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THE RILEY CENTER FOR
LIVABLE COMMUNITIES



Together SC

ALLIES FOR GOOD

COVID-19 and the Status of South Carolina's Nonprofit Sector Spartanburg Report

The Riley Center for Livable Communities at the College of Charleston conducted this survey in partnership with Together SC, the South Carolina Grantmakers Network, the United Way Association of South Carolina, the Greenville Partnership for Philanthropy, the Community Foundation of Greenville, and the NonProfit Alliance Greenville. This specific report was commissioned by the Spartanburg County Foundation, Mary Black Foundation, United Way of the Piedmont, and Spartanburg Regional Foundation.

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The Riley Center and Together SC

COVID-19 and the Status of South Carolina's Nonprofit Sector

Executive Summary

Sponsorship: The Riley Center for Livable Communities at the College of Charleston conducted an initial survey in partnership with Together SC, the South Carolina Grantmakers Network, the United Way Association of South Carolina, the Greenville Partnership for Philanthropy, the Community Foundation of Greenville, and the NonProfit Alliance Greenville. This specific report was commissioned by the Spartanburg County Foundation, Mary Black Foundation, United Way of the Piedmont, and Spartanburg Regional Foundation.

Method: Lists of nonprofits were collected from the funding partners and other allies. Only one response per organization was requested/allowed. For this report, respondents were filtered by a response of Spartanburg to the question, "in what county is your organization's headquarters or primary office in South Carolina". In total, 47 complete useable surveys from Spartanburg county are the basis for the analysis that follows.

Respondent Profile: Ninety-one percent of Spartanburg respondents are the organization's CEO or Executive Director. In about 8% of the cases, a COO, CFO or a board director responded. For just a few, a volunteer or staff person responded. This is very similar to the statewide data.

- Seventy-five percent of Spartanburg respondents stated their executive director is white, twelve percent identified as Black or African American, and fourteen percent as other or preferred not to answer. Seventy-five percent stated their board chair/president is white, fourteen percent identified as Black or African American, and eleven percent as other or preferred not to answer. Again, these data mirror the statewide totals.
- The Human Services sector was the largest sub-sector represented (34%), followed by health (32%), and Education (17%). The sample size for each of these sectors is too small to conduct any further breakout analysis by sector.

Financial Status: Nearly two-thirds (61%) of Spartanburg nonprofits responding indicate they can survive for only six months or fewer without additional funding. Spartanburg nonprofits are slightly less financially healthy than the state as a whole. Fifteen percent indicate they are out of funds now (compared to 5% statewide) and 23% say they can only operate for three more months without additional funds. Staffing has also had a more negative impact in Spartanburg than statewide with 58% of Spartanburg nonprofits reporting negative impact compared to 35% statewide.

Sources of Support: By far, the Federal Government, especially the Payroll Protection Program (PPP), is the most often-cited source of COVID-19 relief-related funding for Spartanburg nonprofits.

Looking Forward: More than half (52%) of Spartanburg nonprofits report that cash to meet operating costs and make up for lost revenue is their single biggest need through the end of this calendar year.

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- In aggregate, of the 24 Spartanburg nonprofits indicating they need cash to survive through the end of the year, 19 provided usable estimates which total \$976,000. This is an average per organization of \$51,368.42, compared to the overall state report of \$293,850 needed to stay afloat to make up for lost revenue. The \$976,000 accounts for only 2% of the funds reported in the overall state report.

Silver Lining:

- Despite the significant challenges caused by COVID-19, 68% of Spartanburg nonprofits report having experienced at least some positive impacts since March. This is similar to the state as a whole.

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Background

South Carolina, like many states, has been significantly affected by COVID-19, with more than 3,992 deaths and serious economic consequences across all sectors of the economy. Spartanburg accounts for 245 (6%) of these deaths as of November 5, 2020 (Source: New York Times, November 5, 2020). The goal of this research is to more completely and more deeply understand the current status of the nonprofit sector during the pandemic.

Objectives

The Riley Center for Livable Communities at the College of Charleston conducted this survey in partnership with Together SC, the South Carolina Grantmakers Network, the United Way Association of South Carolina, Greenville Partnership for Philanthropy, the Community Foundation of Greenville, and the NonProfit Alliance Greenville. Study objectives include:

1. Assess the financial health and status of nonprofits in SC, by sub-sector and region.
2. Understand operational and programmatic changes made by nonprofits as a result of COVID-19 and the needs they may have going forward.
3. Learn if SC nonprofit organizations have changed, expanded or revised their mission or methods of service delivery as a result of COVID-19.
4. Place the Spartanburg nonprofit organization data into context by comparing to statewide totals.

