



**[00:05:30]**

Hello, everyone, and welcome to the CAF America Session Lessons in Disaster Philanthropy: The Voices of Charities Facing COVID-19, Volume 8. Which will be presented by Ted Hart, President, CEO of CAF America, President, CEO of CAF Canada, as well as CEO of CAF International, as well as Jessie Krafft, **[00:06:00]** Senior Vice President of External Affairs, CAF America.

Just a few housekeeping items, that your microphones are muted and your cameras are off. Note that there will be an opportunity for questions at the end of the presentation, so please use the Q&A function at the bottom of your screen to share your questions, as well as the right-hand side of the Everywhere Plus platform.

**[00:06:30]** These sessions are being recorded and we will share the recordings for the webinar within a few days.

I'm also pleased to welcome for our Lessons of Disaster Philanthropy: The Voices of Charities Facing COVID-19, Volume 8, Ted Hart, President, CEO of CAF America, as well as Jessie Krafft, Senior Vice President of External Affairs in CAF Canada. Ted Hart, in addition to being President, CEO of CAF America is the President of CAF Canada, **[00:07:00]** as well as the CEO of CAF International.

Jessie Krafft is the Senior Vice President of External Affairs with CAF America, and these two will be presenting on our most recent webinar and their most recent report about COVID.

**Ted:** Thank you very much, Nick. It's my pleasure to be here with you. As was mentioned, this session is also being streamed as part of CAF International's worldwide **[00:07:30]** symposium on philanthropy. We welcome all of our CAF American, CAF Canada, donor, clients, charity partners, and the global audience of CAF's worldwide symposium.

CAF America started this Voice of Charities Facing COVID-19 series 19 months ago. We never imagined the world's charities would still be facing the ravages of this pandemic in November of 2021. Over 5 million people worldwide have already lost their lives to COVID. While **[00:08:00]** many in wealthier countries have access to vaccine, millions refuse to protect themselves or those around them.

Refusal to be vaccinated has snatched victory against the virus out of reach for many who have thought the progress was being made. Yesterday, we woke up to the *Wall Street Journal* reporting, "Germany hits record COVID-19 tally as pandemic rebounds across Europe." Last week, they reported, "With record high deaths, **[00:08:30]** Moscow and other parts of Russia enter a partial lockdown."



While those in less wealthy countries are left to beg for vaccine, which today, has resulted in half the nations of Africa reporting populations less than 10% vaccinated. The effects of lockdown and economic downturns have left a whole regions, devastated. The shrinking number of international tourists arrival determined the loss of 12 million jobs in Africa's [00:09:00] travel and tourism sector alone.

The poorest continent in the world now reports the number of people living in extreme poverty has increased by 30 million people since 2020. In July, Latin America accounted for 35% of all coronavirus deaths in the world despite just having 8% of the global population.

Since that time, there's been a sharp drop in infection rates, but the [00:09:30] devastation of death and economic pressures continues to weigh on communities throughout this region. India's response to the first wave of COVID became a model for others in 2020. India prevented high fatalities and manufactured critical materials such as personal protective equipment and essential drugs in record time and help supply them all over the world.

However, when a more infectious second wave hit India, most populous states, the response was less [00:10:00] organized, and even caused a temporary state collapse. Today, we gather here as many people are looking forward to the holidays ahead, and have visions of large family gatherings once again.

The United States has announced the lifting of an 18-month travel ban, and airlines are reporting record bookings for international travel. Now, none of us has a crystal ball, but what we have learned about this virus is that it is relentless, [00:10:30] particularly for those most vulnerable among us, here in the United States and around the world.

Many who claim to be experts in disaster philanthropy focus on the high-profile immediate aftermath of the disaster, with little thought to the long recovery period after the cameras have moved on. It's even harder to find any one of those experts engaged in serious dialogue, urging funding that could strengthen the charitable infrastructure of a community before a disaster strikes. [00:11:00]

I guess it's true what they say, that it's easier to sell the cure than it is to sell prevention. From the beginning of our survey reporting, our goal has been to provide frontline actionable intelligence our donor clients can use to make informed decisions regarding their philanthropic planning in the months and years ahead.

The fault lines around racial equality and inclusion, poverty, hunger, and mental health are just some of the acute issues that are front and center for international



**[00:11:30]** philanthropists and those focused domestically as well. Waiting for a disaster to cripple communities is just bad business.

This webinar and the report that we are sharing with you is a call to action to change the future by changing how we approach giving now. Build Back Better is a slogan often heard, but in the case of how we can best meet the challenges ahead, for many communities, incremental change just won't make a difference. Systemic change **[00:12:00]** is needed, and philanthropy has a role to play.

