



# Covid-19 Impact on South Dakota Nonprofits

## Round 2 Survey Analysis

December 15, 2020

Commissioned by:



**Benchmark Data Labs**  
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Rapid City, SD 57701

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# I - Introduction

In early 2020 the coronavirus Sars-Cov2 (Covid-19) spread across the globe. The resulting pandemic affected nearly all aspects of life as organizations and individuals struggled to combat the virus and its effects. As of this writing in December 2020, the full effects of Covid-19 are still unknown, but the immediate and medium-term effects on the health and wealth of the nation and South Dakota have been significant.

The initial wave of Covid-19 infections in the United States was mostly limited to large metropolitan cities on the east and west coasts, largely sparing rural states like South Dakota. In April and May of 2020, however, South Dakota became an early hotspot as the virus, which had been spreading rapidly through meat packing plants across the country, surged in the Sioux Falls area. As a result, South Dakota's nonprofits faced unique challenges early in the pandemic.

This report was commissioned by a group of collaborative funders to help them understand how to effectively support nonprofits through grant making and other avenues so that nonprofits can continue to meet community needs across the state. Benchmark Data Labs (Benchmark) surveyed nonprofits across South Dakota in April 2020 to gather real-time data on non-profit revenues, payroll, work environment and demand for services. Benchmark conducted a follow-up survey in October 2020 to gather additional data and understand the medium-term effects of Covid-19. A total of 319 nonprofits responded to the survey with 140 (44%) responding to both the first and second rounds of the survey. Appendix A2 provides a discussion of survey demographics for organizations in the survey pool, and Appendix A3 provides a listing of all organizations that participated in the survey. In addition, an interactive data dashboard summarizing the survey data can be found on the Benchmark Data Labs website.<sup>1</sup>

This report is structured to contextualize important data points presented in the Round 1 and 2 data dashboards and to discuss the implications for nonprofits in the state. For further question-specific data, please refer to the interactive survey data dashboards. Section II shares the most significant and overarching trends identified from the survey data. Section III discusses the potential long-term implications of the pandemic. Finally, Section IV provides a more granular analysis showing how nonprofits in different industries experienced the Covid-19 pandemic.

## II – Notable Trends

The 2020 Covid-19 pandemic forced many changes upon South Dakota's nonprofits. This section explores what we consider the five most notable effects that occurred between February and August 2020.

- Covid-19 affected nearly all nonprofits immediately
- Funding surge masks decreased long-term funding opportunities
- Existing service models changed rapidly
- Volunteer workforce diminished
- Nonprofits face increased demands an uncertain future

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<sup>1</sup>The interactive data dashboard summarizing Round 1 and 2 survey data can be found at <https://www.benchmarkdatalabs.org/2020/12/covidnonprofitimpact2/>

## Covid-19 Affected Nearly All Nonprofits Immediately

The survey data showed that the pandemic’s effects were both immediate and long-lasting. Organizations responded to Covid-19 as early as March by halting in-person meetings and reducing services. Many nonprofits reported coincident declines in their ability to access donations, service fees, and volunteers. This reality had not changed for most nonprofits as of October.

Survey results showed that 95% of responding nonprofits were affected by the Covid-19 pandemic. Figure 1 shows that 87% of organizations reported having been negatively impacted by Covid-19. A small number (8%) of organizations reported that Covid-19 had positively impacted their organizations. Many of nonprofits reporting positive effects from Covid-19 were organizations serving basic needs like food, safety, or homelessness and cited increased charitable giving towards their cause as a reason for their response.

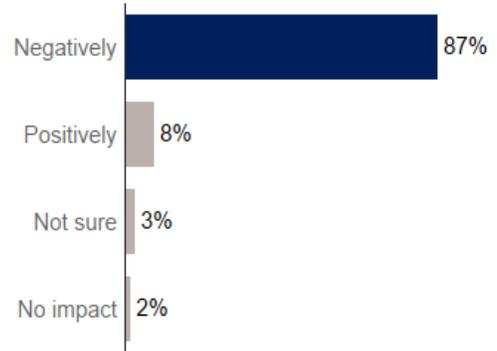


Figure 1: Overall Covid-19 Impact

While many nonprofits reported negative effects from Covid-19, they did not experience the pandemic in the same ways. Figure 2 shows the most significant impacts were related to nonprofit revenues, service

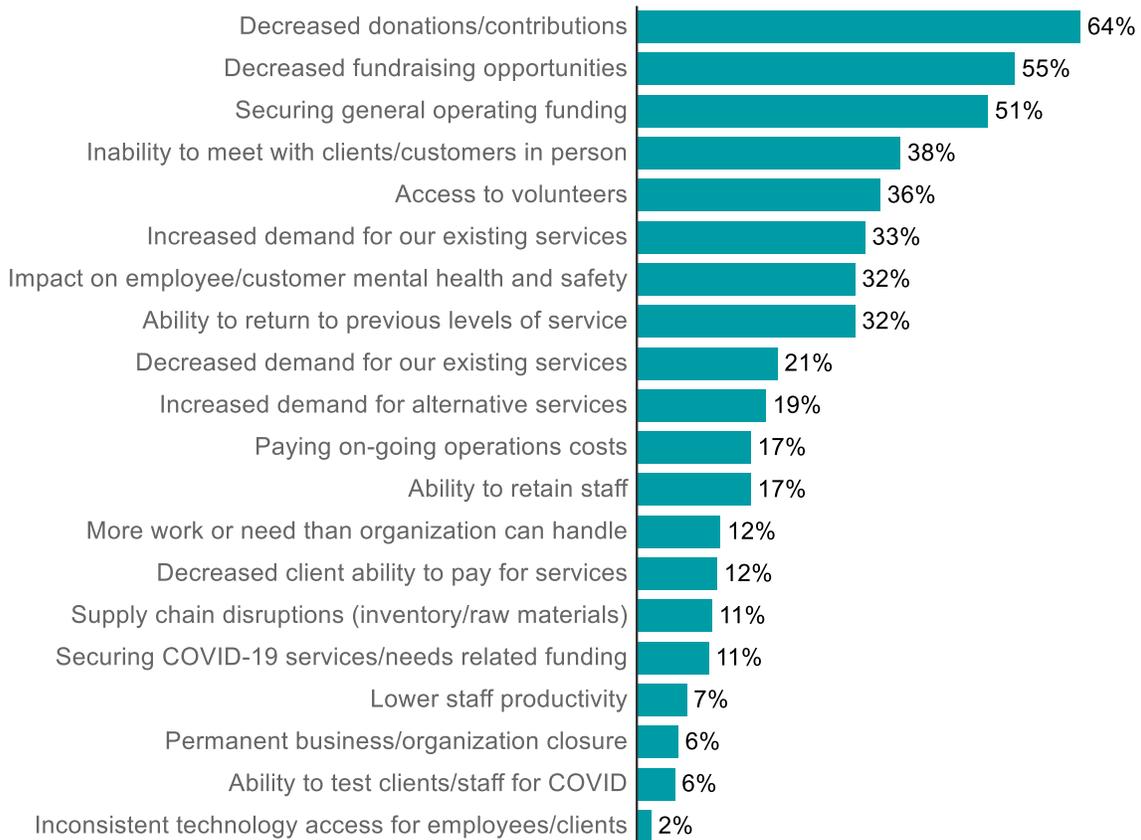


Figure 2: Top 5 Concerns



Figure 3: Aggregate Revenue Trend

models, and the potential long-term impacts resulting from changes in both. Issues related to staff productivity and access to technology were also common.

