



COVID-19 Pandemic and Racial Equity Survey

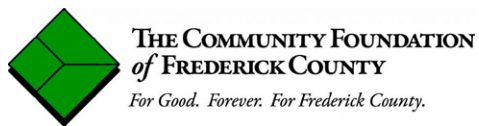
REPORT OF SURVEY FINDINGS

Published November 2021

marylandnonprofits.org

Partners

We are grateful to our partners who supported the survey by getting the word out to their nonprofit members and subscribers. This collaboration led to a very strong response rate for this survey.



We are grateful to the sponsorship of *Baltimore* magazine who provided support for the graphic design of this report.



Table of Contents

Introduction	5
Key Findings	6
Data on Nonprofits Statewide	6
Massive Inequities in the Nonprofit Sector Worsened During the Pandemic	6
Nonprofit Efforts to Strengthen Racial Equity	6
Methodology	7
 PART ONE	
Organizational And Leadership Profile	8
Jurisdiction	8
BIPOC and White-Led Organizational Profile	9
Race/Ethnicity of Executive Director	11
Organizational Size	12
Organizational Size and Race of Executive Director	13
Sources of Funding	14
Financial Resiliency Prior to COVID-19	16



PART TWO

Impact Of COVID-19 On Staff, Programs, Operations And Finances ...	17
Impact of COVID-19 on Programs	17
Staff Affected by COVID-19 and Operational Status	18
Women-Led Sector Under Pressure	19
Revenue Change Since COVID-19	20
COVID-19 Effect on Revenue by Race	22

PART THREE

Organizational Responses To COVID-19 Challenges	26
Impact of COVID-19 on Expenses and Staffing	26
Impact of COVID-19 on Fundraising Events	27
Accessing COVID-19 Recovery Funds	27
State and Philanthropic COVID-19 Relief Programs	30

PART FOUR:

Digging Deeper Into Racial Equity At Nonprofits	31
Board of Directors Composition	34
Conclusion	35

Introduction



IN MEMORIAM

We are grateful to the 798 people who took the time and trusted us to share their sensitive data for this survey. **Sadly, we learned that 5 Nonprofit Staff lost their lives to COVID-19.**

We honor these nonprofit heroes and dedicate this survey to them and all front-line workers in nonprofits.

Nonprofits in Maryland have been on the front lines of the COVID-19 response effort, stepping up to address emergency needs. While responding to the crisis, nonprofits have lost staff members, board members and loved ones, and endured massive shifts and in many cases declines in revenue. With resilience, many started entirely new food distribution programs, rental assistance programs, and other ways to address unprecedented levels of need. These needs have now stretched for more than 18 months of physically, mentally and emotionally exhausting work for nonprofit staff and volunteers.

In Maryland and around the nation, Black and Latino communities were hardest hit by COVID-19, experiencing the highest levels of illness, deaths, job losses, social isolation, and evictions. The rise of the Black Lives Matter movement following the police killings of George Floyd and Breonna Taylor brought issues of race to the forefront of our nation's consciousness.

This survey aimed to uncover issues of racial equity within the nonprofit sector itself.

The findings in our COVID-19 and Racial Equity Survey show two nonprofit sectors: one that is far more challenging and inequitably structured for Black, Latino, Asian and Indigenous People leading nonprofit organizations, compared to the nonprofit sector experienced by white leaders. Organizations led by people of color saw greater declines in resources during COVID-19 and had lower levels of reserves going into the pandemic than white-led organizations. White-led nonprofits were more likely to be larger organizations that were able to pivot and grow by accessing more relief funds during the pandemic.

By sharing this data, we hope Maryland governments and philanthropists will be motivated to re-design funding programs, making programs accessible and intentionally directing funding to community-based and people-of color-led organizations.

Key Findings

Data on Nonprofits Statewide

- About 28% of nonprofits continued to offer in-person programming during the pandemic, predominantly in the health and human services fields.
- Prior to the pandemic, 55% of organizations reported having more than 60 days of cash and 39% had more than 90 days prior to COVID-19. However, 32% of organizations had less than 30 days of cash.
- Government funding is the largest source of revenue for the responding organizations prior to COVID-19, accounting for 51%, followed by fee-for-service at 21%, foundations and corporations at 13% and individual donations at 9%.
- Most organizations saw declines in one or more revenue sources as a result of COVID-19, with the largest reductions in fee-for-service income and individual donations.
- The Paycheck Protection Program was the most significant financial lifeline, bringing in more than \$500 million in support to nonprofits in Maryland. Our survey found that 60% of respondents received these forgivable loans from the Small Business Administration.
- 65% percent of organizations reduced expenses. 30% reduced staff hours, and furloughed or laid off staff to cope with the reductions in revenue.
- 71% percent of nonprofit executive directors in our sample are women.
- Staff who worked for organizations with in-person operations were slightly more likely to get COVID-19 than those that worked for organizations that were all-virtual.

Massive Inequities in the Nonprofit Sector Worsened During the Pandemic

- Thirty-one percent of Nonprofits are led by people of color, 22% by African Americans, 4% Hispanic, 3% Asian and 1% Native American/American Indian. Black, Latino and Asian executive directors are under-represented in executive director roles compared to the Maryland census.
- 60% of nonprofits with less than \$25,000 in revenue are led by people of color, and just 13% of nonprofits over \$5 million in revenue are led by people of color.

- Nonprofits led by people of color reported fewer days of cash reserves than white-led organizations prior to the pandemic. Organizations led by people of color were more than three times as likely (21%) to have zero cash or less (i.e. debt) than white-led organizations (6%).
- One in three executive directors of color reported having children under 12 in the home, compared to 1 in 4 white executive directors.
- Nonprofits led by people of color saw greater declines in nearly all types of revenue following the start of COVID-19.
- Catastrophic declines in revenue (greater than 50% reduction) were more prevalent for organizations led by people of color in every source of revenue compared to white-led organizations.
- Organizations led by people of color received a smaller proportion of all federally funded COVID-19 relief funds.
- The Paycheck Protection Program was less accessible to organizations led by people of color. They were less likely to be eligible, less likely to hear about it, and more likely to be declined than white-led organizations.

Nonprofit Efforts to Strengthen Racial Equity

- The vast majority of nonprofits (83%) report a commitment to racial equity in their mission, vision values or goals.
- Only 42% of organizations report that their board reflects the diversity of the people they are serving.
- 1 in 3 organizations report that they are just starting their work on racial equity, or have been working on it for less than a year. One-third have been working for more than five years.
- More years of working on racial equity correlated with a higher likelihood of the organization reporting that their board diversity was representative of the people that they serve.
- Seventy-nine percent of organizations plan to do work on racial equity in the coming year.

Methodology


The COVID-19 Pandemic and Racial Equity Survey was administered as an online survey using Survey Monkey. Data was collected between July 27, 2020, to August 24, 2020. The survey included 34 questions, including short answer, single choice, and multi-select. Respondents took an average of 12 minutes to complete the survey. There was an initial total of 798 responses. After data cleaning and removal of duplicate organizations, 710 total responses remained.

Survey Analysis Release and Conditions Today: Preliminary results of the survey were released in October 2020. Due to various complexities in the data and other constraints, the full results were released in October 2021, with very basic formatting. Most of the issues and challenges present in October 2020 continue to be present today as the COVID-19 Delta variant surges, the Paycheck Protection Program has ended, and new relief funds from ARPA are slow to arrive and difficult to navigate, especially for small, BIPOC-led organizations.

Acknowledgements

We are grateful to Cause Engagement Associates that provided support for data analysis and data visualization. Heather Iliff, Clara Blitz, and Conner Wolfe of Maryland Nonprofits made important contributions to the final report.

We are grateful to the nearly
800 individuals and organizations
that responded to the survey
and to our partner organizations
for helping get the word out
to their nonprofit networks.



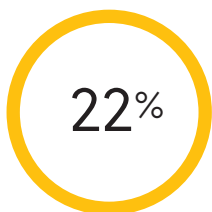
PART ONE:

Organizational and Leadership Profile

Jurisdiction

The survey included respondents from every Maryland jurisdiction except Cecil County.
The top three jurisdictions were:

