

# **Promoting Economic Recovery for Nonprofits Communities Affected by the Pandemic**

Presentation for Economic Relief & Recovery Task  
Force

October 18, 2021

## **Nonprofit Economic Impact (2017)**

23,147 nonprofits in Colorado statewide

\$40 billion in economic impact

11.3% of overall GDP

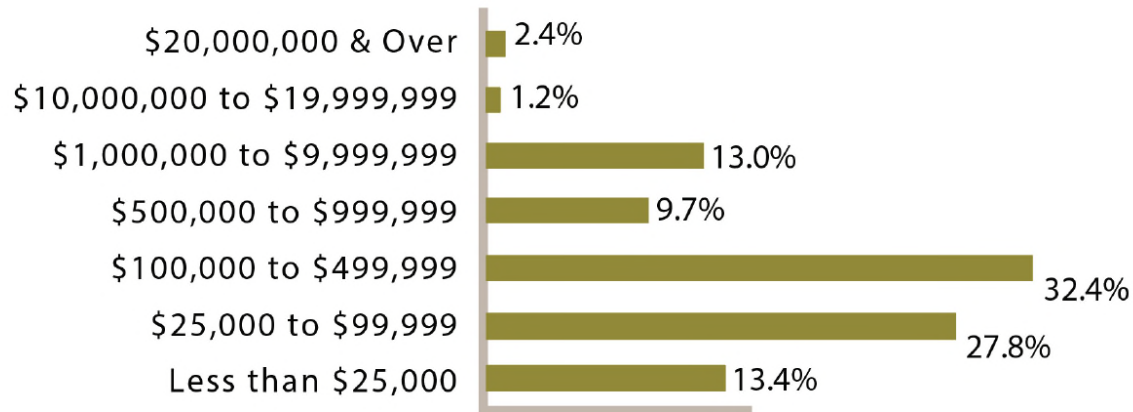
189,600 jobs in Colorado directly & indirectly

5% of Colorado's workforce

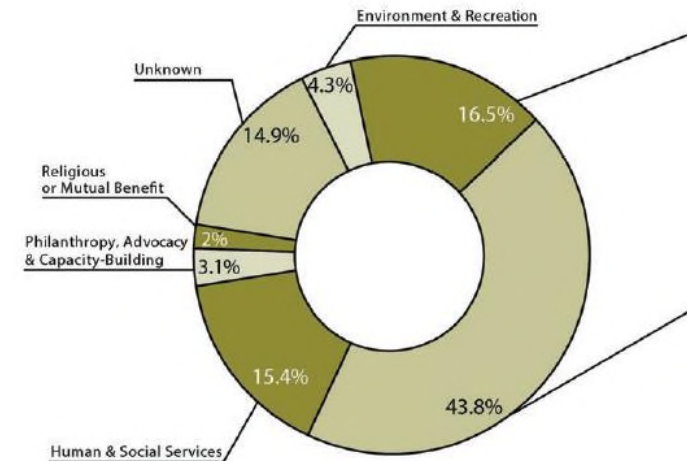
# COLORADO NONPROFITS IN DEPTH

Majority of Colorado nonprofits have an annual budget of less than \$500,000.