### Funding Surge Masks Decreased Long-term Funding Opportunities

An important component of both survey rounds was the collection of detailed revenue data. The second survey, which is the focus on this analysis, collected revenue data for the months of February, April, June, and August. The data provide unique insights into organizations' revenues immediately before and during the initial phases of the pandemic. Importantly, nonprofits reported their monthly revenues from individual revenue streams in addition to their total revenue. This allowed us to analyze how the pandemic affected unique revenue streams, and thus how different types of nonprofits were affected by the pandemic.

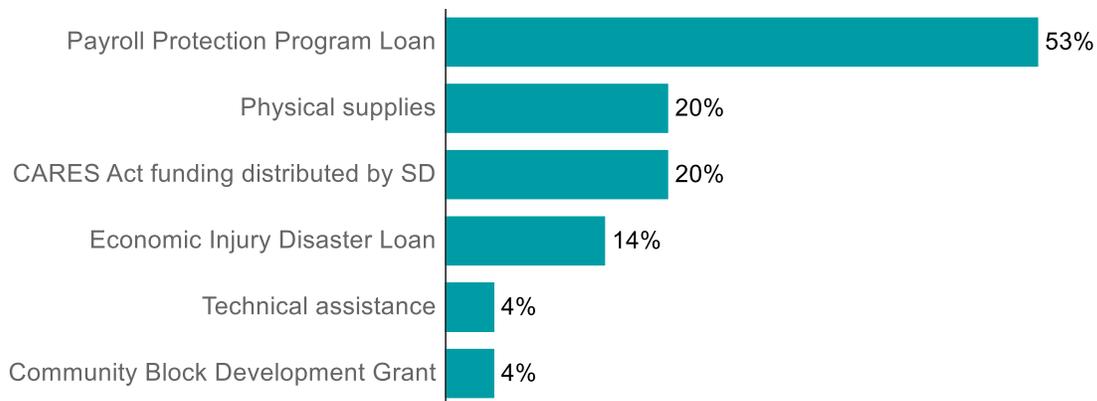
Overall revenues rose early in the pandemic (February through June), but retreated slightly in August, as shown in Figure 3 above. The initial increase in nonprofit revenue was largely due to a combination of emergency funding from state and federal governments and increased revenue from fundraising. By August, however, both government support and fundraising had begun to drop off resulting in lower overall funding than in April and June. Total revenue from all sources was \$2,381,494 (2.1%) higher in August than it was in February though.

Table 1: Nonprofit Revenues by Funding Source

Revenue Source	February	April	June	August	Total <sup>A</sup>
Earned income	\$12,069,377	\$9,847,304	\$10,911,642	\$11,097,281	\$43,925,604
State Government	3,241,197	5,056,098	6,791,751	6,030,753	21,119,799
Federal Government	3,167,941	5,191,018	5,468,992	4,137,425	17,965,376
Fundraising	2,102,898	3,132,950	2,521,600	2,878,237	10,635,685
Other	1,558,614	2,113,956	1,946,466	944,934	6,563,970
Foundations	1,275,519	1,873,631	2,223,168	1,046,575	6,418,893
Local Government	729,282	649,155	1,269,282	535,355	3,183,074
Memberships	549,042	370,870	423,035	404,804	1,747,751
Total	\$24,693,870	\$28,234,982	\$31,555,936	\$27,075,364	\$111,560,152

<sup>A</sup> Survey data do not report funding in March, May, or July.

Table 1 shows that Earned Income (e.g. revenue derived from activities such as program fees, merchandise, and admissions) was the largest source of nonprofit funding and includes. Table 1 also shows that the pandemic greatly reduced earned revenues. All nonprofits were equally affected by declines in earned revenues early on in the pandemic and few recovered fully as of August. In fact, by August 2020, cumulative



**Figure 4: Government Support during Covid-19 Pandemic**

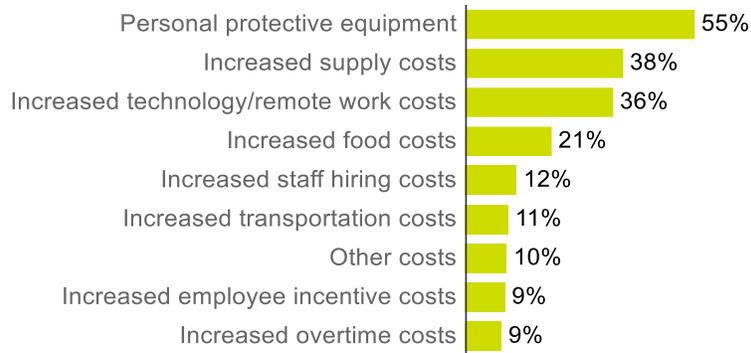
earned revenues were 36% (\$4,272,724) below potential levels, should the February baseline have held constant through August. Several other funding streams increased dramatically over the period, however. Federal and state stimulus along with fundraising and philanthropic funding increased significantly and helped fill the funding gap created by the decline in earned revenue.

State and federal programs provided the majority of government funding and were a critical revenue source during the initial phases of the pandemic. Government funding for nonprofits totaled more than \$42.2 million, representing 38% of all funding reported in the second survey round. Moreover, slightly more than 50% of organizations received some form of government support by April and 82% had received such funding by October. Figure 4 shows that the majority of government support derived from federal CARES Act funding via the Payroll Protection Program. State funding was also a significant source of support, as shown by Figure 4, but these funds were generally more targeted towards Education focused nonprofits.

Communities also helped keep nonprofits solvent by providing needed financial donations. By April, 62% of organizations had received support from their local communities. By October the share of nonprofits benefiting from community-based funding had increased to 92%. Organizations also reported that the majority of this funding was often more flexible than federal or private grants or supply donations.

Forty percent of responding organizations received financial support from regional foundations by April; 82% had received philanthropic funding by October, but philanthropic funding was less flexible than donations from the community in some cases. The survey response data showed that 49 nonprofits (33%) had grant related income that was secured prior to the pandemic and was thus earmarked for other program expenses, and 37 of these organizations did not receive additional support for the pandemic. In fact, of the 147 organizations that reported some form of philanthropic funding, only 91 of them (62%) received targeted funding to help deal with Covid-19 related expenses.

Taken together, Figure 3 and Table 1 demonstrate the sizable revenue support that flowed to nonprofits from governments, foundations, and communities during the first half of 2020. This funding masks the long-term financial risks facing many nonprofits, though. The survey responses reveal that many organizations remain apprehensive regarding their financial future. Much of the federal and state government stimulus dollars came in the form of one-time payments and have long since been spent to maintain staffing and services. Moreover, many nonprofits expressed fears about their ability to fundraise as traditional methods like in-person fundraisers and events were cancelled or moved to a less familiar online format. Furthermore, eighteen organizations cancelled their annual fundraisers outright by April.



**Figure 5: Types of Unbudgeted Expenses**

Other nonprofits shared that demand for fee-for-service opportunities, such as elective medical procedures or arts events, had dried up. For Example, many mental health and youth organizations rely on reimbursements from state or federal governments for funding. With new CDC guidelines limiting in-person contact and services, many organizations have had to reduce client services. Such actions, taken for the safety of their clients and staff, nevertheless reduce revenues and can endanger a nonprofits financial situation. The pandemic’s effects on fee-for-service revenues are discussed further in Section IV.