BALTIMORE CITY



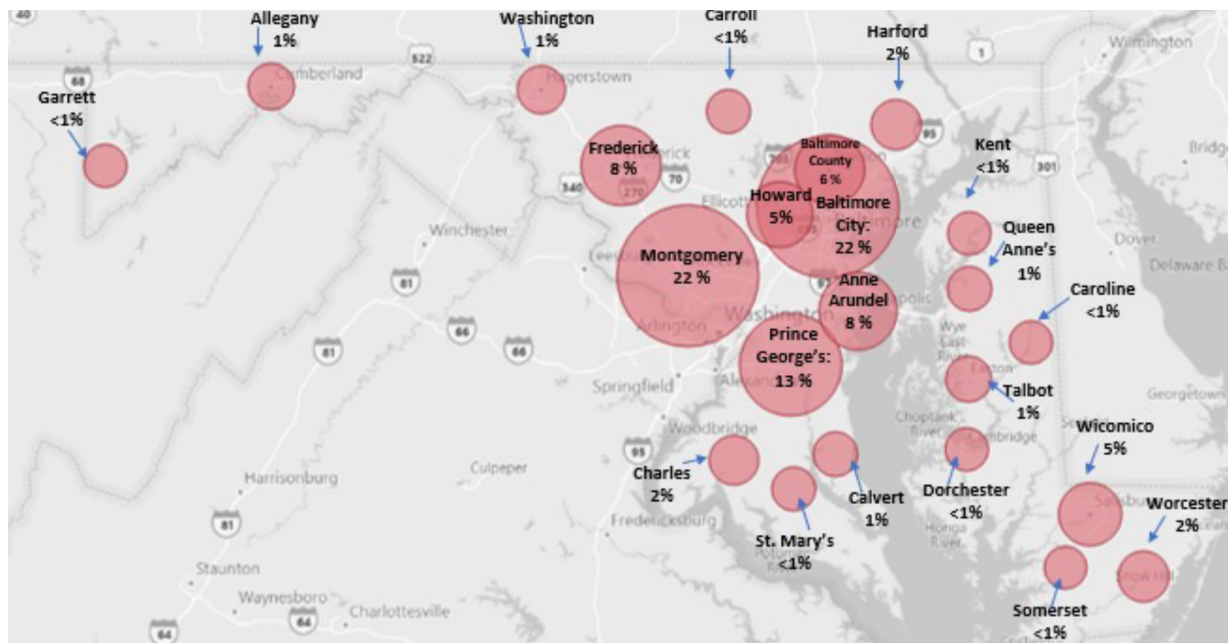
MONTGOMERY



PRINCE GEORGE'S



CHART 1: SURVEY RESPONDENTS BY JURISDICTION



BIPOC and White-Led Organizational Profile

Throughout this report, “BIPOC-led organizations” describes those organizations that identified their executive directors as one or more of the following races/ethnicities: African American/Black, Asian/Pacific Islander, Latino/Hispanic, Native American/Indian and those who indicated more than one race/ethnicity. We also use the term “people of color” and “BIPOC” interchangeably in the report to refer to non-white individuals or individuals who included another race/ethnicity in addition to white. We acknowledge that neither of these terms always work well for everyone nor do they capture the rich diversity among nonprofit leadership in Maryland.

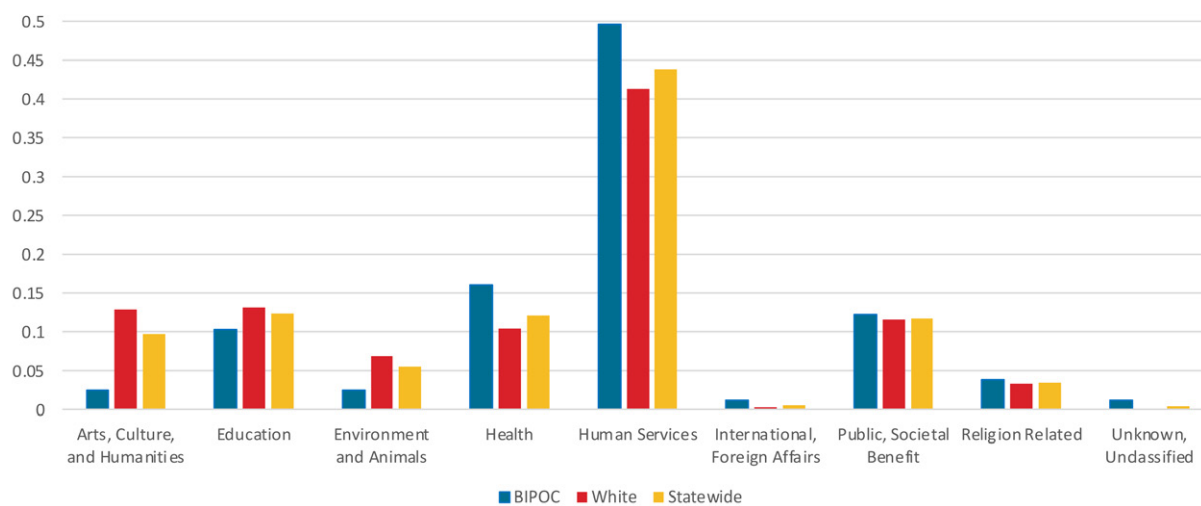
The survey also asked about the race/ethnicity of the board chair, and whether the board had more than 50% people of color. Our survey respondents reported 66% as having a white board chair and 35% as a BIPOC board chair, and 28% indicated a BIPOC majority on the board. We analyzed many of the data sets by race of board chair as well as race of executive director, and some of the data by board

majority. Results were generally similar (i.e., within a few percentage points) for data reported by BIPOC and white executive directors and board chairs as well as those who indicated that their boards were majority people of color. Therefore, we have utilized the race of the executive director as the proxy for “white-led” or “BIPOC-led.” The data set was so vast there is much more to explore here, and we are open to partners interested in taking a closer look at the data.

Field of Service

The largest group of respondents work in human services, followed by education, health and arts. Differences in type of organization emerged by race. Respondents indicated their field of work according to 20 categories and an open text field for “other” that can be found in the appendix. The following analysis shows the major categories according to the National Taxonomy of Exempt Entities.

CHART 2: SURVEY RESPONDENTS BY FIELD OF SERVICE



BIPOC-led organizations were more likely to be in the human services and health fields. Black, Indigenous and other people of color are under-represented in the leadership of organizations in the arts, culture and humanities as well as organizations focused on environment and animals.



Maryland's Demographics

Our survey combined race/ethnicity, unlike the U.S. Census. The following table includes the percentages of Maryland's population by race and the percentage of Maryland's population that identifies as Hispanic.

TABLE 1: MARYLAND POPULATION: U.S. CENSUS

RACE/ETHNICITY	MARYLAND TOTAL	PERCENTAGE
White	3,343,000	55.5%
Black or African American	1,799,098	29.9%
Asian	378,126	6.3%
Some Other Race**	272,137	4.5%
Two or More Races	206,692	3.4%
American Indian and Alaska Native	16,762	0.3%
Native Hawaiian and Other Pacific Islander	3,034	0.1%
TOTAL	6,018,849	100.0%
Hispanic (Included in the Above) *	606,482	10.1%

SOURCE: U.S. CENSUS 5-YEAR SURVEY, 2019

* "Hispanic" is considered by the U.S. Census to be an ethnicity rather than a race, and about half of Hispanics in Maryland identify as white, half identify as "some other race" and 5.7% identify as Black.

** Out of the 272,137 people choosing "some other race," 252,812 identify as Hispanic.

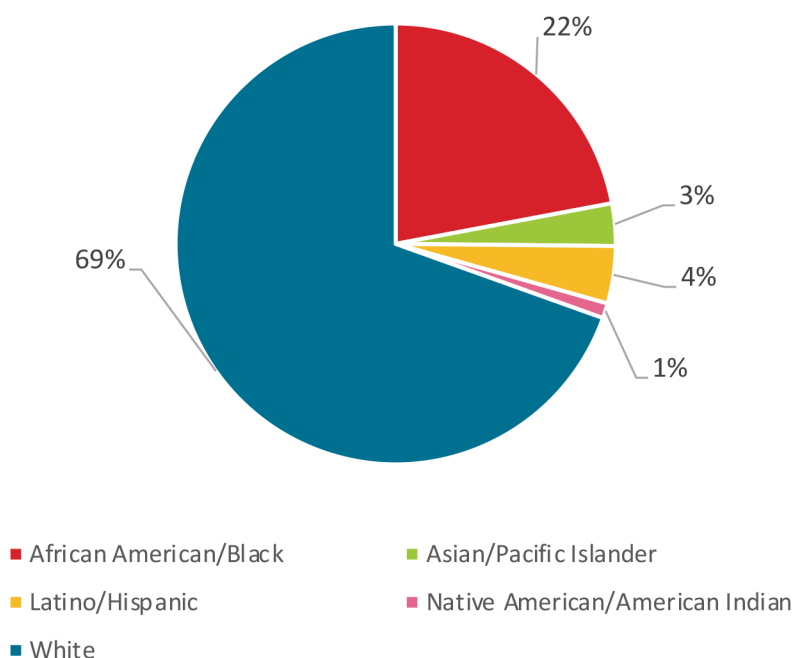
Race/Ethnicity of Executive Director

Our survey respondents indicated that 69% of nonprofit executive directors are white, showing an over-representation of white people in the executive director role where white people make up 56% of the Maryland population. African American/Black people are under-represented in the executive director role at 22%, compared to 30% of the state's population. Latino/Hispanic people lead 4.2% of the organizations, less than half of their representation in the state of 10%. Asian/Pacific Islanders occupy 3.1% of the executive director roles, which is also less than half the state's Asian/Pacific Islander

population. Native Americans in executive director leadership showed stronger representation at 1.1% than in the state-wide population of 0.28%, and indicated the following tribes: Delaware Nation, Muscogee Creek, Seminole and Western Cherokee.

Black, Latino and Asian people are under-represented and white people are over-represented in nonprofit executive director positions. Native Americans had twice the state's representative number serving as nonprofit executive directors.

CHART 3: SURVEY RESPONDENTS BY RACE/ETHNICITY OF EXECUTIVE DIRECTOR



Organizational and Leadership Profile

Organizational Size

Respondent organizations tended to include the “mid-range” of the nonprofit sector. There were fewer very small nonprofits compared to the state-wide average of nonprofits that includes 75% of nonprofits

having less than \$25,000 in revenue. There were no hospitals or universities that completed the survey that, in other data sets, account for larger portions of overall revenue.

TABLE 2: RESPONDING NONPROFITS BY ANNUAL BUDGET SIZE

ANNUAL BUDGET (TOTAL REVENUES) FROM LAST FISCAL YEAR	TOTAL RESPONDENTS	PERCENTAGE
\$0 - \$24,999	58	10%
\$25,000 - \$99,999	74	12%
\$100,000 - \$499,999	154	26%
\$500,000 - \$999,999	80	13%
\$1,000,000 - \$1,999,999	70	12%
\$2,000,000 - \$4,999,999	78	13%
\$5,000,000 - \$9,999,999	84	14%
TOTAL	598	100%

Organizational and Leadership Profile

Organizational Size and Race of Executive Director

The smaller the organization, the more likely it will be BIPOC-led. Conversely, the larger the organization the more likely it is to be white-led. Black, Indigenous and People of Color represent 45% of Maryland's population, and yet they represent 60% of the leadership of

organizations with less than \$25,000 in revenue. This means that people of color are far more likely than white people to be leading nonprofits on a volunteer basis. Only 18% of organizations above \$1 million in revenue are led by a person of color.

