AGENTS C

We're in This Together: A Snapshot of Canadian
Non-Profit Perspectives During the COVID-19 Era

Part One: General Survey Findings Report
May 2020

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ABOUT AGENTSC AND AGENTSC ANALYTICS:

AgentsC is an international non-profit consulting firm based in Toronto, Canada. We offer comprehensive, transformational change services to clients wanting to achieve sustainable revenue growth, as well as rigorous program evaluation and impact measurement of their projects.

Our commitment to equity philanthropy drives our work. We engage organizations around the world to implement unique solutions to the social determinants of health and UN Sustainable Development Goals.

AgentsC Analytics gathers and disseminates data and produces research to demonstrate emerging themes and challenging issues within the non-profit sector. Through the use of technology and AI tools, AgentsC Analytics specializes in producing the following:

- Non-profit and philanthropic market analysis
- Program evaluation and impact reporting
- Topical non-profit sector surveys
- Prospect and donor research
- Database review, budget analysis, and trend forecasting
- Custom research as commissioned by our clients

INTRODUCTION:

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, within 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.

What makes this report unique is our attempt to reflect the experiences and viewpoints of Canada's diverse non-profit industry in times of crisis, particularly in relation to Inclusion, Diversity, Equity, and Access (IDEA). To this end, despite our relatively small sample size, we attempt to disaggregate our main findings using an IDEA lens.

Essential to this report are our findings which include:

1. Health and safety are paramount concerns for non-profit workers and organizations alike during the COVID-19 crisis (see Graphs 1 and 4). This was followed by concerns of accountability to program participants, employees and other stakeholders.

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[1] A detailed demographic report will be released in June 2020.

2. Only 11% of survey respondents indicated that the COVID-19 crisis had made them want to leave the non-profit sector. Indeed, 70% of respondents said they were committed to staying (Graph 2). Moreover, the group that is staying offered overwhelming positive feedback regarding the direction that their organization was headed (Graph 3).

3. Regarding revenue generation priorities, as expected, the percentage of organizations relying on sponsorships and events fell dramatically from before to during the COVID-19 crisis (Graph 5). However, this decrease likely spurned an increase in relying upon online giving.

4. This increase in online giving was observed across the entire survey population and for both white and black respondents. However, the increase was much higher for black respondents – roughly 3 of every 4 black respondents reported online giving as a major revenue generating tool during COVID-19, whereas the figure was roughly 3 of 10 white respondents (Graphs 6 and 7).

5. Black respondents also report increases in grants and mid-level donations during COVID-19 (Graph 6). This is not the case for white respondents for whom the receipt of grants and mid-level donations was only lightly affected (Graph 7) – this may perhaps be accounted for by lower numbers of black people working in major donor fundraising roles within non-profit organizations.

6. As such, the race of our survey participants appears to be a factor in how respondents and organizations have implemented fundraising techniques in response to the COVID-19 crisis. At this point, we cannot offer any definitive explanations as to why, but AgentsC will be publishing a document on race and fundraising in the COVID-19 era that seeks to answer this question.
7. An organization's handling of risk management and business continuity strategies has proven crucial in their ability to continue to effectively fundraise. Those who reported their organization's risk and continuity response to be "good or very good" are more likely to receive increased solicited and proactive donations (Graph 8). Moreover, they also feel more positive about meeting their fundraising goals, as opposed to organizations whose risk and continuity strategies are perceived to be "poor or very poor" (Graph 9).

This general report forms the first part of a series of three COVID-19 reports that AgentsC will produce through our Analytics service and comprises the following main sections that are discussed below: 1) Methodology summary; 2) Brief demographic overview; 3) Key findings.

I.   METHODOLOGY SUMMARY

Our main methodology involved the creation and online distribution of a 23- question online survey using the Google Survey platform. The survey was distributed among AgentsC's non-profit network of employees and volunteers via LinkedIn, email, and third- party groups, such as a network of black fundraisers and other individual contacts. A more detailed explanation of AgentsC's methodology can be found here.

II.   BRIEF DEMOGRAPHIC OVERVIEW

In undertaking this survey, we aimed to create a clearer understanding of responses by asking questions about the demographic profile of our participants. We recognize that the diversity of Canada's non-profit sector is truly reflected in the broad social, ethnic, ability, age, gender, and racial identities of employees and volunteers. As such we are able to provide some disaggregated findings.

