

From Uncertainty to Hope: A Snapshot of Canadian
Non-Profit Perspectives During the COVID-19 Era

Part Two: Risk management and business continuity strategies
and their relationship to fundraising success

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A Snapshot of Canadian Non-Profit Perspectives During the COVID-19 Era

Release 1: Risk management and business continuity strategies and their relationship to fundraising success.

During the month of April 2020, AgentsC designed and published a survey with the goal of understanding how Canadians working in the non-profit sector (their fundraising operations in particular) have been impacted by the COVID-19 crisis.

The anonymous bilingual survey was taken by 131 non-profit employees and volunteers of diverse backgrounds across all levels of the Canadian non-profit industry.¹ With the goal that these data will reflect the reality of our current times and support solutions for the sustainability of the non-profit sector, AgentsC is proud to present the findings outlined in this report.

This report is the second of a series of accessible snapshots—each highlighting our general findings and spotlighting an important issue for deeper analysis. In keeping with its topical nature, these snapshots will be published in quick succession, each with links to the previously published article.

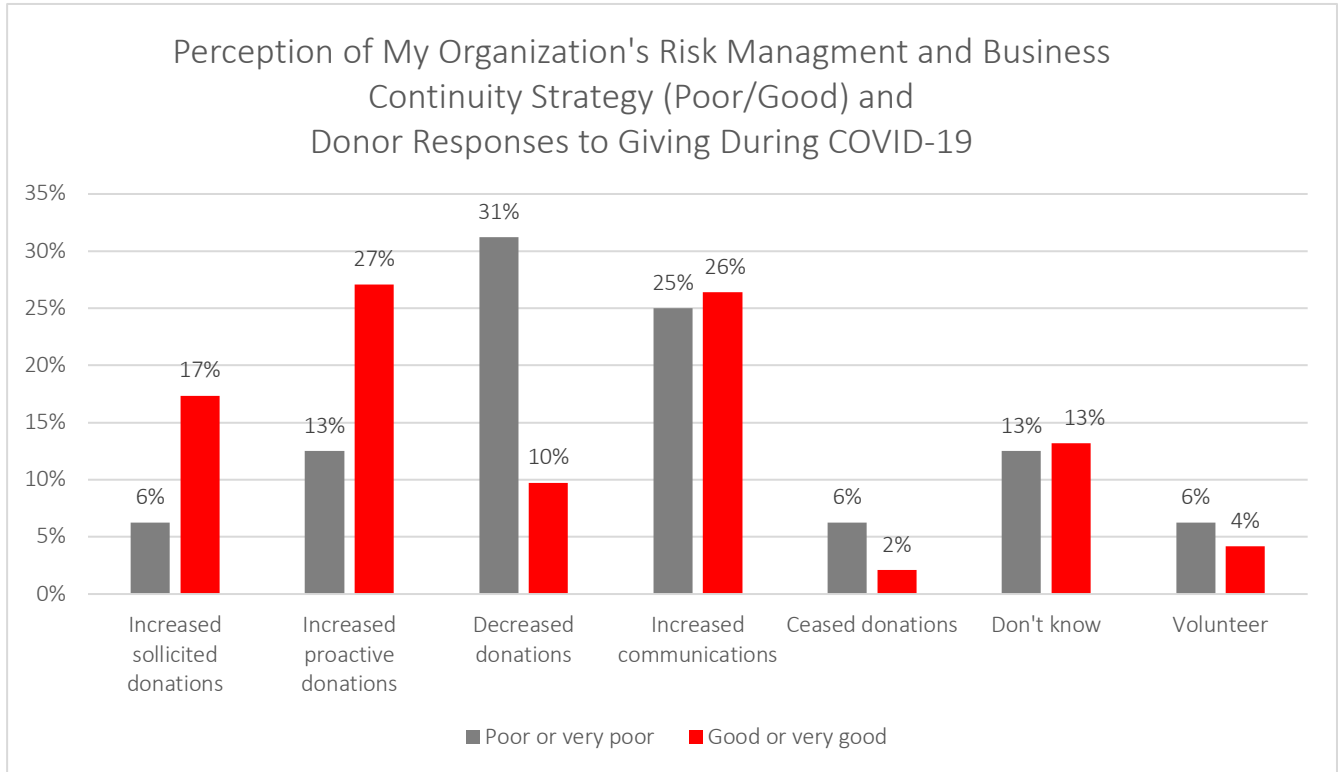
In this second report, we outline the single most important trend found within these data: the handling of risk management and business continuity strategies by non-profit organizations during the COVID-19 era and its relationship to fundraising. For example, how do employees and volunteers view their organization’s risk management and business continuity plans? Do these plans impact perceptions relate to the achievement of fundraising goals? Are these same employees and volunteers more likely to stay within the non-profit sector as a result of the COVID-19 era? In what follows, we shed light on the results of the participants’ answers below.