CHART 4: ORGANIZATIONAL BUDGET SIZE BY RACE OF EXECUTIVE DIRECTOR



Organizational and Leadership Profile

Sources of Funding

For years, we have relied on national-level data for an understanding of the revenue sources of nonprofit organizations. We have long questioned the relevancy of this data to the community of nonprofits that we serve, given the preponderance of large levels of funding in the hospital, college and private school space that may be tilting the data. For reference, this “dollar bill” produced by the National Council of Nonprofits shows the national-level data on nonprofit revenue sources.

People of color lead 60% of organizations with revenue less than \$25,000 but only 13% of organizations over \$5 million.

CHART 5: NONPROFIT REVENUE SOURCES – NATIONAL DATA; NATIONAL COUNCIL OF NONPROFITS GRAPHIC



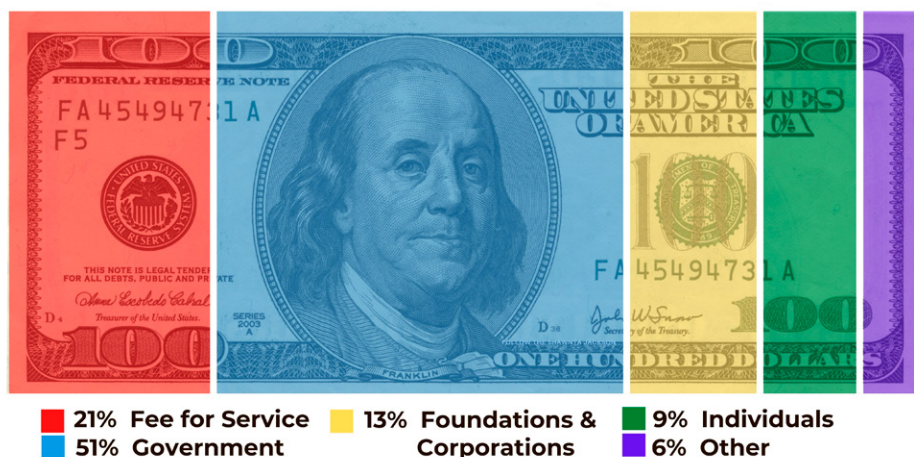
SOURCE: THE NONPROFIT SECTOR IN BRIEF, NATIONAL CENTER FOR CHARITABLE STATISTICS, 2015 (2013 DATA); GIVING USA 2014 (2013 DATA)

We analyzed the revenue data of our respondent organizations by multiplying the percentage of revenue they reported in each category by the total revenue they reported. Chart 6 below, therefore, totals up the dollars represented in each of the revenue categories. This analysis shows the revenue

profiles of organizations responding to this survey are different from this national data set in their sources of revenue. Government funding accounts for more than 50% of revenue, and Foundations and Corporations have a far larger role than in the national data.

Organizational and Leadership Profile

CHART 6: REVENUE SOURCES OF RESPONDENT ORGANIZATIONS

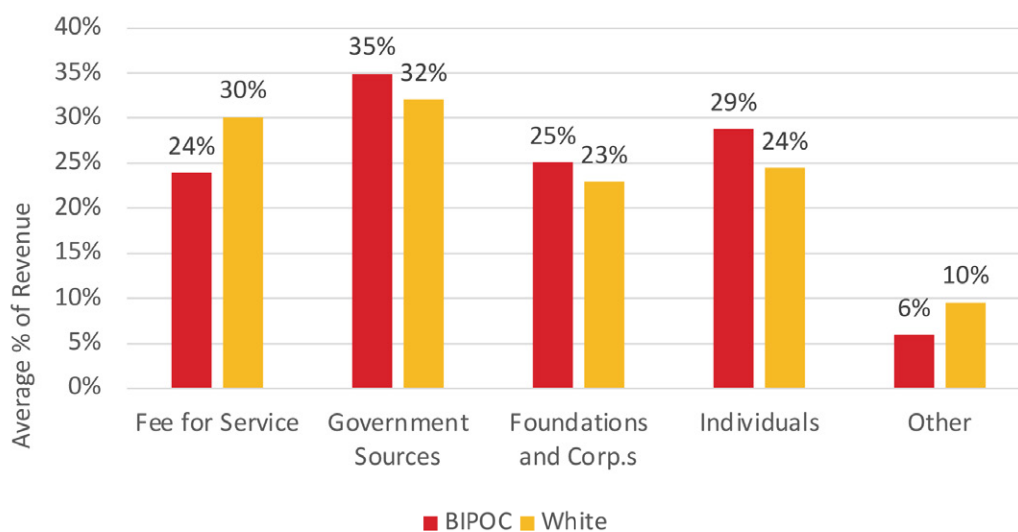


SOURCE: MARYLAND NONPROFITS

Organizations showed similar revenue profiles whether they were white or BIPOC-led. This data illuminates the interdependent nature of the government and nonprofit sector. Our survey respondents are likely to be seeking government and foundation grants and will be most impacted by the actions or inactions of funders and policymakers.

Organizations showed similar revenue profiles whether they were white or BIPOC-led.

CHART 7: SOURCES OF REVENUE BY RACE/ETHNICITY OF EXECUTIVE DIRECTOR



Financial Resiliency Prior to COVID-19

Organizations generally aim to develop financial reserves to offset emergencies and seasonal changes in funding. Having 90 days of cash typically indicates adequate financial reserves, and between 90–180 days of cash indicates a strong financial position. The Standards for Excellence calls for organizations to have a policy on unrestricted net assets in reserve (a higher standard than days of cash).

Our survey asked organizations to indicate the number of days of cash they had on hand prior to the start of the pandemic. Only 39% of organizations responded that they have more than 90 days of cash, and 50% indicated they have between 1 and 90 days. 7% percent of organizations indicated zero days of cash and 3% reported negative cash balances, indicating they are carrying debt.

CHART 8: DAYS OF CASH PRIOR TO START OF PANDEMIC

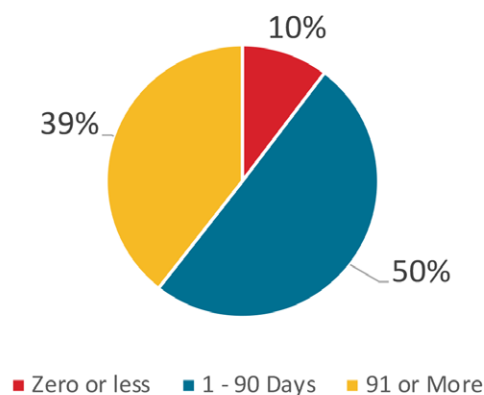
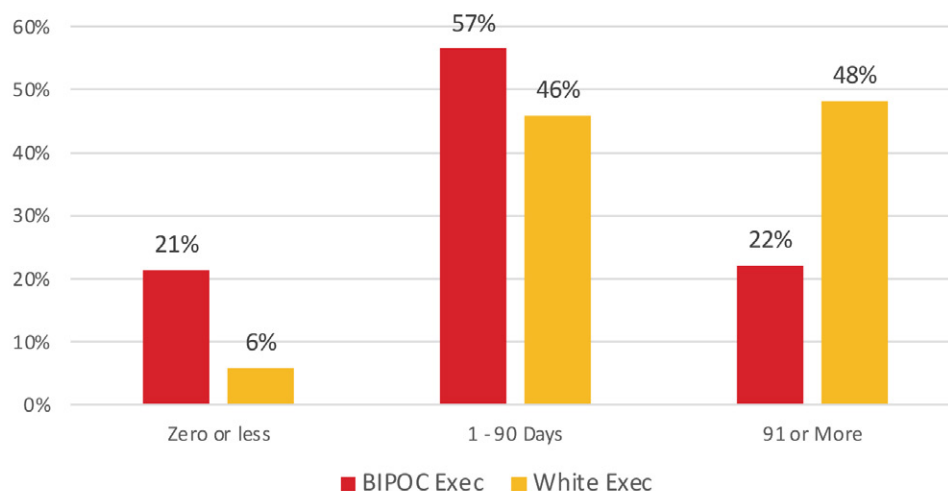


Chart 9 (below) shows that, when broken down by the race of the executive director, BIPOC-led organizations were three times as likely as white-led organizations to have zero or less cash and half as likely to have more than 90 days of cash.

