

Future-Proofing Nonprofits for the Post Pandemic World | The Voice of Charities Facing COVID-19, Volume 6

Host: Ted Hart | President & CEO, CAF America

Guest: Jessie Krafft | Senior Vice President of External Affairs, CAF America

Loren Previti | Senior Director of Donor Services, CAF America

[00:02:00] All right. Hello everyone and welcome to today's webinar, 12 Months Later: The State Of The World's Nonprofits. This is Volume 7 of CAF America's The Voice of Charities Facing COVID-19 report series. A couple of housekeeping points before we start off. Please ensure that your microphones are muted, they should be and your cameras are off. There will be an opportunity for questions at the end of the presentation, please use the Q&A function, you'll see at the bottom of your screen to share any **[00:02:30]** questions you have. As a reminder, the session is being recorded, and we will share the recording of this webinar within a few days.

Today's presenters are Ted Hart, Jessie Krafft, and Loren Previti. Ted Hart is President and CEO of CAF America. He is an internationally recognized speaker, with over 30 years of experience in advising global philanthropy and is an expert in regulatory frameworks governing both domestic and global philanthropy and risk management. **[00:03:00]**

Jessie Krafft is the Senior Vice President of External Affairs at CAF America. In her current role, Jessie coordinates the offices of the Grants and Donor Services teams, Business Development team, and the Thought Leadership and Communications Team. Jessie also develops and executes services, assisting donors with strategic grantmaking, philanthropy planning, and investing charitable assets. She is a leading expert in international grantmaking from the US and Canada, as well as in local country laws on foreign funding. **[00:03:30]**

Our last presenter today is Loren Previti, Senior Director of Donor Services at CAF America. Loren manages the Donor Services team at CAF America, overseeing strategic grantmaking programs, coordinating advisory services, and maintaining expertise in international grantmaking and donor-advised fund regulations. She is certified in anti-money laundering by the Society of Tax and Estate Professionals.

Loren holds a master's in Philosophy and International Peace Studies **[00:04:00]** from Trinity College in Dublin and a BA in Political Science from Flagler College.

Without further ado, Ted Hart, President and CEO of CAF America.

Ted Hart: Thank you for joining us today. Just a little bit of information about CAF America. CAF America is a public charity here in the United States that offers a streamlined process through which individuals, families, foundations, and corporations can make charitable donations, both domestically and internationally. The Three Rs as we **[00:04:30]** refer to it here at CAF America is what guides everything that we do, and that involves regulatory

compliance, not just from the United States, UK, or Canada, where we're moving money out to the world, but also regulatory compliance in over 110 countries that we grant to. Risk management of the international grant-making process and reputation protection, for all of our donors.

The next slide I want to go to is to share with you the series **[00:05:00]** as the announcer just mentioned. We'll be sharing with you today the seventh in CAF America's series of reports on COVID-19 and how it has affected the charitable sector, nonprofits, our donor clients, and providing information most importantly, to our donor clients here at CAF America.

We've had over 3,500 charities responding in this series, dating back to the earliest days of the pandemic. You can see how many charities have participated, how it has grown over time, and **[00:05:30]** we're very, very pleased to have a very high number of countries represented in the survey.

Next slide. We'll go to the next slide . just to share with you that the weight of this pandemic is on the shoulders of the world's nonprofits, and it is a great weight. For many of the charities, 68% of the charities that are participating in this particular survey, as we'll be sharing with you today, challenges have increased over **[00:06:00]** time from this pandemic and over 90% of those who are participating in our survey have reported negative impacts of their involvement in providing service during the COVID pandemic.

It's one year ago today, on May 12th, 2020 that CAF America hosted our second informational webinar, regarding the COVID-19 global pandemic and its effects on charity partners and the communities that they serve around the world. Much like this webinar, **[00:06:30]** we are bringing to you fresh research, fresh insights, and providing strategy recommendations useful to our donor clients who want to help, who want their philanthropy to be impactful, and want to help build a more resilient charitable infrastructure that can be relied upon to provide critical services when needed. Over the past 12 months, we have all experienced a dizzying array of challenges to our lives, due to this pandemic. **[00:07:00]** One year ago today, there were 4.2 million cases of COVID-19, recorded worldwide. Today, that number has soared to 159.3 million cases.

On May 12th, 2020 there had been 289,000 reported deaths from COVID, today, that number is a staggering 3.3 million COVID-related deaths. Twelve months ago today, former President Donald Trump **[00:07:30]** declared the COVID crisis nearly over, and called upon all governments to fully reopen their economies, saying, "We have met the moment and we have prevailed." Since the initial reports of a cluster of pneumonia cases of unidentified 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.

Twelve **[00:08:00]** months later, we will share with you the facts as they relate to the state of the world's nonprofits. It's been a year of loss. People in constant adaptation, tens of

thousands of charities have already been forced to close their doors, many others have cut hours, services, and staff. The story that we will tell you today is one of uneven hope by many who have survived beyond their greatest expectations, and those still facing a surge of infections, that is **[00:08:30]** straining medical support beyond its capacity to cope. It's a story of deep concern for nonprofits under great stress, and many remaining very concerned for their own survival through the end of this pandemic.

