



For Immediate Release

Contacts:

- *Anne L. Gingerich, Executive Director, Pennsylvania Association of Nonprofit Organizations (PANO), 717-839-6564 or anne@pano.org*
- *Doug Root, The Pittsburgh Foundation, 412-394-2647 or rootd@pghfdn.org*

BILLIONS OF DOLLARS IN COVID-19 LOSSES HIT PA. NONPROFITS: STATEWIDE SURVEY MOST COMPREHENSIVE TO DATE ON LOST REVENUE AND EXTRA COSTS

PITTSBURGH, PA, OCT. 15, 2020 – The COVID-19 pandemic has had grave economic consequences on Pennsylvania’s nonprofit sector, a new survey of about 800 organizations shows.

[The Impacts of COVID-19 on Pennsylvania Nonprofits](#) study reports revenue losses of \$612 million and new operating expenses of \$95.3 million, for a total of \$708 million. Based on the data collected from 808 nonprofits – 2% of the state’s total – the actual economic toll to organizations ranging from child care centers to arts organizations balloons to billions of dollars.

The survey, conducted by the national community and economic development firm Fourth Economy and coordinated through a partnership of The Pittsburgh Foundation, its affiliate, The Community Foundation of Westmoreland County, The Forbes Funds, the Pennsylvania Association of Nonprofit Organizations (PANO) and the United Way of Southwestern Pennsylvania, is the most comprehensive data gathered about the economic impact of COVID on the nonprofit sector to date. Regional and county-specific data is [available for review online](#). (regional media contacts are provided below).

Of special significance to the coalition are the 290 human services organizations in the survey – representing 19% of survey respondents. That sub-sector reported increased costs of \$64 million and revenue decreases of \$255 million. Those figures represent the financial impact on just 7% of total human services deliverers in Pennsylvania.

“Our state’s human services safety net relies heavily upon this part of the nonprofit sector to function and to provide essential needs through assistance programs, including child care, community public health, food provision, career training, protection from domestic violence, and helping people manage various disabilities,” said Lisa Schroeder, president and CEO of The Pittsburgh Foundation, which funded and organized the coalition. “The increase in vulnerability for those nonprofits alone is significant, but the survey findings on the nonprofit sector overall should sound four alarms about the threat to the state’s economy and general quality of life. It is our hope that these findings are a call to arms for dedicated COVID relief to support the sector. Our ability to recover from this pandemic is very much dependent on the ability of nonprofits to continue their missions.”

The survey ran from Aug. 3 to 28 and results were analyzed by Fourth Economy. The coalition partners provided guidance and encouraged nonprofits across the state to respond.

A survey earlier this year by United Way of Pennsylvania found that 77% of Pennsylvania households have savings to cover one month or less of household expenses. Many will turn to the Commonwealth's nonprofit safety net for assistance.

"That means millions of Pennsylvanians are turning to human service agencies, which are then faced with increased costs and reduced funding to meet this crushing need," said Bobbi Watt Geer, president and CEO of the United Way of Southwestern Pennsylvania. "This new survey gives us a clear window into the challenges that lie ahead. It is essential to understand the scope of the strain on nonprofits, particularly the human services system, so that we can develop appropriate policies and support for agencies that will help us recover from the pandemic."

Small nonprofits faced the most significant impacts. Nonprofits with budgets under \$100,000 reported average revenue losses and increased expenses of -47%, nearly half their budgets, as compared to -26% for mid-size nonprofits with budgets from \$501,000 to \$2.5 million. By comparison, the largest nonprofits, those with budgets over \$10 million, reported average losses and increased expenses of -7%, still significant but much more manageable for larger organizations which are better equipped to manage the economic impact of the pandemic than their smaller counterparts.

Anne L. Gingerich, executive director of PANO, said the report provides solid evidence of a nonprofit sector in trouble, and that does not bode well for the overall economy.

"If nonprofits close, more individuals will look to government as their safety net, raising costs for all of us. We must have more nonprofit-designated funding, distributed as efficiently as possible," said Gingerich, "and we need innovative collaboration among nonprofits, businesses and government."

The survey supports a [broader statewide coalition effort](#) to have legislators pass bills that will dedicate a portion of the state's allotment of \$1.3 billion in CARES Act funding to the nonprofit sector – [Senate Bill 1254](#) and [House Bill 2740](#).

Previously, The nonprofit sector was included with for-profit business for funding through federal CARES Act programs. But the study team found that at least \$35 million in operating costs reported are not eligible for CARES Act funding.

The proposed legislation would establish the NEEDS (Nonprofit Economic Emergency Delivery System) Grants Program to provide funding to Pennsylvania's statewide network of 8,500 human services nonprofits that are key determiners of basic quality of life in communities.

In announcing the survey results, Schroeder pointed to the data as a convincing and well-documented first-look at the degree of harm inflicted on nonprofits through the public health and economic crises brought on by COVID. "While this is a preliminary study, and it makes a powerful case for a more in-depth investigation, so that we understand the points of greatest stress in the sector."