CHART 9: DAYS OF CASH PRIOR TO START OF PANDEMIC BY RACE



PART TWO:

Impact of COVID-19 On Staff, Programs, Operations and Finances

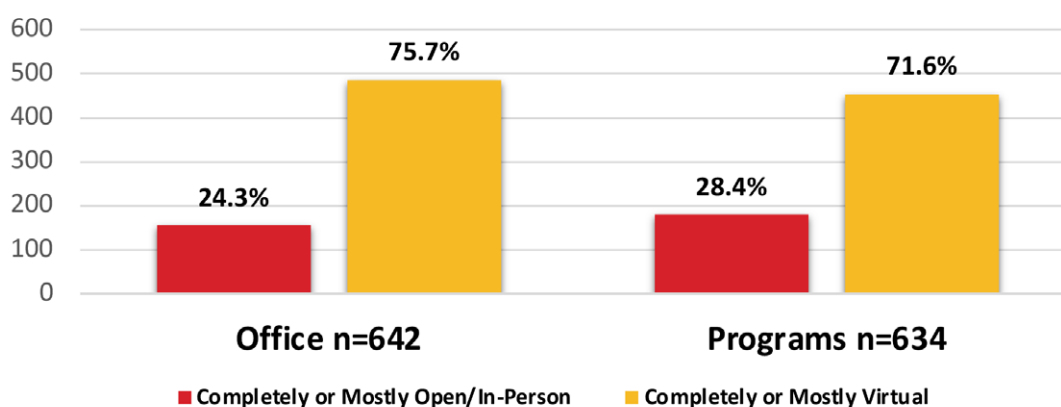
Impact of COVID-19 on Programs

When asked about COVID-19's impact on program operations, 18% indicated that all in-person programs were cancelled with very limited or no virtual options while 55% responses indicated that all in-person programs transitioned to nearly all virtual. Nonprofits in the Health and Human Services were the most likely to continue half or more of in-person programs throughout the pandemic. Health, Human Services, and Religion Related nonprofits were the most likely to create new, emergency in-community or in-person programs during the pandemic (54%). Arts, Culture, and Humanities nonprofits were the most likely to

cancel all in-person programs with very limited or no virtual offerings.

While COVID-19 shuttered many operations, nonprofits reported a remarkable capacity to adapt and sustain during a crisis. 44% reported that their organization created new virtual programs, and 27% reported the creation of new emergency programs. More than half of the human services organizations (54%) created new emergency in-person programs during the pandemic, and 40% of human services organizations created new virtual programs.

CHART 10: OPERATING STATUS OF OFFICES AND PROGRAMS

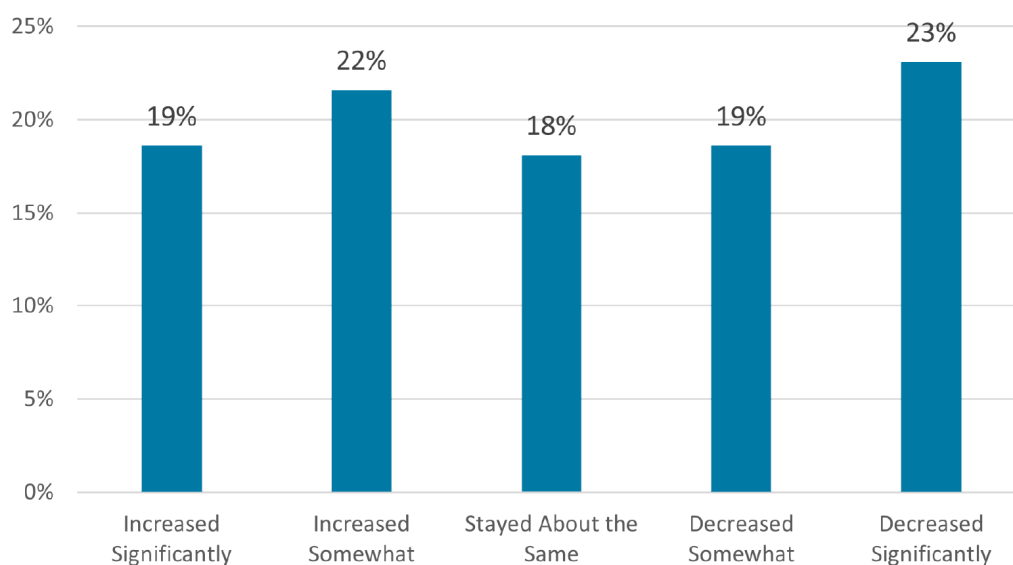


Impact of COVID-19 On Staff, Programs, Operations and Finances

The survey asked nonprofit leaders to share the extent to which demand or participation in their programs went up significantly or somewhat, went down significantly or somewhat, or stayed about the same after

the start of the pandemic. Interestingly, the responses were almost evenly split among all five of those choices, indicating organizations experienced every possible variation in demand and participation in their services.

CHART 11: DEMAND/PARTICIPATION IN PROGRAMS

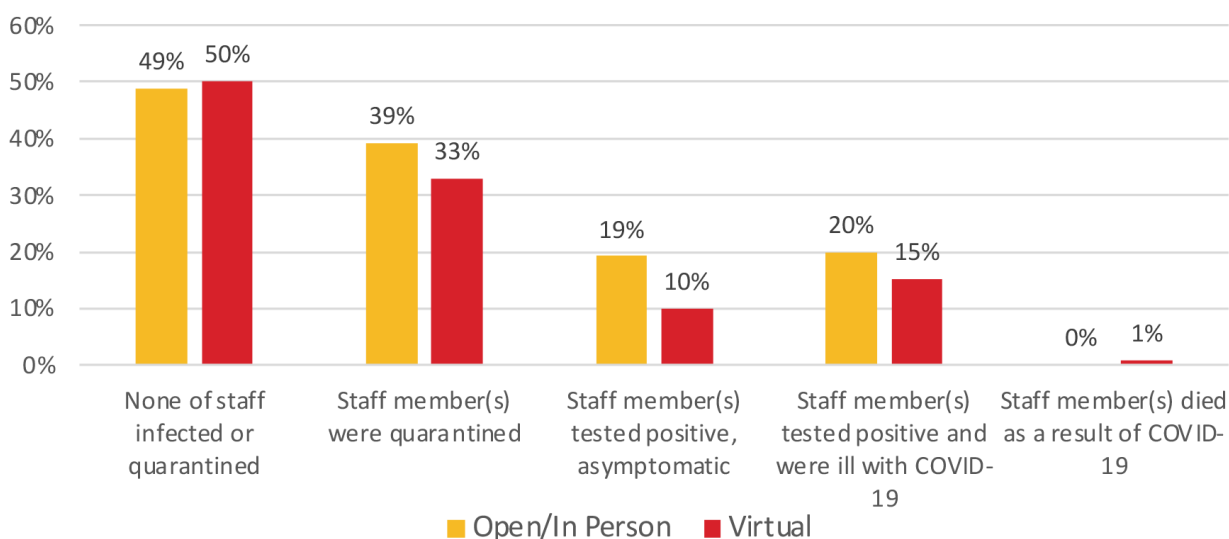


Staff Affected by COVID-19 and Operational Status

Respondents were invited to share how many of their staff were directly affected by COVID, either becoming ill, testing positive and asymptomatic, or who were exposed and quarantined. Organizations operating their programs in-person saw more cases of COVID than organizations that were all-virtual.

Impact of COVID-19 On Staff, Programs, Operations and Finances

CHART 12: COVID-19 CASES AND QUARANTINE BY VIRTUAL VS. IN-PERSON OPERATIONS



Women-Led Sector Under Pressure

The nonprofit sector is predominantly led by women, with 71% of all executive directors identifying as female.

CHART 13: GENDER OF EXECUTIVE DIRECTOR

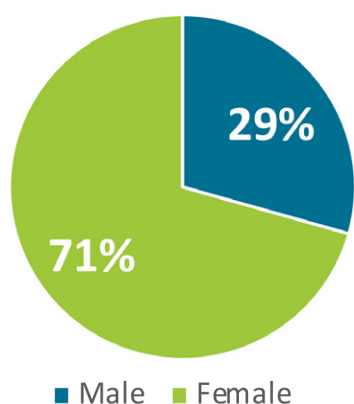
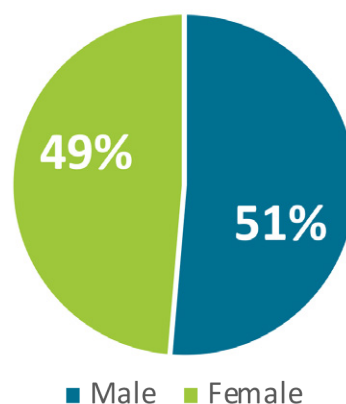


CHART 14: GENDER OF BOARD CHAIR



Parenting young children during the pandemic meant that many executive directors have been exhausted and stressed. This phenomenon is experienced more acutely by executive directors of color. One-third of executive directors of color have at least one child under 12 at home, whereas one quarter of all executive directors have young children at home.

1 in 4

Executive Directors have children under 12 in the household (26%).

Revenue Change Since COVID-19

Fee for services, the second largest source of revenue, was pummeled by COVID, with 79% of organizations reporting declines. Government revenue was most stable, and foundation revenue declined for more organizations than increased.

The study found that government funding is the largest source of revenue for nonprofits. About half of the respondents (48%) reported government revenue staying the same, 27% saw increases and 25% saw decreases.

Fee for services, the second largest source of revenue, was pummeled by COVID, with 79% of organizations reporting declines. Foundations were the third largest source of revenue, and 37% of organizations saw declines in foundation grants since the start of the pandemic, 40% stayed the same and 22% saw increases. Individual donations shrank for 49% of respondents, stayed the same for 29% and grew for 23% of reporting organizations. Other income sources (only 6% of overall revenue) largely declined or stayed the same.