Our focus today is providing the strategic recommendations useful to our donor clients who want to help, who want their philanthropy to be impactful, and want to help it build a more resilient charity infrastructure that can be relied upon to provide critical services now during the continuation of this global pandemic and for disasters, emergencies, and the pandemics of the future. **[00:12:30]**

Since the initial reports of a cluster of pneumonia causes of unidentifiable origin in Wuhan, China, in December 2019, the novel coronavirus that causes this disease has spread throughout the world, igniting the 21st century's deadliest pandemic. Tens of thousands of charities have already been forced to close their doors, and many others to cut hours of services and staff.

The story that the data has shared in the past has **[00:13:00]** been one of uneven hope by many who have survived even beyond their own expectations, and those still facing a surge of infections that is straining medical support beyond their capacity to cope. It has been a story of deep concern for nonprofits under great stress, and many remaining very concerned for their own survival through to, what we hope will be, the end of this pandemic.

Today, is a call for resilience philanthropy. A key phrase throughout philanthropy **[00:13:30]** is to measure and ensure impact philanthropy. We cannot agree more. One of the highest forms of impact philanthropy is resilience philanthropy.

Today, we urge donors, generous givers, and philanthropists, and good people everywhere, to ask, "How are you building a stronger, more resilient charity when you give to that charity? How are you challenging that charity, not just to take on a project, but to show that they are building, to be resilient, **[00:14:00]** to be there when others cannot, to provide the strongest social safety net we all know is needed, but somehow it always seems like it's someone else's job to fund it?"

It is clear. If we want charities we donate to, the charities we support, the charities we care most about to be strong, to be resilient, to survive, we must understand the status quo will not meet this challenge. It is vitally important that we all take an



honest look [00:14:30] at what is happening to charities in every country and in every community around the world.

Charities are facing the disruption of fundamental core support at an unprecedented rate even as the world's governments and economies struggle to find a new normal. Communities need the charities you support. Let's provide a new pathway, a new dialogue around resilience philanthropy, and how you can now measure success with the lessons learned via disaster philanthropy.

Now, [00:15:00] joining me today, to help me share all this important data, information, and insight, is Jessie Krafft, CAF America and CAF Canada's Senior Vice-President of External Affairs. Jessie.

**Jessie:** Hi, Ted. Thanks so much for having me.

**Ted:** We've got a lot to cover here today. We'll go to the next slide here, just to share a few things about CAF America's approach to everything that we do. Just one back, Nick. I just wanted to make a note of the three Rs [00:15:30] here.

That all of our services and everything that we do at CAF America comes back to us, a core principle that we call the three Rs. As a US public charity, CAF America seeks to provide regulatory compliance, risk management, and reputation protection in all of the interactions that we have. Let's go ahead, Nick, to the next slide.

This is our eighth *Voice of Charities Facing COVID-19* report. CAF has polled 437 charities [00:16:00] in five countries. We're focused on five countries. This research is the latest in the series that began, back in April of 2020.

CAF America has aggregated the survey responses. You'll see each of the reports, on the slide here, from this report that themes the past reports to provide and define the lessons for disaster philanthropy. Who should read this report, Jessie? What is the focus here for this report?

**Jessie:** This report [00:16:30] is a bit different than some of the past reports. There are a few reasons for that, which we'll get into later. This report is really important for lessons in philanthropy that donors can learn from the COVID-19 crisis and thinking through their strategy in future grant-making.

Not just their strategy in the grants that they make themselves and what issue areas they support, but really how to build partnerships with charities and how to build [00:17:00] the strength of those charities at the same time. I think it's-- of course, really important for the charitable sector as well to help them see the lessons that others have learned throughout this crisis.



**Ted:** To understand a little bit about what donors are going to be looking for in this new world of resilience philanthropy. Nicholas, go on to the next slide. Jessie, we've published our first *Voice of Charities Facing COVID-19* report 19 months ago. Each has focused on providing advice [00:17:30] and insight on a global scale. This report, however, focuses our attention on five countries. Why?

**Jessie:** In the past reports, we've brought in responses from well over 100 countries, in each of the reports. This is a really different approach for us. We really wanted to focus on as the waves of COVID-19 are hitting certain countries, as we've heard, Europe is experiencing [00:18:00] yet another wave of COVID. What we really wanted to understand was what's happening on the ground with charities in these countries, and what are they learning, how are they being impacted by these waves.

These five countries, we chose for really specific reasons. One, there's just acute increases in COVID-19 within these countries during different periods of the pandemic. For example, as of yesterday, in *The New York Times*, [00:18:30] these numbers have been reported, that Russia has seen nearly 250,000 deaths.

Argentina has seen nearly 116,000, South Africa, 90,000, Brazil, 610,000, and India, 462,000. These numbers are just absolutely staggering and devastating. We really wanted to focus on these countries to understand what lessons they're learning from these acute increases.

We also have a strong significant presence of grant-making and [00:19:00] partners in these countries. That was really useful in obtaining the amount of responses that we did. We know that charities are facing very serious challenges in these countries so we wanted to bring in the lessons that they've been learning so that others could benefit from that, for future crises, as we continue through this pandemic.