In total, 131 non-profit employees and volunteers participated in AgentsC's survey. The breakdown of participants are as follows:[2]

a. Geography:
    The majority (82%) of participants work in the Southern Ontario region (Toronto, Hamilton, London, St. Catharines). The second most-common location was from participants in Montreal (5%), followed by undeclared (4%), and Ottawa (3%).

b. Yearly organization revenue:
    Almost 9 out of 10 respondents work at organizations whose revenue is above $1 million: 59% of respondents work for organizations whose revenue is above $5 million, while 26% belong to organizations with revenues of between $1 million to $4.9 million. Only 3% of respondents work at organizations whose revenue is below $100,000.

c. Position occupied:
    A significant proportion of respondents occupy leadership roles within their organization: 27% at the director level, 25% at the executive/C-Suite level, and 4% at the vice-president level. The remaining are spread out among manager (19%), senior manager (11%), officer/associate (8%), and entry level/coordinator (4%).

d. Race:
    The two most represented racial groups in this survey are people who identify as white (56%) and black (23%). The majority of the remaining racial groups identify as: South Asian (5%), East Asian (4%), South-East Asian (2%), Arab (2%), and West Asian (1%).

e. Gender:
    A large proportion of survey respondents identified as female (75%), while a smaller proportion identified as male (22%), and an even smaller proportion as queer or non-binary (3%).

f. Disability status:
    The majority (95%) of respondents did not identify as disabled, while 4% did and 1% preferred not to answer.

g. Sector:
    The survey captured a wide variety of organizations working in different sectors that make up the Canadian non-profit industry. While the most common organization represented is the international development sector, this sector represented only 14% of our respondents. The next

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[2] Please note that we present only the most significant demographic findings in this section. As such, the percentages found here will not always add up to 100%.

four most common sectors represented are: children's (ages 1-17) organizations (13%), general education (10%), health services and research (10%), and community development (8%).

h. Age:
Eighty-five percent of our survey respondents were between the ages of 30 and 60, with an additional 5% between the ages of 20 and 29.

This brief overview of demographic data highlights those who participated in this survey. AgentsC will publish an additional overview in June 2020 that focuses exclusively on demographic data for the purpose of further expanding on demographic data and drawing new conclusions.

III.   KEY FINDINGS

While AgentsC's key findings point to an industry that is facing uncertain times, they also reflect the skills of resilience and adaptability. Despite their personal concerns about the COVID-19 pandemic, our survey participants also demonstrated unique solutions to current challenges. Here, we provide some of the most important responses that point to the resilience of the non-profit sector today.

Finding 1.   My top three personal concerns right now

We anticipated that participants would be affected personally and professionally by the COVID-19 crisis, and as such, we invited them to share these concerns. The most frequently cited concern is personal physical and mental health.

Graph 1: Question 6—My top three personal concerns right now[3]