CHART 15: REVENUE CHANGE AFTER THE START OF PANDEMIC BY TYPE OF REVENUE (SUMMARY)

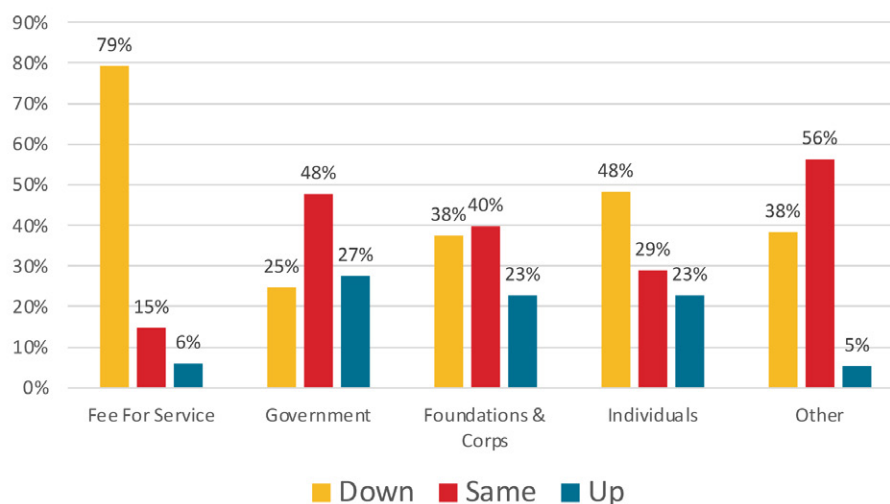
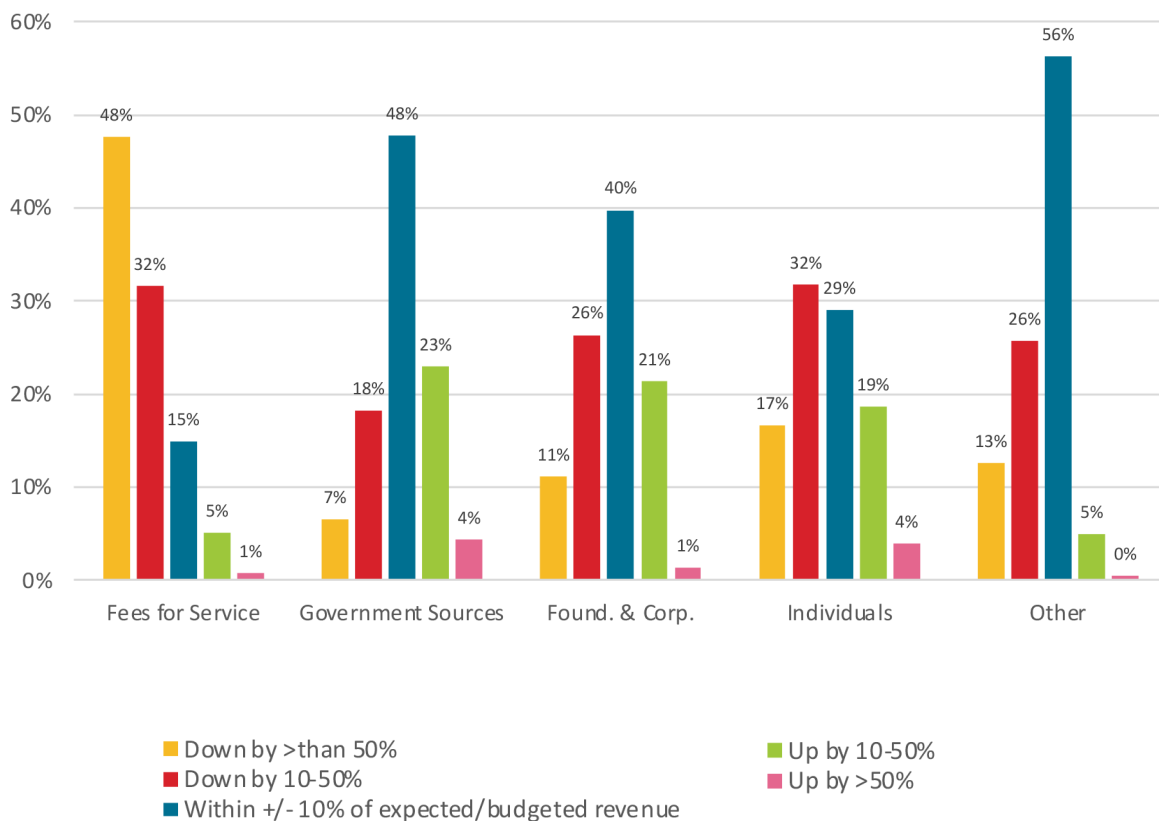


CHART 16: REVENUE CHANGE AFTER THE START OF PANDEMIC BY TYPE OF REVENUE (DETAILED)



COVID-19 Effect on Revenue by Race

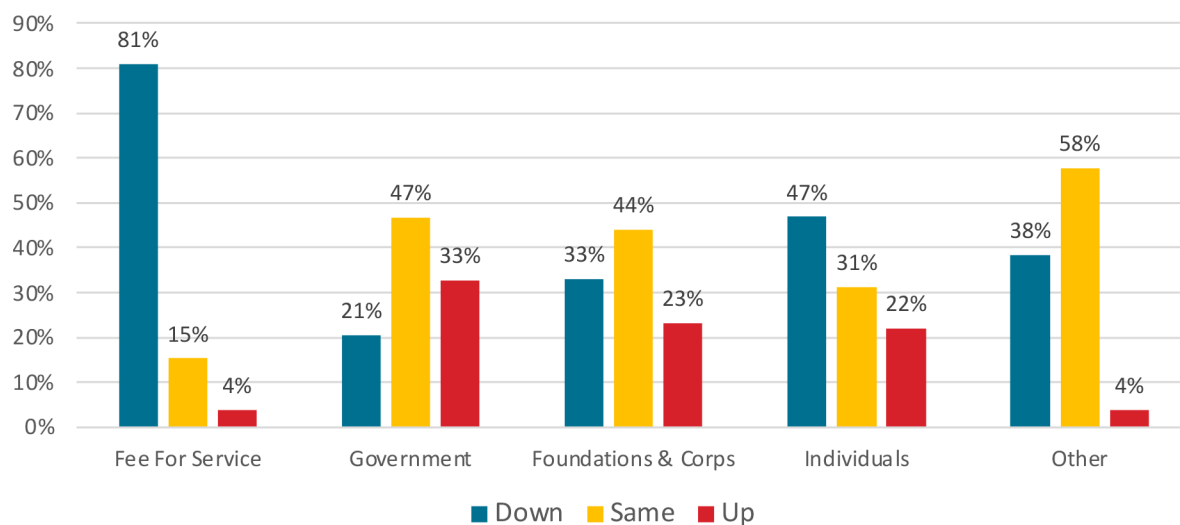
People of color-led organizations saw more decreases in revenue after the start of COVID-19 compared to white-led organizations in 3 of the 5 sources of funds—government, foundations and individuals. BIPOC-led organizations were more likely to see a catastrophic loss of more than 50% in all revenue categories.

Organizations led by people of color experienced more steep decreases in their revenue from government, foundation and individuals compared to

white-led organizations. BIPOC-led organizations also saw greater increases in giving from government and individuals compared to white-led organizations. Both white-led and BIPOC-led organizations saw their fee for service income collapse, but BIPOC organizations had a slightly lower decrease and slightly higher increase in fee-for-service than white-led organizations. BIPOC-led organizations were the most frequently hit with reductions of more than 50% in all revenue categories.

CHART 17: REVENUE CHANGES REPORTED BY WHITE-LED NONPROFITS AFTER THE START OF PANDEMIC

(percent of the organizations that indicated revenue from each source had increased, decreased or stayed the same)



Impact of COVID-19 On Staff, Programs, Operations and Finances

As shown in Chart 6, government revenue is the largest source of funds for all types of nonprofits statewide with 51% of all dollars going into respondent organizations. White-led organizations saw fewer declines and more increases in government funding than BIPOC-led organizations. Thirty-four percent of BIPOC-led organizations saw decreases in government funding after the start of the pandemic compared to 21% of white-led organizations seeing declines in government funding.

Fee for service is the next largest source of funding for nonprofits, with 21% of all dollars coming from fee for service. Both white-led and BIPOC-led nonprofits experienced a reduction in fee-for-service income with 81% and 79% of organizations reporting declines, respectively. BIPOC-led organizations were more likely to see increases (6%) in fee for service income compared to white-led organizations (4%). However, a higher proportion of BIPOC-led

organizations saw a more than 50% decline in fee-for-service income.

Foundation income accounts for 13% of all revenue among our survey respondents. Here, both BIPOC-led and white-led organizations saw more declines than increases. However, the contrast is stark with 44% of BIPOC-led organizations reporting decreases in foundation support, compared to 33% of white-led organizations reporting decreases. More BIPOC-led organizations reported increases in foundation support (28%) compared to 23% of white-led organizations.

Donations from individuals were hit hard by the pandemic for both white-led and BIPOC-led organizations. More BIPOC-led organizations reported increases in donations from individuals (27%) than white-led organizations (22%). However, more than half (54%) of BIPOC-led organizations saw declines in individual giving, compared to 47% of white-led organizations.