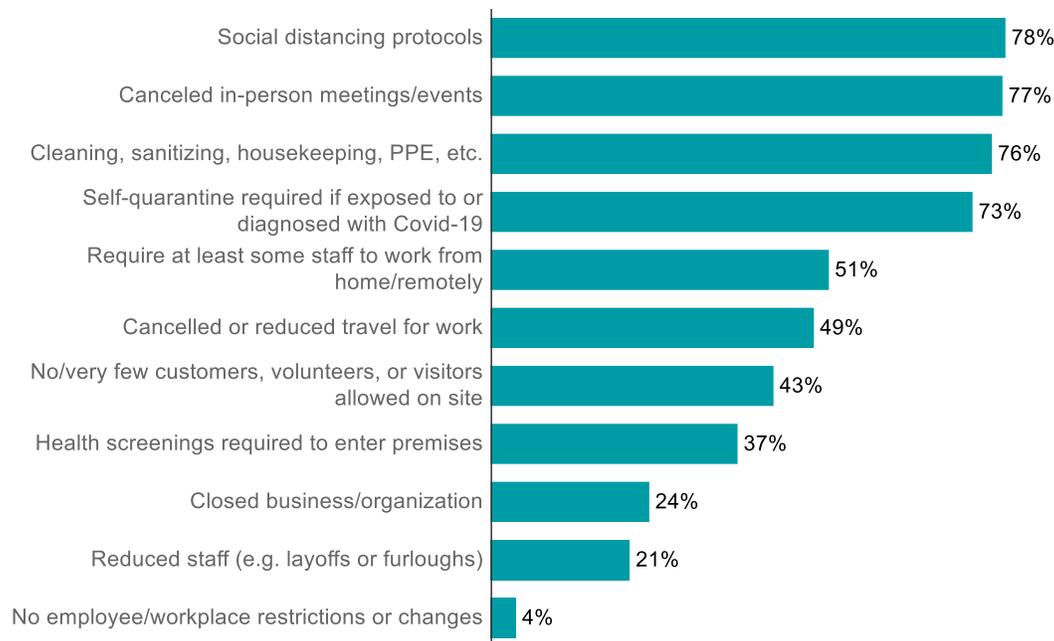
To further compound the stress of uncertain income streams, many organizations now have additional, and unbudgeted, expenses. The survey revealed that roughly three in four organizations (75%) reported unbudgeted expenses related to the pandemic. Figure 5 shows that Personal Protective Equipment (PPE) was the most common, with 55% of organizations reporting it as an unbudgeted expense. An additional 38% had increased supply costs, likely due to supply chain disruptions during the initial months of the pandemic, and 36% incurred additional technology costs due to the transition from in-person activities to remote work. Finally, one in five organizations (20%) experienced an increase in food costs. With the pandemic increasing in intensity during the closing months of 2020, making accurate budgets, especially projecting expenses will likely only become more fraught for organizations

*“Regional foundation funding opportunities were changed to emergency funding relief (food and community services). We understand but lost the opportunity.”*

A final consideration with respect to future funding availability relates to grants. A number of federal and regional granting institutions made pandemic-related grant reallocation decisions that may limit future grant opportunities. In fact, 62 organizations (34%) reported that grants they had previously or planned to apply for were no longer available due to Covid-19 related reallocations. Organizations were generally unwilling to share who stopped funding them, and only half of the organizations reporting lost grant opportunities named the grant or shared an estimated amount of funding lost. These organizations estimate nearly \$1.4 million in lost potential funding for their organizations. This amount includes data only from 32 of these organizations that shared an estimated funding amount lost. This number is likely much higher than reported as it covers local, regional, and even federal grant opportunities that no longer exist.

## Existing Service Models Changed Rapidly

Many nonprofits operate with an in-person service model, especially those providing healthcare, education, or basic needs services. Covid-19 brought an almost complete disruption to this in-person model forcing three out of four organizations, regardless of industry, to cancel in-person meetings and events, implement social distancing protocols, enhance cleaning efforts, and to require Covid-19 positive or exposed staff to quarantine. Nearly half of organizations required at least some staff to work from home. Further details can be seen in Figure 6 on the following page.



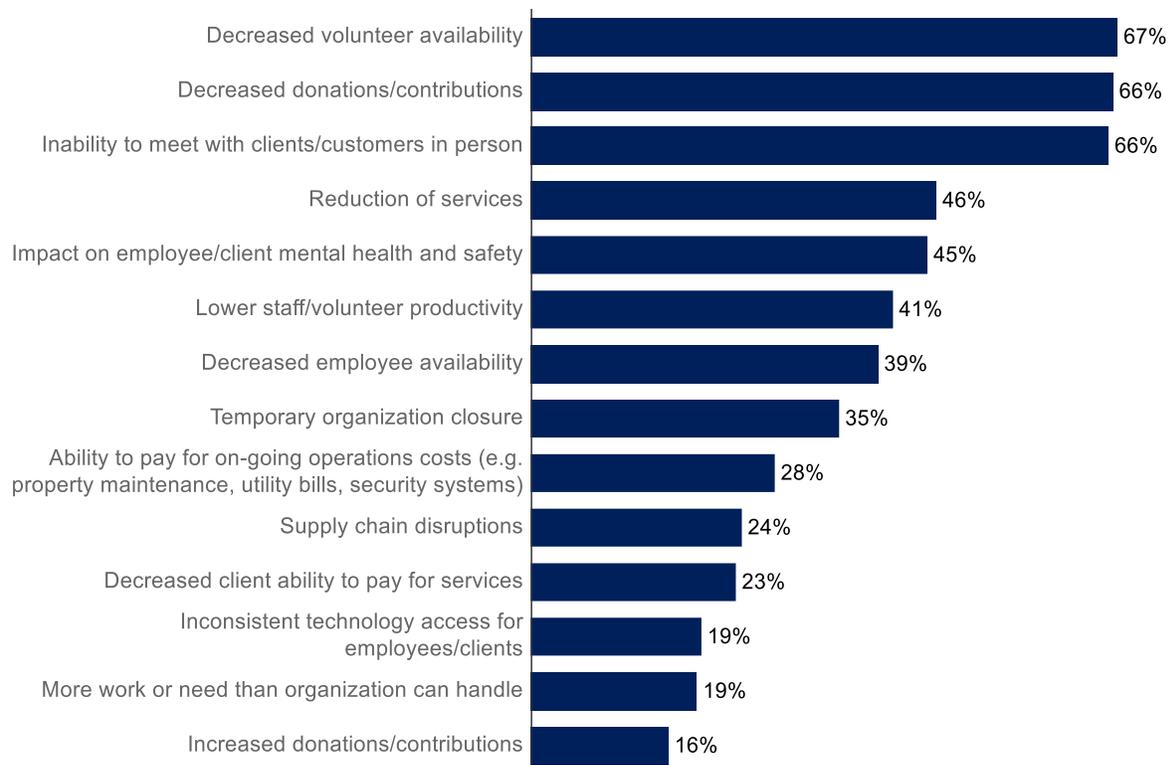
**Figure 6: Operational Impacts of Covid-19**

Organizations scrambled to reimagine in-person services on new, digital platforms. In nearly all cases, organizations found themselves unprepared for how completely and quickly the transition to digital services occurred. The majority of the nonprofit workforce had the necessary equipment to work remotely, though access to remote collaboration software and servers was limited. Furthermore, even when nonprofit employees had access to remote working technology, many of their clients did not. Other organizations noted drop-offs in participation as many clients resisted the transition to digital services.