Methods

- Lists of nonprofit organizations and grantees were gathered from survey sponsors and other allies. In total, 31 organizations provided names, titles, email addresses and organizational affiliation. (See the full list in the Appendix.) This included 11 United Way organizations, as well as several community foundations from across the state. Members of Together SC were also included on the sample list. Together SC then collated, deduplicated and provided the list to the Riley Center.
- In the first distribution, there were 2,954 names on the list with accurate and up to date e-mail information. An electronic survey delivered via email generated a total of 566 organizations. Only one response per organization was requested/allowed.
- In the second distribution, the Riley Center was sent a data set with 99 useable email addresses. Forty-four of these were new and had not received the survey in its first distribution. Forty-seven of these contacts were sent reminders to complete the survey as they were in the first distribution.

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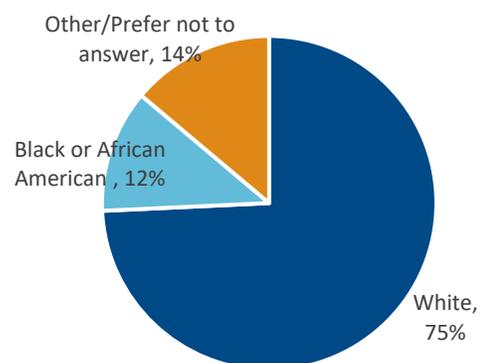
- For this report, respondents were filtered by a response of Spartanburg to the question, “in what county is your organization's headquarters or primary office in South Carolina”. In total, 47 complete useable surveys from Spartanburg county are the basis for the analysis that follows.
- Data were collected from September 1 through October 29, 2020 via an online Qualtrics survey of 33 questions. The first distribution was sent on September 1 and data was collected through September 8, 2020. The second distribution was sent on October 20 and closed on October 29, 2020.
- Most of the questions were structured, closed ended questions, though respondents were given ample opportunity to provide their thoughts via an additional four open-ended queries. Three reminders were sent to non-responders during the data collection time period.
- Data were analyzed in total and with several cross-tabulations via the reporting function of Qualtrics and in some cases exported to Excel for graphs and additional analysis.

Participating Organization Profile

General Demographics

- Ninety-one percent of respondents are the organization's CEO or Executive Director. In about 8% of the cases, a COO, CFO or a board director responded. For just a few, a volunteer or staff person responded. This is similar to the statewide report.
- The Human Services sector was the largest sub-sector represented (34%), followed by health (32%), and Education (17%). The sample size for each of these sectors is too small to conduct any further breakout analysis by sector.
- 46 out of 47 respondent organizations stated they served the upstate area. One respondent selected that they serve the entire state.
- Respondents were asked to identify the race of the organization's executive director/CEO and the board chair/president. Seventy-five percent stated their executive director is white, twelve percent identified as Black or African American, and thirteen percent as other or preferred not to answer. Seventy-five percent stated their board chair/president is white, fifteen percent identified as Black or African American, and ten

Graph 1: Race of Executive Director

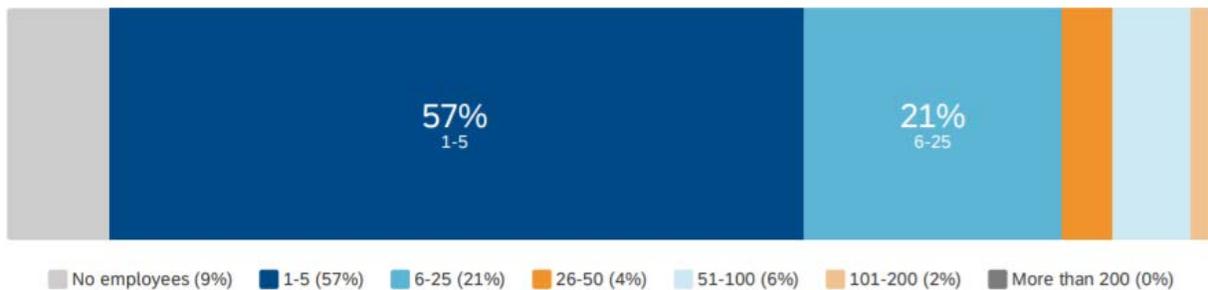


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percent as other or preferred not to answer. These statistics are nearly identical to the statewide report.