¹ A detailed demographic report will be released shortly.



Results:

Graph 1

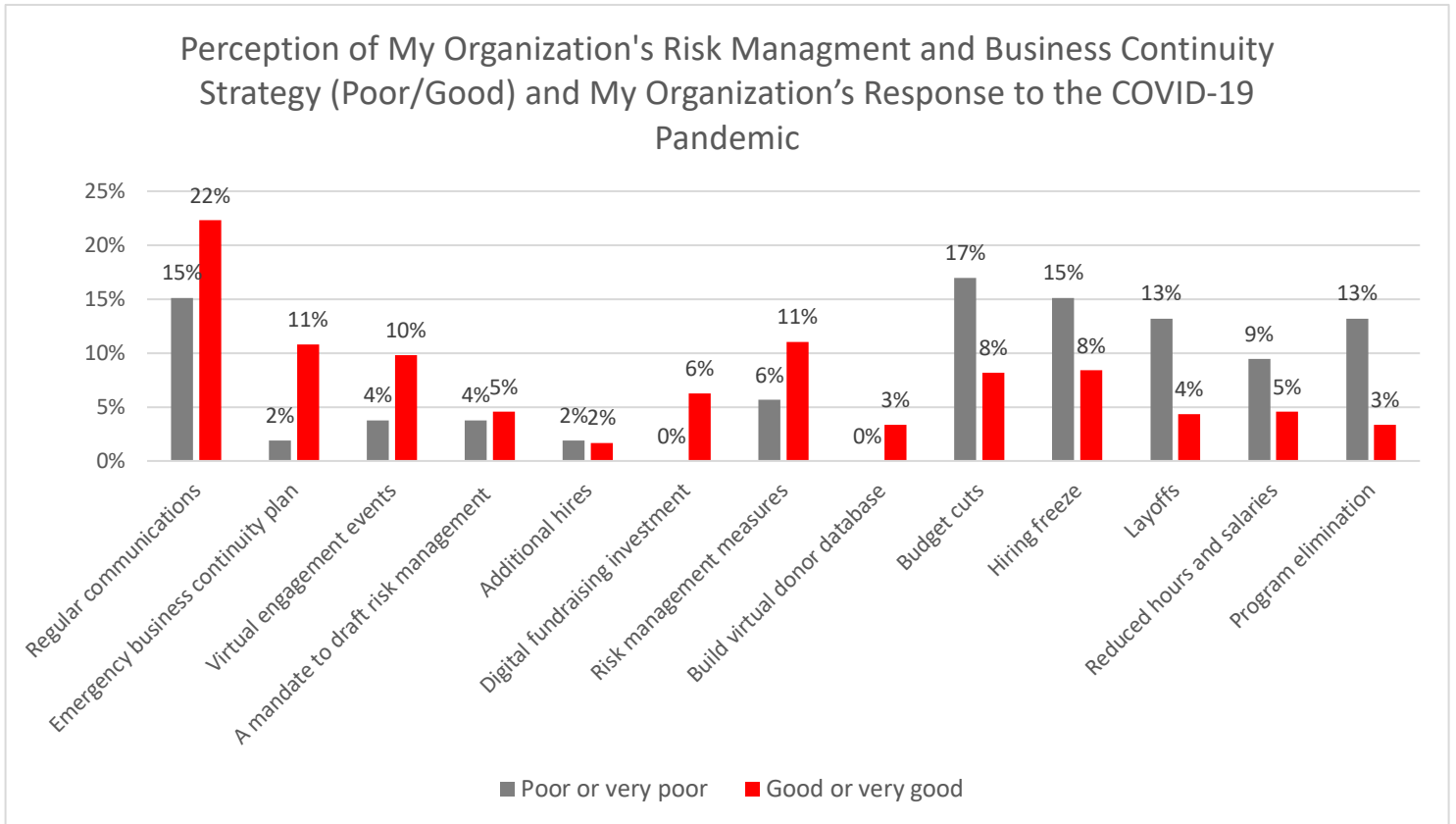


Graph 1 presents the results on how survey participants felt the majority of their donors responded (listed as the 7 variables) to the COVID-19 crisis. These responses are cross-referenced according to how respondents felt their organization handled risk management and business continuity since the COVID-19 outbreak: poor or very poor (labelled in grey) and good or very good (labelled in red).

