

CSCNS Impact Report #1
**Initial Impact of COVID-19 on
Nova Scotia's
Nonprofit & Voluntary Sector**



April 2020

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Executive Summary

Like the large and small business and government sectors in Nova Scotia, the nonprofit and voluntary sector is being profoundly challenged to respond to the arrival of COVID-19. This survey by the Community Sector Council of Nova Scotia (CSCNS) was designed to get an initial snapshot of the sector and the impacts. This report reflects the responses of over 500 senior leaders across the province. The findings are a strong representation of the sector and can be taken as a reliable reflection of the needs of the sector which should inform policy decisions and responses by foundations, governments and other funders, and supporters of the sector such as corporations.

The APEC report entitled “The State of the Nonprofit Sector in Nova Scotia” demonstrated that the core nonprofit and voluntary sector in Nova Scotia is made up of over 6,000 organizations (excluding hospitals, universities, colleges and municipalities). These organizations directly contribute \$1 billion in Gross Domestic Product (GDP) to the economy annually. Their total impact is \$1.7 billion when indirect and induced or spinoff impacts are taken into account. The sector employs 20,000 people and is similar in size to the transportation or financial services industries. The sector is 68% female and wages are low, being 16% below the wages of nonprofits nationally and 20% below the average for all industries in Nova Scotia.

The province has one of the highest levels of volunteerism in the country with 74 million hours contributed in 2018. APEC estimates that the economic value of volunteer hours is approximately \$1.5 billion in 2018. The APEC reports estimates that the donation of volunteer hours is the equivalent of 30,000 full time equivalent jobs.

The sector is vitally important to both the economic well being of the province but also to its cultural, health, recreational, environmental and social wellbeing. In this time of a global pandemic when the most marginalized and vulnerable communities are growing in number and need the sector is an essential partner, with government, foundations and corporations, in addressing the needs of individuals and communities.

Several respondents at the end of the survey added comments such as “All levels of governments are doing a fantastic job”, and they wanted to share their gratitude. Many of the current government programs such as the wage subsidies and rent deferral are being taken advantage of and are appreciated.

Key findings of this study are:

In total, 519 senior leaders in the sector participated with 249 respondents completing every question. The survey is broadly representative of the sector and reflects the range of age, location, subsector, and type of organization. It included social enterprises as well as voluntary organizations.

The biggest impact is cancelling events (91%) but it is closely followed by disruptions to services to clients and customers at 77% and challenges of staffing and managing volunteers

from a distance at 50%. Laying off staff was reported by 29% of the sector and 46% reported insufficient financial resources.

The sector is responding in various ways but only 7% of the sector is operating normally and 31% report shutting their doors until further notice. None of the respondents report that they will have to permanently shut down their operations at this time. 46% are still operating but with modifications such as working from home.

Service disruptions are extensive and 27% are experiencing increasing demands, 40% decreasing, and the remainder staying stable at 33%.

The financial picture is particularly challenging. 57% of nonprofits are losing revenue from fundraising events being canceled, 55% are losing from cancellation of revenue generating events such as productions that have ticket sales, 37% are losing revenue from sales of goods and services, 37% are missing out on membership fees and other fees and 46% are going to be missing out on project funding.

In terms of their estimate of the financial impact over the next 6 months 14% said they will have no financial impacts, 43% report less than \$49,000 of impact and 20% report between \$50,000 and \$100,000 while 22% said they will suffer an impact of more than \$100,000.

When asked about emergency funding if it were available over the next six months 30% have no requirements either because they have ceased operations or have sufficient funds, 35% thought less than \$49,000 would be needed and 27% report needing up to \$250,000.

Overall, 51% of respondents hope for additional or more flexible opportunities to use unrestricted core funds and 31% suggested that they need bridge funding.

Already 18% of the nonprofit and voluntary organizations across the province have temporarily ceased operations and hence can sustain themselves. A few we have heard from recently have reopened with the help of the Federal Wage Subsidy. Without any financial assistance 16% the respondents can sustain operations for only 1 to 2 months, 24% can sustain for 3 to 6 months and the remaining 30% are able to sustain themselves for at least 6 months.

In terms of strategies for coping with the funding shortfalls the respondents have responded in different ways with 47% of those responding to this question saying they are ceasing or reducing operations, 53% cutting costs, and 30% saying they are unsure about what they are going to do.

Approximately 23% of the organizations in this sample are social enterprises defined as organizations that operate in an entrepreneurial or business-like fashion with a simultaneous commitment to their mission and use of generated revenues to support their social, environmental, cultural or community goals. When asked what percentage of their revenue from sales of goods and services had been impacted to-date many of the social enterprises indicated that they are being severely hurt. 31% are losing 80 to 100% of their sales, 11% between 60 and 79% and 40% are losing between 20 and 59% of their sales revenues.

The survey explored how many nonprofit and voluntary organizations have a mortgage or are leasing their space. Only 10% have a mortgage while 44% have a lease. Many nonprofits have shared space or work from home in a virtual office format so they do not have a lease.

People estimated to the best of their ability the percentage of their total annual operating budget that will be impacted by COVID-19. Of the 169 people who completed this question the average impact was 36% of their annual operating budget.

The implications of these findings are:

There is also a lot of uncertainty about longer term impacts of COVID-19 and we recommend a follow up survey to assess in a month how the situation is unfolding and we expect by then the sector leaders will have a better sense of the long-term impacts.

The financial impacts of COVID-19 are both short term and longer term. We estimate that 35% of the nonprofits in the sector have immediate needs for financial support and while some of these are registered charities and can apply to the United Way's Compassion Fund many are non registered charities who need up to \$50,000 to pay rent and meet normal on-going costs of operations. Nonprofit and voluntary organizations are aggressively cutting costs, many are laying off staff, cancelling programs and otherwise being extremely fiscally responsible. The unintended consequence of these actions on the life of the province will be determined in the future but the social, cultural, recreational, and artistic life of the province will be understandably impacted.

Overall, 51% of respondents hope for additional or more flexible opportunities to use unrestricted core funds and 31% suggested that they need short-term bridge funding.

Longer term we are recommending consideration of a Sustainability Fund and short-term bridge funding to help nonprofit and voluntary sector organizations remain viable in the short run and then rebuild and recover. The impact of the lost revenue from fundraising events and other revenue generating being canceled, lost revenue from sales of goods and services, declining membership and other fees and reductions in project funding will resonate with many small and large nonprofits for years to come. The very heart of the province is going to be routed. Social Enterprises will need the same sorts of supports as any small business.

Introduction

This report explores the initial impacts of COVID-19 on the province of Nova Scotia's nonprofit and voluntary sector including nonprofit social enterprises. The survey closed on April 2nd and over 519 organizational leaders participated (with 249 fully completed responses).