- An overwhelming majority (87%) of the nonprofits responding have 25 or fewer employees as of March 2020. Over half (57%) have between one and five employees. Nine percent report no employees as shown in Graph 2. Compared to the statewide report, Spartanburg nonprofits overall have fewer employees.

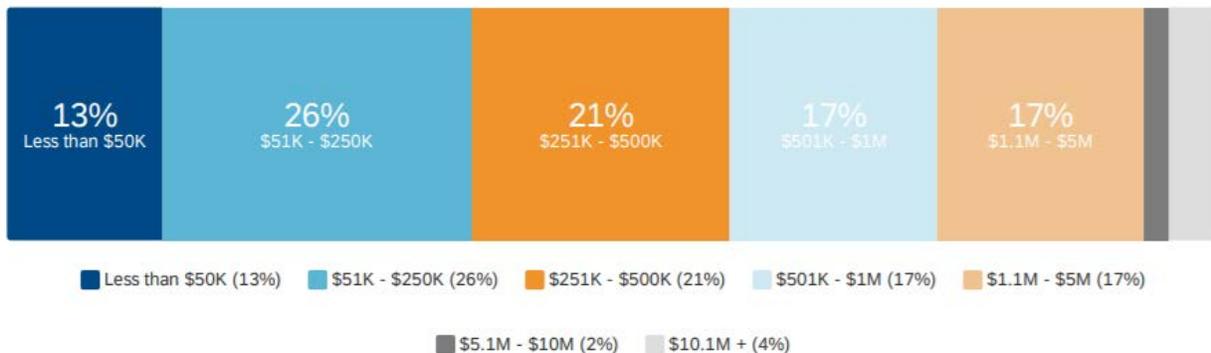
Graph 2: Number of Employees



Budget and Revenue Sources

- The sample of respondents is diverse by size. See annual budget distribution below in Graph 3, with most being in the \$51K-\$250K (26%) range but also 21% in the \$251K to \$500K range. Six percent of respondents are in the two highest categories, \$5.1-\$10M and \$10.1M+. There are minimal differences between the Spartanburg sample and the statewide sample.