42% of America's workforce is currently working remotely, full-time, with 57% doing so, some of the time. Still, 25% of all US adults according to a Pew Research Center survey stated, "They or someone in their **[00:09:00]** household has been laid off or lost their job as a result of this pandemic." 1.8% of all businesses in the United States have already closed their doors for good. 12 months later here in the United States alone 7.4% of all nonprofit jobs have been lost while some recovery of jobs is slowly coming to the sector. According to Johns Hopkins Center for Civil Society Studies, it will take nearly two years for the sector to recover to the job level **[00:09:30]** of pre-COVID times.

Millions of nonprofit jobs have been lost worldwide. It is clear, if we want the charities we donate to, the charities we support, the charities we care about most to be strong, to be resilient, to survive, we must understand the status quo will not meet this challenge. It's vitally important that we all take an honest look at what is happening to charities in every country, in every community around the world. They too are sick **[00:10:00]** and injured. They, too, are dying. Charities are facing disruption of fundamental core support at an unprecedented rate. They have been called upon to persevere and through sheer tenacity, they have learned to pivot literally on the fly.

In many ways, the state of the world's nonprofits, the topic of today, is defined by those organizations having feared for their own survival who have found solutions to the triple threat **[00:10:30]** many are facing. That triple threat: decreased funding combined with increased demand on services, combined still with increased cost due to PPE and other costs of the COVID pandemic. Today, my colleagues and I will share with you the results of our global survey that seeks to report to those who can make a difference: our donors, our philanthropists, our charity partners, and nonprofit lenders.

We share with you lessons learned during this ongoing pandemic **[00:11:00]** and provide a roadmap toward where we feel survival and thriving in the post-pandemic world can take place. Joining me today to help me share all this important data and information and insights is Jessie Krafft. As was mentioned earlier, she serves as CAF America's Senior Vice President of External Affairs.

If we can go to the next slide. Jessie, our very first survey back in April of 2020 **[00:11:30]** and the report that has just been issued today more than 12 months later. What have we chronicled over that time and what can we share as we start this webinar today about the global nonprofit journey?

Jessie Krafft: Hi, Ted. Yes, we've certainly learned a lot over these, now, seven volumes of survey data from our charity and donor partners, but there are a few key items to note in some of the trends that we've seen throughout [00:12:00] these surveys. Firstly, the negative impact on charities continues to worsen as their contributions keep dropping.

For example, in April 2020, 67% of the charity respondents reported that their contributions had been reduced, while in May 2020 this percentage increased to 72%.

Throughout this entire period, the financial burden has really seen itself manifested in challenges with covering staff [00:12:30] salaries and overhead cost and other fundamental expenses that each organization has. For example, we see this in the data in April 2020, over 48% of charities experienced staffing disruptions. For example, they had to let go of their staff or furlough employees. Many lost their volunteers. Then in May 2020, 39% of the respondents continued to report such staffing disruptions, but then [00:13:00] in June, there was an acute increase of 70% that indicated that they needed additional funding to cover these staffing costs. We're seeing some of those challenges just spilled over time.

Then, another key trend or data point to point out here is that in our Volume 4 survey, which was a survey of our corporate donors in particular, it revealed their interest in accommodating some of these fundamental needs of their grantees. [00:13:30] In that survey, 65% of respondents indicated that they had offered to change the grant purpose of existing grants. Nearly half were providing operational funding to fill critical needs. This is positive in light of all of this.

Overall, in these statistics, what we're seeing over time is this challenge of we're still in this pandemic. I'm being asked for more as a charity. Through that, the challenges have increased as resources are thinner [00:14:00] and the number of people and beneficiaries in need are greater. This has really been part of the story since the beginning, but as time goes on and as the post-pandemic reality still is so far away in certain communities. In some places, the situation is really just becoming more and more dire.

Ted: We can go onto the next slide. Thank you for that, Jessie. Jessie, this report is truly a global picture of nonprofits serving through [00:14:30] this pandemic. Give us a sense of the regional landscape and who's been involved with this particular survey.

Jessie: Yes, as you can see, the different color bars represent the various volumes of our surveys. We're seeing some similar trends throughout in terms of which regions are responding the most to these surveys, but, overall, this particular report has data from 496 charities covering 129 countries, [00:15:00] which is just fantastic and really helps give us a broader overview of some of the challenges throughout the world.

Ted: Next slide. Jessie, we want to make sure that the participants today and those that will be watching this webinar for no doubt many weeks have a sense of just how broadscale the input into this data is because our goal, as you know, is to provide good research, good

survey results for our donor clients, but also as we'll [00:15:30] be sharing with our donor clients later on in this webinar, specific advice that we have in terms of what they may want to keep in mind, but large and small charities representing a very broad spectrum of charity services worldwide have participated in this seventh report. Can you give us a sense of just what that depth looks like?