CHART 18: REVENUE CHANGES REPORTED BY BIPOC-LED NONPROFITS AFTER THE START OF PANDEMIC

(percent of the organizations that indicated revenue from each source had increased, decreased or stayed the same)

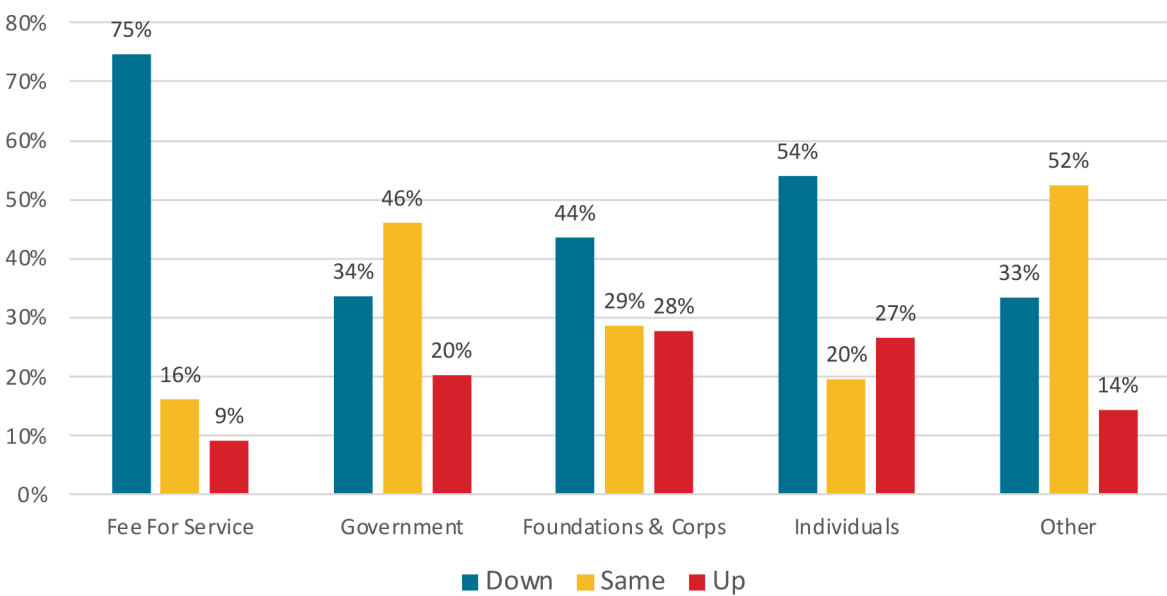
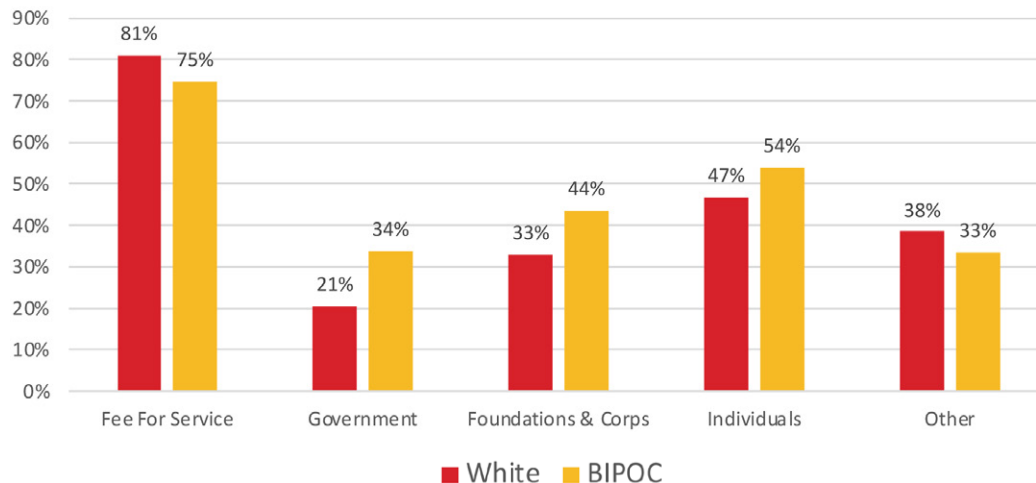


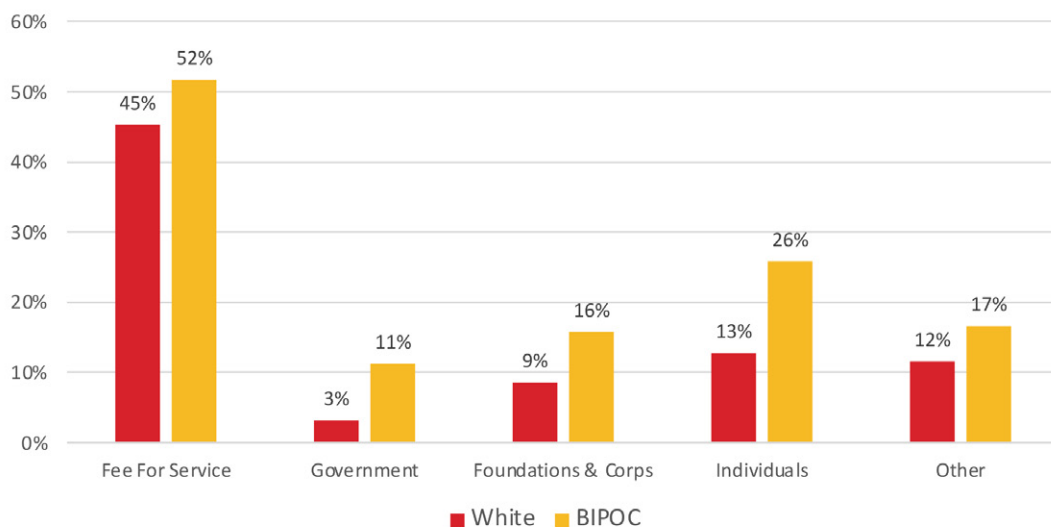
CHART 19: REVENUE CHANGES – PERCENT OF ORGANIZATIONS REPORTING DECLINES IN REVENUE BY SOURCE AND BY RACE



Looking deeper at the revenue declines experienced by nonprofits, we analyzed those organizations that reported a 50% or higher revenue decline in any given category. Here, in every single category measured, BIPOC-led organizations were more likely to see a catastrophic decline in revenue after the start of the pandemic.

CHART 20: REVENUE CHANGES – PERCENT OF ORGANIZATIONS REPORTING CATASTROPHIC DECLINES IN REVENUE

(Greater than 50%) by Source and by Race



BIPOC-led nonprofits were more likely than white-led nonprofits to see catastrophic (i.e., greater than 50%) revenue declines in every category of revenue.

PART THREE:

Organizational Responses to COVID-19 Challenges

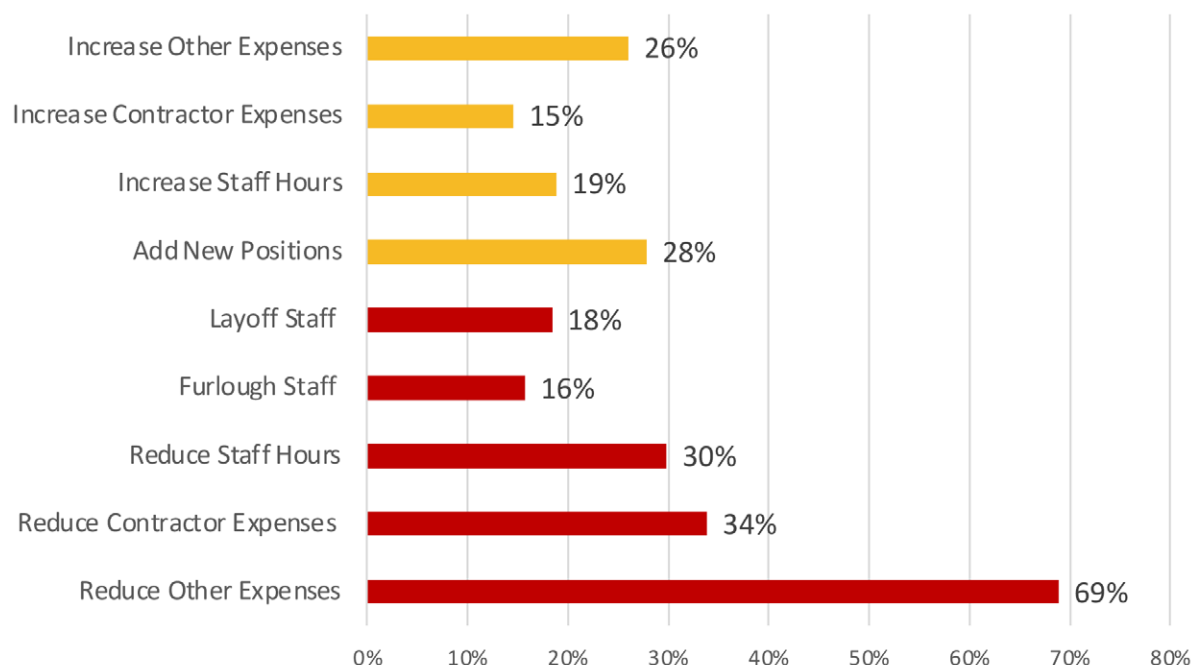
In 2020, organizations had to take extraordinary measures. These included expanding operations and staffing and developing new programs to meet unprecedented levels of need and suffering in the communities they served. Sixty-nine percent of organizations indicated that they had cut expenses in at least some areas, 18% of organizations indicated layoffs and 16% indicated furloughing employees. At the same time, 28% of organizations added positions, 19% increased staff hours, and 26% increased other expenses.

Impact of COVID-19 on Expenses and Staffing

Organizations undertook a range of measures to cope with the changes in revenue, levels of need for services and other challenges brought on by the pandemic. The following table shows that organizations both increased expenses (26%) and

added new positions (28%) to address increased needs, and at the same time most organizations (69%) reduced expenses. Thirty percent indicated they reduced staff hours, 18% laid off staff, and 16% implemented furloughs.