Graph 3: Annual Operating Budget of Nonprofit Organizations

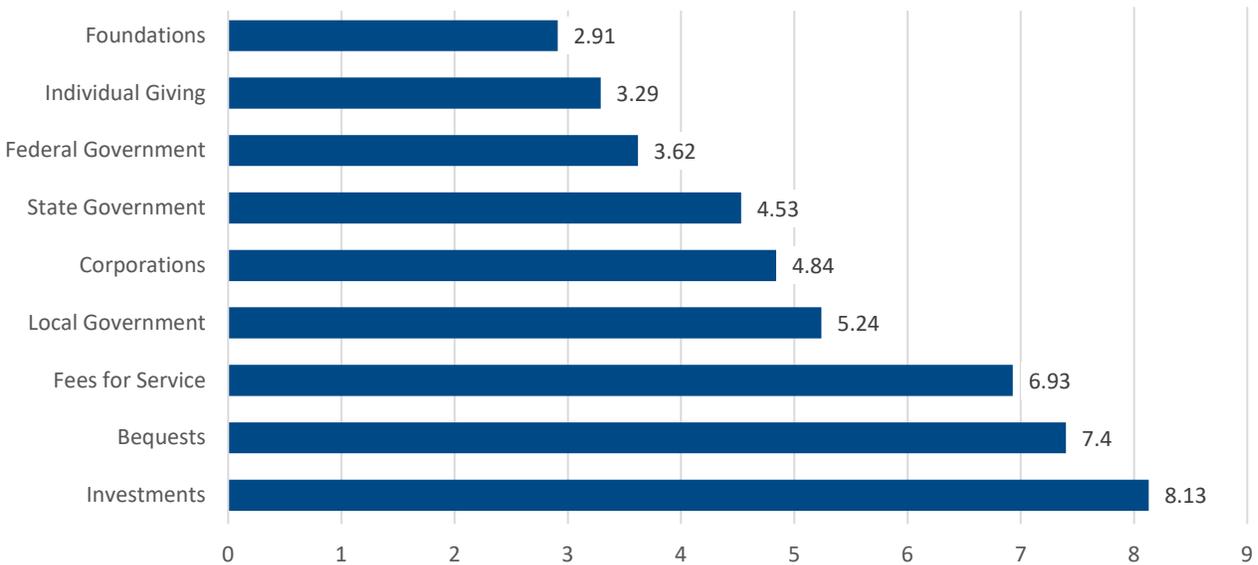


- Respondents were asked to rank order their organization's top three sources of revenue from a list of nine options. Graph 4 shows the mean score from items rated at the top to the bottom of the list (lower scores mean more likely to be in the top three choices) for Spartanburg nonprofits. Graph 4 shows that, in total, foundations, individual giving, and federal government are most commonly chosen in the top three ranks. The state government and corporations follow closely behind. Lowest on the list are investments and

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bequests. Compared to the statewide sample, Spartanburg ranked corporations much higher and governments were lower.

Graph 4: Top Three Ranked Sources of Revenue Prior to COVID-19



Financial Health

Months to Operate

- Nearly two thirds (61%) of Spartanburg nonprofits responding indicate they can survive for only six months or fewer without additional funding compared to 63% in all other counties.

We are more or less defunct. As founder and ED with this as my full time job and no cash flow, we are out of business.

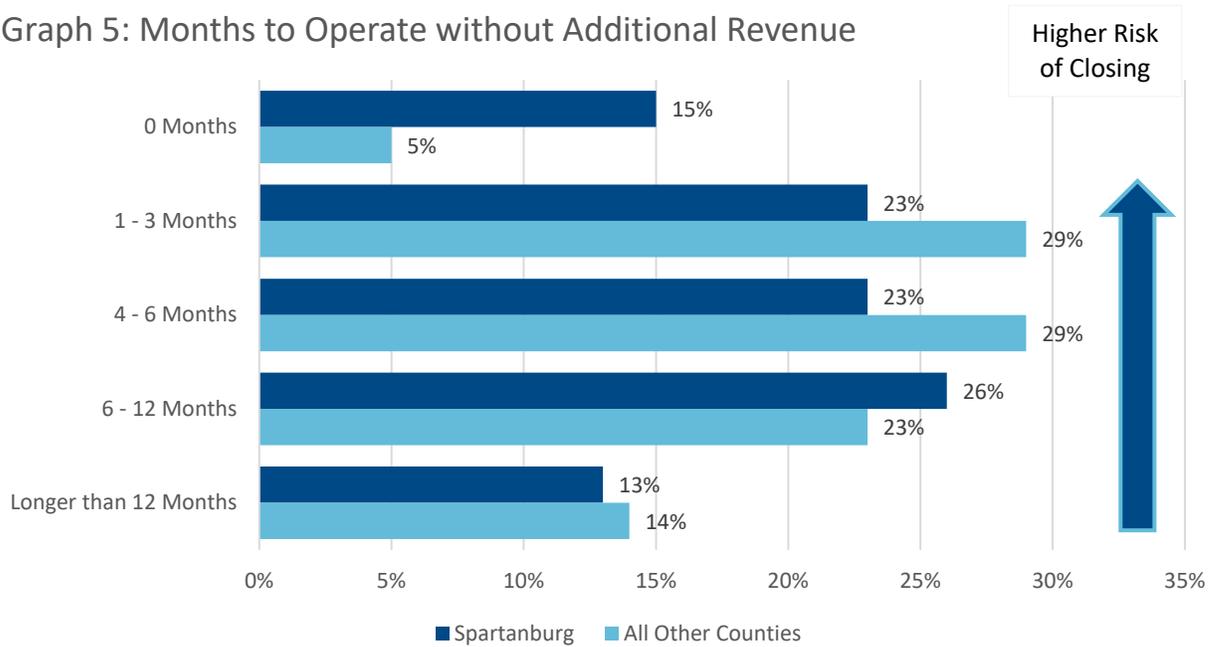
-Spartanburg Nonprofit

- Fifteen percent indicate they are out of funds now compared to only 5% of all other counties.

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- Twenty-three percent say they can only operate for three more months without additional funds compared to 29% in all other counties.