The recently released report by the Atlantic Provinces Economic Council (APEC) on The State of the Nonprofit Sector in Nova Scotia provides a robust analysis and platform for fully understanding the finding of this recent impact of COVID-19 survey. The APEC report demonstrated that the core nonprofit and voluntary sector in Nova Scotia is made up of over 6,000 organizations (excluding hospitals, universities, colleges and municipalities). These organizations directly contribute \$1 billion in Gross Domestic Product (GDP) to the economy annually. Their total impact is \$1.7 billion when indirect and induced or spinoff impacts are taken into account. The sector employs 20,000 people and is similar in size to the transportation or financial services industries. The sector is 68% female and wages are low, being 16% below the wages of nonprofits nationally and 20% below the average for all industries in Nova Scotia.

The province has one of the highest levels of volunteerism in the country with 74 million hours contributed in 2018. APEC estimates that the economic value of volunteer hours is approximately \$1.5 billion in 2018.

The sector is vitally important to both the economic well being of the province but also to its cultural, health, recreational, environmental and social wellbeing. In this time of a global pandemic when the most marginalized and vulnerable communities are growing in number and need the sector is an essential partner, with government, foundations and corporations, in addressing the needs of individuals and communities. It is critical that we all understand the needs of the sector and how to address them so that the sector can continue to contribute as the third leg of the stool that holds up the Province.

The arc of the pandemic will be long and this type of study will need to be repeated to capture not just the initial challenges facing the sector but the emerging issues as we enter the recovery and rebuilding stages. However, readers should not get lost in the charts, numbers and objective data and lose the emotion and feeling side of this situation. When respondents got to the end of the survey we asked for one word that captures how they were feeling at that time and while some were determined, hopeful and motivated the most said that they were feeling: lost, overwhelmed, anxious deflated, stressed, unsure, helpless, imprisoned, uncertain, tired, pressured, strained, hopeless, burdened, concerned, worried, worried about my mental health, drained, up and down and scared.

This report is divided into a number of sections. The first is a description of the respondents and the organizations they lead. The second section is the heart of the report with detailed information about the impact of COVID-19 on the organizations from financial, operational, service and human resources perspectives. There is also a section on social enterprises. The

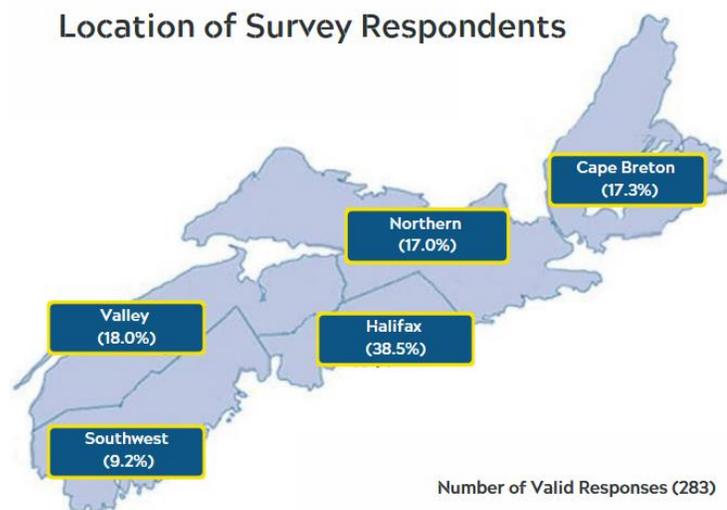
quantitative data is combined with qualitative responses that provide more context and meaning to the story of the impact to date. In the conclusion some recommendations and implications are outlined.

Section 1: Respondent and Organizational Profiles

This survey was developed by the Community Sector Council of Nova Scotia and then pilot tested with a small group of Executive Directors. Some questions were taken from a survey by the Ontario Nonprofit Network so that comparable national data can be compiled. The survey had wide distribution on social media and through email lists and the results were tabulated on Survey Monkey. All results were completely confidential and no identifying information was collected.

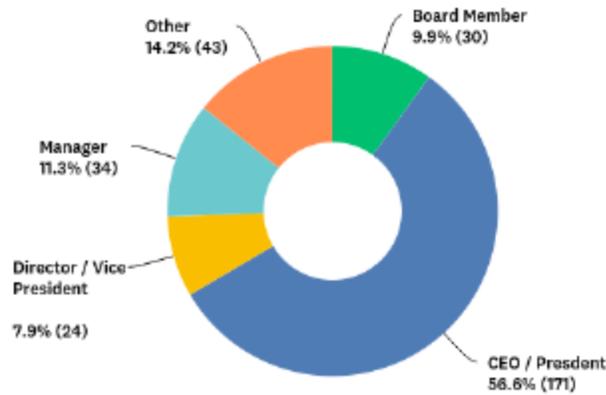
In total 519 senior leaders in the sector participated with 249 respondents completing every question. The respondents were 56% Executive Directors or CEOs with board members and senior leaders participating as well.

In terms of geographic representation 37% of respondents are from Halifax, 17% from Cape Breton, 19% from Northern, 18% from the Valley and 7% from the South East area of the Province.



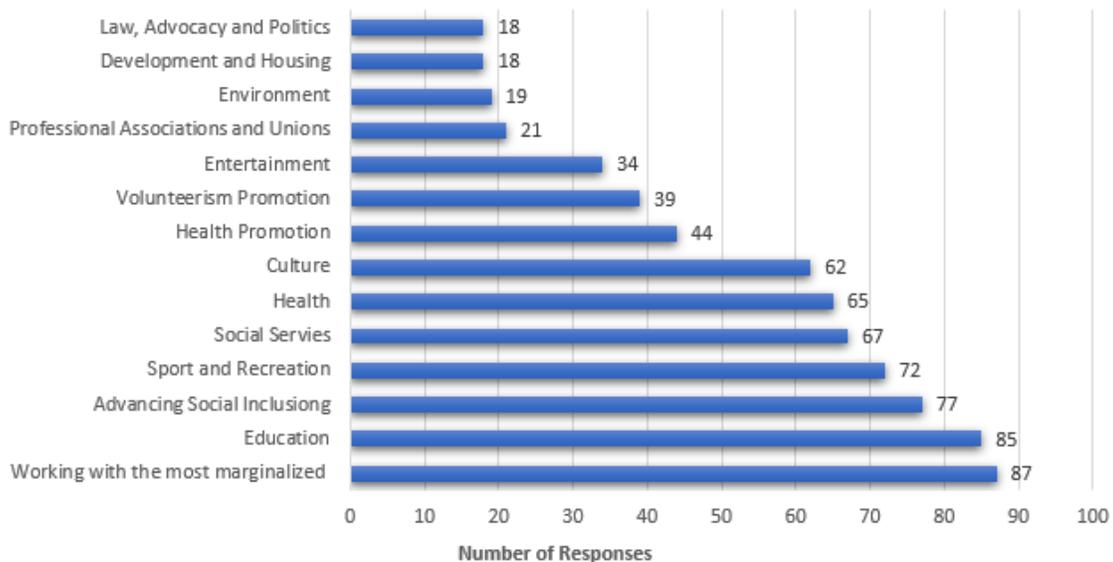
Organizations represented in this survey are generally well established and have been operating for a long time. The largest group at 34% are between 20 to 34 old, with 18% being 35 to 49, and another 17% being over 50 years old. Only 4% are less than 5 years old and 27% are between 5 and 19 years old.

