

Report Summary

**Time to shine,
time to take stock,
time to shape our future.**

A survey of Aotearoa New Zealand's
community sector on the impacts of
COVID-19

Executive Summary

Introduction

This report details the findings of a national COVID-19 impact survey carried out across the tangata whenua, community and voluntary sector in May-June 2020. This was as we were moving between Levels 2 and 1 of the COVID-19 lockdown. The findings are based on 1,424 responses from a broad cross-section of the sector.

The research is a partnership between the Centre for Social Impact, Hui E! Community Aotearoa, Philanthropy New Zealand, and Volunteering New Zealand.

The findings shine a light on the experiences of the sector in cherishing and caring for communities throughout COVID-19 and beyond. They take stock of the impact that effort has had on the sector. They start the conversation about what now needs to be done to honour and grow our effort and effect.

They can help lead confident, collective, well informed discussions around recovery and re-imagining the future state of a tangata whenua, community and voluntary sector that is well, flourishing and thriving.

Shining a light

INSIGHTS: While a sizable number of participating organisations took a hit during lockdown, they mobilised, moved with agility, and in some cases did, and are still doing more with less.

Effective leadership and fast action by government was matched by people and communities across Aotearoa.

High trust models of funding, flexibility and mutual respect between local and central government, philanthropy and the sector created the conditions for some stunning outcomes for communities.

Survey participants highlighted some clear strengths and service adaptability within and across organisations. In particular:

- unlocking a previously unknown capacity for flexibility and innovation
- being responsive, nimble, adaptive and resourceful
- an appreciation of technology as a powerful tool (with caveats), offering new ways to connect and communicate and deliver some services, and the extent to which it was embraced by clients, stakeholders and members alike
- the extent to which COVID-19 revealed the strengths and capabilities of teams and organisations
- the immense value of working together and the huge appetite for collaborating within the not-for-profit sector, which was seen by many as being key to its ongoing sustainability.

“We have never worked so hard with so little. Challenging but hopefully with good outcomes.”

“Our community is absolutely amazing. So many organisations really stepped up to the mark and did everything humanly possible to support their local community or constituency.”

Taking stock

INSIGHTS: Post-lockdown, the sector is in a fragile, finely balanced position. There remains a significant gap in the available and funded resourcing for tangata whenua, community and voluntary organisations to deliver services.

Many participants lost revenue through cancelled fundraising initiatives, the gaming trusts, government or philanthropic repurposing, and reduced corporate and public donations. Some saw further fundraising opportunities being considerably reduced with an expected recession coming as a consequence of the pandemic.

Survey participants reported reforecasting, restructuring, seeking alternative income streams and changing their business models.

Funding impacts

We asked survey participants to indicate how COVID-19 impacted their revenue for the year ahead compared to the previous 12 months. A substantial majority (74%) experienced or were expecting reduced funding, 14% forecast no change and only 5% experienced or expected an increase in funding. When asked to specify the loss in monetary terms, those who were able to do so (622 responses) indicated losses in the range of less than \$1,000 to \$9 million, with a median decrease of \$35,000. The small number of participants (38) who could specify funding increases were in the range of \$5,000 to \$5 million, with a median increase of \$65,000.

“We have been declined by four grants in a week that we have previously been given.”

Responses indicated that most participating organisations had funds or operational funding in reserve to enable some continuity (noting that at the time, almost one-third of participating organisations were accessing the government’s wage subsidy). But for many, without ongoing funding, their positions were clearly precarious. One-fifth (20%) had sufficient funds to maintain staff and activity for two to three months. A further 15% had sufficient funds to enable staff and activity for four to five months. Almost one-half (46%) had sufficient funds to maintain staff and activity for six months or more.

Service delivery impacts

When asked to indicate the impacts of COVID-19 on the level of services, a majority of participants (59%) indicated they had cut back on service delivery. One-fifth (20%) indicated services were maintained at the same level, and 17% indicated some increases in service delivery.

Reasons for reducing service delivery included social distancing restrictions; restrictions on events or large gatherings; closing or halting operations during lockdown; and reduced income. Increased community need was a key driver for increasing service delivery. This included a sharp increase in the demand for services, response to material hardship, and impacts on emotional wellbeing.

Challenges and opportunities

Participants noted the most common challenges of COVID-19 were meeting the needs of the people we support (66%); ensuring sufficient revenue to maintain viability (58%); ensuring staff and volunteers were well supported (51%); developing new service offerings (41%); changing our service provision to meet public health criteria (40%); and meeting the levels of work required (39%).

“Remain calm, roll with the punches, don't be afraid to test something new out quickly (and be prepared to learn from the outcome), keep at it/be resilient and determined, be agile...”

The most common opportunities surfaced by COVID-19 were a stronger sense of community or common values (47%); new ways of connecting with those using services (46%); working closer with other organisations for the common good (40%); greater appreciation for and recognition of work being delivered (38%); options around where and how organisations work (34%); and ability to move quickly (30%).