Graph 5: Months to Operate without Additional Revenue

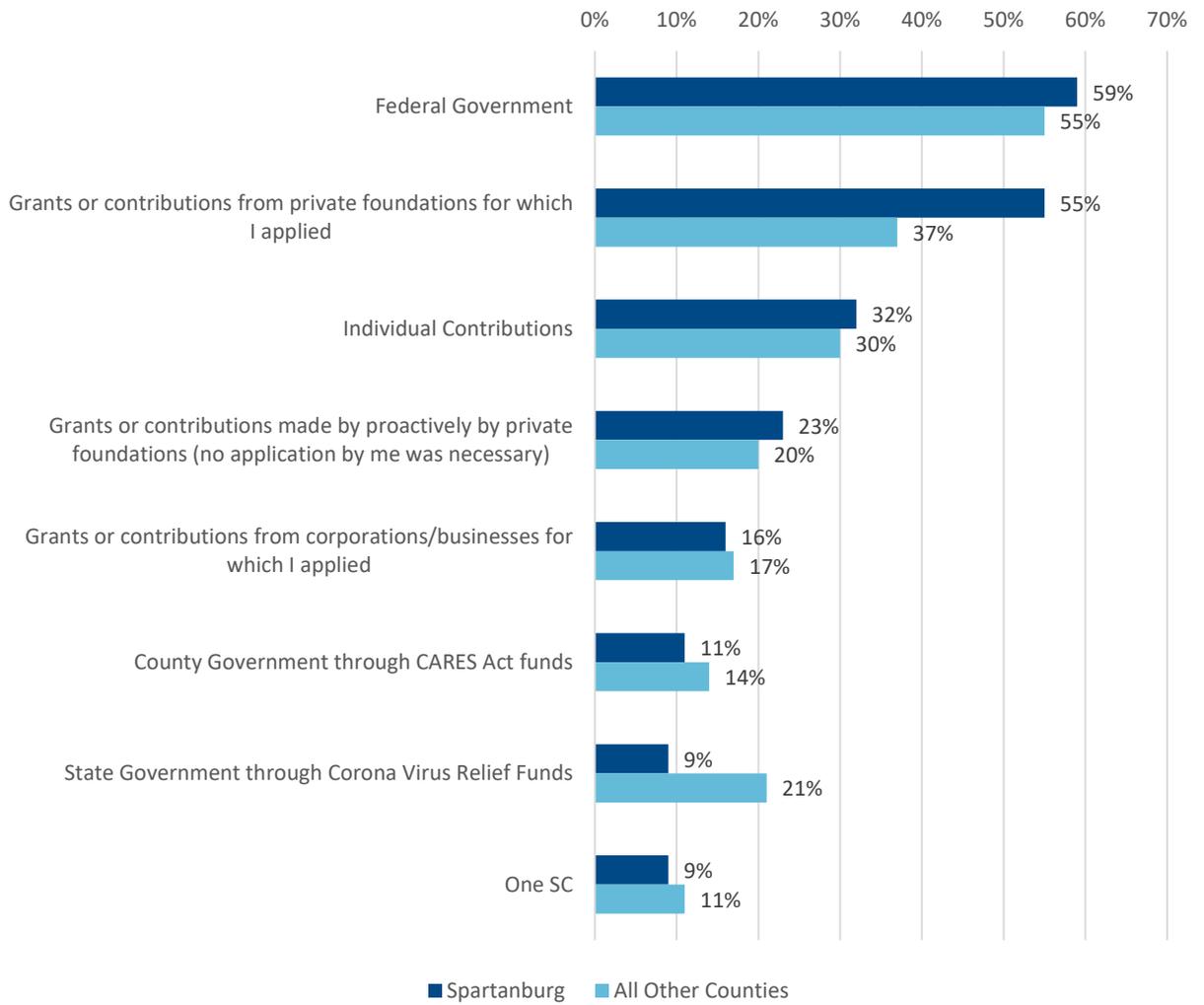


COVID Relief-Related Funding

- The Federal Government, especially the Payroll Protection Program (PPP), is the most often cited source of COVID-19 relief-related funding at 59%. In total, 23 Spartanburg organizations responding to the survey indicate they received PPP awards. Other federal efforts like the Economic Injury Disaster Loan Advance (4 organizations) and Emergency Solutions resources and CARES act funds are also cited (9 respondents).
- Grants or contributions for which the organization applied for is significantly larger in Spartanburg with 55% of respondents versus only 37% in all other counties.