**Ted:** Let's move on to the next slide. Thank you, Jessie. The next three slides provide an important demographic [00:19:30] and scope of the information. What does this information tell us, and what should the audience, both the worldwide symposium audience and the CAF America, CAF Canada webinar audience that are coming together here? What are the takeaways here that are most important?

**Jessie:** I'll take you through these next slides, to just share a bit more about the respondents, and then why this demographic information we received about these organizations is relevant to the study. Firstly, as you can see here, the majority of the respondents [00:20:00] came from Brazil and India, which is not surprising given the size of these countries and also the volume of charity partners that we have in these respective countries.

I also want to say in this slide, that we have a lot of thanks to give to all of our partners that have assisted us in disseminating this report, including our CAF

File name: Disaster Philanthropy COVID vol 8.m4a



International offices that are in these countries. We worked with CAF India, CAF Southern Africa, CAF Russia, and also Aegis in [00:20:30] Brazil. Then we also owe a huge thanks to Rassie in Argentina, as well as Wings who all helped us disseminate this report.

Nick, if you could move to the next slide. Here, you can see the scope of work of the organizations that were responding. The little numbers underneath indicate how many organizations work in each of those fields that have responded.

Really, as has been the case with other surveys, we really have a strong presence of [00:21:00] educational organizations within these survey responses. Actually, interestingly, a small number of health care organizations here, which is significant, given in a few slides forward, you'll see that there's a large number of these organizations that are responding to COVID-19 in some way.

What we do see here is widespread impacts of COVID-19 on these organizations and all responding issue areas. [00:21:30] These are not healthcare organizations responding to COVID-19. These are just a wide breadth of issue areas that are supporting this crisis.

If you could go to the next slide. I think this is also really significant. We also asked for each of the respondents, we asked the size of their organization, so we could understand the impacts that these organizations were seeing on their operations based [00:22:00] on the size of the organization.

What's significant here is that if you add all these different countries together, nearly 75% of the respondents have under 50 staff members, with almost 25% of them having as few as 1 to 5 staff members. There's really a great prevalence of small organizations that responded to the survey.

As you'll see later in the data, this is significant because the impacts on long-term resilience of small charities has [00:22:30] been much greater. Those are the charities that, of course, need the most support during these times. Next slide.

**Ted:** As we go onto the next slide, Jessie, I just want to focus here. This next portion of the webinar will focus on what charities are telling us and specifically, a very large percentage of charities are responding directly to COVID-19. On this slide, [00:23:00] and the next, what does this tell us and what are we hearing from those who are facing COVID-19?

**Jessie:** Sorry, I was muted. As you can see here, it's definitely a majority of organizations that have said that they're responding to COVID-19 in some way,



whether it's through direct relief in, informational or educational campaigns, hygiene initiatives, vaccine programs, or other activities.

**[00:23:30]** Again, as I noted earlier, this is noteworthy given that only 22 of respondents are actually from the health sector. You can really see how organizations have flexed their strategy and their mission to meet the overarching needs of their beneficiaries. I think it also says a lot about the way that they've been able to attend to their primary missions during this time, which we'll get into a little bit later.

We also asked specifically, a separate question that's not represented here in this **[00:24:00]** presentation, but it's in the report, we asked whether organizations were playing a role in supporting vaccination campaigns. The majority that are supporting these vaccinations was from an educational perspective only and actually in many countries, well, there are different requirements on what types of organizations can participate in vaccinations.

As an example, in Russia, vaccinations can only be distributed by government entities. That was also an interesting response that came out of **[00:24:30]** the survey. Next slide. In this question, we asked how each organization was performing overall.

We asked, are they closed? Are they experiencing difficulty? Are they surviving, which means, are they able to maintain operations and meet the demands of their beneficiaries **[00:25:00]** or are they thriving, so they have a healthy financial status to cover their programs and operations.

You can really see a wide range of responses here but it's important to note that all but five of the organizations that responded are still operational, indicating that the survey pool really represents organizations that have largely fared well for the pandemic. Of course, as we've seen in past reports, some have closed earlier on in the pandemic.

**[00:25:30]** That's something to keep in mind here. As the pandemic has carried on, we've really seen this consolidation of the stronger organizations in the respondent pool, and this trend has really carried forward. The other thing to note here is that we found that organizations with five and fewer employees are 56.5% more likely to say that they're struggling as a result of the COVID 19 pandemic, as opposed to all the other larger organizations surveyed.

**[00:26:00]** That's significant to some of the comments that we'll make later on but it's really impactful to see that so many small organizations are struggling the most. You can go to the next slide.



**Ted:** On this next slide, Jessie, the disaster of COVID-19 is most acutely felt where? What are we learning? You just mentioned that the disparity and the different levels of employment, and [00:26:30] then go on to the next slide after you get a chance to review this information about smaller charities.

