The Human Side of COVID-19's **Impact on Nonprofits**

Nonprofit organizations are powered by the passion and dedication of their staff. But as the COVID-19 pandemic leads to funding interruptions, increased demand for services and safety concerns, many organizations are being forced to make tough staffing and compensation decisions.

To get more insight, BDO's Compensation Surveys practice conducted a specialized pulse survey around the human side of the crisis. Here's what we found:

Increased Demand





Reduced Revenues





Staffing Disruptions





COVID-19 has left nonprofits in a lurch, having to answer greater needs with fewer resources.

of nonprofits experienced an increase in demand for services report that COVID-19 has negatively impacted revenues and funding



And reducing staffing levels was a common result.

of organizations reduced their workforce because of COVID-19

The most common approach was furloughs.



But, there were some positive signs around hiring.

of participants reported hiring during COVID-19

Roughly of respondents consider these new hires as permanent additions







Nonprofits' COVID-19 Compensation Changes

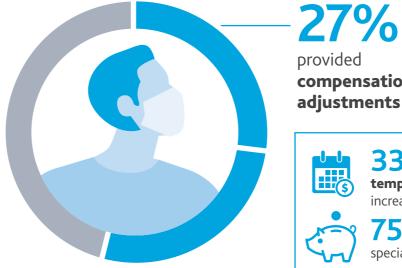


The pressure of the economic crisis is weighing heavily on nonprofits and their plans to financially support their employees.

About half of nonprofits either froze salaries about raises



Of the 54% of respondents that have front-line employees,



provided compensation

33% temporary pay increases



special **bonuses**

Compensation Programs Need a Revamp



For most organizations, the economic downturn will necessitate changes to their compensation programs.

Fundamental considerations include:



Organization's ability to pay



Estimate of **time** for recovery



Changes in the business model



Stakeholder expectations



External optics



Talent pool

For additional findings and to learn more about out how your organization can adjust staffing and compensation strategies during this time, listen to our recent webinar.



BDO's dedicated nonprofit team can help your organization navigate challenges while remaining true to your mission. Get in touch: ADAM COLE, Partner and National Co-Leader, Nonprofit & Education Practice, 212-885-8327 / acole@bdo.com ANDREA WILSON, Partner and National Co-Leader, Nonprofit & Education Practice, 703-752-2784 / aewilson@bdo.com JUDY CANAVAN, Managing Director, Compensation & Benefits Tax, 215-636-5635 / jcanavan@bdo.com MIKE CONOVER, Senior Director, Compensation & Benefits Tax, 781-772-1964 / mconover@bdo.com