My top three personal concerns right now
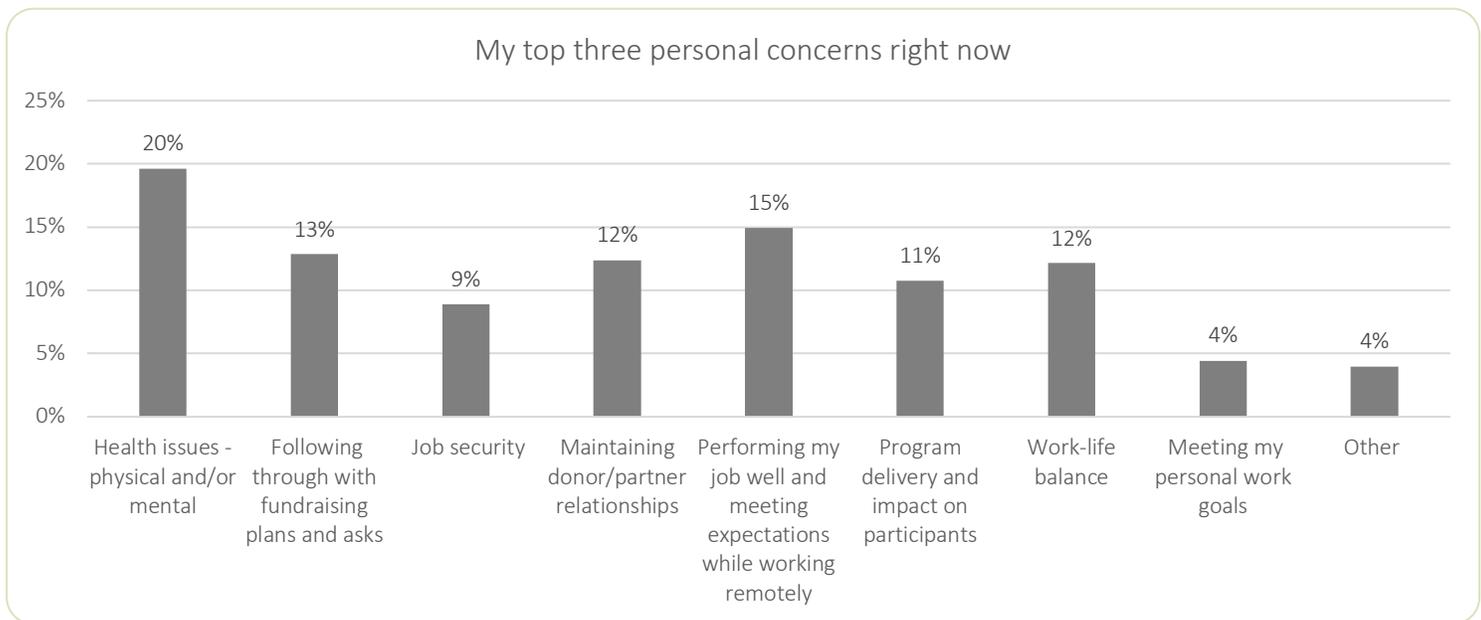
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[3] Responses were rounded up to the nearest whole percentage for easier interpretation. This explains why the cumulative percentages in this graph add up to 102.
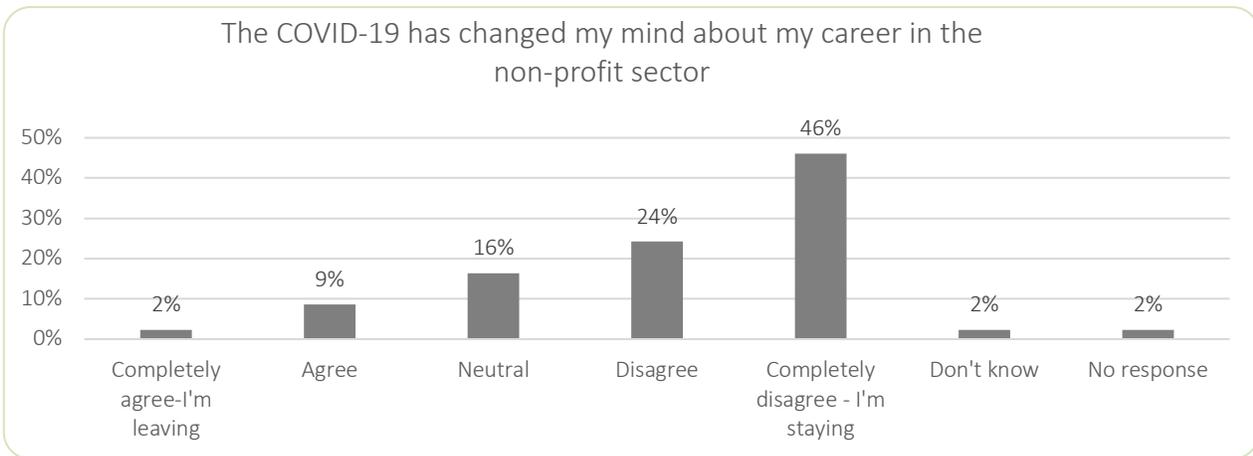
- Graph 1 shows that professional concerns do seem to be higher on the mind of many respondents, as the next three most frequently listed concerns are: performing my job well while working remotely (15%), following through fundraising plans and asks (13%) and maintaining partner and donor relations (12%). To follow through with establishing agreements and projects, as well as maintaining current relationships echo the responses around being accountable to the organization's stakeholders.

- From a personal perspective, respondents are more concerned with maintaining a work-life balance (12%) as well as keeping in good health (20%) than they are about job security (9%) and meeting personal work goals (4%).

Finding 2. The COVID-19 has changed my mind about my career in the non-profit sector

Participants were asked if the COVID-19 crisis had made them reconsider their future in the non-profit sector. Alongside of these results, we include responses from question #21, "Describe the future of your organization in three words." This allows us to better determine if there is a relationship between staying in the non-profit sector and a more positive outlook for the future of non-profit organizations during the COVID-19 era.