**Jessie:** Sure. We saw here that large organizations, those with 21 or more employees are roughly twice as likely to report that they're surviving or thriving than small organizations. They really seem to be much more able and prepared to weather the storm. That's [00:27:00] important to keep in mind as we move forward.

Then this quote here, which we thought was particularly impactful. One organization in South Africa said, "Donate to smaller and medium-sized NPOs. They are on the ground responding very pragmatically to disasters and are often underfunded. In fact, small nonprofits must compete for funds from the large funders."

This is describing one reason to fund smaller organizations. There are many, [00:27:30] and of course, there are value in all different sizes of organizations, but it shows some struggles that smaller [crosstalk]

**Ted:** Interesting that South Africa would make note of the fact that there is a disparity here, and drawing attention even to funders to that point. Jessie, we move on to the next slide. For these charities most acutely affected by COVID, what changes in their fundraising have been witnessed in the survey [00:28:00] and what exactly has changed?

**Jessie:** There's a lot that's changed. In this specific question, the first question around fundraising that we asked in what has changed in their fundraising, we asked what their primary communication channels have been during this period of COVID-19 in order to connect with their donors and continue fundraising.

As you can see, the social media and crowdfunding mechanisms, the yellow and the red bars in this graph, factored heavily [00:28:30] in their methods of communication, which makes sense. Social media and crowdfunding being, of course, virtual ways to connect.

Then, interestingly, in the comments that accompanied this question, several also pointed to the use of WhatsApp as a fundraising mechanism. When it seemed like they were calling that out separately from some of these other items, that's something for us to keep in mind, as we understand how charities are reaching out [00:29:00] to their donors more frequently now and during times of crisis.



If you could go on to the next slide. The second question that we asked about fundraising was compared to the first year of the pandemic, what changes have you experienced in your fundraising during the recent COVID-19 surge?

There's a lot to take away from this, but I would say the most important takeaways are, [00:29:30] one, being that, 41% report that their donors' priority issue areas have changed, that's the light blue bar on here. What's the long-term lesson here and what does this mean for donors when disaster strikes? Their priorities are changing.

There's an opportunity cost of making a disaster grant and then there's an impact on grantees who would otherwise get the funding that they might support during times that there aren't crises [00:30:00] occurring. That's something to keep in mind as donors plan for their disaster philanthropy in the future and consider the ongoing needs of their charity partners.

One in the survey comments, one of the charities in South Africa said, here's a quote from them, "Many of our donations from trusts and foundations were not able to support us due to their loss of income from investments with respect to COVID-19. Many of our other donors also [00:30:30] did not have the financial capacity to assist. We did have donors that gave donations toward COVID-19 PPE but then could not donate for our existing children's homes and programs."

To me, that quote really brings that to life to show, yes, they were getting donors but they still were capturing the attention of donors but only for a limited part of their activities and then they could then not fund their children's homes and programs, which are their primary mission.

**Ted:** [00:31:00] Jessie, that takes us back to some of the earlier reports the CAF America has done specifically that some donors have fallen into need for services and that we're seeing a shifting of the capacity for some donors to be active donors, putting the pressure even further on those it can still give.

**Jessie:** Yes, and that was widely commented on in the comments as well. Many of the [00:31:30] individual donors in particular, themselves were suffering and no longer able to contribute as they had in the past.

Here, also, brings another interesting lesson and something to take away from this fact is that, charities are forced to flex their messaging and their programs to continue to capture the attention of their donors. Not only do they need to remain nimble in their operations as [00:32:00] the context in which they're operating is changing, but they also have to remain nimble in their marketing and communication styles and their communications to their donors about their programs.



It also means that when a disaster strikes, that funding is likely to be diverted to organizations that are responding to that crisis, which leaves the non-disaster activities with less funding to support their day-to-day and their ongoing needs.

**[00:32:30]** This is actually something we were really keenly interested in and aware of during the beginning of the pandemic as we were worried about this occurring, which is why we were so impressed that even in the height of the pandemic, we had many corporate donors that made the decision to still proceed with their standard annual grant making programs to ensure continuity for their charity partners.

That was really important and across the board, of course, we had great appreciation from the charities who were immediately **[00:33:00]** concerned that all of that funding would disappear. We've at least seen some of that continue but that doesn't always happen. It's good for donors to keep this in mind if you are a regular donor to any given charity that you need to continue supporting them during these times of crisis.

**Ted:** Jessie, at the height of the pandemic, some of the charities that came to mind in that category were many arts organizations that we're not front and center to providing service to communities **[00:33:30]** but were really dependent on donors that may have shifted their giving elsewhere. Some donors looked back and made sure that they were giving to those organizations to keep them afloat during the toughest days of the pandemic.

Let's move on to the next slide. Again, looking back, one of the benefits, Jessie, they have been at this for 19, 20 months and now, on to our eighth report, which I think safe to say neither one of us **[00:34:00]** thought we'd be here doing an eighth report here is that we do see trend lines.

