrestricted.

What would be the biggest help you could receive right now from donors?



We asked grantees what their greatest nonfinancial needs are. The most common responses were collaboration with like-minded groups, ideas for how they can help others respond to or recover from the crisis, resources to help them address needs that fall outside of their scope, and prayer.



Collaboration



Ideas to help others respond to the crisis



Resources for responding to needs outside of my scope



Prayer

Donor Support | Prayer

Leaders were asked “What question are you wrestling with right now?” Responses showed the top three questions are 1) How long will it take to recover? 2) What will my organization look like post-COVID? and 3) How do we adapt in the meantime?



“Please pray for mental and emotional respite for our staff and for protection from the constant spiritual warfare that we experience every day. Please pray for increased emotional margin. In spite of these current circumstances, our staff morale has remained miraculously high and hope-filled, to the glory of God! Please also pray for good internet connections as most of our staff are continuing to work via online methods, but bandwidth varies widely. Please pray that governments would not be self-serving or corrupt during this time!”



“Please pray for wisdom as to how we can best use our time and current funding for effective outreach during this time when so many people are stuck at home.”



“Overall, we are praying that God would call the church to focus OUTWARD on mission and not INWARD on mere survival. And corollary requests would be: 1) health/safety for our teams; 2) prudent cash management; 3) retaining and deepening relationships with donors; 4) listening to voices from global church; 5) shifting/accelerating digital strategy; and 6) updating our strategic plan.”



“Please pray for wisdom as we structure our ministry programs during COVID-19 to continue making the greatest gospel impact possible.”



“Please pray for protection from the virus for our staff and their families. Pray that our trust will be in the Lord such that fear cannot coexist.”

Donor Support | Considerations



Allow for flexibility in your grantmaking

Recognize that organizations are going to have to change their plans. Grantees are making a vast number of pivots to sustain their operations and respond to implications of the pandemic. Without flexibility in our grantmaking, we only tie their hands from taking the necessary steps to survive and continue meeting the needs around them. A few adjustments to consider include: 1) make existing grants unrestricted; 2) look at multiyear commitments; and 3) allow grantees to use funds for overhead expenses.



Partner on new levels

One thing that becomes clear in the wake of a pandemic is that none of us can go it alone. Being open to partnering with others in new ways involves risk, but it also creates opportunities. Consider supporting a grantee with a nonfinancial need, collaborating with other donors on an initiative, or facilitating new relationships and partnerships between organizations and donors.



Fund new priorities

Acknowledge that organizations are facing critical moments in their ability to survive and in determining the scope of their work in the future. Some are navigating new opportunities with less staff and funding, while others are facing closures because they are too dependent or restricted by inevitable forces like governments. Be open to consider funding to help offset some of these challenges.



Listen, Pray, Act

Be available to talk with organization leaders about their challenges, goals, and opportunities. Listen well. Advocate for them where and when there is opportunity. Most important, pray for your grantee partners.

Donor Support | Cautions



Be aware of mission drift

Close to 100% of respondents have shifted their focus either partially or fully since the onset of the pandemic, but only 8% reported being concerned with mission drift. As funders, we need to be aware of what's taking place and reach out to leaders as conversation partners while they seek to move in the right direction. As needs and goals of organizations continue to change, we also need to be mindful of this happening in our own organizations and grantmaking parameters.



Assess the risk

Organizations are recognizing that the pandemic has opened up new opportunities for growth and impact. Many have made, or are making, plans to step into these areas at ever-increasing speeds. It's important for funders to partner with leaders to holistically evaluate the risks facing them in these uncertain times. Consider factors outside of the organization, such as economic stresses and community needs.



Ending well

One of the hardest things to face in times of crisis is the reality that some organizations will become insolvent. It's heartbreaking and challenging to know how to walk through these times with our partners. When this happens, remember to pray for discernment about the timeframe and level of your support. Consider how you might help them end well and do so in a way that honors your partnership.



Invest locally and globally

When crisis hits, we all have a tendency to focus on our own communities in order to stabilize our own local economies. While it's important to invest in our neighborhoods, it's also important to remember those serving in regions around the world that have less infrastructure to support them.