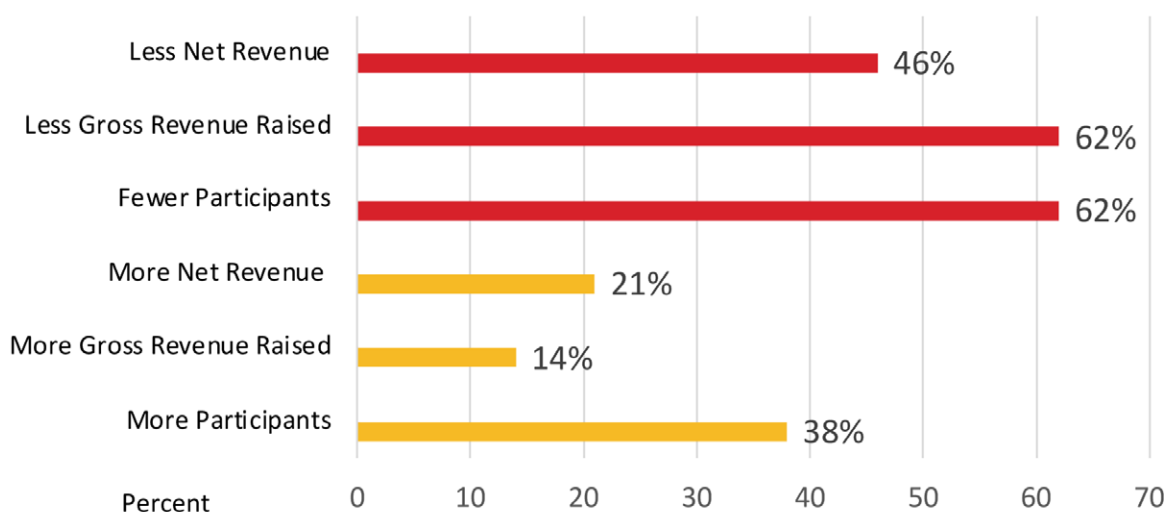
CHART 21: ACTIONS TAKEN BY NONPROFIT ORGANIZATIONS IN RESPONSE TO COVID-19 (MULTI-SELECT)



Impact of COVID-19 on Fundraising Events

More than a third of respondents (38%) replaced their in-person fundraisers with virtual programs, with 46% reporting less net revenue and 62% reporting fewer participants. However, some organizations were more successful in raising funds with their virtual events.

CHART 22: RESULTS OF CHANGING IN-PERSON FUNDRAISING EVENTS TO VIRTUAL



Accessing COVID-19 Recovery Funds

Federal, State and local government COVID-19 relief programs became available to support nonprofits through the crisis. Respondents were asked to indicate their status on federal, state and local government, and regional philanthropy collaborative COVID-19 relief funds in a series of multi-select questions in the survey.

Organizational Responses to COVID-19 Challenges

Federal COVID-19 Relief

Organizations with a BIPOC executive director and/or board chair were also less likely to be approved for the Economic Injury Disaster Loan (EIDL) compared to organizations with a white executive director. Compared to organizations with a white executive director, organizations with a BIPOC executive director were more likely to be approved for COVID-19 sick time, family leave and the CARES Act Employee Retention

Credit. When all federal sources are combined, 50% of organizations with a BIPOC executive and 72% of organizations with a white executive director received federal aid from at least one of the five sources. We also looked at the race of the board chair, showing similar results: 53% of organizations with a BIPOC board chair and 71% of organizations with a white board chair received federal aid from at least one of the five sources.

TABLE 3: PERCENT OF NONPROFITS RECEIVING FEDERAL COVID-19 RELIEF

FEDERAL COVID RELIEF PROGRAM	RECEIVED STATEWIDE (N=574)
Paycheck Protection Program	60%
Economic Injury Disaster Loan (EIDL)	14%
Federal Tax Credits for Employee	3%
COVID-19 Sick Time or Family Leave	8%
CARES Act Employee Retention Credit	5%

Paycheck Protection Program

The table below shows the status of federal COVID-19 relief funds to statewide organizations. The Paycheck Protection Program (PPP) was by far the most significant

COVID-19 funding relief vehicle, and at the time of the survey (August 2020), 60% of respondents indicated they had been approved for the PPP.

TABLE 4: NONPROFIT EXPERIENCES WITH PAYCHECK PROTECTION PROGRAM

PAYCHECK PROTECTION PROGRAM	STATEWIDE (N=574)
Received	60%
Application Declined	2%
Did Not Apply – Not Eligible or Not Applicable	18%
Did Not Apply – Not Aware of It	3%
Did Not Apply – Internal Decision*	17%
TOTAL	100%

* terms not appropriate; didn't need, didn't have time, etc.

Organizational Responses to COVID-19 Challenges

When comparing BIPOC-led and white-led organizations, we find that BIPOC-led organizations were seven times more likely to be unaware of the PPP, and nearly twice as likely to indicate they were not eligible, or the program was not applicable to them. Because the PPP was structured based on the number of staff positions in an organization, any organization that does not have w-2 staff was not eligible. This disadvantaged

the smallest organizations that were more likely to be led by people of color. Furthermore, BIPOC-led organizations were far more likely to have their application declined. The data size was smaller – seven organizations indicated declines, or 5% of BIPOC-led respondents vs. 1% of white-led respondents. BIPOC-led organizations were also far less likely to be aware of the opportunity to apply for the PPP.

TABLE 5: NONPROFIT EXPERIENCES WITH PAYCHECK PROTECTION PROGRAM BY RACE

PAYCHECK PROTECTION PROGRAM	BIPOC EXEC (N=152)	WHITE EXEC (N=361)
Received	45%	69%
Application Declined	5%	1%
Did Not Apply – Not Eligible or Not Applicable	25%	14%
Did Not Apply – Not Aware of It	7%	1%
Did Not Apply – Internal Decision (terms not appropriate; didn't need, didn't have time, etc.)	18%	16%
TOTAL	100%	100%

Organizational Responses to COVID-19 Challenges

State and Philanthropic COVID-19 Relief Programs

Nonprofits reported receiving a range of COVID-19 relief grant programs at the State and local levels.

TABLE 6: NONPROFIT EXPERIENCES WITH MARYLAND STATE AND PHILANTHROPIC RELIEF FUNDS

GRANT PROGRAM*	RECEIVED STATEWIDE (N=574)	RECEIVED AS PERCENT IN RELEVANT JURISDICTION
Maryland Dept of Commerce Small Business COVID-19 Emergency Relief Fund	21%	21%
Montgomery County Public Health Emergency Grant	5%	19% (of 147 Montgomery County Respondents)
Baltimore COVID-19 Response Funding Collaborative	6%	23% (of 148 Baltimore City Respondents)
Greater Washington Community Foundation COVID-19 Emergency Response Fund	6%	14% (of 236 Montgomery and Prince George's Respondents)
Other Local COVID-19 Emergency Response Fund	21%	21%

*Note, the Maryland Nonprofit Recovery Initiative (NORI) grant program had not yet closed its grant cycle at the time of the survey and is therefore not included. Data set was too small to break down by race.

PART FOUR:

Digging Deeper into Racial Equity at Nonprofits

Throughout this report, we have seen disparities in the level of support and level of challenges that BIPOC-led organizations faced, both prior to the pandemic, and during the pandemic. In 2020, the deaths of George Floyd and Breonna Taylor, the Black Lives Matter movement shining the light on injustices, and the national reckoning on race, increased nonprofit attention on matters of racial equity.

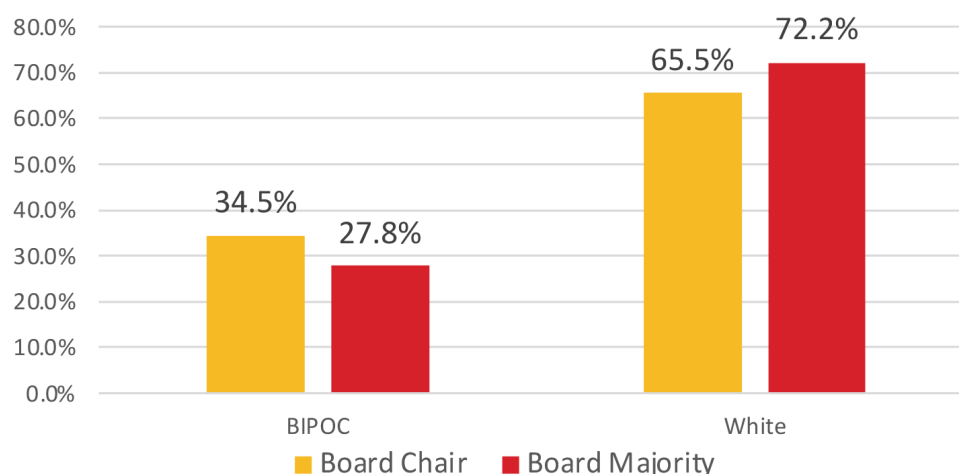
Board of Directors Composition

The survey asked respondents to indicate whether the organization had a majority of board members who were people of color as a yes/no question, and the race of the board chair. Nearly 28% of nonprofit boards have a majority of people of color, and 35% have a person of color as the board chair.

TABLE 7: RACE/ETHNICITY OF BOARD CHAIR

RACE/ETHNICITY OF BOARD CHAIR	PERCENT	RESPONDENTS
Asian/Pacific Islander	3%	17
Black	26%	142
Latino/Hispanic	4%	24
Native American	1%	3
White	66%	355
TOTAL	100%	541

CHART 23: BOARD CHAIR AND BOARD MAJORITY BY RACE



Digging Deeper into Racial Equity at Nonprofits

Creating and sustaining diversity, equity, and inclusion in organizations yields benefits to both nonprofits and the people/communities they serve. Statewide, most nonprofits in Maryland (83.0%) did indicate that their organization has a commitment to diversity,

equity, and/or inclusion in their mission, vision, values or goals. 79% expressed that their organization is planning on doing significant work to strengthen their racial equity work in the coming year.