Q36 My primary role in the organization is



In terms of the type of organizations respondents could select from more than one option. The majority of organizations in the survey are incorporated nonprofits with 23% being voluntary organizations and 33% registered charities. Seventy-one organizations or 14% of the organizations in the survey are unincorporated nonprofits.

What is the primary business focus of your organization?



There are many sub-sectors within the nonprofits and we asked respondents to identify where they primarily operate and they could check more than one category. The largest groups were education at 28%, advancing social inclusion at 25% and working with our most marginalized at

28%. Culture, health, social services, sport and recreation all were around 20% of the respondents and volunteer promotion and working with food in areas such as food banks and markets were close to 10%.

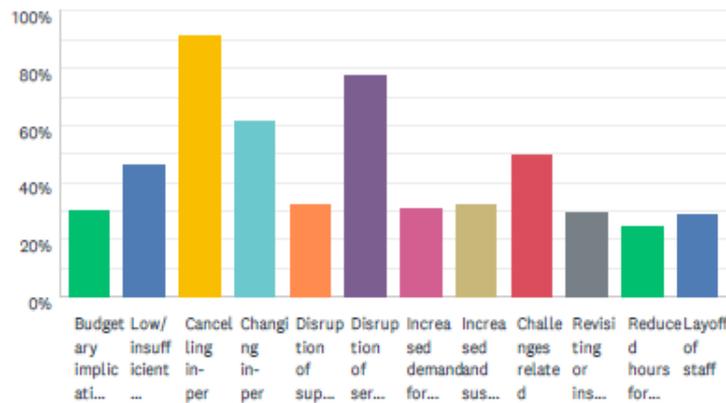
Section 2: COVID19 and Impacts on Nonprofit and Voluntary Organizations

Overall Impact of COVID-19

The first question in the survey was designed to get a quick snapshot at the impacts that the respondents were experiencing during the early stages of the arrival of COVID-19. As expected, the biggest impact is cancelling events (91%) but it is closely followed by disruptions to services to clients and customers at 77% and challenges of staffing and managing volunteers from a distance at 50%. Laying off staff was reported by 29% of the sector 46% report insufficient financial resources.

Q2 What impacts has your organization experienced, or anticipates experiencing, as a result of COVID-19?

Answered: 395 Skipped: 124



ANSWER CHOICES	RESPONSES	
Budgetary implications related to strains on the economy (e.g. investments, stock market, interest levels)	29.87%	118
Low/insufficient financial resources	46.08%	182
Cancelling in-person events	91.65%	362
Changing in-person events to virtual events using video conferencing software (e.g. Zoom, Google Hangouts)	61.52%	243
Disruption of supplies or services provided by partners	32.41%	128
Disruption of services to clients and communities	77.47%	306
Increased demand for services/ support from clients and communities	31.14%	123
Increased and sustained staff and volunteer absences	32.41%	128
Challenges related to staff and volunteers needing to work remotely	49.87%	197
Revisiting or instituting updated remote work, sick leave and other employee policies	29.37%	116
Reduced hours for staff because of budgetary restraints	24.30%	96
Layoff of staff	29.11%	115
Total Respondents: 395		

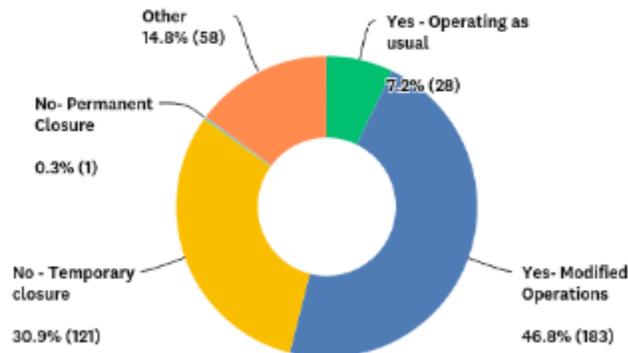
The sector is responding in various ways but only 7% are operating normally. And 31% report shutting their doors until further notice. None of the respondents report at this time that they will

have to permanently shut down their operations. 46% are still operating but with modifications. The examples of modifications included many organizations having their staff working at home, closing to clients but staff still working, or offering services virtually via telephone or emails.

Respondents told us:

- “We still remain open as a resource but unfortunately can not conduct any in person training, practices or events, in person services temporarily suspended.”
- “Volunteer run orgs never close!”
- “Our organization is event based, our events run for the school year, we have cancelled this year's events.”
- “We are working to provide service, answer requests for food, phone support but not open to the public. NO FACE TO FACE CONTACT.”
- “We are open and operating, but I would say it's anything but usual. Not only have we modified our operations to make the environment safe, meeting public health protocols, but we've had to change our role and a lot of what we do as a charity.”
- “Normally this time of year we would be meeting several times and actively planning our upcoming season (June-October) and recruiting new vendors to our community farm market based on demand from vendors and customers.”

Q3 Is your nonprofit staying open and operating (choose which best applies).



Impact on Services

The impact of COVID-19 is impacting services in every type of nonprofit and voluntary organization and these quotes from the survey vividly communicate the range of service disruptions and the effect on the community and their clients.

- The hall had to be completely shut down impacting the lives of so many who saw this venue as their main way to socialize and stay connected to others while enjoying the varied weekly events
- We are to provide our support groups for the grieving
- As a society supporting health professionals, our members are experiencing higher levels of stress and workloads which will reduce the amount of time they will be able to volunteer with our organization
- ability to deliver our mandate in the environment where we normally do so. Our target population is now underserved.
- sport needs other people to make it happen. COVID-19 and social distancing make participating in most sport impossible
- Our organization brings seniors together, so we can not proceed with that due to their vulnerability with acquiring COVID-19
- Possibility of not having a minor baseball season for the children in our community
- Shutting down completely
- Having to suspend our services, which is for many their only source of transportation, is a hardship to our community and a decision that was not made lightly. Ensuring the health and safety of our drivers and clients is our top priority. Although providing an essential service (transportation), which gives some flexibility in terms of the social distancing requirements, I cannot, in all good conscience, require drivers to be in close proximity to clients if they feel it is unsafe to do so. As a result, we have had to limit our service to the one van that enables us to maintain the 2m separation and do only absolutely essential trips. This has resulted in the lay-off of 6 of our 7 drivers. If there were other ways to guarantee the health and safety of our drivers and clients, we might be able to reintroduce service sooner. We do have a bus which would allow better separation between clients and the driver; however, the cost to operate it for only one or two passengers at a time is prohibitive.
- Cancelling and re-booking medical appointments
- We will have youth who are unable to finish their Awards; this will mean we have youth who can't continue to the next level; also, most of our Award groups are school based -

we may lose groups and leaders that will not resume Awards again in the Fall.