Key priorities and concerns

Dealing with financial uncertainty, managing the impacts of this uncertainty on service delivery, and organisational viability were the most prominent priorities or concerns, raised by 43% of participants. These responses followed three broad themes: concern regarding diminished or precarious financial resources; challenges to service delivery or viability including the challenge of now doing even more with less; and steps planned or taken to maintain funding continuity or manage impacts of financial uncertainty.

“With the increase in clients but not in revenue, our current staff levels are inadequate but we can't afford to take on new employees.”

“Most funders want to fund sexy new programmes. Right now, we need grass roots, basic funding with no special ties to programming. We just want to survive, revive, and thrive.”

Other priorities participants identified were meeting the needs of communities (23%); resuming business as usual and operating in the 'new normal' (16%); and recruiting, retaining and supporting the wellbeing of staff and volunteers (11%).

Taking action

Steps taken in response to COVID-19

We asked organisations to indicate if they had made changes to how they delivered services. Almost all indicated changes. Some 16% made 'minor' changes, 39% made 'some' changes and 31% made 'major' changes. Only 11% said they made no changes.

Many participating organisations were rapidly innovating and adapting delivery in response to COVID-19. Notable areas included delivering more remote online or phone services (54%), seeking new funding sources (35%), and reducing some services (31%). Reducing service costs, changing organisational rules or purpose to enable new activities, and developing in-person service offerings were each selected by 10-11% of participants.

“With extensively exploring remote service offerings, and the creation of new online options for families, our team would definitely like to explore this as an extension of our current programmes.”

Lockdown also resulted in some changes in staffing and volunteer input, including reducing volunteer support (14%); reducing staff wages and salaries (12%); reducing staff numbers (9%); increasing volunteer support (12%); and increasing staff (5%).

Accessing support

Survey participants accessed a wide range of supports in response to COVID-19. Principal among these was the government's Wage Subsidy Scheme, accessed by 35% of participants. A further 18% accessed other government COVID-related funding, and 17% accessed new funding sources. Some 15% received donated goods and services and 11% engaged voluntary support. A large proportion (35%) indicated not applicable.

Shaping the future

INSIGHTS: Survey participants largely remain upbeat and positive, excited about the possibilities for change that COVID-19 has opened up. They have enormous optimism. They developed a new confidence and proficiency through having their own team strengths and capabilities realised. The strong sense of togetherness, digital connectivity and revitalised sense of value and purpose resulted in a renewed sense of vibrancy.

Collective effort across the sector, government and philanthropy is now needed to revive funding sources, replenish reserves, reshape the volunteer base, build technological and social infrastructure and skills, and rethink how services are delivered, supported and funded.

Short-term outlooks and supports needed

Despite the challenges of COVID-19, survey participants were generally optimistic about the continuity of their organisations. We asked participants to rate on a six-point scale how pessimistic or optimistic they were regarding whether their organisation would still be operating in six months time. Two-thirds (65%) were very confident, rating six. A further 17% rated five. Only 4% rated very pessimistic (rating one) and a further 3% gave a rating of two.

When asked to indicate the five most needed areas of support, the most highly rated areas of support were fundraising (57%); marketing and communications (45%); digital technology (40%); innovation and strategic advice (36%); grant writing (27%); and more volunteers (26%). These responses indicated there remained significant gaps in the available (and funded) resourcing for community organisations to deliver core services.

Strengthening the sector

The most commonly needed changes selected by participants to strengthen the community and voluntary sector into the future were collaboration between organisations (65%) and funding to cover salaries and operational costs (62%). Other areas of strengthening included sector-wide leadership to provide voice and influence (40%), access to information and data in one place (35%), strengthening governance knowledge and skills in the sector (34%), and strengthening financial management knowledge and skills (32%).

“A silver lining of COVID-19 has been the immense increase in networking and collaboration and we need to continue this momentum.”

Lessons from COVID-19

A range of learning emerged from the experience of COVID-19. Many highlighted the importance of responsiveness and flexibility (12%) and being open to new ways of working. Participants also mentioned significant advances in information technology capability and the value generated by these changes (11%). Many reflected on the extent to which COVID-19 revealed the strengths of teams and organisations (10%). COVID-19 also appeared to be a powerful catalyst for relationship-building and cross-sector collaboration (6%). Others highlighted the importance of preparedness as a key learning (5%).

Gearing up for the future...working with industry to get practices and policies that work in the future (we've proven it can be done differently) rather than going back to what worked before—it's a whole new world!"

Sustaining sector voices

Following public release of this report, we intend to release the survey results as an open dataset. This will enable other organisations in the tangata whenua, community and voluntary sector, government and philanthropy to re-use the data. This will provide another level of value to the contribution from the community organisations who generously took the time to complete the survey.