CRAIN'S CHICAGO BUSINESS



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Nonprofits need help to help others during pandemic

In tough times, businesses can trim production and expenses to adjust to dampened demand. But for many nonprofits, the need for their services increases even as revenue decreases.

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The COVID-19 pandemic is not only having devastating impacts on airlines, shopping malls and restaurants. Nonprofit organizations are also fighting every day to stay financially strong during this time of immense economic hardship.

This poses a serious challenge for the Chicago area. Nonprofits drive our city's and state's economies. According to a 2019 report from Independent Sector, Illinois' more than 60,000 non-profits employed 11 percent of the state's workforce, generating almost \$110 billion in annual economic activity. Many of those organizations are based in our region.

The fallout from a severe economic recession is particularly pernicious for nonprofits.

For traditional businesses, production and expenses can be trimmed to adjust to dampened demand. Yet for many nonprofits operating amid tough economic times, the need for their services increases even as their revenue decreases.

My organization, Communities In Schools (CIS) of Chicago, is illustrative of this paradox. Since March, the Chicago Public Schools students that our team helps stay on the path to graduation have been disproportionately impacted by the pandemic. Their families have experienced greater loss of jobs and income, compounded by higher rates of COVID infections and higher mortality rates.

And they've endured months of social isolation from teachers and friends because of the transition to remote learning, heightening their stress and making them more vulnerable to mental health challenges. In response to this untenable situation, we are doing everything we can to continue providing robust services to our students and school partners, in spite of our clouded fundraising picture.

Thankfully, in the spring we received a significant loan through the CARES Act's Paycheck Protection Program (PPP). The loan, which we hope to convert to a grant, fortified our organization to continue paying our front-line program staff during the summer.

With that critical funding bridge, we were far better positioned to keep our program team strong and meet the needs of our students and families during this extraordinary time.

Still, the PPP grant accounted for only a small portion of our total budget. Like many nonprofits, our funding comes from a diverse group of individual, corporate, and foundation donors, all of whom are impacted by the fallout from COVID-19. So much of our fundraising efforts are grounded in in-person relationships—from lunch meetings with donors to events large and small to raise awareness of our cause.

When social distancing rules first went into effect, and the economy started to slide, I wondered: How in the world are we going to fundraise in this new upside- down world?

The answer is, the same way we always have—by building relationships with people and organizations committed to helping Chicago's youth build stronger futures. We've certainly changed the way we strengthen relationships and share information but staying connected and demonstrating our impact hasn't.

Since March, CIS of Chicago has relied more than ever on digital communications tools and video storytelling to convey our impact to supporters. In place of traditional in-person site visits to showcase our work to prospective donors, we've leveraged online platforms like Zoom to try to help Chicagoans gain a three-dimensional understanding of our approach and our impact.

Technology has been indispensable for nonprofits like mine to keep operating effectively during the pandemic. But it can only take us so far. We need our business leaders and policy makers to recognize the fragile state of the nonprofit sector and to continue advocating on our behalf.

At a time when more people are relying on nonprofits to stay safe and whole, our leaders must remember nonprofit organizations need that same type of support to see their way through to the other side of the pandemic.

Marianne Woodward is Chief Resource Officer for <u>Communities In Schools of</u> <u>Chicago.</u>