Graph 2: Question 5—The COVID-19 has changed my mind about my career in the non-profit sector

The COVID-19 has changed my mind about my career in the non-profit sector

Response	Percentage
Completely agree-I'm leaving	2%
Agree	9%
Neutral	16%
Disagree	24%
Completely disagree - I'm staying	46%
Don't know	2%
No response	2%

- Graph 2 shows that a high percentage of those surveyed (46%) plan to stay within the non-profit sector.

- Only 11% of those surveyed plan on leaving, while 70% plan on staying, and 16% are not committed to either decision.

- The single most cited response is "completely disagree" when it comes to considerations about rethinking a career in the non-profit industry, which nearly accounts for half of the surveyed population. This indicates a strong commitment within this group to remain in the sector.

- We cannot speculate on participants' motivation for staying in the sector, however, we can hypothesize that they are prepared to work through the difficulties brought about by COVID-19.
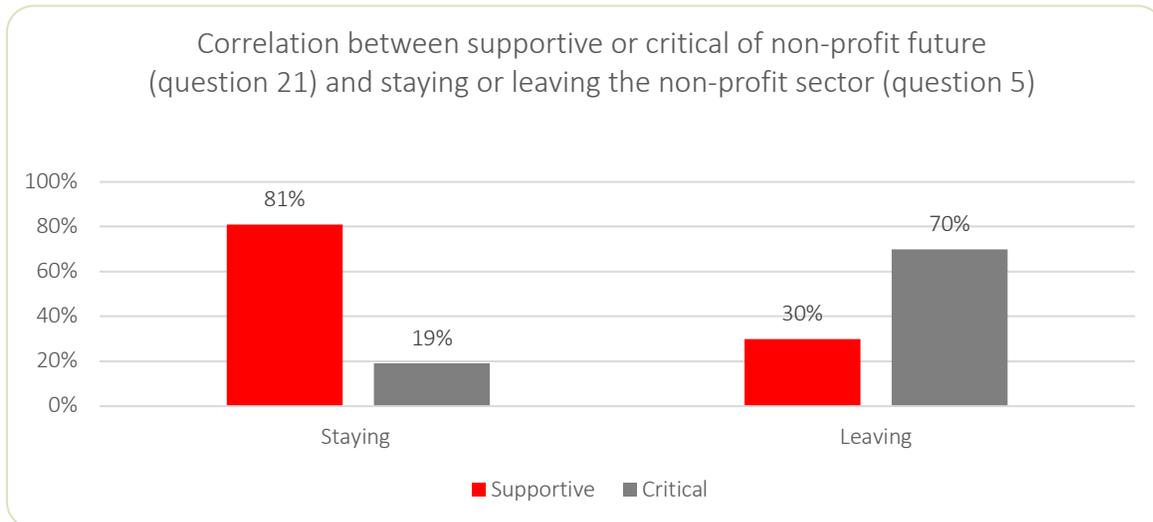
Given the significant difference between those who are seeking to leave and those committed to staying, we were then interested to see if there is a difference in the way participants responded to question #21, "Describe the future of your organization in three words."

We grouped responses to question 21 as being critical or supportive in nature and hypothesized that those staying in the sector would be the most likely to be supportive over its future and view the crisis with a more positive outlook.

Responses were coded as critical if the word chosen by our participants could be associated with a negative outcome. For example, words such as—bankruptcy, uncertain times coming, unprotected, vulnerable, ignored, and underfunded—were categorized as "critical." On the other hand, words such as—hopeful, reinvention, in this together, bounce forward, growth, expansion, and flexible—were coded as "supportive."

Before examining these data, we stress that this analysis is not meant to cast those who wrote comments deemed critical in a negative light. Feedback is an essential part of how non-profit organizations evolve and critical feedback often takes the form of being supportive. In this context, we hypothesized that given the intent to stay in the sector, the majority of ways by which respondents would describe their organization would be markedly more positive than the contrary.

Graph 3: Correlation between question 21—Three words to describe the future of my organization and/or the charitable sector during this crisis—and question 5

Correlation between supportive or critical of non-profit future
(question 21) and staying or leaving the non-profit sector (question 5)

- Graph 3 shows that there is a fairly significant relationship between staying in the non-profit sector and having a supportive response.

- 81% of the responses given by those staying is supportive, compared to only 19% of the feedback that is coded as critical.