Jessie: Yes, firstly, something to note here is that there are respondent organizations that often work across multiple issue [00:16:00] areas. Some of you that are data analysts out there might see that some of the proportions are greater than 100%; that's the reason why a few of the organizations, of course, chose more than one issue area if they respond to beneficiaries in multiple areas. What we're seeing here is that the majority of the respondents in this survey worked with children and youth, in educational initiatives, and in supporting people with disabilities. [00:16:30] Then we also see some timelines in serving economically disadvantaged communities and the elderly and unemployed, but it's quite a broad range of beneficiaries that we have here. Then we're also seeing here the size of the organizations. We have a pretty good distribution among the size of charities that are represented here.

Ted: Terrific. We can go to the next slide. Jessie, as I mentioned [00:17:00] in the opening, charities throughout, we've seen this throughout the pandemic but maybe no more important than right now at this particular junction in this global pandemic. Charities have had to pivot to survive. How easy is it—you work with our donor clients and charity partners all the time —how easy is it for charities to identify and implement new strategic direction in the middle of a pandemic?

Jessie: [00:17:30] It's amazing because some of our charity partners make it seem that it's incredibly easy and they have just done it seamlessly but really there's been huge cost and effort into making those pivots. This slide really demonstrates which organizations have faced increasing costs and then the primary drivers for those increases where they exist.

Of course, there are some that have decreasing costs. In reading the comments and the [00:18:00] overall narrative for this survey, the decrease was often due to the fact that there were certain programs that they could not run remotely. They had to completely cancel because they couldn't be held in person and they did not have those expenses.

Then there were other expenses such as travel costs that were seen to decrease. It just explains some of that movement as well, but based on the information shared here, of course, you see in the top three here in terms of primary [00:18:30] drivers of increased cost, you see programs and services, COVID expenses, and relief programs particular to COVID-19 and technology cost. Those are the three highest drivers of this increased cost.

Our advice to donors and reading through this slide would really be to ask questions and listen to your charity partners about their evolving needs and where they need the most support in terms of their ongoing [00:19:00] or their programmatic cost. Actually, in the

direct Volume 7 report itself, which will be available on our website, there's a great quote from Heidi Halvarson of the Medtronic Foundation, which is really sharing the Medtronic Foundation's acknowledgment that they're not as close to the problems or the communities that their partners are in as the charities themselves are.

It's really important to ask questions and gain context from the charities' [00:19:30] perspective. I found that quote particularly impactful from the report. That's really what we've done in this survey with this particular question. Many would ask, why do their normal programs and services cost more? In some cases, that's quite obvious.

That is, of course, a case-by-case answer for each grantee, but one example I'd offer is with the charity that we're working with in India right now. They serve as a daycare facility [00:20:00] for street children. They work with thousands of children annually and their standard program costs have surged recently due to the fact that many of their children and staff are falling ill, of course, with the wave of COVID-19 that's affecting India. Part of their daycare is now being used to provide medical attention to these individuals. Then, on top of that, they're trying to keep children at their homes where it's possible when those children have homes and provide services at home instead. [00:20:30] All of those factors of course contribute to huge increases in costs for that organization as an example.

Ted: It's not been easy for a lot of charities, but as you said, we have seen some that have done particularly well. Let's go to the next slide, you were talking about increased cost and obviously the issue for charities moving forward in this whole notion of pivoting [00:21:00] and what kind of work we can provide to them or assistance that we can provide to them. Again, I want to just go back to this notion of pivoting in the middle of a pandemic and how easy or difficult that may be in moving forward. Can you give us a little bit more sense of that?

Jessie: Yes, definitely. I think the statistics on this slide [00:21:30] are particularly important to understand. As I mentioned over this last year, we've really seen some of our partners pivot so quickly that it just seemed effortless, but really what we're seeing here is that there's actually great effort and expense, and many lessons learned in this process. Not all of the strategies that they've undertaken to pivot their activities have been successful or will be maintained after the pandemic. I think it's interesting to see here in the statistics [00:22:00] what will be maintained.

Firstly, 71% of respondents said that they did make a shift to include new services or programs. Then you can see here that the ones that will be maintained, there were 61% that said that their online programming would be maintained, which makes a lot of sense. We hear a lot of employers and others in the United States [00:22:30] that are going to maintain some of their teleworking and other online programs that they have. 54% utilize new fundraising strategies and campaigns that will continue.

I have also heard charities say this in the sense of, for example, some of their online galas have been particularly successful. They can bring more people and things like that. I think that's an interesting strategy that we'll see how it plays out in the post-pandemic [00:23:00] scenario.

Then 53% that offered new programs will continue with those and you'll see there are several other important strategies here that they'll continue. In the comments of the survey, one organization told the story of how these more difficult operating environments pushed them to actually network with other organizations that have shared missions and visions in order to increase their joint resources and in order to learn about their new operating [00:23:30] environment together.