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Graph 7: Sources of COVID-19 Relief Funds



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Needs Looking Forward Through the End of 2020

- Spartanburg's nonprofit sector has profound needs as organizations look to maintain services through the end of the calendar year. The single greatest need is **cash to meet operating needs due to lost revenue** (24 Organizations/53%). Second, Spartanburg nonprofits need supplies such as cleaning supplies, hand sanitizer, and PPE. Assistance. Help in understanding if loans or lines of credit are available was selected the least (3 organizations/7%). These results for Spartanburg are similar to the state as a whole though supply needs are much higher in Spartanburg. See data table below.

"For our organization and the NPOs, uncertainty about cash-flow, the impact on our donors and our families are of tremendous concern. Also the impact on the service providers trying to balance work and our own lives- NPOs are so thinly staffed due to the emphasis on low-overhead that the significant illness or death of a staff member leaves a tremendous gap. There isn't much of a safety net for NPOs. There is not enough emphasis in general in funding general operations, grantors seem to want new and shiny programs that are not sustainable as fee-for service only programs."

-Spartanburg Nonprofit

Table 2: Needs Through the End of the Calendar Year

In the next 4 months, through the end of the calendar year, what are your greatest needs? (multiple response)	Spartanburg		Statewide	
	%	#	%	#
Cash flow to meet operating needs due to lost revenue (specify estimated amount)	53%	24	54%	287
Supplies (cleaning supplies, hand sanitizer, personal protective equipment, medical equipment, etc.)	44%	20	22%	118
Help navigating any special funding resources that exist from philanthropic sources	40%	18	43%	229
Effectively and safely managing a return to in-person work and service delivery.	27%	12	28%	149
Cash flow to meet increased demand (specify estimated amount)	22%	10	23%	122
Help understanding what my peers are doing	13%	6	15%	79
Help or cash to restructure programs and/or services (please specify)	11%	5	27%	145
Help with remote work technology or management	11%	5	16%	84
Help understanding the laws related to unemployment or HR issues (please specify in comment box)	9%	4	7%	38
Help understanding if loans or lines of credit are available to our organization	7%	3	6%	35

- The amount of cash needed to remain afloat through the end of the calendar year varies widely by organization. Some of the smallest organizations could maintain operations with as little as \$1,500 a month, while there are a handful of larger organizations that need a \$100,000 to make up for lost revenue.

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- In aggregate, of the 24 Spartanburg nonprofits indicating they need cash to survive through the end of the year, 19 provided usable estimates which total \$976,000. This is an average per organization of \$51,368.42, compared to the overall state report of \$293,850 needed to stay afloat to make up for lost revenue. The \$976,000 accounts for only 2% of the funds reported in the overall state report.
- In addition to the cash needs, it is clear that these nonprofit organizations need assistance:
 - procuring cleaning supplies/PPE
 - navigating the funding process with philanthropies
 - planning and executing return to work protocols and remote working challenges

Increase/Decrease in Funding since March

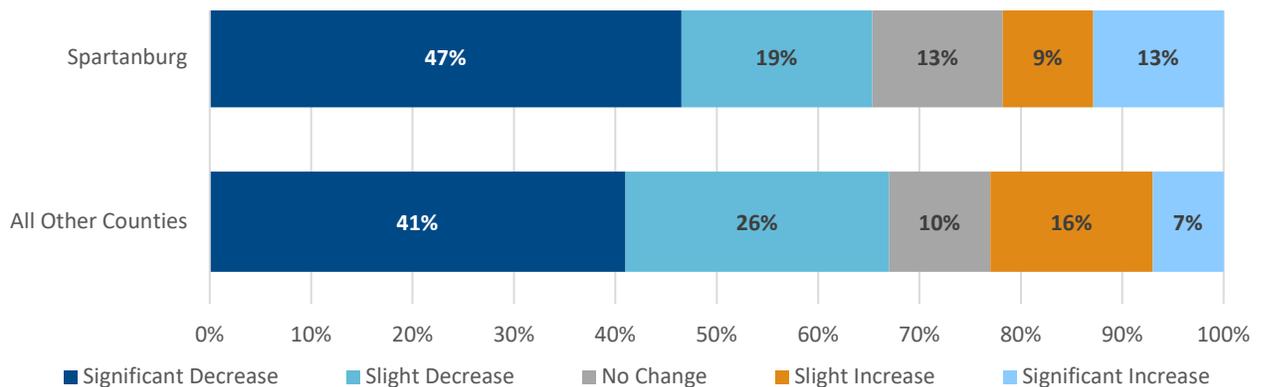
- Sixty-six percent of Spartanburg nonprofits report a slight or significant decrease in funding, while 9% indicate a slight increase and 13% a significant increase (Graph 8).