- Not being able to support those participants who rely on our centres as a place to go see their friends in a safe, non-judgemental, caring space. I also believe a hardship will be the mental health of our staff and need to be on the lookout for vicarious trauma.
- It will affect our provincial association significantly and effect our clubs. As well as sustainability of referees and trying to keep them engaged without a season. We may lose players as well and they will not come back next year.
- The worry that people (especially children and seniors) who need food are not reaching out for help or they don't know where to reach out
- We're unable to deliver on our main objective of providing affordable transportation to the communities most isolated population due to the pandemic.
- Stopping direct person to person support of those living with mental illness has had the biggest impact for both staff and clients.
- Inability to plan for summer, our busiest season - we offer live events
- We offer programs and services for families. Although it is difficult to help families from a distance, we are continuing to support
- We hold weekly Sunday ceilidhs during the off season and these are popular with local seniors - but now this social event is not available and that is a bit concerning
- Closure of supportive partner program
- Isolation of residents
- We are most worried about impact on seasonal economy

Financial Impacts

The financial picture is particularly challenging. 57% of nonprofits are losing revenue from fundraising events being canceled, 55% are losing from cancellation of revenue generating events such as productions that have ticket sales, 37% are losing revenue from sales of goods and services, 37% are missing out on membership fees and other fees and 46% are going to be missing out on project funding.

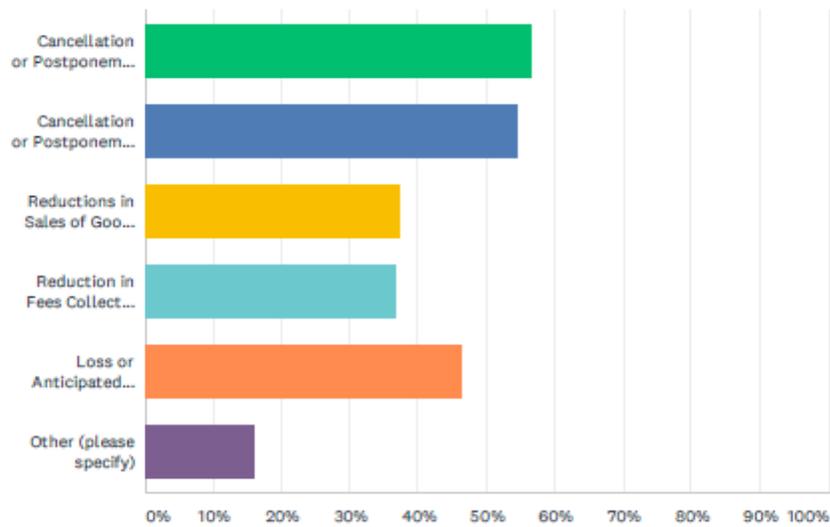
Examples given were:

- Lose of per diem program funding
- We are a seawall tourism-based business relying on Parks Canada being open to visitors. we cannot operate if Parks Canada is not open.

- Drop in cash donations
- Diminished capacity of community to support through donations which represent 70 % of our income
- Had to withdraw our Canada Summer Jobs grant
- Cancellation or Postponement of social enterprise activities
- Workplace campaigns where employees have pledged \$ and are now no longer working, so will not be donating
- Fundraising, foundation, fee generation all are in question
- Membership dues are postponed until end of June 2020
- Uncertain as our major event is in the fall. Very worried about sponsorships with the crashing markets
- Loss of rental income
- Coaches have lost income for remainder of March, April, May 1-15
- Decrease interest in soccer in our community
- Run summer youth programs that are at risk of being canceled and therefore funding attached will be forfeited
- Loss of charitable donations; inability to carry out planned donor acquisition campaign
- Loss of program sponsorships, clawing back of funding
- Postponement of major events -- which are tied to significant project/core funding.
- Fewer private donations (what our organization relies upon in great part) due to economic implications of COVID-19. Interest rates down will mean funding cuts for us as our core funding comes from the Law Foundation of NS and is interest rate affected
- We are funded by members, currently we are unable to take new members, so there is no cash flow.
- Deferred pledges or no ability to pay gifts
- Programming events to sustain the tourism industry
- Co-funded marketing and event activities have been cancelled, which is reflected in a decrease in our revenues and program delivery.
- Keeping our presence and recent public awareness moving forward. maintaining cash donations. Serving the public with access to allow them to bring injured wildlife to us.

Q16 Please select from the list below any challenges you expect to, or have experienced, with generating revenue for your organization due to COVID-19.

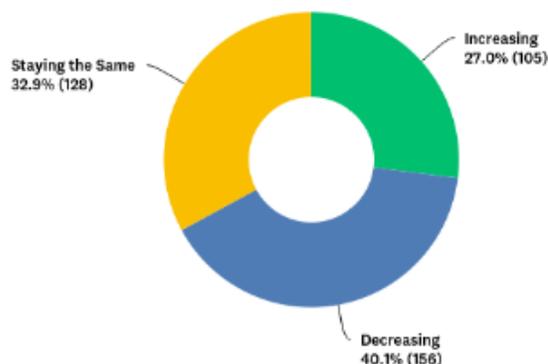
Answered: 309 Skipped: 210



ANSWER CHOICES	RESPONSES	
Cancellation or Postponement of Major Fundraising Events	56.63%	175
Cancellation or Postponement of Revenue Generating Events (e.g. shows or productions reliant on ticket sales)	54.69%	169
Reductions in Sales of Good or Services	37.22%	115
Reduction in Fees Collected (e.g. membership dues)	36.57%	113
Loss or Anticipated Loss of Project Funding	46.28%	143
Other (please specify)	16.18%	50
Total Respondents: 309		

When asked if demands for their services were changing there was a split with 27% experiencing increasing demands, 40% decreasing and the remainder staying stable at 33%. Those facing increasing demands are facing different challenges than those experiencing decreasing demands.

Q6 Are demands for your services increasing, decreasing or staying the same as a result of COVID-19?