They're not reinventing the wheel all separately. They networked and partnered to create more efficiency and jointly managing those challenges, which I thought was just a fantastic example of pivoting to strengthen the service offerings, and you can see that there's 40% here that said that they did collaborate or partner with other nonprofits.

Ted: Jessie, as we read down through, we also can see that notion of collaborating with others, including [00:24:00] collaborating with government has been another strategy. Looking at these kinds of different models that look to add efficiency or accentuate the skill set of one organization, one charity with another charity, or with government. Just thinking about that notion of collaboration and new programming and these dynamics that we're seeing, what advice do you give to our [00:24:30] donor clients who are looking for what's happening on the ground, what's new related to this notion of collaboration?

Jessie: Yes, I think one piece of advice is to really emphasize the importance of this in some of their grant programs. We actually have some donors, for example, who ask questions about who they partner with, who are their local partners, but also [00:25:00] who are their other donor partners that will be contributing towards those programs? Because I think in part that allows donor strategies to also be in collaboration with one another, which is important. Then also ensures that donors are funding programs that are sustainable over time, even if their funding was pulled out for whatever reason, and that the charities themselves are also seeking multiple avenues of funding. [00:25:30] Really promoting the partnerships with donors and local charities through their application process and making it clear that that's a positive aspect of any application that they receive.

Ted: The very least to be aware of the dynamic and how it's growing as funders are looking to connect to their funding programs, their philanthropy, with the reality on the ground for charities. We can move on to the next slide. [00:26:00] Jessie, this whole topic of funding and the donors that we work with and charity partners that we have them come together on. One year ago today, as I mentioned in the opening, we were hosting some of our corporate donor clients who were at that point discussing their efforts that were underway during the very early days of the pandemic.

One year later, what do we know now that we didn't know then, or what has evolved over that period of time that our **[00:26:30]** donor clients can really benefit from over these 12 months?

Jessie: Firstly, just as charities have pivoted to keep their missions alive in this new reality, so have many donors. You can see here that grantees view a considerable amount of flexibility and pivoting coming from their donor partners. For example, extensions to grant timelines, **[00:27:00]** donors providing need-based funding, donors allowing changes of grant purpose, allowing for wholesale changes to the program that they had originally funded, and then also providing some more flexible funding. We're still seeing this in an incredible way in the work that we do globally.

From the beginning of the pandemic, these different flexibilities here have created a lot of extra work for CAF America in our **[00:27:30]** grant programs which of course we are absolutely happy to support because this is a really important initiative that has really helped grantees feel confident in their ability to maintain some of those activities because they've been given these flexibilities. This is really great to see.

The question here is, will this flexibility and clear commitment to opening these communication lines with grantees be maintained by the donors post-pandemic?**[00:28:00]** While this flexibility was often absolutely necessary in this pandemic environment, it's also an important pillar of successful donor grantee relationships under normal operating environments. That's of course a piece of advice and learning that we really are enforcing and hoping that donors take from this. I think we do see evidence of the fact that a new paradigm in donor relationship management is emerging from all of this. **[00:28:30]**

The corporate donors that we speak to often know that they will continue these strategies that worked through this year and won't leave them behind, which is really positive and this is an important metric that we will continue to review as we move through different phases of this global crisis.

Ted: Jessie, thank you for that. Before we move on, I do want to make a point, but also have you respond to a point that, with all this flexibility, **[00:29:00]** with all the stresses that are on charities that the need to think of charitable funding and grants in a different way, this doesn't mean a regulation light, does it? This doesn't mean that you can put on the side regulatory compliance or does it?

Jessie: It's a very important point, Ted. No, and absolutely doesn't and of course, the regulatory requirements **[00:29:30]** differ, whether you're talking about a domestic grant to a US charity, for example versus a foreign grant to a charity that's not in the US. With any of these flexibilities, the first thing that we do is as CAF America, as the intermediary that's managing these grants on behalf of our donors, is we reached out to the organization to fully understand what is the extension they need. What changes do they need to the grant purpose that we **[00:30:00]** already approved.

Then we enter into a process which is fairly brief where we're just modifying the past agreement with them so that we're still complying with expenditure responsibility rules in this regard. There is a process to ensure regulatory compliance through all of these flexibilities.

Ted: It takes a lot of understanding of what those regulations are to be able to understand how you can remain compliant and provide the flexibility that we really, big pat on the **[00:30:30]** back for our donors who have stepped forward as the slide shows and provided as much flexibility as they can and remain regulatory compliant in working with CAF America.

Let's go on to the next slide, because Jessie we mentioned early on, this is Volume 7 of these extensive "Charities Facing COVID Report Series" and in Volume 6, which is the immediate preceding survey and report. We shared six areas **[00:31:00]** of resilience that nonprofits need donor assistance to help them master. This survey is specifically focusing on areas such as marketing and fundraising, IT and technology that gives us a look into the various ways that this funding is being used and what the need is right now for nonprofits.

[00:31:30] Give us a sense of from the donor's perspective and advice that we might give them, they're looking to be flexible, certainly, they're looking to assist in and as many important ways as they can, but what are the charities telling us they need more focus on and that they need the funding for at this particular junction of this pandemic?