- According to Graph 1, all organizations can expect their donors to increase communications with them, regardless of the efficiency of their risk management and business continuity strategy.
- There is a convincing relationship between respondents' perceptions of risk management and business continuity strategies and donor behaviour. For organizations where risk and continuity strategies were perceived by respondents to be "strong or very strong", donors appeared to be more favourable to giving. Indeed, those who responded to the risk management and business continuity question with "good or very good" experienced the most significant increase in donations.



Graph 2

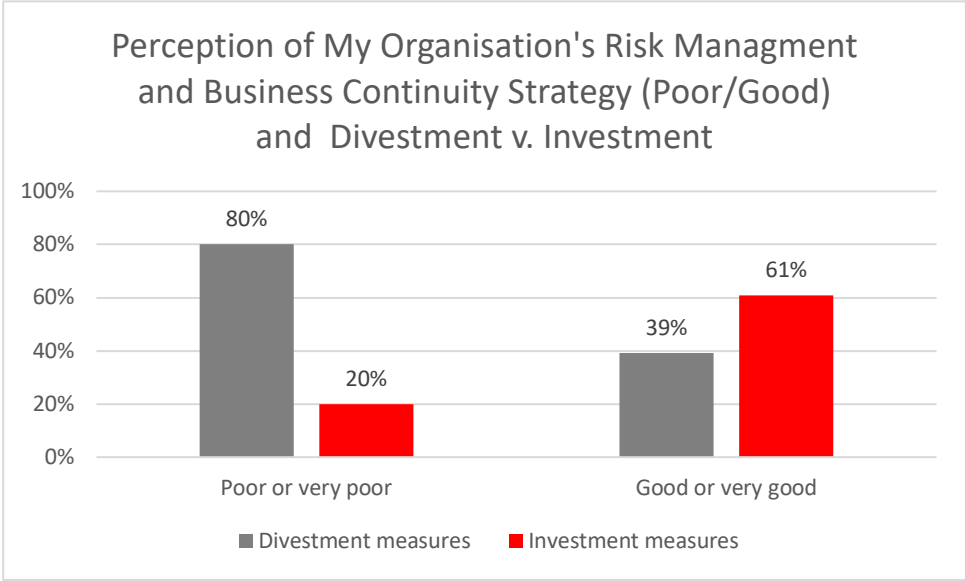


When looking at the range of responses instated by organizations during COVID-19, we continue to see a direct relationship with risk management and business continuity strategies.

- Graph 2 shows that those who responded with “very poor and poor” risk management and business continuity strategies showed higher rates of budget cuts, hiring freezes, layoffs, reduced hours and salaries, and program elimination.
- On the other side, respondents who rated their risk management and business continuity preparedness as either “very good or good” were more likely to have regular communications from their leadership teams, virtual engagement events, digital fundraising investment, and the construction of a virtual donor database.
- Another way of looking at these data is by recategorizing the measures instated since COVID-19 into investment or divestment strategies. This allows for a different, simpler look at how these organizations are responding to the COVID-19 crisis.
- Specifically, we put variables 2-8 (as they appear in Graph 2) in the category “investment measures” and variables 9-13 (as they appear in Graph 2) in the category “divestment measures”; the results are presented below in Graph 3.



