A Look Forward
COVID-19's Continued Impact on Arizona’s Nonprofit Sector

OCTOBER 30

Alliance of Arizona Nonprofits
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Summary of General Findings

Number of Responses: 221
These results are compiled of survey responses from nonprofit organizations, with representation from every County in the state. While we received adequate representation from every nonprofit Mission Type recognized by the Alliance of Arizona Nonprofits, nearly 47% of responses represent Health & Human Service organizations. The Alliance has the ability to provide more in-depth analyses of the data based on service region, nonprofit size (by employees or annual budget), mission type, and service demographics.

Operating Loss & Projected Longevity
Aside from considering Paycheck Protection Program (PPP) Loans or COVID-related emergency funding grants received in 2020, 62% of organizations are projecting a net operating loss of 10% or higher:

![Bar chart showing the percentage of organizations projecting net operating losses of various amounts.](image)

Furthermore, organizations projected how many months they would be able to continue operations if revenue continued to decline or remain stagnant:

![Bar chart showing the projected months of continued operations.](image)

Over 51% of organizations indicated it is “highly unlikely” that they will have to close permanently in their next fiscal year if funding does not improve in 2021 – a nod to the creative resiliency of the sector. Yet, nearly 34% remain unsure while 10% reported they are “highly likely” to close.
Projected Impact of a Second Round of PPP Assistance

Nearly **52%** of organizations indicated they would apply for another round of Paycheck Protection Program (PPP) loans if made available, yet it is noteworthy to mention that **31%** indicated they did not receive a loan in the first round. Out of those that would apply, organizations projected the additional funding could assist with the following circumstances:

![Projected Impact of a Second Round of PPP Assistance](chart)

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During the pandemic, **41%** of responding organizations have furloughed both part-time and full-time employees, cut staff hours and reduced salaries and wages. In terms of job losses, the health and human services sector reported the biggest impact followed by arts and culture and education/youth development.

**85%** of respondents changed, expanded, or revised their methods of service delivery, much of it reverting to online or virtual assistance where appropriate and possible. As organizations begin to plan for 2021 programming, **52%** indicated they have begun drafting a Contingency Plan should COVID continue to impact funding and service delivery.

In the next four months, through the end of the calendar year, **61%** of respondents noted “help navigating any special funding resources that exist from philanthropic sources” remains their greatest need, while **51%** identified a needing assistance sustaining “cash flow to meet operating needs due to lost revenue.” **44%** also indicated needing help “effectively and safely managing a return to in-person work and service delivery” in the coming months.

While the pandemic has undoubtedly taken an unprecedented toll on Arizona’s nonprofit sector, respondents took a moment to reflect on some silver linings of the times. Sentiments can be summarized by this shining testimony: “I believe that our community is figuring out how to work more closely and collaboratively than they were before, as well as given me more incentive to forge stronger relationships with the other organizations near us that overlap in mission.”