Not surprisingly when asked what resources or supports could be most helpful, new operating grants were the most common answer just as was reflected in the APEC report. Loans were not seen as attractive as they would have to be repaid at a later date. Some people responded before April 1st and were waiting for confirmation of government funding which was making them nervous. But beyond that nonprofit and voluntary organizations are looking for support for IT technology to operate virtually and to support service delivery such as described below:

- We work with hundreds of at-risk youth and many do not have internet so we are having a hard time connecting.
- Providing interpreting to clients where there are no iPads to use remote interpreting
- Not having the proper technology to access files, work from home or do banking to pay bills
- Teaching remotely and students not having proper facilities and equipment at home

Additional funds for recurring expenses such as rent that were continuing even though they were shut down were mentioned by many respondents in the open-ended questions.

Overall, 51% of respondents hope for additional or more flexible opportunities to use unrestricted core funds and 31% suggested that they need bridge funding.

Other comments included needs for:

- Grants to cover the cost of maintaining closed facilities.
- Emergency response benefits for self employed members of our association.
- As a volunteer run community center, we have lost your short-term rental income and all our fundraising opportunities. Their tenants are also struggling.
- Guarantees of project funding would reassure the board and reduce the need to lay-off staff.

- The Society struggles with raising operational funds. There will always be grants for projects, however it is unnecessary if the Society does not have enough operational funds to pay the bills.

- We closed early and loss revenue on our bar services which helps our bottom line
- Extending current budgets beyond our contract to bridge to new funding. Extending application deadlines, extending report deadlines, CRA and fiscal year ends extensions....
- It is too early to know. If we get most/all of our usual funding, we will be ok. There is one govt agreement that was up for renewal April 1, we have not yet had confirmation on that.

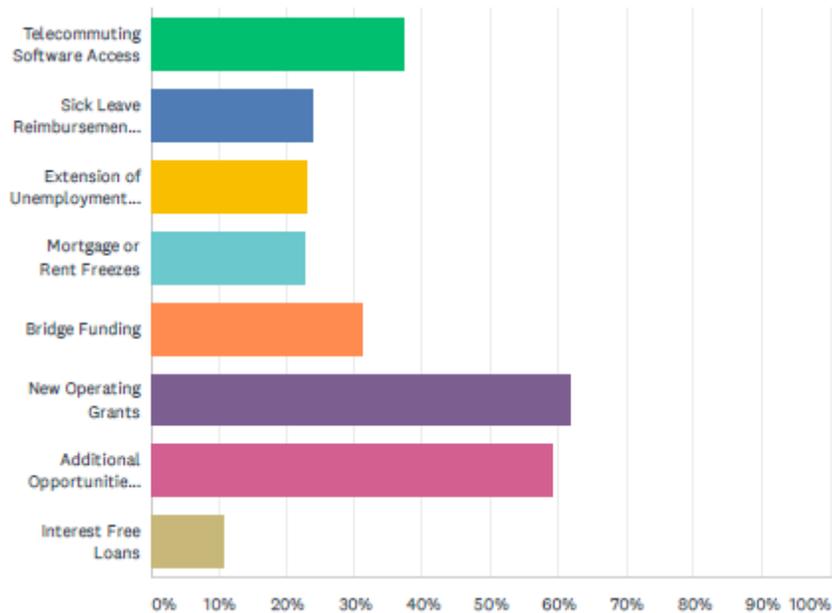
- All of the above could support our organization. We are looking for methods to balance cash flow through financial modeling during our state of emergency shutdown
- Create a website for posting ...cancellations, needs, temp job openings, volunteer needs (such as meal on wheels, helping at food banks...mostly done by at risk seniors)

- We were granted an extension for the grant we are working on. It is such important work the funders really want us to finish this work and continue offering all the supports we usually do to the population we serve, with the added benefit of having a partner network to serve clients more efficiently. We continue but slower than usual hence the extension.

- The Province is currently delayed on our operating grant and has not been answering emails or calls. This is very frightening for us

Q9 Are there resources or supports that foundations, businesses or government (at all levels) could provide that would help your organization respond to the COVID-19 Pandemic? (Please select all that apply).

Answered: 331 Skipped: 188



ANSWER CHOICES	RESPONSES
Telecommuting Software Access	37.16% 123
Sick Leave Reimbursement for Staff	23.87% 79
Extension of Unemployment Benefits	22.96% 76
Mortgage or Rent Freezes	22.66% 75
Bridge Funding	31.12% 103
New Operating Grants	61.93% 205
Additional Opportunities for Unrestricted Core Funding	59.21% 196
Interest Free Loans	10.57% 35
Total Respondents: 331	

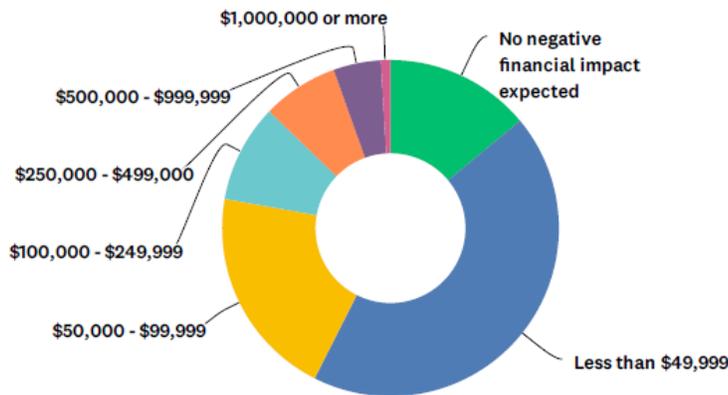
We asked a number of questions about the magnitude of the financial impact on nonprofit and voluntary organizations. In terms of their estimate of the financial impact over the next 6 months 14% said they will have no financial impacts, 43% report less than \$49,000 and 20% report between \$50,000 and \$100,000 while 22% said they will suffer an impact of more than \$100,000.

One person described their situation as follows:

“As above, not being able to publicly gather crippled our ability to carry out any programming as scheduled. More than \$200,000 of deferred revenue for future events immediately had to be refunded and an estimated \$150,000 of additional revenue (from the next three months alone) was unable to be put on sale. If we are not able to gather again through August, we will not be able to proceed with our summer programming plans, another \$250,000 of projected revenue. We are a not-for-profit charity with no operating funding (we're less than 6 years old) and rely on earned, audience-based revenue for 80% of our budget. Last year our gross annual revenue was \$1.2 million, almost all of which was spent paying our expenses which are a direct investment back into the local economy. Without substantial government emergency relief, we are in danger of closing our doors forever.”

Q11 Thinking about the next 6 months, estimate to the best of your ability the total financial impact of COVID-19 on your programs, services, and general operations.