The fallout from such a complete disruption of service delivery was observed immediately and felt by nonprofits in every industry, though some were affected more than others. Figure 7, on the following page, shows that many nonprofits reported being unable to maintain their previous levels and diversity of services. For example, health organizations saw a lack of participation as many clients rejected telehealth, and youth programs struggled to keep children of all ages engaged through their computer screens. Organizations responsible for food assistance, housing, and domestic violence services strived to maintain safe in-person protocols while providing these vital services. And arts organizations, who were highly reliant upon event income, found themselves unable to host plays, concerts, and openings. Regardless of their best efforts, 45% of organizations reported reducing their services due to the pandemic.

The pandemic also severely disrupted nonprofits' volunteer networks, which many nonprofits rely upon to accomplish their missions. The abilities, expertise, and time provided by volunteers help nonprofits balance their budgets or accomplish tasks otherwise impossible for small staffs with limited resources. Covid-19 caused many volunteers to limit in-person activities for their own safety. Many organizations also limited in-person volunteer activities to protect their staff and clientele. As a result, many nonprofits found themselves trying to operate without the vital support provided by volunteers.

Table 2, on the following page, shows a 24% drop in overall volunteer activity statewide from February to August. Table 2 also shows that nonprofits in the Social Assistance industry lost nearly a third of their volunteers, while Healthcare and Mental Health nonprofits lost more than half of theirs. Some organizations were even looking for funding to hire more staff to make up for volunteer shortfalls. The loss of volunteers was such an issue that two out of every three organizations listed decreased volunteer availability as one of their top-five pandemic related concerns.



**Figure 7: Operational Impacts of Covid-19**

## Nonprofits Face Increased Demands in an Uncertain Future

The largest limitation of this report is that the final round of this survey was administered in October 2020 and therefore does not capture the effects of the critical month of November 2020 – SD had 45,992 diagnosed Covid-19 cases between March and October 31 and 34,472 cases between November 1 and November 30. All current signs indicate that the rate of infections and deaths will continue to increase throughout the remainder of 2020 and likely into 2021. Given the recent change in trend, the effects discussed in this report will likely compound until a vaccine is accessible for the general public.

With the above limitation in mind, many organizations reported an increase in demand for basic needs, safety, and mental health services due to the economic and social stressors related to the pandemic. By October 2020, 87% of nonprofits had experienced a change in demand for their services, though these shifts were highly dependent on industry sector. Nonprofits providing childcare, for example, have had their incomes severely reduced as parents elect to keep their children at home.

**Table 2: Volunteers by Industry**  
Changes in volunteers reflect difference from the February to August.

Nonprofit Industry	February	August	Change (#)	Change (%)
Educational and Youth Services	4,051	3,837	-214	-5%
Social Assistance	3,300	2,365	-935	-28%
Healthcare and Mental Health	1,745	830	-915	-52%
Arts, Culture, Entertainment, and Recreation	853	578	-275	-32%
Business/Economic Development/Construction	295	175	-120	-41%
Other	278	154	-124	-45%
Philanthropy	57	68	11	19%
<b>Total Volunteers</b>	<b>10,579</b>	<b>8,007</b>	<b>-2,572</b>	<b>-24%</b>

In addition, nonprofits provide many informal services to their communities, and the pandemic has had its effects in this area as well. For example, a client who has a child in after-school care may also depend on their provider for needed emotional support during a crisis. As nonprofits change the way they deliver services, contend with limited budgets and capacity, and face long-term uncertainty, these informal networks of support within communities may be weakened for years to come.

### III – Implications

In this section we discuss the implications of pandemic on South Dakota’s nonprofit ecosystem. Some of the implications discussed here are immediate and others may not have their full impact for many months yet. In most cases nonprofits are facing increased demand for existing or alternative services while simultaneously dealing with limited capacity and declining revenues. As pandemic pressures mount, these systems will likely become even more fragile than reported in this survey.

#### Changing Demand for Services

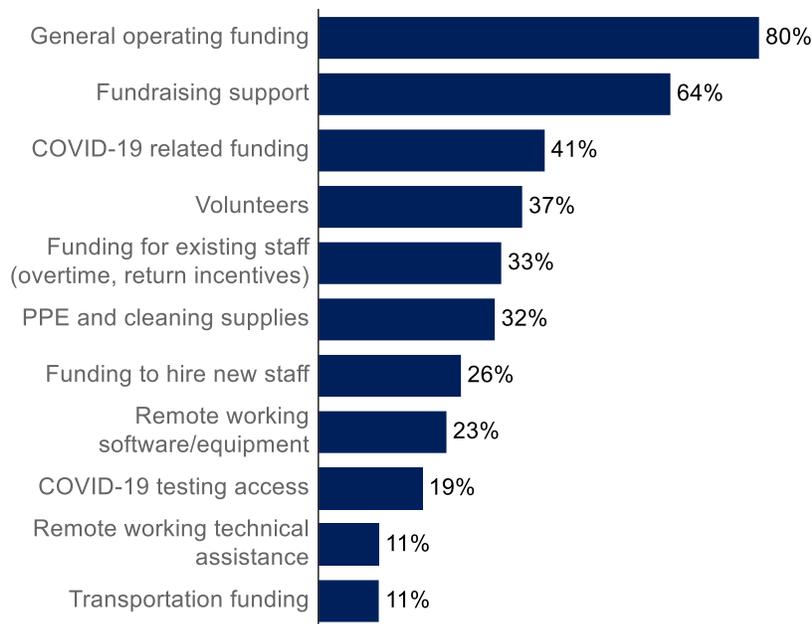
The majority of nonprofits saw increased demand for existing or alternative services due to the pandemic, even before the exponential rise in cases statewide. Trends varied depending on nonprofit industry and are explained more fully in Section IV. The increased demand for existing or alternative services, however, is likely to become a long-term concern. With cases of Covid-19 rising, quarantine restrictions, actual Covid-19 infections, or the economic fallout of the pandemic will continue to impact the individuals and households that makeup the nonprofit workforce. As federal and state stimulus ebbs, household and organizational budgets are stretched further. Without a vaccine accessible to the general public, the negative effects of the pandemic will only increase for nonprofits, their staff, and the people they serve.



Figure 8: Childcare Concerns due to Covid-19

#### Limited Capacity to Serve Mission

Nonprofits face an uncertain future coupled with a reduced capacity to meet community needs. Covid-19 caused reductions in both paid and volunteer workforces during the first part of the pandemic. The workforce situation had not improved as of August. Nonprofits reported a 3% reduction in full-time staff, an 11% reduction in part-time staff, and a 24% reduction in volunteers from February to August. As a result, organizations in the survey had smaller workforces, both in numbers and in the accumulated skills and expertise, to meet the rising demand for services.



**Figure 9: Nonprofit Requests for Future Support**

The possibility of staff or their families contracting Covid-19 further weakens nonprofits. More organizations required self-quarantines in October (73%) compared to April (51%). Half of these organizations also have fewer than 3 employees. Many nonprofits therefore may be forced to further curtail their services due to staff remaining at home if they contract or were exposed to Covid-19.

Also impacting workforce capacity is the need for child care. 81% of organizations with at least one full-time staff person had employees with childcare needs. Figure 8 on the previous page shows organizations had concerns about employee productivity and are concerned that the pandemic will have long-term impacts on childcare availability for their staff.