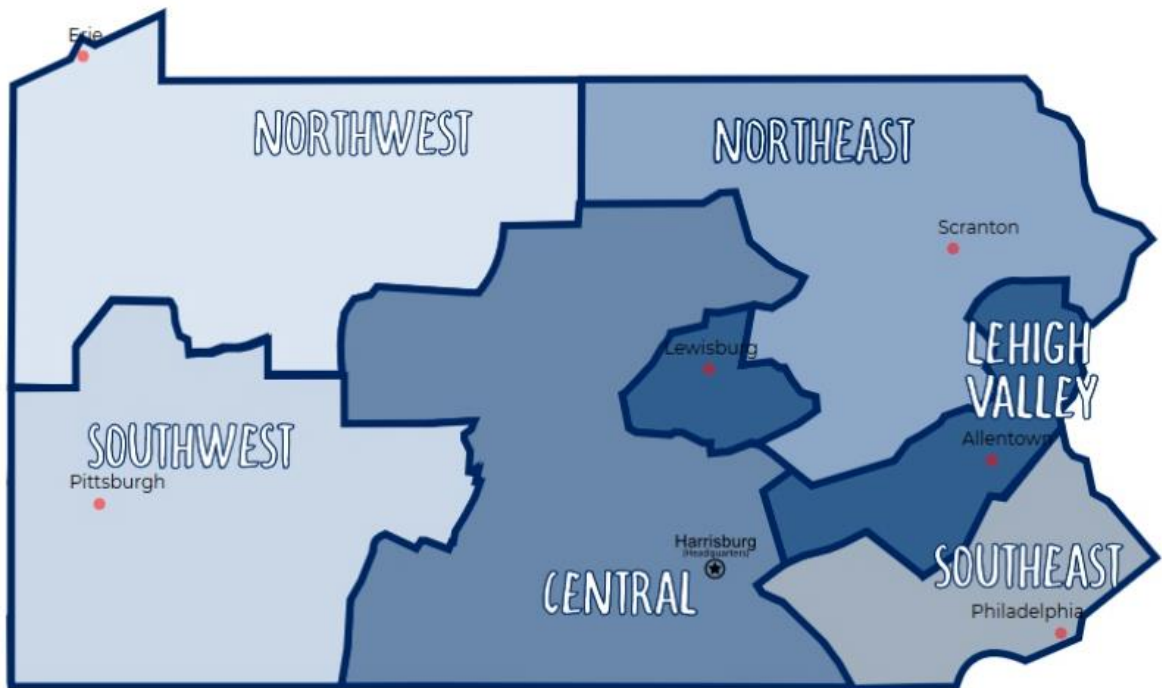
Other key data reports include:

- Nine out of 10 nonprofits reported some negative employment impacts.
- Nonprofits estimate that 25% of the employees will experience layoffs or pay reductions by the end of the year.
- 23% report increased demand for services.
- 36% report more clients.

- 37% report reduced or suspended services.
- 48% report fewer clients.
- 45% report event cancellations or delays.
-

According to the Independent Sector, Pennsylvania’s nonprofits employ more than 15% of the state’s workforce and generate almost \$132 billion in revenue annual revenues.

Responses were divided into six regions that correspond to the state’s [Department of Community & Economic Development regional offices](#):



Media contacts for each region are:

Northwest Region

- Michael Batchelor, president, The Erie Community Foundation, mbatchelor@eriecommunityfoundation.org
- Erin Fessler, vice president of marketing and community, The Erie Community Foundation, 814-873-2630, efessler@eriecommunityfoundation.org
- Adam Bratton, executive director, The Nonprofit Partnership, 814-240-2490 ext. 4, abrattton@yournpp.org
- Jennie Hagerty, executive director, Mercy Center for Women, 814-860-6155, jhagerty@mcwerie.org

Southwest Region

- Lisa Schroeder, president and CEO, The Pittsburgh Foundation, schroederl@pghfdn.org, reachable via Doug Root, vice president for Communications, at rootd@pghfdn.org
- Bobbi Watt Geer, president and CEO, United Way of Southwestern Pennsylvania, bobbi.wattgeer@unitedwayswpa.org, reachable via Tracy Gross, chief marketing officer, Tracy.Gross@unitedwayswpa.org

Central Region

- Janice Black, president and CEO, The Foundation for Enhancing Communities, jblack@tfec.org
- Kirk Demyan, vice president and CFO, The Foundation for Enhancing Communities, kdemyan@tfec.org
- Eric Sanders, executive director, New Hope Ministries, 717-432-2087 ext. 202, esaunders@nhm.net

Northeast Region

- Jennifer Wilson, president and CEO, First Community Foundation Partnership of Pennsylvania, 570-321-1500 Ext. 20, jenniferw@fcfpartnership.org
- Valerie Fessler, director of development and community engagement, American Rescue Workers, valerie@arwilliamsport.org
- Linda Ciampi, executive director, Outreach Center for Community Resources, 570-814-2732, lciami@outreachworks.org
- Laura Ducceshchi, president and CEO, Scranton Area Community Foundation, 215-285-8765, ld@safdn.org
- Joanne Troutman, president and CEO, Greater Susquehanna Valley United Way, 570-768-5560, jtroutman@gsvuw.org

Lehigh Valley Region

- Kevin Murphy, president and CEO, Berks County Community Foundation, KevinM@bccf.org
- Carolyn M. Bazik, executive director, CO County Wellness Services, cbazik@cocountywellnessservices.org
- Michele Grasso, vice president of development, VIA of the Lehigh Valley, 201-264-3487, m.grasso@vianet.org

Southeast Region

- Pedro Ramos, president and CEO, The Philadelphia Foundation, pramos@philafound.org
- Anne Gingerich, executive director, Pennsylvania Association of Nonprofit Organizations (PANO), anne@pano.org. Note: PANO is based in the Southeast but serves the entire state.
- Milena Lanz, executive director, Maternal and Child Health Consortium, 610-344-5370 ext. 101, mlanz@ccmchc.org