“We are in the food service and so there has been significant demand for our services when COVID hit. And also an increase in recognition of importance by donors and funders. Therefore, we have seen a 225% increase in donations/grants/gifts”.

-Spartanburg Nonprofit

- Spartanburg nonprofits are experiencing similar funding trends as the rest of the state. However, it is worth noting that a slightly higher percentage of Spartanburg nonprofits report a significant decrease in funding (47% compared to 41%), which holds true for each sector, with the largest difference being among health organizations. A higher percentage report either a slight or significant decrease as well (73% compared to 66% statewide).

Graph 8: Spartanburg Change in Funding Since Mid-March (Before Pandemic)

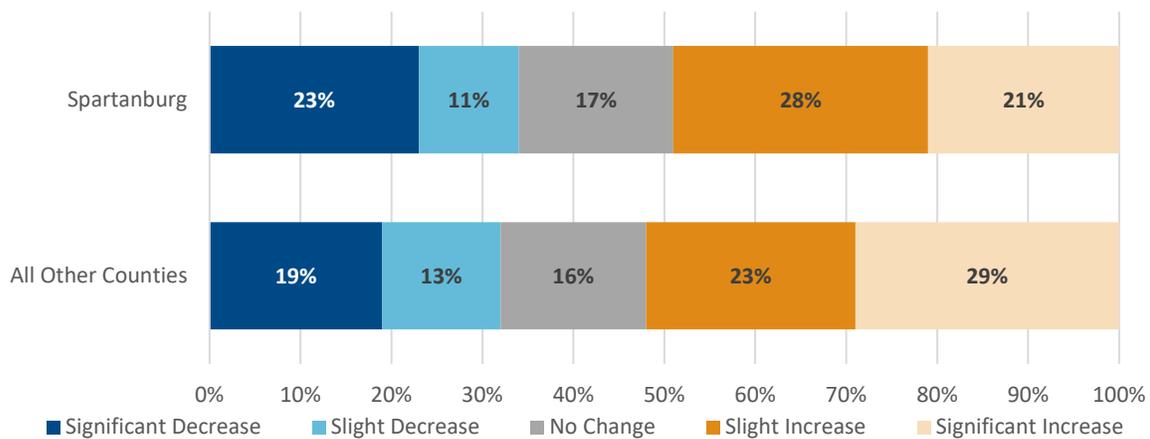


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Mission, Operational and Programmatic Changes

- In Spartanburg, more than half (57%) report that the pandemic has impacted their ability to fulfill their mission. The statewide sample had similar findings.
- Graph 9 shows the increase or decrease in demand for services since mid-March for the Spartanburg nonprofits. Human Services and Public and Social Benefit organizations have seen the largest increases in demand. Environment and Animals followed by Arts, Culture and Humanities have experienced the largest decreases in demand for services and programs. This is consistent with the statewide findings.

Graph 9: Increase/Decrease in Demand for Services



- Nearly nine of ten (87%) indicate that they have altered their program or service delivery methods as a result of COVID-19. Yet, only 8% see these changes as permanent while 28% indicate they are temporary and 65% report they are unsure. The statewide sample had comparable findings. However, 48% of all other counties reported that these changes were temporary.