Answered: 329 Skipped: 190

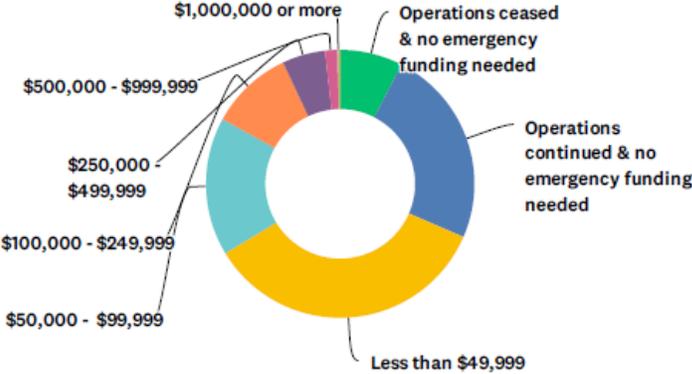


ANSWER CHOICES	RESPONSES	
No negative financial impact expected	14.0%	46
Less than \$49,999	43.5%	143
\$50,000 - \$99,999	20.4%	67
\$100,000 - \$249,999	9.4%	31
\$250,000 - \$499,000	7.3%	24
\$500,000 - \$999,999	4.6%	15
\$1,000,000 or more	0.9%	3
TOTAL		329

When asked about emergency funding if it were available over the next six months 30% have no requirements either because they have ceased operations or have sufficient funds, 35% thought less than \$49,000 would be needed and 27% report needing up to \$250,000.

Q12 Thinking about the next six months, if emergency funding were available to sustain your operations, what level of emergency funding would you require?

Answered: 330 Skipped: 189

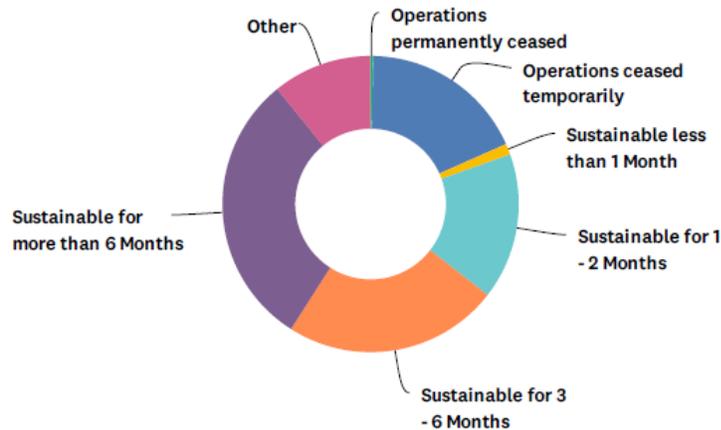


ANSWER CHOICES	RESPONSES	
Operations ceased & no emergency funding needed	7.6%	25
Operations continued & no emergency funding needed	23.9%	79
Less than \$49,999	34.8%	115
\$50,000 - \$99,999	16.7%	55
\$100,000 - \$249,999	10.0%	33
\$250,000 - \$499,999	5.2%	17
\$500,000 - \$999,999	1.5%	5
\$1,000,000 or more	0.3%	1
TOTAL		330

Already 18% of the nonprofit and voluntary organizations across the province have temporarily ceased operations and hence can sustain themselves. A few we have heard from recently have reopened with the help of the Federal Wage Subsidy. Without any financial assistance 16% the respondents can sustain operations for only 1 to 2 months, 24% can sustain for 3 to 6 months and the remaining 30% are able to sustain themselves for at least 6 months.

Q13 Given your financial forecast how long do you anticipate being able to sustain operations without extra assistance?

Answered: 332 Skipped: 187



ANSWER CHOICES	RESPONSES	
Operations permanently ceased	0.3%	1
Operations ceased temporarily	18.1%	60
Sustainable less than 1 Month	1.2%	4
Sustainable for 1 - 2 Months	16.0%	53
Sustainable for 3 - 6 Months	23.5%	78
Sustainable for more than 6 Months	30.1%	100
Other	10.8%	36
TOTAL		332

In terms of strategies for coping with the funding shortfalls the respondents have responded in different ways with 47% of those responding to this question saying they are ceasing or reducing operations, 53% cutting costs, and 30% saying they are unsure about what they are going to do.

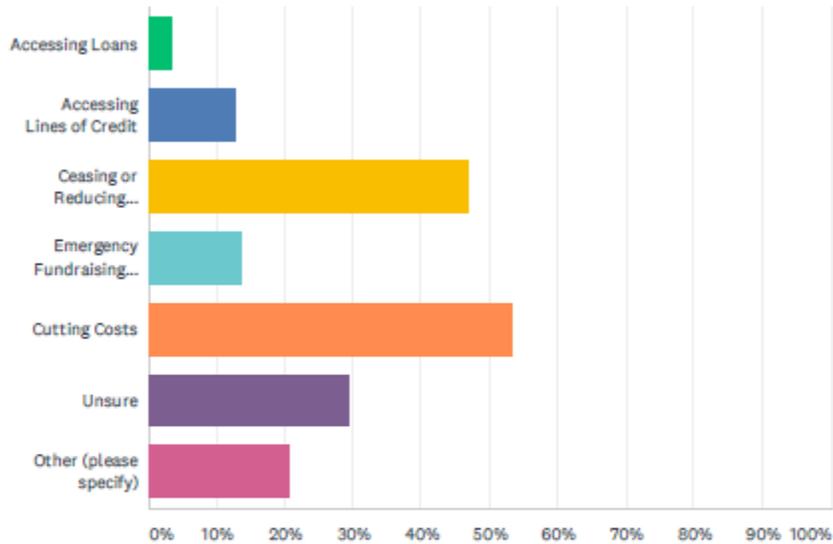
Some of the reported answers to this question include:

- Requesting emergency funding from government
- We are using savings that we have been saving in order to purchase our building and save for renovations.
- We have multi-year grants that are reliable for now
- Donations from Community to offer free deliveries

- Cutting programs
- Accessing reserves and savings
- Layoffs would be required and activities/services cut
- Wage subsidies
- Volunteer donations
- Seeking emergency funding and deferring of bills
- Winter closure of community halls
- Hoping DCS continues to fund
- Addressing our business interruption insurance
- Grateful for a grant to be received from UW Compassion Fund & 3rd party fundraisers for immediate needs of our clients but we don't have core funding.
- We're reducing pausing unnecessary expenses and pausing some planned hiring.
- Running on shoestring budget borrowing tools and item we need to continue
- We have funds from a grant but those are restricted funds for the purpose of the grant. We have a project manager of the grant who is on contract and we anticipate that we will continue that work and pay her wages from the grant. We also have Coordinator funds set aside for (1 day/wk) but those funds come from the operating budget. We have a donation from the a Foundation in August that covers the cost of a Coordinator for 1 year. Other costs will need to be eliminated for now.
- Deferred mortgage, putting all staff on the \$2000 federal funding but they continue to work but at a reduce rate
- New emergency programming to support our members (secured modest funding from NS Government)
- We currently have enough in our operating budget to continue pretty much as normal. However, our fundraising could be deeply affected.
- Partnering with another organization
- Municipal Government
- Deferring loan payments
- Adjusting event plans and projects
- Shut down

Q15 If your organization does not have adequate cash reserves that you can rely on, how are you managing the financial challenge? (Select all that apply).