Jessie: Firstly, as you can see here a vast majority of **[00:32:00]** these organizations over 80% are reporting that funding is most needed for their direct programs and service offerings. 51% of them need marketing and fundraising support and 44% need IT or technology support. Of course, as you can see here, there's really a broad range of needs. While the majority are still focusing on the needs with their programs and services, and then some supporting costs such as salaries and marketing and **[00:32:30]** technology, there are others that have other priorities about networking and relationship building, COVID specific programs, capacity building for staff, things like that.

Really the important message here is effective communication strategies with your partners to really understand where they need the most funding. I just want to point to this quote here from one of our charity partners, Miriam said that, **[00:33:00]** "*Donors have been more open to donating funds for running costs or for different needs that we have in the organization, once they get to know our activities.*" Which I think is a really important point once they really know their activities and that as a charity they have to be really persistent to help them see exactly where money would go and why it is needed.

I think that really drives this point home that charities have to be persistent in some of those communications to help the donors understand **[00:33:30]** where those needs are. Once that donor is really listening that there's a lot of positive benefit there.

Ted: As I mentioned, we can go to the next slide, as I started to mention at the beginning of the last slide, we issued Volume 6 as our immediate past report. In that, we highlighted six areas of resilience that nonprofits need donor assistance with. In this particular survey, **[00:34:00]** Jessie, we have data specific to five of those areas. As you were just mentioning in the earlier slide, this whole notion and skillset of donor relationship management, communication and learning how to manage those kinds of relationships really is jumping to the forefront as a skill set that certainly always had importance, but maybe never so much as during this pandemic.

Jessie: Yes, definitely. In this, we can **[00:34:30]** see that there are specific areas of organizational management that charities would like to strengthen. This Volume 6 report really brings out a lot more detail in the type of capacity-building needs that charities have generally. As local needs and pandemic hotspots continue to shift, donors are finding themselves more reliant on their local partners for their ability **[00:35:00]** to understand the local context. This is something we always recommend, and it's always necessary in these relationships to have this type of interaction, but it's really been accentuated during the pandemic with hopefully very positive long-term effects on donor-charity relationships.

You can see here that number one is charities want more assistance with fundraising and donor relationship management and communications. How are they communicating their story? How are they communicating their needs? **[00:35:30]** That's really highlighted in the Volume 6 report as well.

Ted: As you were pointing out, it's really a two-way street. Donors are listening, charities are learning how to tell their story in very specific ways that help the donor to really understand the need for the funding, how the funding's going to be used. The relationship that is being built there **[00:36:00]** really is at the heart of current pandemic and perhaps post-pandemic funding of charities.

Let's move on to the next slide. I just want to make note for our listeners today, you may have caught this yourselves, but the *Chronicle of Philanthropy* posted an article on Monday of this week entitled *Philanthropy's Failed COVID Test*.

A question here is will the philanthropic responses to the crisis lead to long-lasting **[00:36:30]** shifts in donor-grantee relationships and of course, Jessie, that's what we've been talking about here. Lots of different skill sets, Volume 6 really lays out this roadmap for resilience of charities but this donor-grantee relationship, which has of course always been very, very important is a changing dynamic both for the donor and for charities. We can go to the next slide. **[00:37:00]**

Jessie: Great. An important part of this Volume 7, which you'll see once you open the report that's on our website is that there's a lot of information from our donors and from charity partners on some of their challenges and their advice and how they've gotten through this new environment. One quote we wanted to highlight is from the chief

operating officer of the Citi Foundation, Florencia Spangaro. She said, **[00:37:30]** *"We can't lose momentum. What we've learned, what we've acquired in terms of programming new strategies in the past year or something that we need to continue on and accelerate, not try to go back to pre-crisis or pandemic times."*

In order to talk about different techniques or different strategies that our donors have taken during this pandemic, I'm bringing in my colleague, Loren Previti, who was of course introduced earlier, she's the Senior Director of Donor Services **[00:38:00]** at CAF America. She's really an amazing wealth of knowledge and also in different cases as she's worked with a variety of donors to help them through these programs. She also, if you recall, we did the From the Frontlines podcast series in the beginning of the pandemic, and she was a key voice in that podcast series. Loren, I will bring you in to present some of the learnings that you've had throughout this time.

Loren Previti: Thank you **[00:38:30]** Jessie. As you've heard Jessie and Ted share, CAF America is seeing funders apply their learnings as this crisis continues. We're also seeing our donors taking lessons learned through the COVID-19 pandemic to begin preparing for the next crisis that they will need to respond to. This is really leading to a quite multifaceted approach.

The first example I'd like to share is a recent partnership between CAF America and a **[00:39:00]** global materials science company. They came to us with an interest in supporting a few key regions where their employees are located and which have also been deeply impacted by the pandemic. They had not yet been able to identify partners who were really responding in those key regions and that they felt comfortable working with. This company took the approach of actually providing a grant directly to CAF America, and that allowed us to assist them and identify strong partners **[00:39:30]** in those priority regions, and connect with them to understand their local needs.

