



Delaware Nonprofits Face Unprecedented Challenges, Revenue Loss

Wilmington, DE -- Delaware nonprofits are facing unprecedented challenges as they continue to serve as a lifeline for their communities with 98 percent reporting in a recent survey that they have been or will be significantly affected by COVID-19 or coronavirus.

A Delaware Alliance for Nonprofit Advancement (DANA) survey of 245 nonprofit organizations statewide reported that they estimate a loss of reported revenue at more than \$21 million as of March 20. *“Based on the sample size relative to the total number of nonprofits operating in Delaware, we are estimating a loss for just these few weeks of over \$100 Million,”* says DANA CEO Sheila Bravo.

The lost revenue is related to cancelled programs and lost fundraising. Survey participants also indicated crisis-related expenses of more than \$3 Million, with 55 percent of those fearful they will not be reimbursed for the expenses or able to regain the lost revenue.

Additionally, 65 percent of the respondents said they would lay off employees.

“Nonprofits in Delaware generate over \$6.4 Billion in revenue annually and employ more than 45,000 employees. For community-based nonprofits, 49 percent of revenue is earned through programs and services, many of which have now been compromised by the COVID-19 pandemic,” said Sheila Bravo, DANA President & Chief Executive Officer. *“They [nonprofits] cannot keep their workforce when there is no funding coming in.”* This is an urgent issue for Delaware, as many nonprofits are on the frontlines battling the COVID-19 outbreak through healthcare services and emergency assistance, such as food.

Beyond health and aid services, transition nonprofit staff to work-from-home status is another side to this crisis. Many nonprofits don't already have the technology or resources for a remote staff. Agencies such as La Esperanza in Georgetown, DE have had to purchase additional phones and video conferencing services in order to continue outreach services to its immigrant community. Arts and cultural organizations, considered nonessential by the State, have had to shutter their stages and close their doors. These organizations are working to determine how much revenue they've lost.

This survey was conducted as part of a COVID-19 Emergency Response Initiative in partnership with the Delaware Community Foundation (DCF), Philanthropy Delaware (PD) and United Way of Delaware (UWDE) to coordinate charitable resources to maximize impact statewide during this crisis. This initiative also centralizes charitable donation efforts into two vital funds – the Delaware Does More: COVID-19 Rapid Response Fund and the Delaware COVID-19 Strategic Response Fund.

“Delaware’s nonprofits responded without hesitation to the COVID-19 crisis,” says Michelle Taylor, CEO of United Way Delaware. *“They have reached out to serve their communities, to protect public health, and to support their own employees. The Delaware Does More: COVID-19 Rapid Response Fund is designed to get resources right to people in need.”*



DCF President and CEO Stuart Comstock-Gay regarding the Strategic Response Fund explained, *"We'll be looking at the overall infrastructure for who provides support in our community and making sure they can not only provide service, but that they're going to be sustainable in the long term. One of the big concerns we all have is what happens to our nonprofit infrastructure as this thing goes on, and this fund is intended to make sure it's still there."*

Cynthia Pritchard, CEO of Philanthropy Delaware, summed up the initiative by saying, *"We recognize that this community service has a cost. Delaware nonprofits need funding to meet increased demand, cover high costs from moving to remote operations, and offset significant revenue losses during the declared state of emergency."*

Businesses, organizations and individuals are invited to donate to this collective response. Donations can be made to:

Delaware Does More: COVID-19 Rapid Response Fund at United Way of Delaware at uwde.org/covid19

Delaware COVID-19 Strategic Response Fund at the DCF at delcf.org/coronavirus

In addition to organizing fundraising for nonprofits and sourcing essential needs for Delawareans, the four agencies are asking the State of Delaware to provide \$100 million of stimulus funding specific to nonprofits to support the high costs for aid, displaced workers, and lost revenue.

"Nonprofits affect the lives of every Delawarean every day," Bravo says. *"We need them to be able to not only support our needs today, but in the future as well."*

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