When we look back to our fourth COVID-19 report, donors are also making changes. You just mentioned some of that. How does this create new approaches for funding during times of disaster or crisis? Now, we're starting to get into some of these lessons that we are seeing a change in responses and how does that help **[00:34:30]** inform the future?

**Jessie:** The good news here is that we're really seeing a various methods of flexibility from donors in these responses, with an only minority of charity saying that they were offered no flexibility, so that's great news. It was also really nice to see in a lot of the comments that several called out the flexibility that CAF America has provided which is really heartwarming to see as I read through those, just as a side note.

However, **[00:35:00]** many of the comments also said that more operational support was needed, which is charities are seeing as a form of flexibility from their donors. In some cases, that donors need to do a better job of knowing their partners and their



programs to help them understand the needs of the organization and to not make assumptions about what the needs of the organization are.

In many of the past reports of the [00:35:30] past seven reports, we have highlighted the need for unrestricted funding to give a little bit more of that flexibility. Now, we're thinking about taking that unrestricted funding just a bit further, taking it a step further that concept and really thinking about the need for resilience funding. If we could go to the next slide.

**Ted:** Jessie, now, we get to the heart of this report. [00:36:00] Too often, philanthropy is focused on donors giving and charities receiving but there's something even more fundamental for all funders to consider now as we move into really suggesting that all funders start putting the focus on impact on resilience philanthropy.

**Jessie:** That's really one of the most important themes of this [00:36:30] report and some of the past reports but I would say it came out much more in this report taking a look at a year and a half later, and how the current stage compares to the first year of the pandemic. Responses that support this message of meeting to build charity resilience fell into two main categories.

One, is that there was a need for appropriate contingency planning, business continuity, disaster response plans, [00:37:00] and things like that. The second is that, there's a great need for rainy day funds so that savings can be deployed in times of need.

Unfortunately, this was not available to a large proportion of the charities and only 54% that were surveyed in volume six, two reports ago, said that they had any reserves at all. We asked two open ended questions at the end of the survey, just discussion questions, not [00:37:30] without statistic or without data collected.

The first was, what is your biggest learning from the recent COVID-19 surge that will help you prepare better for future disasters? The second was, what advice you have for donors interested in providing support?

To the first question that of, what is your biggest learning, many of the open responses stated that their biggest learning was that part of their annual budgeting needs to go towards savings [00:38:00] and as tempting as it may be during crisis, that they should not spend all of those reserves immediately.

It was striking how many charities responded with answers like that where it really sounded like as we know, and as we've been talking about the demand for services was much greater than some of the income that was arriving and charities that didn't have savings, or that might have had a small amount of savings, they went ahead



and overextended [00:38:30] themselves and spent all of their reserves immediately, which has left them in a more challenging position now, a year and a half, or over a year and a half into this pandemic.

That was really striking and there's a lot to be learned from that. To the second question, which was, what advice do they have for donors, the most frequent response was that they needed to continue providing [00:39:00] operational and resilience support.

One charity in India said, and this is a quote from them, "Our donors now have difficulties contributing. The contribution amounts have been reduced, but some of them still contribute. However, though we are surviving the situation in the future, we really need a sound corpus fund to sustain through any critical situations and to meet the recurring expenses."

Really, I would say something that's noteworthy here and a particular point that donors should take away [00:39:30] from this is that donors are often thinking about resilience in their grant applications. In many of the donor applications that we see, they're only asking the question in one way.

They asked, for example, for a list of the top donors or they asked how many donors the organization has, because the donor wants to know that the organization is sustainable on their own without those contributions. If they flip that question and begin asking questions about the size of their reserves, or [00:40:00] to even or to then decide to provide a small amount of funding that is designated toward a corpus fund, that, that type of action would get donors closer to ensuring that they're supporting resilient organizations and contributing to that organization's resilience, which is a really important lesson that we should take from this.

**Ted:** Absolutely. Let's move on to the next the next slide here. Jessie, there's a lot to unpack here, but the future success of disaster and crisis philanthropy [00:40:30] depends on successful navigation of this roadmap. Help us understand how donors can navigate utilizing this roadmap, but also for charities to understand their role and being prepared to partner with donors who want to help.

**Jessie:** Yes, this roadmap is something that we created as a result of our volume 6 COVID report, which [00:41:00] I think is very relevant here, and something that we're building on more as we learn more from these surveys. I would say an additional aspect that's important here, is that another important piece of an organization's resilience, their sustainability and strength, is of course the staff that it employs to work for them.

This really came to life for me in the comments, where there were many that were mentioning staffing [00:41:30] challenges throughout the pandemic, challenges



everywhere from the need to reduce hours of their staff in order to save money. If their donations had decreased to some organizations stating that there's been a huge toll on mental health of their employees during this pandemic, as we've all seen play out in different ways in our own lives, who themselves have experienced loss due to COVID-19.