- On the hand, only 30% of those seeking to leave the non-profit sector is supportive, while 70% is critical.

To summarize, the vast majority of respondents are staying in the sector and perhaps see the COVID-19 as an opportunity to be explored or a challenge to be overcome.

Finding 3.   What priorities are the non-profit sector addressing at this time?

In order to better understand the non-profit sector's priorities in response to the COVID-19 crisis, respondents were asked to differentiate between their organization's revenue generation priorities, pre- and during COVID. In this way, we are able to see the evolution of how these organizations are redeploying their resources to respond to the unique set of challenges with which they are faced. Related to this, we asked each respondent to highlight what they felt to be their organization's top priorities. These priorities are labelled "general" because they do not have to be related to fundraising or revenue generation.

Graph 4: Question 4—Currently, my organization's top two priorities are

- Almost 1 out of every 4 responses prioritized the health and well-being of staff and the people served by the organization.

- There is a strong emphasis placed on accountability to groups and people we serve, donors, and program participants. Combining the three variables related to accountability produces a final figure of 31%. This means that 53% of all responses had to do with health and accountability to staff, program participants, and other stakeholders.

- The reallocation of the budget is cited frequently as well (12%). Indeed, the COVID-19 crisis has forced organizations to make difficult decisions and to prioritize certain parts of their operation over others.

- Despite the need to reallocate budget, many organizations seem to be prioritizing the continuation of their operations as much as budget considerations—11% said that meeting their year-end goals to ensure continued operations is a priority.

- In spite of the disruption of the COVID-19 crisis, 6% are still committed to following their strategic plan and maintaining a healthy donor pipeline.

In summary, it seems that the majority of these organizations are prioritizing accountability to those who benefit or use their services and ensuring their staff and participants are in good health before any budgetary decisions. These findings confirm what was observed in Graph 1, where respondents gave their top personal concerns. In both graphs, we see that health and safety are paramount.

Graph 5: Questions 18 and 19—Select your organization's top three revenue generation priorities before and during the COVID-19 state of emergency
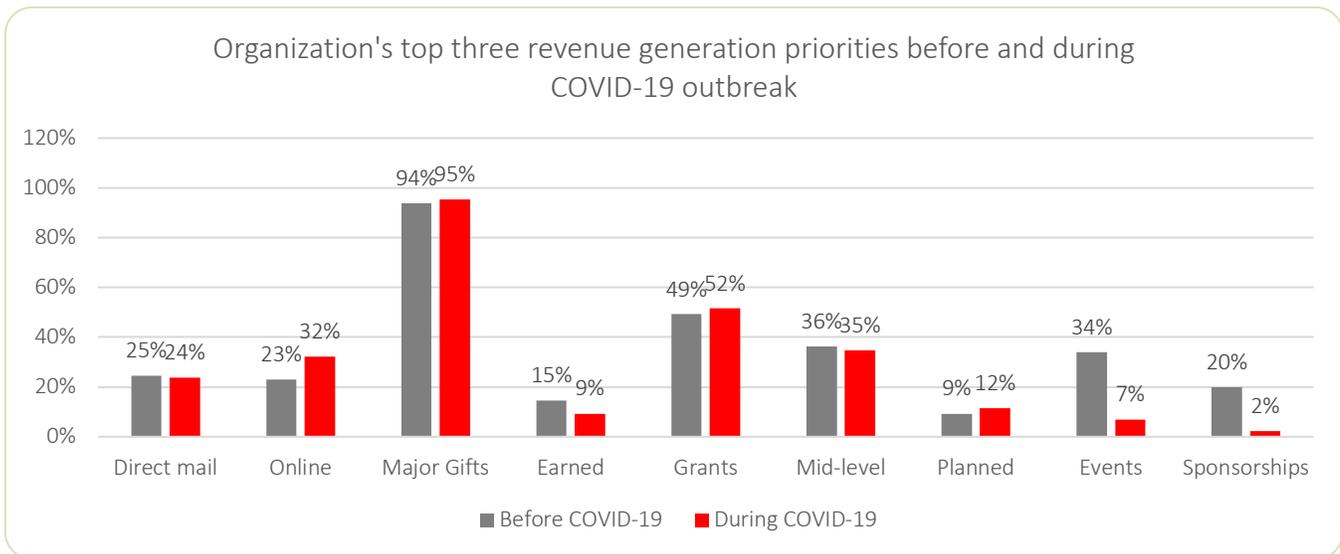
Graphs 5, 6 and 7 all show data on organizational revenue generation priorities before and during the COVID-19 state of emergency. In the analyses that follow we calculate the percentage of respondents who noted each category listed. For example, in Graph 5, major gifts was noted 94% of the time before and 95% of the time during the COVID-19 state of emergency. This means that, 94% and 95% of the respondents in total indicated that major gifts is one of their revenue generation priorities before and during the COVID-19 state of emergency.