## NONPROFITS BY BUDGET



## NONPROFITS BY MISSION



# Health of the U.S. Nonprofit Sector (<https://independentsector.org/nonprofithealth>)

## FINANCIAL HEALTH

**Nonprofits suffered from the disruption of their programs and funding in 2020:<sup>12</sup>**

**57%** decreased overall expenses in 2020

**64%** suspended or paused services at some point in 2020

**44%** reduced the number of programs or services

**47%** served fewer people by the end of the year

# Health of the U.S. Nonprofit Sector (<https://independentsector.org/nonprofithealth>)

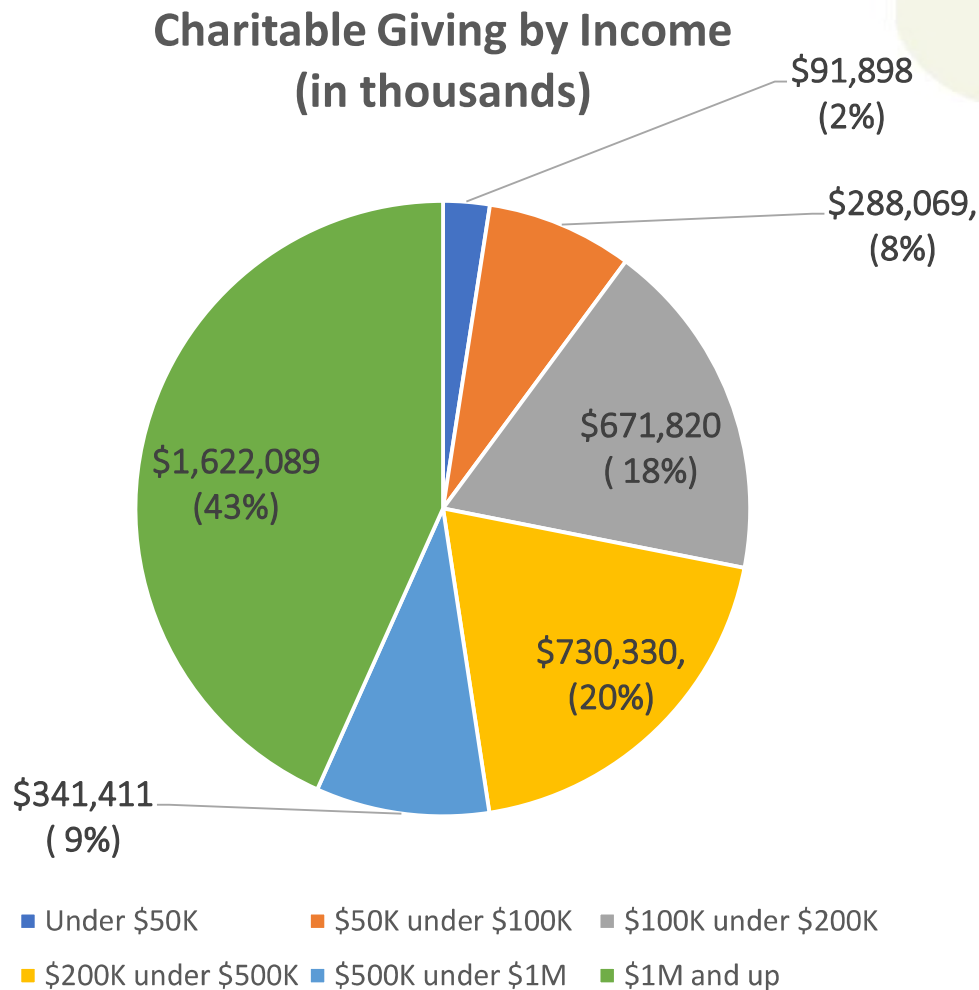
## Charitable giving

- \$471.4 billion
- 3.8% increase over 2019
- Personal income grew by 6.1%
- Individual giving decreased by nearly 0.8% without MacKenzie Scott's gift

## Donors

- Many donors shifted their pandemic-related causes
- 1.3% increase in 2020 over 2019
- 11% increase in small donors (\$101-\$500)
- 14% decline in # households giving to charity between 2002-2019, particularly small & mid-size

# Giving on State and Federal Returns (2017, 2018)



	2017	2018
# itemizers	912,340 (34% of returns)	370,000 (37% of returns)
# federal returns with charitable giving	727,680	300,000
Total giving on federal returns	\$4.47 billion	\$3.0 billion
Number of CO returns with charitable giving	152,688	No data
Total giving on state returns	\$247,676,000	\$80,000,000 (estimated)