One respondent was talking about how she lost her husband [00:42:00] during this period, which is, of course, absolutely devastating and challenging for the mental health of employees globally. In thinking about capacity building and this roadmap to resilience preparedness, and investing in an organization sustainability, we also need to consider human resource needs.

I think this factors on this roadmap here. This is part of the leadership category that we have here, [00:42:30] and also to some extent the DEI category that's reflected here, but it's an important point as we continue to understand the impacts of COVID-19, and the need to recognize employee stability as an important investment for the sustainability of an organization.

I think that's another key point that came out of this. I'd actually like to just briefly share an excellent example of an initiative [00:43:00] to build charity resilience, that actually has come from a program that's managed by CAF UK, our partner in the UK. They have a program called the CAF Resilience Fund, and while this is a five-year project that originally started as an experiment to assist small charities in the UK, the COVID-19 pandemic provided a real life test of this resilience fund, and the lessons that [00:43:30] they were learning through the program.

In this five-year program that they've held to date, there are six core characteristics of resilience that were evident in the charities that have been most successful in these programs. I just want to share those characteristics here, because I think it's important learning for us to take forward. One was that the resilient organization had a clearly articulated and widely understood charity mission and purpose.

Two, [00:44:00] that they have effective leadership from both the board and senior staff. Three, that there's awareness of the external environment in which they operate. Four, that they have networks and partnerships that support the charities mission and purpose. Five, that finances and operations are fit for purpose. Then, finally, that the organization has an ability to capture and communicate their theory of change and charity impact.

I think as we think about charity [00:44:30] resilience, and how to begin supporting those types of initiatives, these are really important takeaways that we should think about in those strategies. CAF has actually just released a report on this initiative



that will inform future planning around this important topic, so feel free to check that out as well. If you could go to the next slide.

**Ted:** Jessie, we understand [00:45:00] now the roadmap for donors, what are charities doing?

**Jessie:** Yes. Charities are building resilience, but they need more support. As you can see here, we've asked about their preparedness, the evolution of their preparedness to respond based on experiences from the beginning of the pandemic to now. A number of organizations have said [00:45:30] they've decreased preparedness, some that have stayed the same level, but you see a majority here have increased their preparedness to respond.

Of course, we know that charities are flexible, but we can really see that here. The organizations have learned so many lessons this year, and have increased their awareness and understanding of what it is to be sustainable through a period of crisis. There's one quote that [00:46:00] from a charity in Brazil that came through, which was, "Due to challenges of reduction of contributions from companies because of the long duration of the unexpected pandemic, this caused us to shift focus to alternative projects to enable sustainability," so you see some of that that flexibility there and shifting their programs.

As I mentioned a few slides back, many organizations are recognizing the need for better preparedness through [00:46:30] business continuity planning, providing staff mental health support, and creating reserve funds. Another lesson was that they should not overextend their finances in the beginning of a crisis, as they need to ensure sustainability throughout

**Ted:** Jessie, as we know, working with so many wonderful funders, those things that funders value and ask of charities as part of a grant process, are the things that end up getting done, right? Because those [00:47:00] become the priorities. Asking charities to provide information on the reserve funds, on their business continuity plan, having these things be in place just as you might ask about an ethics statement, or other very important topics that donors over the years have added to the request during a grant process.

Those are the things that we're talking about here in terms of embedding those, and changing the path forward to [00:47:30] have this trend continue, because this slide really points out that charities really get it. The increased need for preparedness, not sitting back and just waiting for the next disaster, but they need help in getting there.

**Jessie:** Yes, I absolutely agree, and I think you're right. The structure of the applications and the way the donors approach their charity partners, really gives the charities a lot of cues in terms of what that [00:48:00] donor is willing to support, and



is proud to support. I think a good example of this is-- This is really phasing out, but donors asking about the level of overhead funding.

For many years they've gave charities the cue that, if you have more than 20% overhead or close to 20%, that you're doing something wrong, but that takes everything out of context. Some organizations define overhead in different ways, and it devalues things like resilience funding, and [00:48:30] putting money into a corpus that prepares them for the future.

If donors start to flip that in their applications, and show that they value this type of future thinking and investing in the future and investing in sustainability, it will really make a difference in those relationships.

**Ted:** Some charity evaluation, Jessie, still mark as a demerit if you will. If you have an endowment or you have a big reserve fund, as opposed to seeing that as part of a resilience philanthropy moving [00:49:00] forward. Let's move on to the next slide, because Jessie, what is the call to action?

**Jessie:** Yes. Really, this idea of resilience philanthropy is the call to action, so more resilient grantees are better prepared to help their communities, weather the storm, both literally and metaphorically. This is challenging for many reasons, but it is an important call to action. Grantees will need [00:49:30] support for programs beyond just disaster response, and your funding won't necessarily have an immediate and visible impact.