Graph 5 above provides an important snapshot of how respondents saw their organization before the COVID-19 crisis and how they see it since the pandemic declaration.

- Online giving rose from 23% to 32%, a percentage increase of 39%—the highest increase reported across these two tables.

- The most drastic changes in fundraising techniques that the COVID-19 crisis has brought about has been the precipitous drop in earned revenue, events, and sponsorships.

- Earned revenue dropped from 15% to 9%—a decrease of 40%. While this is concerning, it pales in comparison with events, which dropped from 34% to 7%—a percentage decrease of 79%—and sponsorships, which decreased from 20% to 2%—a percentage decrease of 90%.

- Several variables remain constant across the two periods—direct mail, major gifts, grants, mid-level gifts and planned gifts—none of which moved more than 3 percentage points in either direction.

- It seems as though the decreases in events and sponsorships have served to bolster efforts around online giving and to a lesser extent, major gifts, and grants.

Graph 5 above shows responses from all participants without differentiating race. However, we wanted to know whether or not the respondent's race would indicate differing organizational priorities towards fundraising. Thus, we asked, what kind of graphical representation would be yielded if compiled data from white respondents were compared to those from black respondents? Graphs 6 and 7 below present these data.

Graph 6: <u>Questions 18 and 19 for black respondents—Select your organization's top three revenue generation priorities before and during the COVID-19 state of emergency</u>