Answered: 257 Skipped: 262



ANSWER CHOICES	RESPONSES
Accessing Loans	3.50% 9
Accessing Lines of Credit	12.84% 33
Ceasing or Reducing Operations	47.08% 121
Emergency Fundraising Activities	13.62% 35
Cutting Costs	53.31% 137
Unsure	29.57% 76
Other (please specify)	20.62% 53
Total Respondents: 257	

Staffing and Layoffs

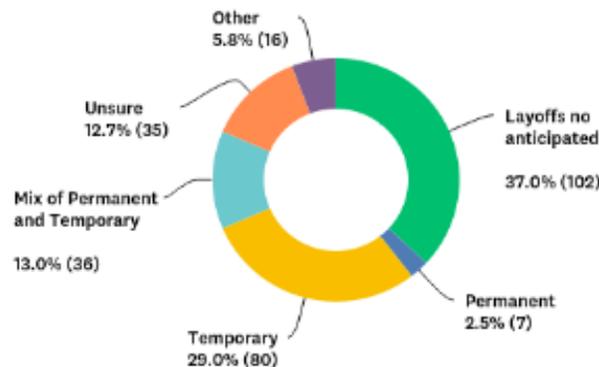
It is too early to assess the full impact of layoffs in the sector. From the data we collected it appears that almost all programs that rely on volunteers have had program cuts that results in volunteers are no being longer required. One ED reported that “We have seen our volunteer base gutted” and another says “we have no volunteers left and now the one staff member has to do everything”. The average number of volunteers reported to have been reduced was 8.3 but the standard deviation was very large which indicates that some organizations have seen very significant losses of volunteers (see Table 1 in the Appendix).

The small organizations are relatively unaffected in terms of layoffs of paid staff because they have very small staff compliment to begin with. The larger organizations on the other hand are seeing a more significant impact on their staffing. On average for the 230 organizations that reported their normal staff levels and their current levels we found that they have dropped 1.0 full time employees, 1.5 part time employees and 2.4 seasonal workers. If this is an accurate estimate, we can project across 6000 nonprofit organizations the laying off of 6,000 people from full time positions. The impact on seasonal positions is even bigger with an estimated potential of 12,00 of more lost positions and we wonder what impact this will have on students and other seasonal workers this summer.

Layoffs: Participant comments

- We have stopped many of our weekly programs (usually 22 a week). We are moving to some online programs and lunch bag programs
- We will probably not be able to hire a Co-op or Summer Student
- We have seen our volunteer base gutted. We have also had to cease any part time hiring and retract operations to have FTE staff complete operations usually conducted by many of the PT and volunteers that we'd normally access.
- We have maintained most program capacity and held off on layoffs to date, but have quickly reduced the administrative headcount and expenses
- We are closed. Hours for contract employee reduced temporarily and will consider lay-off if shutdown lasts more than 2-3 months.
- We employ contract workers/musicians who entertain at weekly events during the winter season. We also hire these musicians to perform 7 days a week in the tourist season. We contract up to 75 musicians who now have lost that income and the future is uncertain.
- We have suspended all programs and had to lay off staff
- Not yet the longer it goes that decision will have to be revisited

Q18 Do you anticipate these lay offs will be temporary or permanent?

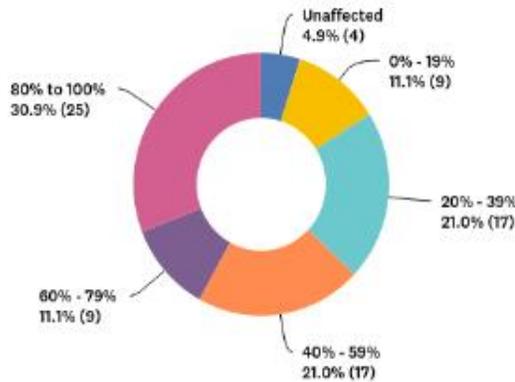


Section 3: Social Enterprises

Approximately 23% of the organizations in this sample are social enterprises defined as organizations that operate in an entrepreneurial or business-like fashion with a simultaneous commitment to their mission and use of generated revenues to support their social, environmental, cultural or community goals. These organizations have a different revenue model and have been presented separately in order to shed light on their revenue challenges.

When asked what percentage of their revenue from sales of goods and services had been impacted to-date many of the social enterprises indicated that they are being severely hurt. 31% are losing 80 to 100% of their sales, 11% between 60 and 79% and 40% are losing between 20 and 59% of their sales revenues.

Q24 As a social enterprise, what percentage of your revenue from the sale of goods and services do you anticipate being negatively impacted COVID-19?

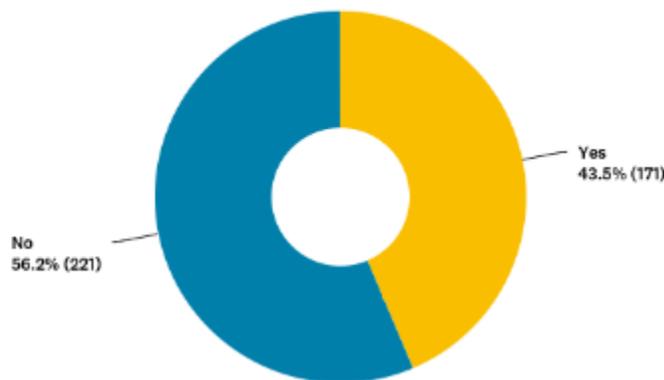


Section 4: Operations and Supports Required

Rents and Mortgages

The survey explored how many nonprofit and voluntary organizations have a mortgage or are leasing their space. Only 10% have a mortgage while 44% have a lease. Many nonprofits have shared space or work from home in a virtual office format so they do not have a lease.

Q7 Are you leasing the location(s) where you operate?



The qualitative comments in response to this question revealed that on the whole nonprofits seem to be taking advantage of rent deferral, are sharing space or are able to budget for rent in the short term. However, there is uncertainty in the longer term. Some of the comments in this question include:

- We are experiencing a significant drop in revenue while attempting to maintain staff and obligations such as rent. At this point we have committed to paying our rent and our employees until such time as we may require a rent deferral but we believe we can maintain rent payments for next month and beyond if we receive the wage subsidy from the Federal program. We were planning to move into a new location and that is now on hold with Covid-19.
- We own 1 of our locations and lease 2 others. We will be fine for a few weeks but this will turn into a huge problem if it goes too long
- We are hoping the landlord which is also a nonprofit and unable to access the site except for security and emergency maintenance by order of their provincial governing body and will work with us for a reasonable arrangement if we are unable to operate over the normal time span.
- We have the option of rent deferral, but that will only increase our expenses in the latter half of the year where we will already be strapped for revenue, so we are hoping to

continue to pay rent for as long as cash flow allows. Rent and payroll are our two greatest expenses.