Then this also allowed for a very flexible funding approach. Each of those communications with those local organizations was tied to very specific needs, that could also be shifted as key factors changed. We know that this pandemic has been a rapidly changing environment, and so we wanted to make sure that **[00:40:00]** we could respond to that, especially as local restrictions or access to supplies changed.

One of the key pieces of this and what we have heard time and time again throughout these reports is how important that flexibility not only in funding is, but also in the reporting requirements. We really focused this reporting on being very minimal, still very compliance-focused to ensure that the funds would be used properly, but also really just asking for high-level impact **[00:40:30]** details, and allowing the charity partners to focus their time on meeting those critical local needs.

Next slide, please. This second case study really exemplifies how funders are taking this multi-pronged approach to ongoing disaster relief, and planning for the future. One of our

respondents to our Volume 4 survey, a Fortune 500 company's response to the dire crisis in India is a great example. It's been very dynamic [00:41:00] and engaging across both the company's direct giving, their foundation, and their employees.

The first step that they took was to release grant dollars from previously dedicated crisis funding, and that had been dedicated as a response to the COVID-19 pandemic and their changes and disaster response planning. This release of dollars provided incremental support to existing partners and was intended to be, [00:41:30] again, flexible to their immediate needs. This often included costs related to services and to operations, and they really allowed their partners who they had worked with year over year for a number of different programs to tell them what they needed in that moment, and also continue to check in with them and understand, have those needs changed? How can we adjust and change this funding to potentially meet any new factors that have come up? [00:42:00]

In addition, the company created a rapid employee giving program, which allowed their employees to support key regions through trusted partners on the ground, and they also committed to a match for that employee giving that I think was really exciting for employees to be able to support their colleagues around the world and see their company, their employer also providing that direct support.

Then one of the key pieces is that they engaged in ongoing [00:42:30] and regular local monitoring, not only through communicating with their partners, but also through working with CAF America and our COVID-19 Giving Response page, which allowed them to identify new partners who are responding locally and globally, and has really helped them to begin to engage with other partners in key geographies who may be responding to the COVID-19 pandemic, but may also be responding in other ways. [00:43:00] They wanted to develop that partnership now in response to this ongoing crisis.

We see across both of these case studies, the key factors that we are identifying are regular and consistent communication with charity partners to understand and respond to rapidly changing needs. Both of these are strong examples of how we're seeing funders responding to charity partners in a manner that reflects the needs that they've expressed through this Volume 7 [00:43:30] report. Next slide, please.

Jessie: Great, thank you so much, Loren. As we've alluded to a few times, our Volume 6 survey focused on future-proofing nonprofits and understanding the areas of capacity building that are needed on behalf of our charity partners. These are the key areas for support that charities identified through that survey [00:44:00] that they need in order to future proof their organization and plan for future crises. Following the advice we've been sharing throughout this presentation about opening communication lines and taking a view towards developing partnerships with your grantees and other similar strategies, focusing on these specific core competencies that are mentioned here is also really important.

You can think about these core competencies in different ways than just monetary support, so **[00:44:30]** different alternative support mechanisms that in these areas is another way to increase your impact as a donor. Some examples of ways you could support these initiatives would come in the form of skills-based volunteerism, where relevant and helpful to the charity, or that you're providing funding or other support to help them gain these specific capacities or to provide training in these areas. There are many **[00:45:00]** resources that you can bring to the table for these specific capacity-building areas that make you a stronger partner.

The six that were highlighted are support in technology, communication, finance, fundraising, leadership, and DEI - advancing those diversity, equity, inclusion policies and procedures as an organization. Go to the next slide, please. **[00:45:30]**

In thinking about your strategy overall, I want to just draw attention to something that was raised in a recent podcast. Just recently, a few weeks ago, Ted Hart on this webinar spoke about pillars and building blocks of impact philanthropy with Sue Norton, who's our global impact strategist, you can find this webinar or this podcast on our website.

In really considering how you might incorporate what you've learned from this data and the advice we shared today into your **[00:46:00]** strategic philanthropy, you should also consider these pillars of impact philanthropy and how you're building these tenets into your methodology and the way that you approach charity partnerships. There's more to come on this topic, but just to read through and recap some of those important pillars that Ted and Sue spoke about in the podcast.

Number one is having specific and measurable goals. Two is developing **[00:46:30]** the expertise and resources that are needed for success. Three is progress tracking and a transparency mindset with your grantee partners. Four is long term focus for sustained results. Five is partnership orientation with the charity. Really taking that view as you're an impact partner that incorporates the flexibility and collaboration that we've been discussing here. There's, of course, a lot to unpack **[00:47:00]** in each of these different pillars, but one of the most important things is that you have to start all of these five parts of this conversation from the very beginning of the relationship.