Organization's top three revenue generation priorities before and during COVID-19 outbreak - Black respondents
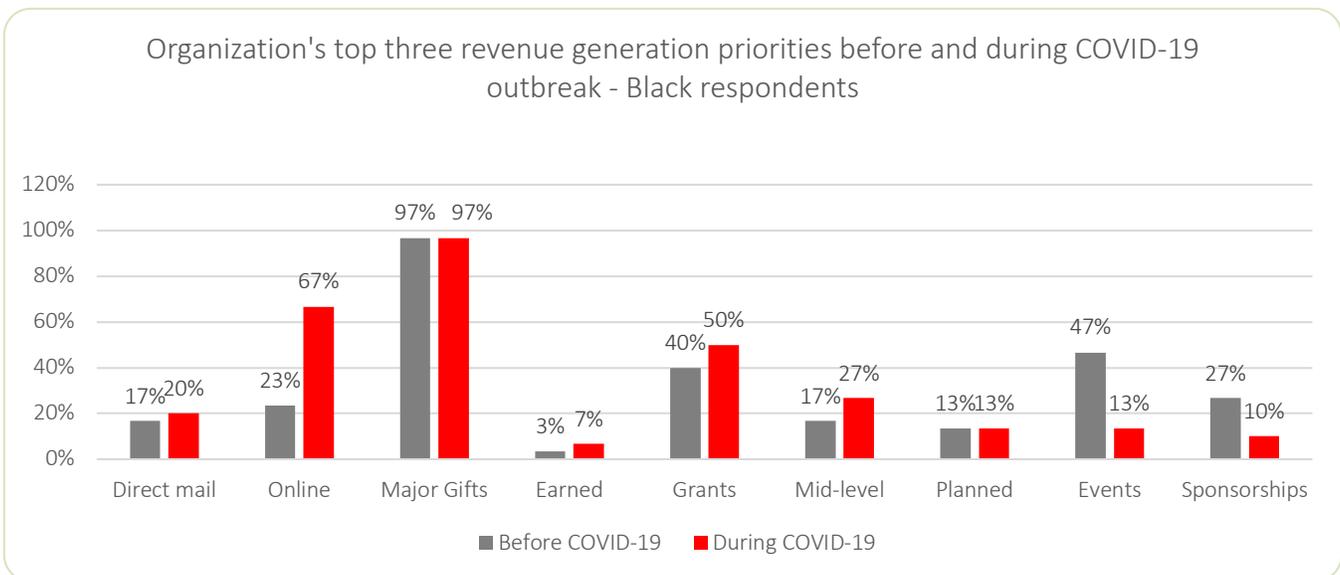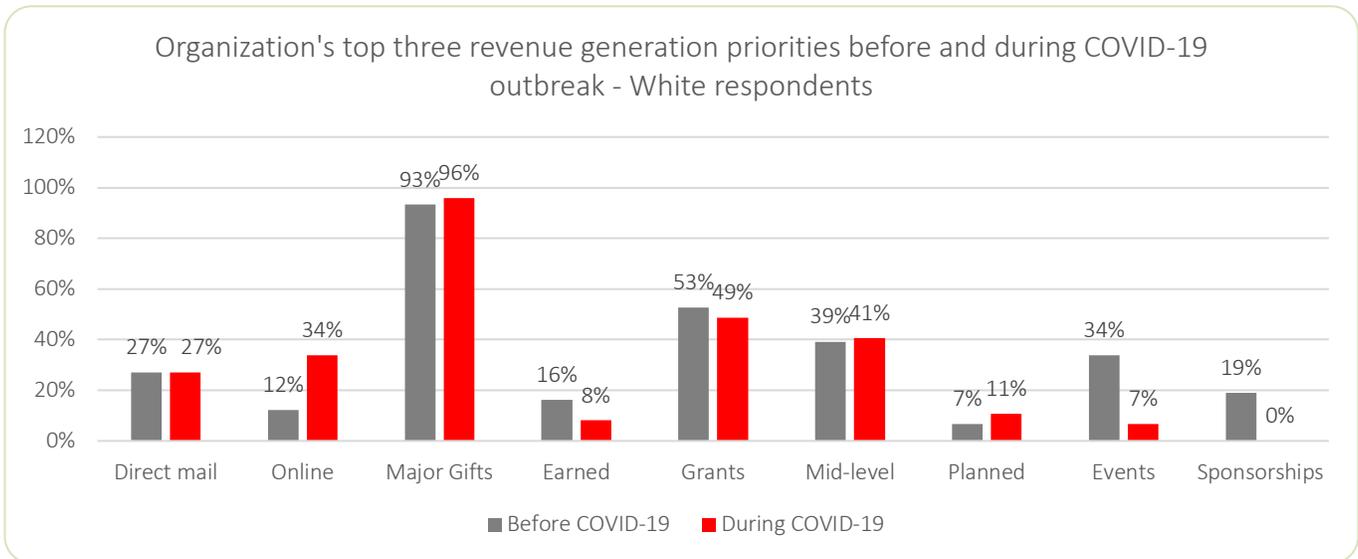
Graph 6 above shows revenue generation priorities changed from before the COVID-19 state of emergency for black survey respondents. The findings include:

- A common thread is the dramatic increase in online giving and decreases in events and sponsorship activity. Before COVID-19, online giving is a major source of revenue for almost one in four black respondents, compared to during, where almost 3 in 4 black respondents indicate that their organizations are employing online funding. This change represents a 191% increase, the highest percentage increase observed in Graphs 5, 6 and 7.

- Unlike the overall data, black respondents reported that their organizations had increased their receipt of grants from 40% to 50%, and their mid-level giving program from 17% to 27%.

- Equally as dramatic as in Graph 5 is the fall in event and sponsorships, both of which went from occupying a fairly significant percentage of overall black respondents, to a relatively small one.

- Similar to the overall results of all races in Graph 5, direct mail, major gifts, earned revenue, and planned giving either did not change at all, or barely changed.

Graph 7: Questions 18 and 19 for white respondents—Select your organization's top three revenue generation priorities BEFORE and DURING the COVID-19 state of emergency

Organization's top three revenue generation priorities before and during COVID-19 outbreak - White respondents

Legend: ■ Before COVID-19 ■ During COVID-19

Categories: Direct mail (27%, 27%), Online (12%, 34%), Major Gifts (93%, 96%), Earned (16%, 8%), Grants (53%, 49%), Mid-level (39%, 41%), Planned (7%, 11%), Events (34%, 7%), Sponsorships (19%, 0%)

Graph 7 above presents the same data set for white respondents.

- Similar to the black respondents, there is a strong shift in online fundraising, from 12% of all respondents to 34% of white respondents—a percentage increase of 183%. However, what separates the two groups is that almost 3 of 4 black respondents reported their organization

transitioning to online fundraising. For white respondents, although the increase was substantial, it still amounts to 3 of 10 respondents, a much more modest increase.