## Need for Flexible Financial Assistance

The Covid-19 pandemic has taken over a thousand lives in South Dakota and has caused the greatest disruption to our way of life in recent memory. At the same time, governments, philanthropic organizations, and community members have worked together to help individuals and organizations in need; providing resources, funding, and support where it was needed. Many nonprofits in the survey expressed their anxiety about long-term funding stability, however, and shared their hope for continued support as the pandemic wears on.

Figure 9 shows that the overwhelming majority of organizations need flexible financial support to recover from pandemic. 80% of organizations called for general operating funding. General operating funding can be more flexible than other types of project, or initiative-based, funding. It can be applied to work already happening within the organization which the survey respondents greatly desired. In addition to funding for general operations, 41% of nonprofits requested COVID-19 related funding and 64% requested fundraising support.

<b>Social Assistance</b>
Provide clients or community members with access to basic needs like food, shelter, support, and safety from abuse or domestic violence as well as services for those with disabilities or the elderly.
<b>Health Care and Mental Health</b>
Provides mental and physical healthcare services as well as addiction/recovery services and prevention programs.
<b>Educational and Youth Services</b>
Provide birth to 18 services for children including schooling, childcare, before and after school services, and engagement programs as well as higher education and community education programs.
<b>Arts, Culture, Entertainment, and Recreation</b>
Includes performance and visual arts venues, studios, museums, and outdoor recreation activities.
<b>Business and Economic Development</b>
Provides economic development, housing, and consulting services to local communities. This also includes local farmer's markets
<b>Philanthropy</b>
Includes endowments, private foundations, and fundraising organizations like the United Way.
<b>Other</b>
Includes churches, transportation, humane societies, and service organizations.

## IV – Industry Specific Considerations

The previous sections introduced an important connection in the survey data between a nonprofit's industry, its revenue, and the demand for its services during the early stages of the pandemic. This section digs deeper and discusses these trends in greater detail.

### Social Assistance

The pandemic caused a dramatic increase in demand for basic needs like food, shelter, utilities, and housing assistance. Social Assistance organizations felt this change in demand more acutely than other types of nonprofits in the survey. The survey data show that 62% of Social Assistance organizations experienced an increase in demand for existing services as compared to 42% overall. Moreover, some nonprofits providing emergency assistance saw their calls for services increase by 46% to 250% in April alone.

*"Increased applicants looking for affordable housing options because of overcrowding, lockdowns, and quarantining. Increased need for food security resources and rehab/repair of homes."*

Pandemic realities like increased stress and household isolation appear to have also increased existing demands for safety services as well. A number of survey respondents reported increases in domestic violence, child abuse, and suicide.

Table 3: Nonprofit Funding by Industry

Nonprofit Industry	February	April	June	August	Total Funding <sup>A</sup>
Social Assistance	\$6,888,824	\$12,268,127	\$11,514,448	\$10,372,150	\$41,043,549
Health Care and Mental Health	10,065,140	9,492,365	9,607,479	9,430,416	38,595,400
Educational and Youth Services	3,771,107	3,860,026	7,278,957	3,761,646	18,671,736
Arts and Entertainment	2,399,906	1,264,290	1,625,223	1,610,299	6,899,718
Other	1,070,738	944,698	971,784	1,557,700	4,544,920
Philanthropy	339,551	201,403	396,678	176,883	1,114,515
Business, Economic Development	158,604	204,073	161,367	166,270	690,314
<b>Total Funding</b>	<b>\$24,693,870</b>	<b>\$28,234,982</b>	<b>\$31,555,936</b>	<b>\$27,075,364</b>	<b>\$111,560,152</b>

<sup>A</sup> Total funding reflects total reported funding in February, April, June, and August. Survey data do not report on funding in March, May, or July.

*"We are seeing lately an increase of individuals living without a home that are seeking services. We are also seeing an increase in numbers requesting shelter due to sexual and domestic violence both in their homes and on the streets."*

Social Assistance organizations that serve seniors or those with disabilities also experienced an increased demand for existing services. Seniors and those with disabilities tend to be more susceptible to Covid-19 and are more likely to experience severe complications, and therefore, should avoid public spaces. These individuals are also likely to have lower or fixed incomes that may not be able to cope with recent price increases for food and household supplies.

*"We have an increased demand for Meals on Wheels services, especially when case counts rise. Last year we delivered 1,000 meals per day, during the pandemic we have delivered 1,950 to 1,500 meals per day depending on the month."*

As demand for basic needs increased, 43% of Social Assistance organizations also saw an increase in demand for alternative services. As in all other industries, this primarily included transitioning in-person services to a digital platform. Social Assistance providers voiced their anxiety that moving many of these services to digital platforms could discourage vulnerable groups from participating, especially those experiencing violence in the home, the elderly, and those needing mental health support.

Social Assistance nonprofits the survey sample had fairly diversified funding streams, relative to others in the sample, but the largest share of their funding tended to come from the State of South Dakota. Social Assistance organizations were also largely successful in taking advantage of pandemic stimulus opportunities. The largest share of federal dollars went to Social Assistance nonprofits. Federal dollars to these nonprofits increased rapidly in April, coinciding with the passage of the Cares Act and PPP funding. State government funding was almost exclusively directed towards Social Assistance nonprofits and it has steadily increased since the start of the pandemic.

Foundations steered most of their funding to Social Assistance, Education, and Healthcare nonprofits in that order. Social Assistance nonprofits saw a rapid increase in funding starting in April and continuing through June but the funding dropped off rapidly in August.

## Healthcare and Mental Health Organizations

Healthcare organizations voiced a variety of pandemic impacts depending on their service scope and model. Nearly half (48%) of Healthcare organizations saw an increased demand for existing services, especially those providing mental health and domestic violence support services.

Many in-person addiction and mental health treatment facilities reported a reduction in clients served (to meet pandemic health guidelines), even though the actual demand for their services had increased. These providers faced even greater hardship as they were unable to access needed funding – many reimbursement formulas are based on clients served, not staff employed to meet these needs. One organization even reported having to return grant funding after not meeting client quotas due to new health protocols that required each client to have their own room.

*“COVID 19 has caused more need for mental health programs in the community. It has increased the need for our programs because the pandemic has increased mental illness and put more strain on those already suffering. There is also more of our need for morale-boosting for teachers, healthcare providers, and other business staff.”*

Healthcare nonprofits were generally more dependent upon earned revenues as a funding mechanism than were nonprofits in other industries – 67% of all revenue for Healthcare nonprofits was earned revenue, roughly 6 to 7 times higher than in the next highest industry – but the pandemic forced them to curtail services and therefore revenue. Nonprofit hospitals, for example, experienced decreased demand and capacity for elective procedures. Stretched household budgets also lead to individuals electing to forego mental or physical care, further reducing revenue from these types of services.

By August, earned revenues for Healthcare and Mental Health organizations had nearly returned to pre-pandemic levels. As COVID cases rise and more beds are taken by those with the virus, earned income is likely to take another hit for these entities.

Despite more positive revenue gains than other industries, Healthcare suffered significant employment and volunteer losses. Healthcare organizations lost 6% of their full time and 13% of their part time workforce from February to August. These organizations also posted the largest volunteer reduction of any industry, losing 50% of its volunteer force since February.

## Education and Youth Organizations

Education and Youth Organizations were also pushed to deliver services digitally. Forty-eight percent (48%) of organizations stated their demand for alternative services increased during the pandemic. Organizations responded by rapidly moving services online as parents elected to keep their children home.