- The NS Rent Deferral program - as currently written - does not seem to allow for charities / non-profits to qualify! PLEASE bring this up with appropriate provincial power-brokers!
- Hopefully our funding from the Provincial Government will continue without any interruptions, allowing us to continue to pay our rent, as we rent from small business owners.
- Our building is owned by the province, however there are holes in the agreement. It is the responsibility of the Society for maintaining the interior of the building and the province is responsible for the outside. Therefore, it is the responsibility of the society to pay the heat, electricity, and any interior repairs or maintenance.
- We own and are having difficulty affording mortgage given funding challenges.
- We lease - all costs will be incurred while having very limited revenue
- We will be exploring a rent deferral with our landlord. At the very least, we are hoping to save costs on parking as we are not using the space.
- We had given our notice for the end of April and were preparing to move; this of course is up in the air but our landlord has assured us he will hold our location so we are not in fear of eviction.
- Our landlord has deferred our rent for April and May and will be divided amongst the other ten months
- So we are looking at this having a bigger impact next year when we need to adjust revenues based on the economic fall out of this year.
- We are making our payments but are not in the office, not sure how long we will be out of the office and our lease is up for renewal - what to do?
- Our mortgage is with the local CBDC Bluewater and they have discontinued payments and interest for 3 months due and of course the deferral just increases the overall cost of our mortgage
- Have arranged to defer the capital portion of our mortgage through our bank, interest still

Impact on Operating Budget

We also asked people to estimate to the best of their ability the percentage of their total annual operating budget that will be impacted by COVID-19. Of the 169 people who completed this question the average impact was 36% of their annual operating budget and responses ranged from:

- 35% seeing an impact in the range of 0 to 20% of the operating budget

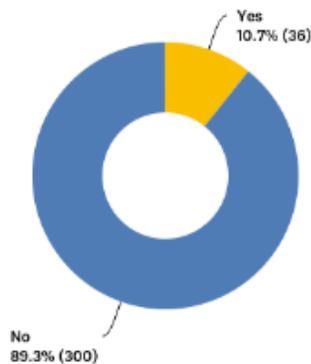
- 32% seeing an impact in the range of 21 to 40 % of the operating budget
- 15% seeing an impact in the range of 41 to 60 % of the operating budget
- 17% seeing an impact in the range of 61 to 100 % of the operating budget

Partnerships

When asked about responding to the immediate crisis only 9% of the organizations are looking at partnerships. Examples of this included:

- Working with other similar organizations across Canada to create a temporary Canada-wide coalition.
- We're a non-profit cooperative, but we've been working directly with non-members of our cooperative to help everyone possible during these difficult times.
- Linking with many grassroots initiatives in communities we work closely with; local United Ways; new networks forming with some usual partners and new faces
- Working more closely within our federated unit and local organizations to make our space available during the crisis
- Working with a partner organization on having groceries donated for isolated individuals.
- Working coalition with Shelter Providers

Q10 Have you created new partnerships with other organizations as a result of COVID-19?



Conclusion

In the wake of the COVID-19 pandemic, nonprofit organizations continue to do their best to fulfill their missions. Almost all have been had to reduce expenditures, and all are thinking of creative ways to deliver programming. Some have been forced to close operations (hopefully on a temporary basis), and others have transitioned to a virtual workplace almost overnight.

In addition to direct and indirect health impacts of the COVID-19 pandemic, there are other factors that may potentially hamper the work of the community sector. Key among these is the ever-increasing stress on staff, board members, and clients. Much of this is tied to the uncertainty of the situation, what the future might bring concerning their health and the health of their loved ones, whether they will continue to have a job, and whether they will continue to be able to provide services. Leadership has indicated that a considerable amount of time is now spent monitoring relationships: relationships with funders as well as relationships with staff and helping them as they now adapt to working remotely and supporting clients from a distance. Service delivery to clients has also been challenged and in some cases interrupted.

This word cloud captures the way sector leaders felt between March 27th and April 2nd in the early stages of the pandemic. This has been, and continues to be, an incredibly stressful time for them and it is important to keep the human side of this situation in mind. Also, the gendered nature of the sector is important to remember as it is composed of 68% women, with 67% of the EDs and CEO being women and 53% of the Board members. Salaries are lower than in most other sectors and the average age of these leaders is older on average. The sector was described in the APEC report as lacking resources and APEC was calling for support for the sector before COVID-19 arrived. Many feel that the needs of the sector have been minimized or overlooked and the voices of the sector silenced.

Please provide one word to describe how you are feeling today in light of the current context?

Determined helpless Tired perplexed Stressed scared uncertain
Lost Worried calm Overwhelmed Nervous
Anxious Frustrated Concerned good Hopeful
apprehensive Unsure Discouraged future people optimistic Afraid



There is tremendous concern about resource capacity. Both as it relates to the availability of human resources as well as access to the financial resources that allow nonprofits to fulfill their missions.

The COVID-19 pandemic is a rapidly-changing situation that we will continue to monitor, but it is clear from the survey results that operations, cash flow, fundraising activities, and volunteer engagement have already been negatively impacted, and that this is expected to continue and possibly get worse before it gets better.

The nonprofit and voluntary sector is one of the most innovative sectors of the economy. We have diversified revenue streams and taken creative approaches to fundraising and social enterprise. However, the COVID-19 pandemic has halted much of this revenue generating activity.

Like other industries, the community sector will require government support in order to survive. We urge the departments and branches of the Government of Nova Scotia that fund nonprofit and voluntary organizations to continue to communicate the steps being taken to promote the sustainability of these organizations and further the vital work that they perform. We also encourage the Government of Nova Scotia to consider offering bridge funding to support the work of those nonprofits currently receiving funding from the government, as well as emergency COVID-19 funding to those nonprofits dependent on revenue other than that received from the government. In some instances, this may involve the provision of teleworking and videoconferencing equipment; in other instances, this may be a cash infusion. Longer term calls for a Sustainability Fund are also important to consider.

We anticipate working closely with the sector and with government and other funders to determine the best way forward, and the most appropriate support to this unique, diverse, and vital sector.

Appendix

Reported Change in Staffing Levels*				
	Full Time	Part Time	Seasonal	Volunteer
Mean	1.1	1.5	2.4	8.3
Mode	0	0	0	0
Median	0	0	0	0
Standard Deviation	6.5	6.2	9.8	28.2

*Calculated from the difference between typical staffing complement and current staffing complement