- For the white respondents, the drop in earned revenue corresponds with that seen for the entire sample (Graph 5), while the drop in grants—from 53% to 49%—is in the opposite direction that was noticed for both the black respondents and the entire group.

- Direct mail, major gifts, mid-level gifts, and planned gifts all either slightly increased or remained the same.

- There are several noticeable drops: earned revenue, grants, events, and sponsorships. Unsurprisingly, events and sponsorships took the most significant hit of all, dropping from 34% to 7% (events) and 19% to 0% (sponsorships) of all white respondents. These represent percentage decreases of 79% and 100%.

To summarize, there appear to be several differences regarding the methods used by organizations in response to COVID-19. Moreover, these differences look to be, at least in part, attributable to the race of the survey participant.

Finding 4.   Factors for fundraising success during COVID-19

We asked our survey respondents several questions related to the state of their fundraising during the COVID-19 crisis. In particular, we asked what their donors' responses have been to the crisis in terms of their giving and communications, and if their organizations expect to meet the fiscal year's fundraising objective.

We found a strong relationship between fundraising success and the organization's handling of risk management and business continuity strategies. This relationship adds to our understanding of how effective planning in times of crisis and organizational success are related. We present the results in Graphs 8 and 9 below.

Graph 8: Questions 14 and 17—"My organization's management of risk and business continuity strategies in response to COVID-19" in relation to "The majority of my organization's existing donors have responded to our work during the COVID-19 crisis"

Relationship between my organization's management of risk and business continuity strategies (question 14) and how my organization's existing donors have responded (question 17)

Graph 8 presents results on donor responses, listed as the seven variables, to the COVID-19 crisis, alongside how respondents felt their organization handled risk management and business continuity since the COVID-19 outbreak (labelled in gray and red).

- It appears as though all non-profit 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 responding with "very poor or poor" to the risk management and business continuity question and receiving donations fewer donations. Indeed, these respondents had a significantly higher percentage of donors giving less (31%) than their counterparts that responded with "very good or good" (10%).

- Those who said their handling of risk management and business continuity is either "very good or good" are much more likely to receive increased solicited and proactive donations (17% and 27%, respectively) than their counterparts that responded with "very poor or poor" (6% and 13%, respectively).

Finally, the handling of risk management and business continuity strategies ultimately impacts the organization's ability to sustain itself through such crises.

Graph 9: Questions 14 and 16—"My organization's management of risk and business continuity strategies in response to COVID-19" in relation to "My organization will meet this year's fundraising goal"

Relationship between my organization's management of risk and business continuity strategies (question 14) and whether my organization will meet this year's fundraising goal (question 16)

- Graph 9 above shows that that 100% of all respondents who said their organization's handling of this issue is either poor or very poor do not expect to meet their fundraising goal.

- The percentage of those who think they will meet their fundraising goals improves dramatically, from 0% to 41%, when looking at respondents that said their organization's strategy of risk management and business continuity is either good or very good.

- Certainly, having a robust strategy is not a guarantee that such goals will be met during times of crisis—indeed, 59% still doubted they will meet their fundraising goals—but the likelihood of success is significantly greater.

To summarize, we see a relationship between an organization's very good or good handling of risk management and business continuity strategies and them receiving higher donations, in spite of the COVID-19 crisis. Similarly, these organizations are much more likely to meet their current fundraising objectives than those who indicated their organization's handling of risk management and business continuity as being poor.

CONCLUSION:

This report provides readers with the high-level findings made during AgentsC's administration and analysis of its survey on the non-profit industry's response to the COVID-19 crisis.

We hope that AgentsC's general findings contained in this non-profit sector report will serve as an important conversation piece on organizational sustainability and the future of fundraising.

Our data tells us that the continued use of digital tools to deliver services and raise funds should be a given for the future. Adaptations to traditional in-person events and event-focused sponsorships will be required. One of the most significant challenges may yet be how we effectively manage risk and business continuity—understanding that there is a direct relationship between revenue growth and our preparedness to deal with unintended eventualities.

At the time of writing this report, official COVID-19 figures point to continued spread of the virus and an imminent second wave that will prolong its impact. Uncertainty will likely continue for months to come and remain a theme for the rest of the year, as will a sense of optimism and resilience already shown by non-profit staff and volunteers. Our collective responses and collaboration captured in this report highlight that despite the uncertain future, we are all in this together.