This can be really challenging for donors, but I think-- One quote I found really interesting is in response to the question about level of preparedness, when an organization in South Africa stated that the level of preparedness is immaterial when there's no [00:50:00] funding for financial relief and assistance to the sector. I think there are a lot of lessons to be learned here, and preparedness is certainly one piece to this puzzle, but really this funding for resilience is absolutely important. [crosstalk]

**Ted:** You can move on. Yes, can keep going to the next slide.

**Jessie:** Next slide, yes. If you go to the next slide. I just want to-- [00:50:30] I know I've read a lot of different quotes [chuckles] during this presentation, but I think it's really important to really illustrate some of what the organizations are saying. Throughout this COVID-19 report series, and the overwhelming donor response and the interest in these reports over this year, it is so clear that everyone understands the value and importance of charity sustainability.

They wouldn't be tuning in if they didn't, and people are tuning in here because they're concerned about the sustainability of [00:51:00] charities, and how they've been affected by COVID-19, which, we've seen through this report that this has been



most challenging for small organizations that don't have savings or reserves, and that don't necessarily have infrastructure for business continuity plans.

As donors build long term partnerships, it is of absolute and utmost importance that they consider building partnerships with local grassroots organizations, but that they also have a genuine conversation with them about their needs and sustainability, [00:51:30] with the aim of building in additional funds for their reserves and thinking in the long term.

These two quotes that I'd like to close with before we can move on to questions really demonstrate that need in a thoughtful way. First, is a charity from South Africa who said, "Donors who provide unrestricted, or at least, informed allocation is hugely helpful to charities in proactively dealing with crises. While it's amazing to have enough milk and nappies for the babies [00:52:00] and the children in our home, it's of no use if we don't have the loving hands to steward these gifts and caring for them." Really focusing on the need to support those operations, support the staff, support the sustainability of the organization, because it means nothing without it.

The last quote is from a charity in India, they said, "In an emergency, the world has seen due to the pandemic, unrestricted funding helps us to meet critical emergency needs, which is the need of the hour. When these funds [00:52:30] are restricted, we are helpless when help is sought for the most needy." With that I will move us to questions.

**Ted:** Yes, and Jessie, we have a question about the roadmap. Nick, maybe we could go back a few slides cue, the roadmap for-- Here we are. Jessie, the question is that, there's six areas that are called out on the roadmap to resilience, and can you speak to any prioritization or how donors [00:53:00] and charities might look at these component parts?

**Jessie:** That's a great question. Yes, and I think this is really where the dynamic of really building a partnership with the organization comes in, because I think that answer is going to change for every charity partner that you have. Some might have great financial reserves that they could already be employing just to invest in these other items, but they're not for a variety of reasons maybe because [00:53:30] they don't know they need to, or that's not been a part of their strategy to focus on their own internal capacity building.

Whereas others might have some strength in these areas, but don't have any financial reserves to sustain them. I think I could sit here and give some of my own prioritization to this, but I think that prescription would likely be meaningless [00:54:00] without knowing what that charity partner actually needs. I think that's



something that donors and charities should be discussing, so that the funding is going toward what is needed the most out of these categories.

**Ted:** Jessie, how, as a funder, CAF America has now with our donor partners contributed over \$2 billion around the world to a 120 countries. [00:54:30] When you look at this, and you're talking about this dialogue, how does a funder start that discussion? Are there priority areas that you might start, or to your point, is it specific to where the funder is coming from? Where their expertise is at, or what their particular interest is? Again, going back to how can we provide actionable information about this roadmap to donors?

**Jessie:** Yes, it's an [00:55:00] interesting question, because, of course, we're sitting here saying donors need to do this and that, but donors themselves often don't have an incredible amount of capacity themselves. We know of million dollar programs that are run on a shoestring in terms of the donors that are actually building those strategies. I would say, ideally, they're having these individual conversations with these organizations, but that might [00:55:30] not always be possible.

I think part of the action would be to think about the way you're wording your questions and your applications, and perhaps, leading with measured statement for your values as a donor and part of those values could be that you also want to invest in their resilience, not just in the program at hand. There are, I think, a few ways that you could communicate that, or help your charity partners understand [00:56:00] where your values lie.

I think an application and, perhaps, preamble to that application could be an efficient way of doing that as well, but another important mechanism that many of our corporate donors in particular use is, working with their employees on the ground, you can have these conversations locally and build the capacity of those donors to have those individual conversations.

**Ted:** Yes, so you use all the tools that are available to you, right? [00:56:30] Think holistically. Nick, if we can go back a couple more slides because we have a question specifically on this notion of flexibility, not only just during the COVID-19 surge, but the question specifically speaks to the lessons that have been learned, and what you are seeing and what our staff is seeing in terms of those lessons that seem to have strong legs going forward.