Impact on Staffing

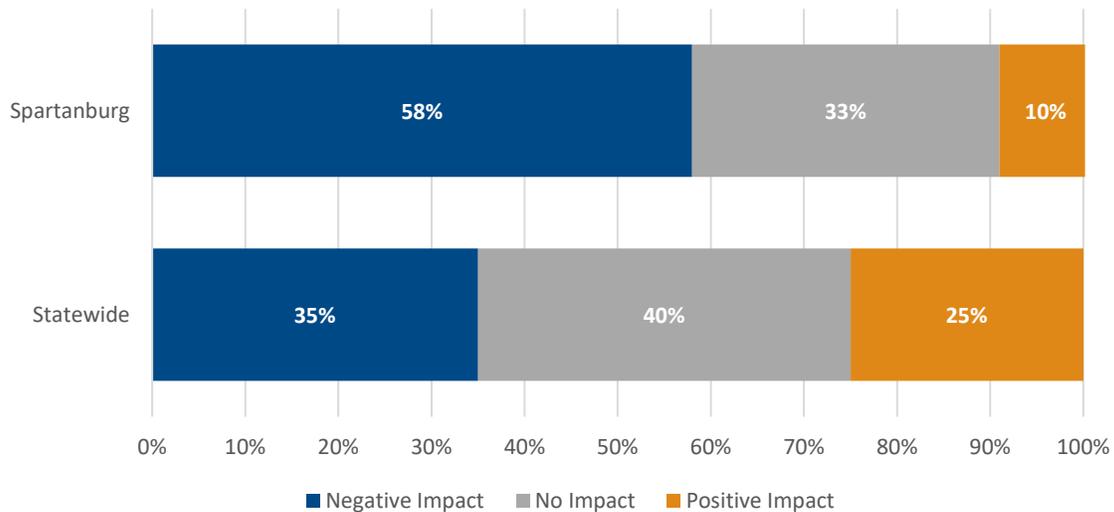
- Of those that have at least 1 staff member thirty-two percent of Spartanburg nonprofits responding indicate they have furloughed staff as a result of COVID-19 compared to 21% in all other counties. Similarly, 27% indicate they have cut staff hours compared to 20% in all other counties.
- Thirty-three percent of Spartanburg respondents indicate the pandemic has had no effect on their organizations’ staffing levels compared to 40% statewide.
- Respondents were given multiple sections such as furloughing or laying off staff, reducing staff hours, anticipating laying off staff, anticipating reducing hours, increasing staff hours,

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hiring additional staff, and no impact. These sections were bucketed to create a negative impact and a positive impact categories.

- Overall, 58% of Spartanburg nonprofits responded that COVID-19 has had a negative impact on staff. This is 23% higher than the statewide sample. This indicates that the impact on nonprofit staff has been hit harder in Spartanburg than in the rest of the state.

Graph 11: Impact on Staffing



Broadband Access

For Staff

- Eighty-seven percent of organizations stated their staff had adequate broadband access to effectively work remotely compared to 89% from all other counties.

For Clients

- For the sample, 66% percent of Spartanburg nonprofits respondents state that their clients have adequate access to broadband to access services. This is significantly higher than respondents in all other counties. (50%).

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Collaboration

- Forty-six percent of Spartanburg nonprofits stated that they have participated in a COVID-19 related task force or coordinated response compared to only 29% of organizations in other counties.
- There were several references to participating in the task force hosted by United Way of the Piedmont. These task force or coordinated responses have been most frequently related to helping the community with general COVID-19 challenges, creating lines of communication to discuss challenges, share resources, or brainstorm solutions, allocating funds, promoting public compliance with COVID-19 protocols, or gathering advice on reopening.
- Several task forces had already been established prior to COVID and were helpful in providing a coordinated response to those in need. These included the Spartanburg Food System Coalition and the regional healthcare preparedness program
- A few organizations participated in the Restaurant Relief Advisory Committee, and a few others participated in a Chamber of Commerce task force.

"Local non-profit meetings in the beginning helped to know what each other are doing. This allowed us to provide hand sanitizers and grab bags to those in need through summer feeding sites and other avenues."
-Spartanburg Nonprofit

"Working with our United Way and other funders to coordinate efforts for crisis intervention for families impacted by COVID-19."
-Spartanburg Nonprofit

Positive Impacts / "Silver Lining"

- Sixty-eight percent of Spartanburg nonprofits organizations benefits related to adaptation compared to 60% in all other counties. Constraints imposed by the pandemic have led them to find new fundraising opportunities or switch to virtual service delivery or administrative work. Overall, they have realized how flexible and adaptive they can be.
- The option of virtual service delivery has allowed some organizations to reach a larger audience by being able to serve a more expansive geographic area, eliminating the need for transportation and increasing convenience for clients.

"We have provided a virtual platform for lgbtqi+ youth. The virtual platform allows youth that were not able to attend in person to receive programming virtually."
-Spartanburg Nonprofit

"The addition of tele-mental health services has allowed to address some barriers to participation in services. Virtual group meetings have not been a perfect replacement for in-person but have led to some increases in attendance."
-Spartanburg Nonprofit

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- In some cases, virtual service delivery has been of equal or greater quality, but in others, it comes with tradeoffs. For example, health organizations have implemented telehealth, allowing them to expand their reach, but the care is not always equivalent.
- The increased need for or community awareness of their services has reaffirmed the sense of purpose and motivation of some organizations.

“the opportunity to increase awareness of our services to the community. to focus on better preparing ourselves and to become more organized.”
-Spartanburg Nonprofit