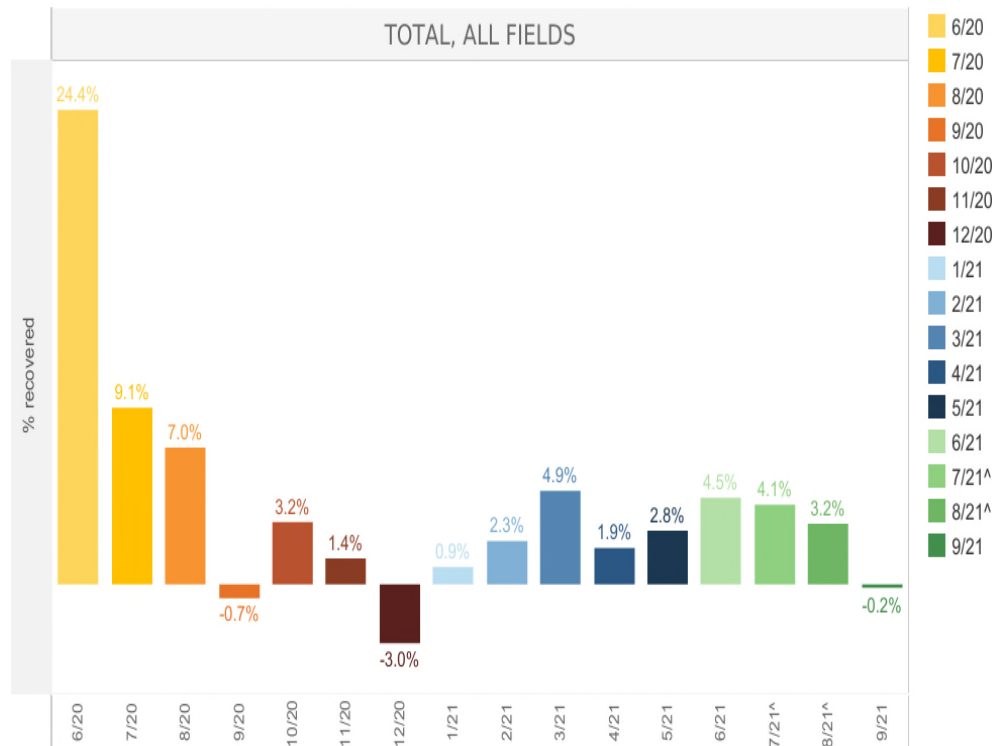
## U.S. Nonprofit Sector Jobs

- 12.5 million employees
- 3rd largest workforce behind retail and hospitality
- 1.64 million jobs lost – March to May 2020 (13%)
- 557,000 (33%) of these jobs have not been recovered
  - Johns Hopkins Center for Civil Society Studies  
<http://ccss.jhu.edu/september-2021-jobs/>



# U.S. Nonprofit Sector Job losses

**FIGURE 2 •** Percent of initial 1.64 million nonprofit job losses recovered each month, by field, June 2020 □ September 2021



^ Reflects BLS adjustments for July and August 2021.

\* Includes: Construction; Manufacturing; Wholesale trade; Retail trade; Professional and technical services; Transportation and warehousing; Information; Finance and insurance; and Accommodation and food services. Totals ~4.4% of total nonprofit employment.

**FIGURE 1 •** Estimated changes in nonprofit jobs, September vs. August 2021

	Nonprofit jobs lost as of August 2021 <sup>^</sup> vs. February 2020	Change in nonprofit jobs in September 2021 vs. August 2021
Educational services	-124,854	-13,408
Health care	-220,735	-7,602
Religious, grantmaking, civic, professional, & similar	-35,592	-4,244
Social assistance	-75,279	12,249
Arts, entertainment, & recreation	-59,178	6,673
Other fields*	-7,742	2,611
<b>TOTAL, ALL FIELDS</b>	<b>-556,848</b>	<b>-2,499</b>

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## Colorado's job losses

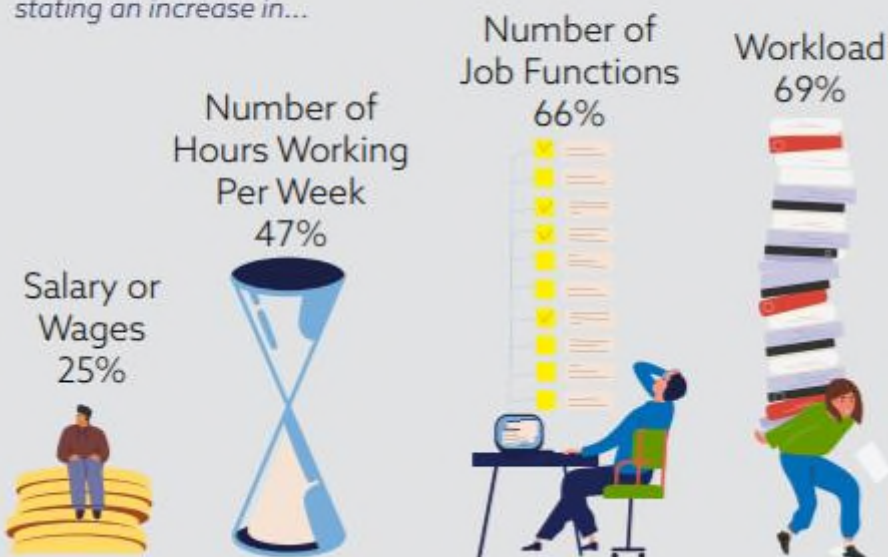
- -24,500 jobs if 13% of nonprofit job were lost in CO
- 8,100 nonprofit workers still not employed if 33% of jobs have not been recovered