Not all education and youth services can be offered online, however. This likely will have long-term impacts on the childcare sector as many fee-for-service organizations have no way to recoup vital revenue. Additionally, other organizations adopted CDC guidelines and practices that did not allow for home-visits or early childhood supply distribution like car seats and health checks.

*“Fee-Based after-school programs have seen the most significant reduction, with many families working from home and able to pick kids up after school. This impacts our entire organization as the revenue from this program helps support early childhood deficits as well as our after-school scholarship program. We have also seen an increased demand for scholarships due to families’ financial struggles. So, overall less money coming in to provide services to those who need us most.”*

Nonprofits in the Education industry also benefited from large amounts of government funding which helped push the total funding level higher than it was before the pandemic. Unfortunately, the increased funding could not spare the workforce from the effects of the pandemic, though. Education nonprofits lost 3% of full-time workers and 11% of part-time workers. Volunteer availability also decreased by 5%.

## Arts, Culture, Entertainment, and Recreation Organizations

Arts, Culture, Entertainment, and Recreation (Arts and Entertainment) organizations reported a 61% reduction in demand for their services, the largest reported decline of any industry in the survey. Many Arts and Entertainment organizations rely on in-person concerts, plays, events, memberships, and studio space. Not only were many in-person experiences cancelled, but so to the revenue generated by them. Many of these organizations tried online programming for the first time, but the online programming was not as popular as the in-person events they replaced. Many Arts and Entertainment nonprofits also reported reduced demand due to Covid-19's impact on tourism.

*"The demand changed to online access which required a complete reorganization of our programming which was designed for live performances."*

*"People are still desiring entertainment, but in an environment which it is safe to do so. It's difficult to find a proper balance between public safety and providing cultural experiences to the community."*

While, the Arts and Entertainment industry, as a whole, was particularly hard hit by the pandemic, some nonprofits reported positive outcomes. Organizations providing outdoor, or children-focused, activities did see a moderate increase in demand.

The survey data showed that Arts and Entertainment nonprofits are hugely dependent upon earned revenues. These revenues disappeared almost completely in April and remained at roughly half their pre-pandemic levels in June and August. It appears that federal funding in the form of PPP supported these nonprofits during April but the federal funds effectively disappeared in June and August.

Arts and Entertainment nonprofits also received a large proportion of their funding from memberships. In fact, the majority of all membership revenues flowed to Arts and Entertainment organizations. This funding dropped in April and remained lower than pre-COVID levels through August. As a consequence of canceled events, lowered earned income, and lagging memberships, Arts organizations were forced to lay off staff – 11% of full-time and 32% of part-time workers were lost from February to August.

## Philanthropy

Nine out of eleven philanthropic organizations that responded to the Round 2 survey experienced decreased donations towards their organization during the pandemic. August incomes posted 22% lower than those in February. All but one listed this decrease as one of their top five concerns. Though these numbers may not account for cyclical fundraising events, it was clear that the pandemic made a great impact on these organizations and their ability to grant funds to other nonprofits.

Philanthropic organizations also reported an increased demand for COVID-related, basic needs and technology funding. Some philanthropic organizations expressed concerns about generational technology divides and their ability to fundraise virtually.

## Business and Economic Development

The small sample of nine Business, Economic Development, and Affordable Housing entities that responded to the survey fared better than other industries during the pandemic thanks to federal funding and foundations. These organizations serve a wide variety of missions and clientele, so generalizations regarding their experiences beyond that are difficult to make.

Entities that provide economic development or consulting services saw an increase in demand for help applying for federal loans or understanding data trends resulting from the pandemic.

Organizations that deal in affordable housing saw an increase in demand for their services and some saw additional foundation funding to meet these needs. However, they also experienced a decrease in overall fundraising income coupled with a 41% decline in volunteers from February to August.

## Other Services

The final group of nonprofits provide a wide range of services that do not fit with previously discussed industry categories. For this reason, we categorize them here as Other Services, but their operations tended to fall in the areas of religious services, transportation, humane societies, and membership organizations.

Public transportation was severely weakened during the pandemic as demand and subsequent revenue waned. Pet services and humane societies were also hard hit as more people abandoned their animals when unable to pay for food or veterinary services. Churches also saw memberships and donations falter as they discouraged parishioners from attending services in person.

We turn now to revenue and employment considerations. Other Services nonprofits saw large declines in earned revenues during April and June but they recovered strongly in August. Federal funding consistently increased from the start of the pandemic as well. As a result, total revenue to these nonprofits rose but was closely tied to the kind services provided by the nonprofit. Finally, Other Services organizations retained their full-time employees while seeing a 25% drop in part-time staff and 45% drop in volunteers.

## A1 - Methods/Appendix

Benchmark Data Labs worked extensively with the report funders to develop both Round 1 and Round 2 Surveys. Survey PDF's are available upon request. To incentivize respondents, funders offered four random drawings for those that completed the survey. Benchmark Data Labs used a generated randomized algorithm select prize winners on behalf of the funders. Two prizes were given out to Arts South Dakota and YMCA of Rapid City for \$2,500 for completing Round 1. Lakota Wellness received \$7,500 and Victims of Violence intervention received \$2,500 for completing Round 1 and 2.

## A2 - Respondent Profile

279 nonprofits responded to the first survey in April 2020 and 180 responded to the second survey in October 2020. Only 50% of round 1 respondents completed the follow-up survey indicating a high degree of potential survey fatigue.<sup>2</sup> The second survey's response deadline also coincided with an application deadline for South Dakota CARES Act funding, which may have negatively affected responses as well. Additionally, we found that organizations whose finances were hardest hit early on, and especially those that lost full or part time workforce, were most likely to drop out of the sample for Round 2.

Organizations were asked to classify themselves by industry. The large majority in both Round 1 and Round 2, 40% of organizations, initially categorized themselves as "Other". Using explanation language provided by nonprofits, Benchmark Data Labs reclassified many nonprofits to an existing category to support meaningful analysis at the industry level.

The Social Assistance sector comprised the largest portion of survey respondents, followed by Education or Youth Services, then and Arts, Culture, and Recreation.

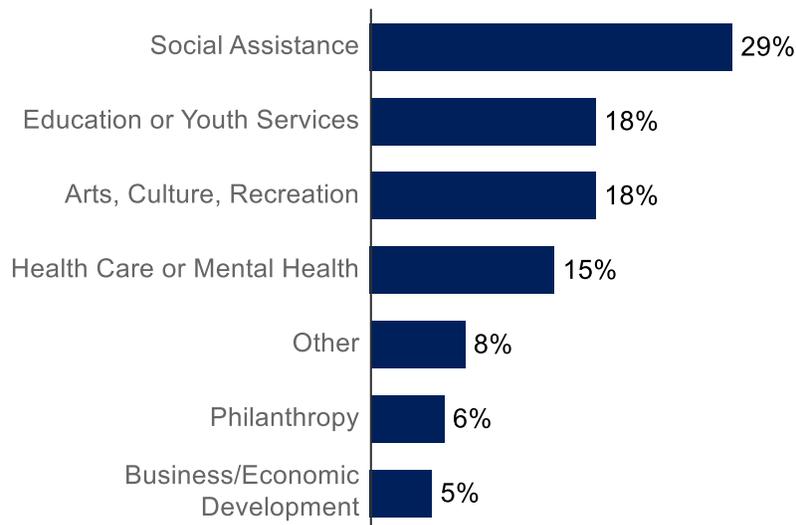
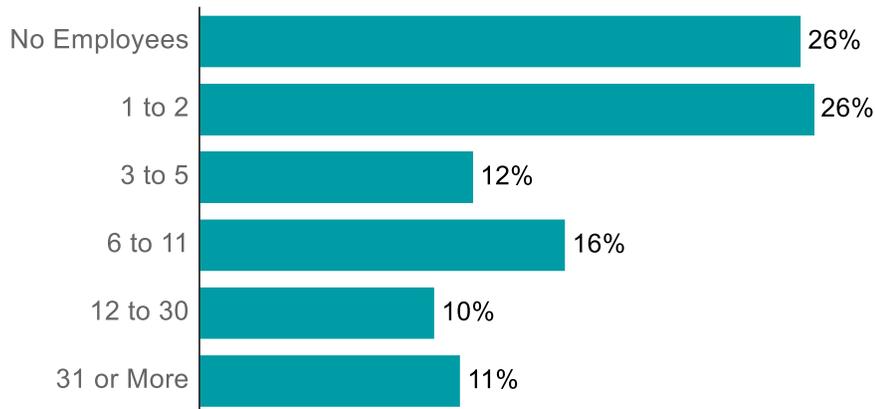