CHART 24: DIVERSITY, EQUITY AND INCLUSION AS PART OF ORGANIZATION'S MISSION, VISION, VALUES, GOALS

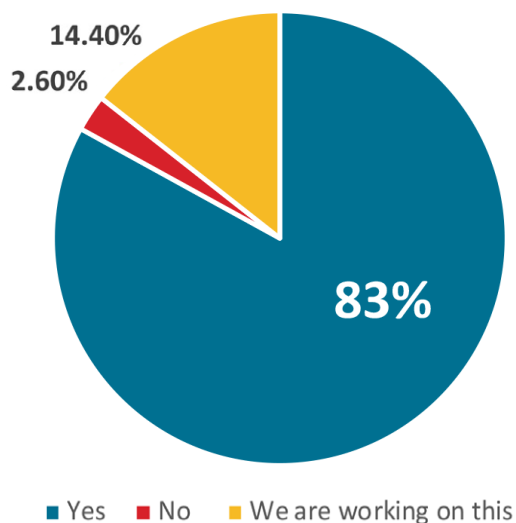
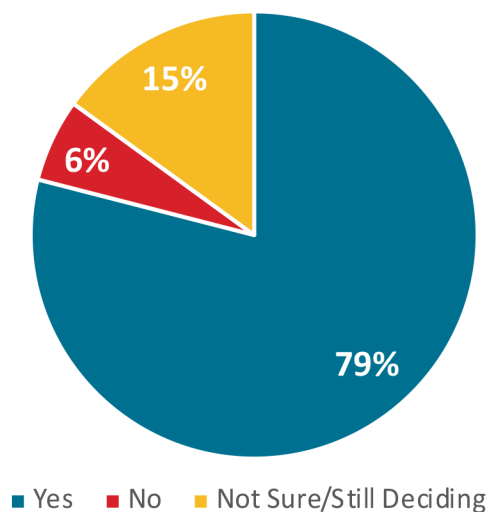


TABLE 7: HOW LONG HAS YOUR ORGANIZATION BEEN WORKING ON RACIAL EQUITY?

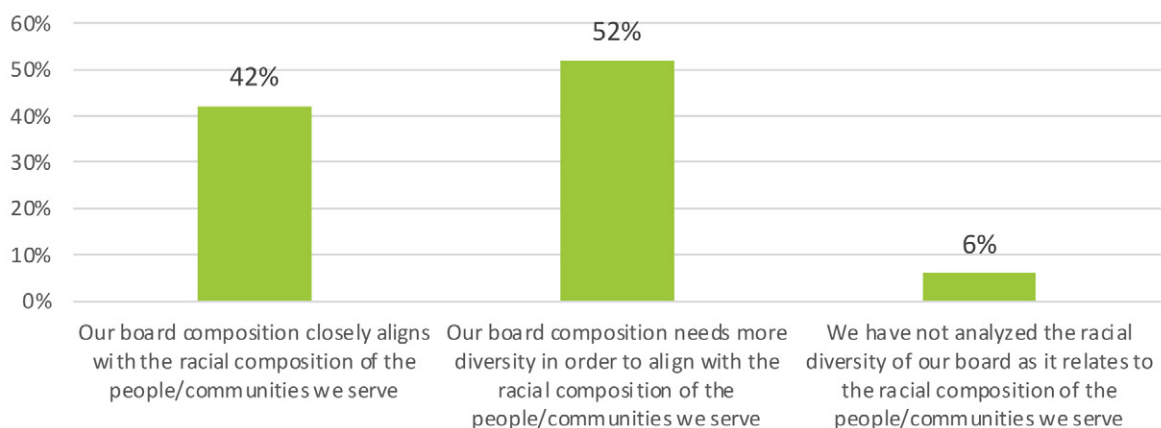
HOW LONG WORKING ON RACIAL EQUITY	PERCENT OF ORGANIZATIONS
Just Beginning	18%
1 Year	13%
2-3 Years	23%
4-5 Years	10%
More than 5 Years	36%
Total	100%

CHART 25: IS YOUR ORGANIZATION PLANNING ON DOING RACIAL EQUITY WORK IN THE COMING YEAR



The Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector calls upon nonprofits to ensure that their boards of directors are representative of the communities they serve. In this survey, only 42% of survey respondents reported that their board composition closely aligns with the communities they are serving. The majority (52%) reported that their boards need more diversity, and 6% had not analyzed this question.

CHART 26: SELF-REPORTED BOARD DIVERSITY ALIGNMENT WITH COMMUNITY SERVED



Digging Deeper into Racial Equity at Nonprofits

CHART 27: BOARD COMPOSITION AND NUMBER OF YEARS ORGANIZATION HAS WORKED ON RACIAL EQUITY

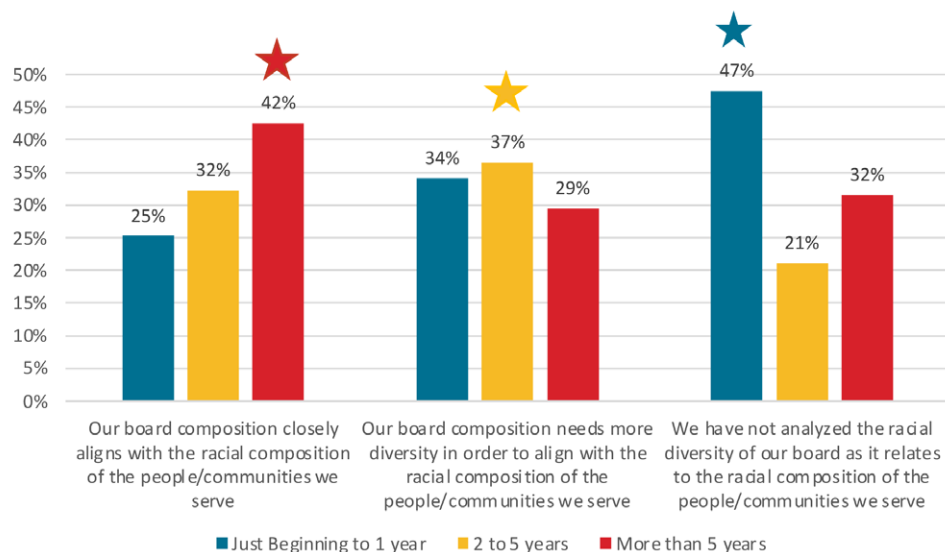
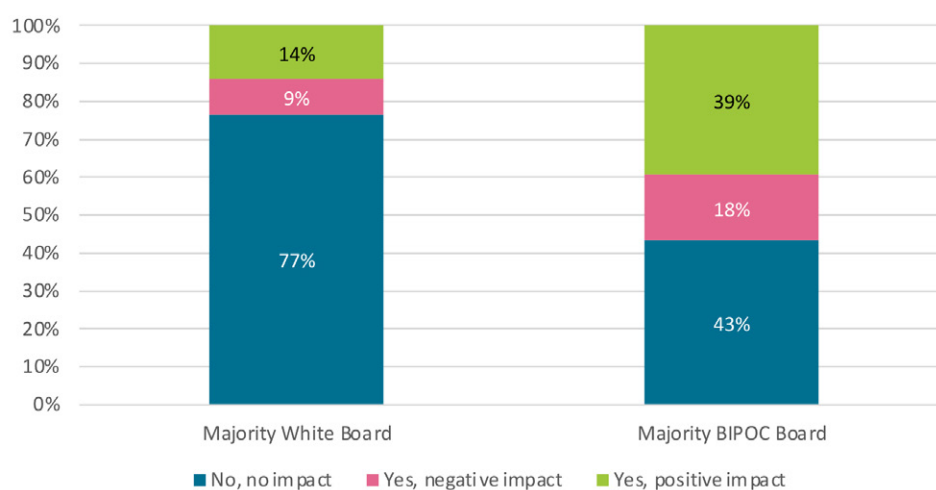


CHART 28: DO YOU BELIEVE THE RACIAL MAKE-UP OF YOUR BOARD/STAFF HAS HAD AN IMPACT ON YOUR ORGANIZATION'S ABILITY TO GET FUNDING?



Most organizations did not perceive that the racial make-up of their board/staff had an impact on their organization's ability to get funding. Interestingly, organizations with majority BIPOC organizations were more likely to say their racial make-up had a positive impact on their ability to get funding (39%) than the 18% who believed it had a negative impact.

Conclusion

We must do better as a sector to be more equitable and call upon our government and philanthropic funding partners to prioritize racial equity in funding decisions.

All of Maryland's communities owe a debt of gratitude to the nonprofit staff and volunteers who have been on the frontlines of the COVID-19 pandemic. At the time of writing in October 2021, the COVID-19 pandemic continues to bring unprecedented challenges to nonprofit organizations, including having staff and volunteers who have fallen ill and many who are dealing with grief and trauma on a prolonged basis. Yet, nonprofit leaders are resilient, resourceful and continue to deliver on their missions despite the many challenges.

People of color have been hardest hit by the pandemic in terms of the highest cases of COVID-19, highest numbers of deaths, and highest numbers of job losses. People of color who are leading nonprofits are faced with these challenges on top of the disproportionate hardships and inequities that this survey has uncovered. Government and philanthropy abandoned nonprofits led by people of color in large numbers, just when they needed support the most.

Individual donors were themselves facing hardships and contracted their giving. Predominantly women of color leaders, one-third of whom had small children at home, had to face and are continuing to face trauma on multiple levels, including the ongoing challenges of making payroll and serving people whose needs are profound.

Most nonprofit organizations report that racial equity is part of their organizational mission, vision, values or goals, and that they intend to work on racial equity in the coming year. More years of working on racial equity had a positive correlation to boards being more representative of those they serve. Yet, of those organizations working for more than 5 years on their racial equity, only 42% reported that their board composition closely aligns with those they serve.

We must do better as a sector to be more equitable and call upon our government and philanthropic funding partners to prioritize racial equity in funding decisions.

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