

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

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

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



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

35% of nonprofits experienced an **increase in demand for services**

75% report that COVID-19 has **negatively impacted revenues and funding**

And reducing staffing levels was a common result.

37% of organizations **reduced their workforce** because of COVID-19

The most common approach was furloughs.

But, there were some positive signs around hiring.

24% of participants reported **hiring** during COVID-19

Roughly **75%** of respondents consider these **new hires as permanent additions**

Nonprofits' COVID-19 Compensation Changes

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

About half of nonprofits either **froze salaries** or **had not decided about raises**

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



27% provided **compensation adjustments**

- 33%** temporary pay increases
- 75%** special bonuses

Compensation Programs Need a Revamp

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

Fundamental considerations include:

- Organization's ability to pay
- Estimate of time for recovery
- Changes in the business model
- Stakeholder expectations
- External optics
- Talent pool

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



BDO's dedicated nonprofit team can help your organization navigate challenges while remaining true to your mission. Get in touch:
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