Graph 3

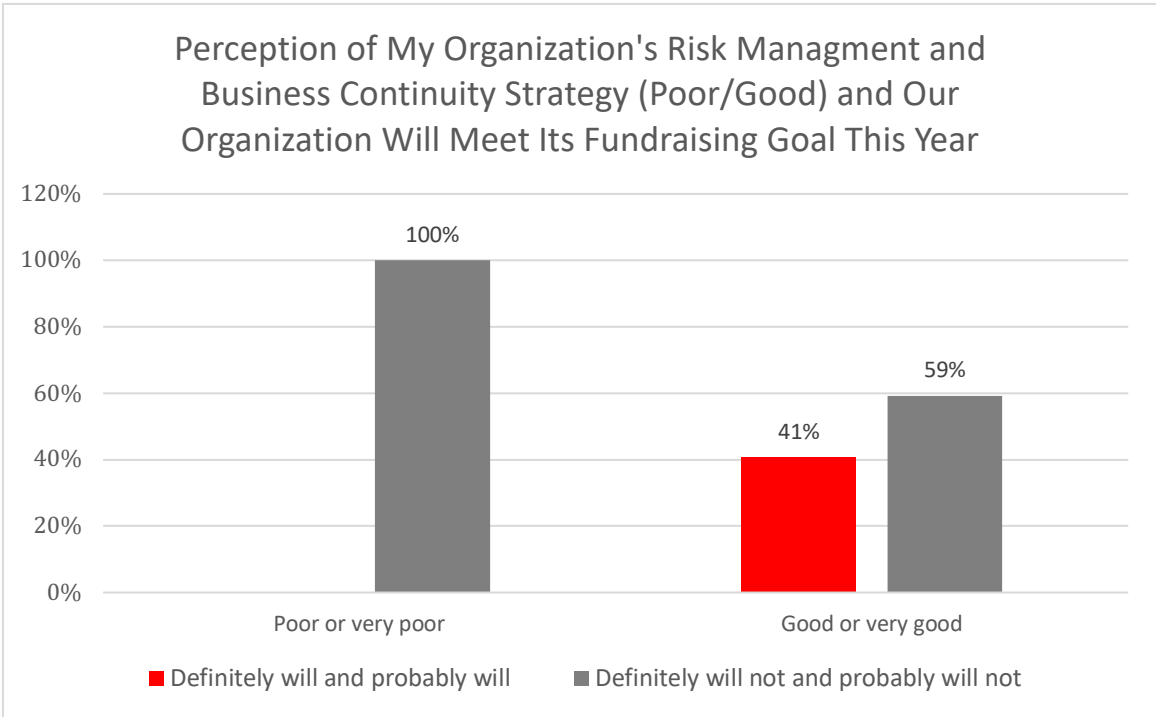


After recoding the responses from Graph 2 into divestment or investment strategies, we see a clear distinction in approaches to responding to the COVID-19 pandemic.

- It is important to note that COVID-19 has affected both organizations that have robust risk management and business continuity strategies and those that do not. Indeed, 39% of those with a “good or very good” strategy in place had to divest in their organization during COVID-19.
- However, it appears clear that the organizations that are more likely to invest in their operations are those with robust risk management and business continuity strategies. 61% of those indicating “good or very good” risk and continuity strategies tend to invest during COVID-19, compared to only 20% of those saying, “poor or very poor.”
- This compares to an equally stark difference between divestment. 80% of those indicating “poor or very poor” risk and continuity strategies tended to divest, compared to only 39% for those that said, “good or very good.”



Graph 4



The handling of risk management and business continuity strategies ultimately impacts non-profit organisations' ability to sustain their operations during the COVID-19 era.

- Graph 4 shows that that 100% of all respondents who indicated that their organization’s handling of the pandemic was either “very poor or poor” also did not expect to meet their fundraising goal.
- The percentage of those who indicated they will meet their fundraising goals improves dramatically (improving from 0% to 41%) when looking at respondents who indicated that their organization’s strategy of risk management and business continuity was either “good or very good.”
- Certainly, having a robust risk management and business continuity strategy is not a guarantee that fundraising goals will be met during the COVID-19 era. Indeed, 59% of those who had favourable perceptions of their risk management and business continuity plans held doubts about meeting their fundraising goals. Nevertheless, we see that “good or very good” risk and continuity strategies increase the likelihood of meeting fundraising goals.

Why is this important?

To summarize, we have found that during the COVID-19 era, non-profit organizations that possess a “good or very good” risk management and business continuity strategy appear to be weathering the pandemic better than their counterparts who rate their strategies as “poor or very poor”.

Fundraising has undeniably been impacted by the COVID-19 era; many organizations doubt their ability to meet fundraising goals, while some express a higher degree of optimism. However, those with strong risk management and business continuity strategies in place prior to or during the crisis do seem to be navigating the fundraising landscape better than those with weaker risk and business continuity preparedness (Graph1).

The results demonstrate that organizations that are engaged in developing risk management and business continuity strategies are more likely to have:

1. Received increased donations (proactive and solicited);
2. Invested rather than divested in their organizations during COVID-19;
3. Invested in digital fundraising and the construction of a virtual donor database;
4. Been in regular communication with staff, donors, and supporters.

As such, it should come to no surprise that organizations whose employees see such strategies in place feel much more positive about meeting current fundraising objectives.

While overcoming the challenges stemming from our current crisis is certainly the top priority for non-profit employees and volunteers at present, it seems wise to continue to assess and improve approaches to risk management and business continuity.

AgentsC’s results demonstrate the importance of such planning for emerging from our current era in a better position to build a more sustainable future for the non-profit sector.