We sometimes are in conversations with donors that want to look at number one halfway through the grant program. They come to us and say, "Hey, we want these KPIs from this grantee," and it's really challenging and, in some cases, impossible for the grantee when they're **[00:47:30]** already halfway or even all the way through a program. All of this needs to be considered into your philanthropic strategy from the beginning and built into your relationship with the partner to really have that impact, but also to keep those communication lines open and help them understand what your goals are in the relationship as well. Next slide, please.

Ted: Thank you, Jessie, and thank you, Loren, for that very important information.

[00:48:00] Again, for all of our listeners, for our donor clients, this notion of charity, resilience, and impact philanthropy, we are here to support you and we understand how central this is to your thinking. We hope that this webinar and other information that we provide to you is helpful to you in putting those strategies together.

Jessie, this crisis is not over, and many communities will be hurt by the failure and the further weakening **[00:48:30]** of nonprofit infrastructure throughout the world. Give us a sense of talking directly to charities, surveying charities, where are they at in this crisis, and what is still happening on the ground where those are providing the service most?

Jessie: Sorry, I was on mute. What we're seeing here is, of course, the crisis is not over, but we are seeing **[00:49:00]** some improvement in this metric. However, it's important to keep in mind here when you look at these specific statistics that our charity partners that did shut down and were early respondents to our surveys are, of course, not part of this survey because their organizations no longer exist.

This picture does look a little bit better. 64% say that they will be fine and they have no limit, but these are the organizations that, of course, have already survived for the year. **[00:49:30]** But we've not seen the end of this, and we've, of course, seen this metric shift as time goes on, so it will be really important for us to keep an eye on this and understand some of those ongoing challenges. 22% have said that they might be forced to close down within 12 months, so it's still quite a challenging environment.

Ted: It isn't easy. Let's go to the next slide, Jessie. **[00:50:00]** Just to give our listeners and our donors just a little bit more insight into what are we talking about here when it comes to resilience and just how important it is to understand the global market because, of course, those of us here in the United States, hopefully, everybody is getting their vaccine and we're hoping to reopen society and reopen our economy and maybe we will have the opportunity to do that, but many parts of the world don't - **[00:50:30]** the vaccine is far away. It's maybe not even on the horizon as a real opportunity for them. Of course, for charities in India and Brazil and other parts of the world that are still very deep in crisis and day-to-day getting worse.

Jessie, 39% of charities, nearly two out of every five charities, so think about that, every two out of every five charities lack the confidence that they can survive another large crisis and think about what our **[00:51:00]** communities would be like, our people in most need around the world would be facing without a strong charity infrastructure.

Jessie, this is the resilience that we're calling for. This is the call to action.

Jessie: Yes. This is definitely a cry of help for resilience support and for capacity building and business continuity planning and other some more topics. Again, relating this metric **[00:51:30]** back to our Volume 6 report, there are key areas of support that charities

indicate that they need in order to build this type of resilience that might make them feel more confident in the future and their ability to sustain for a future crisis looking at their capacity during times of crisis and under normal operating conditions.

I would say there's one key thing here that's really important to note that within these respondents, the respondents of the survey [00:52:00] overall, there were actually 90 responses from charities in India which is about 18% of the total respondents here which is a significant number. This survey was conducted just before the major crisis began in India and just as the situation started deteriorating there.

For several of these organizations that responded, their responses to the survey would likely differ today [00:52:30] because in our direct work with Indian charities, we're receiving more and more feedback in those conversations about their challenges that they've been facing in just the last few weeks. We're really beginning to take a deeper look at these challenges to better understand the effects on these specific regional crisis areas particularly because the post-pandemic reality is still very far off in much of the world.

It just shows you how rapidly-- this survey [00:53:00] was just taken a few weeks ago, yet we expected the responses would have been quite different had they been taken from those Indian organizations now. Just to sneak peek, is that we're really thinking about those hot spot areas and the effects on these rapidly shifting environments for them.

Ted: Thank you, Jessie. For all of our listeners, that's our report. We're going to go to Q&A, but before we go there, Jessie, we're going to go to the next slide. [00:53:30] With a lot of resources that CAF America has developed specifically around helping our donor clients maneuver their strategy and to be thoughtful about their giving during this COVID-19 pandemic, can you run down through, just for our listeners and those who will be listening to the recording of this webinar, what kind of resources are available at cafamerica.org?

Jessie: Definitely. First of all, for those that you have been following along throughout this year, [00:54:00] this COVID-19 response page has existed on our website since the beginning of the pandemic. Where we are collecting information from charities around the world on how they're responding to COVID-19 and providing recommendations for donors. If you click on each of those countries in the list that's screenshotted here, you'll get a list of organizations that you can support.

In particular, in the last two weeks, we've added this specific India list where we've been actively collecting [00:54:30] information from many organizations that are responding on the ground there. If you are looking to provide direct support in India, there is a very helpful list there that could inform your grantmaking specific to India.

Ted: Jessie, there's lots of websites out there that purport to be providing information that's helpful, but these charities are all completely fully validated charities and are

regulatory compliant with reporting up-to-date. Is that correct, that **[00:55:00]** this is a different kind of list?