Figure 10: Nonprofit Industries

<sup>2</sup> Survey fatigue is generally defined as a resistance to or avoidance of surveys or research. It can occur when individuals and organizations feel overwhelmed by the number of surveys they are asked to participate in. <https://www.emerald.com/insight/content/doi/10.1108/DPM-05-2020-0164/full/html?skipTracking=true>

Half of responding organizations had less than 3 employees, with one out of every four organizations having no full-time employees. Organization size was calculated using February full-time employee counts provided by the respondent. Under normal circumstances, 65 of the 180 respondent's workforce would not qualify for unemployment, due to the fact that organizations with less than 4 employees do not contribute to state unemployment funds. If laid off from one of these organizations, an employee could access CARES Act funding that expanded unemployment in South Dakota, however, that funding is only guaranteed until the end of the year.



**Figure 11: Organization Size**

1 out of every 3 nonprofits served the entire state of South Dakota. However, the survey respondent pool was slightly biased towards nonprofits serving primarily West River communities.

**Table A1: Nonprofit Workforce by Industry**

<b>Nonprofit Industry</b>	<b>February</b>	<b>August</b>	<b>Change (#) Feb-Aug</b>	<b>Change (%) Feb-Aug</b>
<b>Full-Time Employees</b>				
Social Assistance	1,371	1,389	18	1%
Health Care/Mental Health	1,663	1,564	-99	-6%
Educational Services	779	759	-20	-3%
Arts, Culture, Entertainment, and Recreation	187	169	-18	-10%
Other	92	91	-1	-1%
Philanthropy	21	21	0	0.0%
Business/Economic Development/Construction	20	20	0	0.0%
<b>Total</b>	<b>4,133</b>	<b>4,013</b>	<b>-120</b>	<b>-3%</b>
<b>Part-Time Employees</b>				
Social Assistance	523	494	-29	-6%
Health Care/Mental Health	577	501	-76	-13%
Educational Services	659	589	-70	-11%
Arts, Culture, Entertainment, and Recreation	301	254	-47	-16%
Other	53	40	-13	-25%
Philanthropy	5	7	2	40%
Business/Economic Development/Construction	11	9	-2	-18%
<b>Total</b>	<b>2,129</b>	<b>1,894</b>	<b>-235</b>	<b>-11%</b>

## A3 – Survey Respondents

**The following organizations responded to both Round 1 and Round 2 of the Survey:**

- Abbott House
- Aberdeen Area Senior Center
- Aberdeen Family YMCA
- Action for the Betterment of the Community (ABC)
- Active Generations
- Alzheimer's Association South Dakota
- Arts South Dakota
- Beadle and Spink Enterprise Community (BASEC)
- Behavior Management Systems
- Benchmark Data Labs
- Bethany Christian Services of Eastern South Dakota
- Bethany Christian Services of Western South Dakota
- Bethesda Christian Counseling
- Big Brothers Big Sisters of the Black Hills
- Big Friend Little Friend of the Mitchell Area
- Billie Sutton Leadership Institute
- Black Hills Parks & Forests Association
- Black Hills Playhouse
- Black Hills Pregnancy Center
- Black Hills Raptor Center, Inc.
- Black Hills Special Services Cooperative
- Boys & Girls Club of Rosebud
- Boys & Girls Club of the Northern Plains, Inc.
- Boys & Girls Clubs of the Black Hills
- Boys & Girls Clubs of the Sioux Empire
- Brookings Area Chamber of Commerce
- Brookings Area Habitat for Humanity
- Brookings Backpack Project
- Brookings Community Theatre
- Call to Freedom
- Calvary Episcopal Cathedral
- Caminando Juntos - Presentation Sisters Hispanic Ministry
- Catholic Social Services
- Chamber Music Festival of the Black Hills
- Cheyenne River Youth Project
- Communication Service for the Deaf
- Consumer Credit Counseling Service of the Black Hills
- Crisis Intervention Shelter Service
- Custer Senior Center
- Dakota Choral Union
- DakotAbilities
- Davison County Volunteer Search & Rescue Unit
- Dress for Success Black Hills
- East River Foster Parent Network
- Face It TOGETHER, Inc
- Feeding South Dakota
- First Circuit Court Appointed Special Advocate (CASA) Program
- First Tee South Dakota
- Fork Real Community Cafe
- Freedom's Journey
- Friends of SDPB
- Furniture Mission of South Dakota
- Gentle Spirit Horses Rescue & Sanctuary
- Girl Scouts Dakota Horizons
- Glacial Lakes Multicultural Center
- Good Shepherd Clinic, Inc.
- Ground Works & SD Ag in the Classroom
- GROW South Dakota
- Health Connect of South Dakota
- Helpline Center
- Hot Springs Ministerial Assn
- Journey On
- K.O. Lee Adult Day Health Center at Bethesda
- Kid At Heart
- Lakota Wellness Society, Inc.
- LifeScape
- Lifeways, Inc.
- Literacy Council of the Black Hills
- Living Word Free Lutheran Church
- Lost&Found
- Love INC of the Black Hills
- Lutheran Social Services South Dakota
- Lutherans Outdoors in South Dakota
- Magpie Creative (and Racing Magpie)
- Meals on Wheels Western SD
- Michael Glynn Memorial Coalition
- Midland Pioneer Museum Association
- Mitchell Prehistoric Indian Village
- Mitchell Regional Habitat for Humanity
- NAMI South Dakota
- NeighborWorks® Dakota Home Resources
- New Dawn
- Northern Hills Alliance for Children: Deadwood Fir
- Northern Hills Area CASA