**Jessie:** What lessons we're [00:57:00] seeing in this flexibility and-- [crosstalk]

**Ted:** Yes, in the flex. We saw this in report number four, and we reported a lot of the changes that donors were implementing at that time, specifically, to COVID-19, but now we're several months after that, and we have some insight here. What seems to be sticking in terms of giving some direct advice to our donor clients on what their



peers are doing, or what they might want to be considering, as they look to shift towards resilience philanthropy? [00:57:30]

**Jessie:** Yes, so I would say one thing here is, we've been talking a lot today about unrestricted funding and supporting, and being flexible in your funding. If you are listening and you're a donor in the United States that's giving internationally, you might be thinking, "Well, but I can't really do that because expenditure responsibility rules and the IRS rules for giving internationally actually prevent me from doing that." Where actually [00:58:00] there are ways that we've worked with donors to navigate that, so that they could be flexible.

One of the primary ways that we've done that through this year is to allow amendments to pass grant agreements, which is absolutely allowable under expenditure responsibility. The charity just needs to work with us to amend those agreements prior to making those shifts, and that's a very simple process. They just need to tell us how they're shifting [00:58:30] those funds.

Our donors have been extremely flexible and have appreciated that we're going through that process with their charity partners. I would say that's an important thing to point out because just giving internationally in some countries, in some cases precludes the ability to give unrestricted funds, but there are ways to manage that still within the cross border giving context.

**Ted:** Jessie, we [00:59:00] mentioned at the opening that some parts of the world are looking to a new normal, and other parts are now facing yet more crisis related to COVID. We've been asked several times and just you had mentioned it, and this brought to mind, I just wanted to share this again, as a learned lesson is, at a time of crisis, there is a thought that regulations somehow go away, or you [00:59:30] don't need to follow them anymore. Since we're talking about disaster philanthropy here and lessons of disaster philanthropy, is that a real thing?

**Jessie:** Unfortunately, no. [chuckles] Yes, there are some interesting cases where, for example, in China, therefore, an NGO of laws become a little bit less strict in the case of disaster, and this is our actually written into the law, but, of course, [01:00:00] there are still regulations to navigate regardless, but in the majority of cases, no, but the rules don't change, the laws don't change. We still need to follow the required legal processes in order to make international grants, and we just can't flex from that.

Which is challenging for some charities to hear, who when we reach out to get them to complete some application or something during a time of crisis is [01:00:30] a difficult way to navigate those relationships, and to support them during their time of



need. It is a fact of cross-border giving, and that's not something that can be changed.

**Ted:** Bring all those things together, so regulations don't change. We've got the lessons, specifically, from disaster and crisis philanthropy, and this call for resilience philanthropy. Build that bridge for donor clients that are listening today, in terms of, **[01:01:00]** a couple of things that you've seen working, because we have so many different donors who are already on this journey right now.

**Jessie:** If you're a donor that's looking to make a significant donation, specifically, for an endowment or a corpus fund or this resilience funding that we've been talking about, the best legal tool to use in this case is an equivalency determination, if you're talking about giving from the United States, at **[01:01:30]** least, because that does allow completely unrestricted funding, and it doesn't have time constraints on when those funds are used.

We do have great mechanisms that CAF America and other US donors employ all the time for funding that type of initiative. Even within the confines of expenditure responsibility, which requires specific charitable project descriptions, **[01:02:00]** and budgets, and things like that, you can build in specific things like salaries or different capacity building costs, so long as you have specificity around the charitable purpose that those things support.

I think if you work with an intermediary, it's good to have that conversation with them, and I know CAF America, we flex between the ER and ED tools in the United States for this very reason, so that we can listen to what **[01:02:30]** our donors want to support. or listen to what our charities are collecting donations for. We have partners on both sides, and then we advise them on the best route, in terms of the legal mechanism to get the funding there for that purpose.

**Ted:** Jessie, I think a summary to all of that, and Nick, we can go ahead and go right to the last slide. Here, if you want to go all the way through to the end here as we wrap up, is you've got to know what you're doing, right? You've got to really have a confidence level in the regulations and the **[01:03:00]** ability to navigate through because there's nothing normal about this new normal.

**Jessie:** Yes, absolutely, there is nothing normal about this. There are so many lessons to be learned, and a lot of this can be taken into your standard disaster philanthropy as these crises arise. I think this is a really important report to showcase some of those broader lessons that we've learned.

**Ted:** **[01:03:30]** Terrific. Well, Jessie, thank you for joining today. Thank you to all of our guests who are joining us today on the CAF America Webinar, and as we feed into the Worldwide Symposium on Philanthropy. This concludes this webinar. We will



be sharing both the video and the slide deck along with the report that was issued today. Thank you for joining us, and, Jessie, thank you.

**Jessie:** Thank you, Ted. Thank you, everyone.

[silence]

**[01:04:00]**

[silence]

**[01:04:09] [END OF AUDIO]**