Jessie: Yes, that's correct. They are all validated organizations. I think it's also noteworthy that they weren't validated for this purpose. These have been partners of CAF America for a while for different grant programs. Now, they're either pivoting to support COVID-19 because the need is there or they are working to help the sector already. Yes, these organizations are currently eligible, they've been vetted by CAF America. There's a lot of meaning behind the names on the list.

Ted: Very important to listen to. When you're looking at the list of charities, ask what kind of list it is and what's actually on it, they are all not made the same. Jessie, before we go to Q&A and wrap up our time with our listeners here today, what about the reports and website, webinars, podcasts that are all available, links that are all provided here, they can also just go on the cafamerica.org, what can our donors expect to find if they go there? **[00:56:00]**

Jessie: All seven of our surveys and the volumes of our reports are located for free on our website so you can go and check those out and download those anytime. We are updating some of our COVID-19 resources on an ongoing basis. Then as you've heard us refer to many series of webinars and podcasts throughout this call, all of that content is available on our website and their transcripts and things like that. **[00:56:30]**

If you were particularly interested in any of the past data that we've coded or the past topics, all of that is available for free on our website.

Ted: Jessie, you mentioned this earlier in this webinar, but I just want to accentuate the point that you've made earlier and that is we provided an overview of the data that's available, but you want to download the report and read your reports. There's a lot more in there, a lot more quotes. We also have a few new things like videos and things like that that are available. What's that all about? **[00:57:00]**

Jessie: Some of our podcasts have been shifted into video podcasts with other helpful information as the podcasts are narrated. Then, as we've referred to throughout this specific Volume 7 report, we did undertake a series of interviews with charity partners and donor partners and some of which the quotes were included within this presentation. If you go into the Volume 7 report page, there are actually video clips **[00:57:30]** from each of those organizations that participated.

That's a lot of really interesting content that we didn't get to fully dive into in this presentation. It's really important and accentuates a lot of the lessons learned from this particular survey.

Ted: Jessie, just in the two minutes that we have remaining, I've got a comment for you and a question, so let me get right to it. Thank you, Sandra, for mentioning this great session. I agree, my colleagues have done a great job here. **[00:58:00]** She says logistics and transportation are underfunded and burdensome, especially in challenging times for nonprofits during disaster response including the COVID-19 surge.

Just some thoughts on these different areas of additional cost that charities and the burdens that they're facing that they just weren't facing before.

Jessie: Yes, you're absolutely right, Sandra. This is an important area that we've also heard that there's a great need in. **[00:58:30]** I've noted your airlinkflight.org website there too. I'll check that out. We also do a lot of work with flexsport.org who's a logistics and transportation organization that runs some of these charitable missions for COVID-19 and just won our philanthropy award this year. You're absolutely right. This has been a particular challenge during the pandemic.

Ted: Jessie, we do have a question and then we'll be wrapping up our time here. **[00:59:00]** We want to thank everyone for joining us today. The question is how have recent foreign government regulations affected the ability of donors in the US to fund international projects and have there been any changes during COVID-19?

Jessie: Yes. Surprisingly, there have been a few instances of increases in regulations at a time when that was, of course, not welcome or needed by private organizations on the ground. I would say the one that's been most noteworthy **[00:59:30]** and consequential this year has been the FCRA Amendment. This is the Foreign Contribution Regulation Act in India. This act has been around since the 1970s, but it was amended in September this year without any notice at all and passed pretty immediately. We all learned about it and then it was passed about four or five days later.

This has affected the ability of **[01:00:00]** Indian organizations to receive foreign funding in an incredible way. It greatly increased restrictions on these organizations and required them to open new bank accounts. There are a lot of different changes that were made and actually there's a blog on our website that describes those changes.

I would say one of the most impactful in terms of ability to fund organizations quickly is that the amendment prohibited, actually **[01:00:30]** prohibits, now organizations that receive foreign funding from re-granting that foreign funding to other organizations in the country. Now, that didn't actually affect CAF America all that much, because it's been our practice to make grants directly to charities in India.

We don't typically work through intermediaries in India to distribute funds, but there are a lot of organizations that do exist to support grants and funding to smaller grassroots organizations in **[01:01:00]** the country, and their activities have been absolutely cut off by that change. It's important to know those rules, especially right now, as many people are

giving into India and to know that as a foreign donor you have to give directly to the beneficiary now. You can't give to the beneficiary and then they re-grant locally.

Ted: Thank you so much for this terrific webinar. We want to thank everyone who's joined us today. **[01:01:30]** These are the places that CAF America has offices here in the United States, Canada, and in the UK with our CAF American Donor Fund. Our central email address is info@cafamerica.org.

Lean on us, ask us questions. We're here to help. We've been here with you for nearly 30 years, and certainly in a very big way, since the beginning of this pandemic. We're here to help you make sure that your philanthropic wishes are fulfilled and that you can truly make a difference during this pandemic. **[01:02:00]** Jessie, thank you. We'll be with you next time. Bye now.