- Oglala Sioux Tribe Partnership for Housing, Inc.
- One Spirit
- OneHeart
- Passages Women's Transitional Living
- Pennington County 4-H Leaders Association
- Pierre Area Referral Service
- Pine Ridge Girls' School
- Prairie Hills Child Care Center
- Project CAR Call A Ride
- Rapid City Arts Council / The Dahl Art Center
- Rapid City Club for Boys
- Rapid City Regional Airport
- River Cities Public Transit
- Rosebud Scholarship Fund
- Rural America Initiatives
- Rural Office of Community Services, Inc.
- Sanborn County Ambulance
- Seventh Circuit CASA Program
- Sioux Council, Boy Scouts of America
- Sioux Empire Baseball Association
- Sioux YMCA
- South Dakota Farmers Union Foundation
- South Dakota Wing - Civil Air Patrol
- South Dakota Youth Foundation
- Southern Hills Economic Development Corporation
- Southern Plains Behavioral Health Services
- Special Olympics South Dakota
- Spink County Coalition
- SPURS Therapeutic Riding Center
- St. Francis House
- St. Francis Mission
- Stockyards Ag Experience
- The Compass Center
- The Hope Center
- The Mammoth Site of Hot Springs, SD
- The Salvation Army of the Black Hills
- Tyndall Community Foundation
- United Families Nonprofit Corporation
- United Way of Northeastern SD
- United Way of Vermillion
- Ups of Downs Family Support Group
- Vermillion Area Arts Council
- Vermillion Area Farmers Market
- Vermillion Cultural Association
- Victims of Violence Intervention Program
- Volunteers of America Northern Rockies
- Volunteers of America, Dakotas
- Washington Pavilion of Arts and Science
- Watertown Area United Way
- WEAVE
- Wellspring Inc. dba Wellfully
- West River Area Health Education Center
- Windcross Conservancy
- Working Against Violence Inc.
- Yankton Area Literacy Council
- YMCA of Rapid City

**The following organizations responded to Round 1 only:**

- 4 Directions Project
- Aberdeen Area Humane Society
- Aberdeen Community Concerts Association
- All About U Adoptions
- American Legion
- American Red Cross
- Arlington American Legion Post # 42
- Asone Ministries
- Awaken Justice
- Beadle & Brookings County Drug Court
- Bethesda Lutheran School
- BHSU Little Jackets Learning Center
- Black Hills Area Council, BSA
- Black Hills Area Habitat for Humanity
- Bon Homme Food Pantry
- Bon Homme Heritage Association
- Boys & Girls Club of Aberdeen Area
- Brookings County Youth Mentoring Program (BCYMP)
- C.O.R.E. Community Organized Resources in Educating youth
- Carnegie Center for the Arts, Culture, and Education
- Cavalier Corner, Inc
- Celebrate Freedom LLC
- Center for Disaster Philanthropy
- Chapel in the Hills, Inc.
- Charis Ministry Partners
- Circle Space Services
- Community Counseling Services
- Community Health Center of the Black Hills
- Compass Point
- Crooks Community Child Care Center
- Dakota Counseling Institute, Inc.
- Dakota Resources
- DC Booth Fish Hatchery
- Deuel Area Development, Inc.
- Downtown Sioux Falls, Inc.
- DTOM 22/0 Foundation
- Dupree Daycare
- Ecotone Foundation, Inc
- Empowering You to Be (EmBE)
- Fall River County Fair

- Fall River Historical Society
- Fallout Creative Community
- Family Education and Counseling Center Inc
- Food Pantry
- Friends of Goss Opera House/Johnson Appraisal Inc.
- Front Porch Coalition
- Gettysburg Preschool
- Glacial Lakes Area Development
- Goodwill of the Great Plains
- Habitat for Humanity of Greater Sioux Falls
- Harmony South Dakota
- Healing Hope Ministries
- Heartland Humane Society
- Helping Hand Pantry
- Hermosa Arts & History Association
- Hill City Elementary School
- Historic Homestake Opera House
- Horizon Health Care, Inc.
- Hot Springs Farmers Market
- Huntington's Disease Society of America - South Dakota Chapter
- Huron Church of the Open Bible
- Irene Area Community Foundation
- Junior Achievement of South Dakota
- Just Kidding Child Care Center
- Keep Yankton Beautiful
- Kids Against Hunger Sioux Falls
- Kiwanis Club of Sioux Falls
- Lake Area Improvement Corp.
- Laundry with Love/COTS
- Lower Brule Research Institute
- Madison Regional Health System
- Main Gate Counseling Services
- makeSPACE
- Mennonite Disaster Service
- Midland Volunteer Fire Department
- Mighty Corson Art Players
- Minneluzahan Senior Citizens
- Mitchell Advisory Council For People with Disabilities
- Mitchell Area Safehouse
- Mitchell United Way
- Museum of Visual Materials
- Northern Hills Sources of Support
- Olde Towne Dinner Theatre
- Operation Black Hills Cabin
- Our Savior's Lutheran Church
- Oyate Health Center
- People's Transit
- Piedmont Valley Library
- Pierre/Fort Pierre Lions Club
- Rapid Acceleration
- Rapid City Library Foundation
- Roosevelt High School
- Sacred Heart Health Services
- Salvation Army Mitchell SD Corps
- Sanford Health-Sanford Children's Community Programs
- Sanford Lab Homestake Visitor Center
- Sheltered Reality
- Sicangu Lakota Youth Center
- Sioux Empire Society for Human Resource Management (SHRM)
- Sioux Falls Jazz & Blues Society
- South Dakota Afterschool Network
- South Dakota Ag and Rural Leadership Foundation (SDARL)
- South Dakota American Legion Foundation
- South Dakota Association of Healthcare Organizations (SDAHO)
- South Dakota Counseling Association
- South Dakota Foundation for Medical Care
- South Dakota Humanities Council
- South Dakota Miss Amazing
- South Dakota State Railroad Museum
- South Dakota Urban Indian Health, Inc
- Southeast CASA Program
- Spearfish Nutrition Site
- Special Olympics SD - Rapid City Flame
- St. John's Lutheran
- Stephen's House
- Storybook Island Inc.
- Sturgis Alliance of Churches
- Teachwell Solutions
- The Center
- The Glory House of Sioux Falls
- The Retreat at Pointer's Ridge
- The Right Turn
- The Salvation Army of Sioux Falls
- The YAPatorium
- United Way of the Black Hills
- VideoOut
- Vitalant
- Volunteer Service Bank
- Weekend Snackpack Inc
- Where All Women Are Honored
- White Swan Long Term Recovery Group
- Women of Faith
- Yankton County Historical Society
- Yankton County Parents as Teachers
- Yankton Food For Thought
- Yankton Transit
- Youth & Family Services

**The following organizations responded to Round 2 only:**

- 4 the Kids SD
- Aberdeen Area Arts Council
- Aberdeen Community Theatre
- Aberdeen Public Schools Foundation
- Battle Mountain Humane Society
- BCV
- Black Hills Farmers Market
- Black Hills Works
- Booth Society
- Boys & Girls Club of Watertown
- Brookings Regional Humane Society
- Chancellor Fire Dept
- Dacotah Prairie Museum Foundation
- Early Childhood Connections
- Humane Society of Custer
- Izaak Walton League of America
- Lake Area Technical College - AEL Program
- Lakota Language Consortium
- Lewis & Clark Theatre Company
- Main Street Square
- Meade County Senior Citizens Center
- Northeast SD Area Health Education Center
- PACH (People Against Childhood Hunger)
- Pierre Senior Center
- Pioneer Museum
- Rapid City Nikko City Sister City Association
- SD FFA Foundation, Inc.
- South Dakota Head Start Association
- South Dakota Masonic Charities
- Strider Education Foundation/ All Kids Bike
- Super Dogs for Super Heroes
- The Cave Collective
- The Charm Farm Refuge
- The Glass Slipper
- The Journey Home
- The Keya Foundation, Inc.
- The Salvation Army-Aberdeen
- West River History Conference
- Wholeness Center
- Wiconi Wawokiya, Inc.