# 2021 Nonprofit Workforce Impact Survey

(<https://coloradononprofits.org/nonprofit-workforce-impact-reflect>)

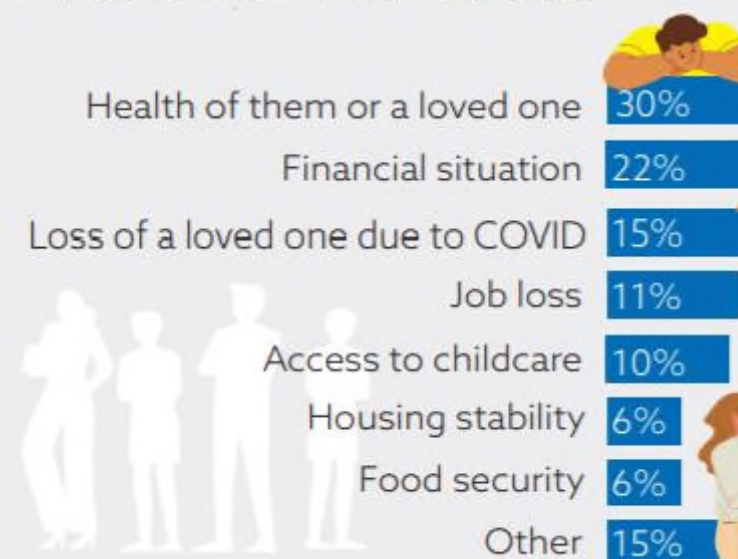
The majority of the workforce experienced an increase in workload and number of job functions due to COVID-19.

% of respondents stating an increase in...



6 out of 10 nonprofit households have been personally impacted by COVID-19.

% of respondents who have, or their households, been impacted by COVID in the following ways...



## Federal COVID-19 relief for nonprofit sector

- Nonprofits received 4% of PPP loans (Grand Valley State University study)
  - Saved 4.1 million jobs
  - Larger share of loans over \$150,000
  - Nonprofits with 500+ employees mostly did not qualify
- Advocacy to continue Employee Retention Tax Credit
  - All-volunteer nonprofits ineligible for many relief programs
- 50 to 75 percent federal payments to nonprofits that reimburse states for unemployment benefits expired in September

## **State COVID-19 relief for nonprofit sector**

- Grants and forgivable loans are favored forms of assistance
- Governor's COVID-19 relief fund provided over \$16 million in funds raised by donors and foundation but it expired in March
- Receipt of support via CLIMBER, the Gap Fund, and other state programs probably limited but more data needed
- Request submitted to Governor Polis for \$50 million of state funds to provide grants to over 1,600 nonprofit organizations

# ARPA and Local Relief

- ARPA allows use of state and local funds for assistance to nonprofits
- Opportunities for nonprofits to
  - partner on community priorities
  - advocate for small business/nonprofit relief
  - advocate for inclusion of people served in public discussions of ARPA funds
  - establish or strengthen relationships with local elected officials

# ARPA and Local Relief

- Nonprofits have to advocate (not apply) for available these funds to support their missions or workforces
- We encourage local governments to include support the work of local nonprofits serving the same constituents as local governments
- Principles for allocating recovery funds  
<https://www.councilofnonprofits.org/thought-leadership/principles-allocating-arpa-state-and-local-fiscal-recovery-funds>



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