

JULY 2021

UNTIL NEXT TIME: LESSONS FROM A YEAR OF CRISIS, RECKONING AND DISRUPTION

Based on reporting from the TRACE (Toward Response
and Community Equity) Project in Philadelphia



PREPARED BY:

Sabrina Vourvoulis, Lynette Hazelton
and Christopher Wink, Generocity.org

At last count, in the United States alone, COVID had sickened almost 34 million, killed 600,000, and left over three million with what may be life-long symptoms.

Quickly it became apparent the public health impact was just one of the intertwined crises resulting from the pandemic.

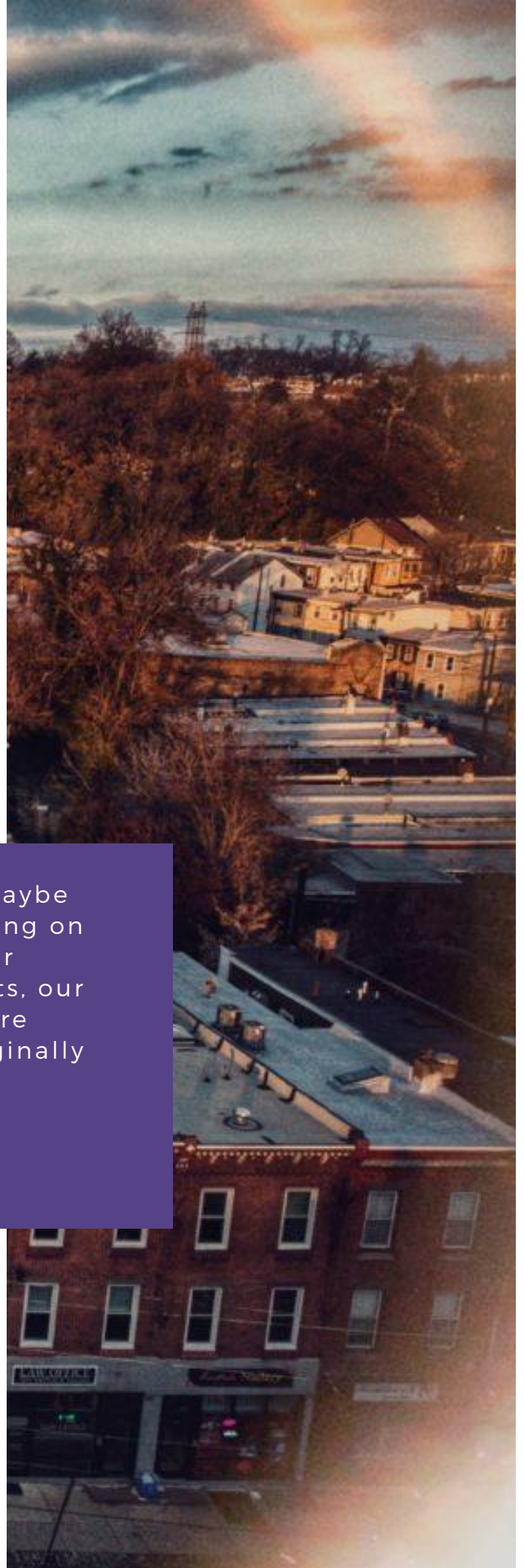
Recovery from the additional economic, political and social justice issues that the pandemic exacerbated is something else entirely.

For a year, Generocity.org, a news organization focused on social impact in Philadelphia, tracked these crises with TRACE, which followed worsening chronic issues — unemployment, housing insecurity, hunger, addiction, the digital divide — to name a few.

"You could summarize my first and maybe most lasting impression [from reporting on this year] with the word 'fragility.' Our health, our wealth, our school districts, our health system — so much is much more fragile, more easily broken than I originally thought."

—**Lynette Hazelton, TRACE project reporter**

In early July of 2020, Generocity started this year-long journalistic series tracking how and where the region's government, philanthropic, civic and private sector worked toward a more just recovery. TRACE was both itself the project's approach, and an



acronym for Toward Response and Community Equity. The project's narrative goal was to follow and report on what we as a region did — or failed to do — in the year that followed.

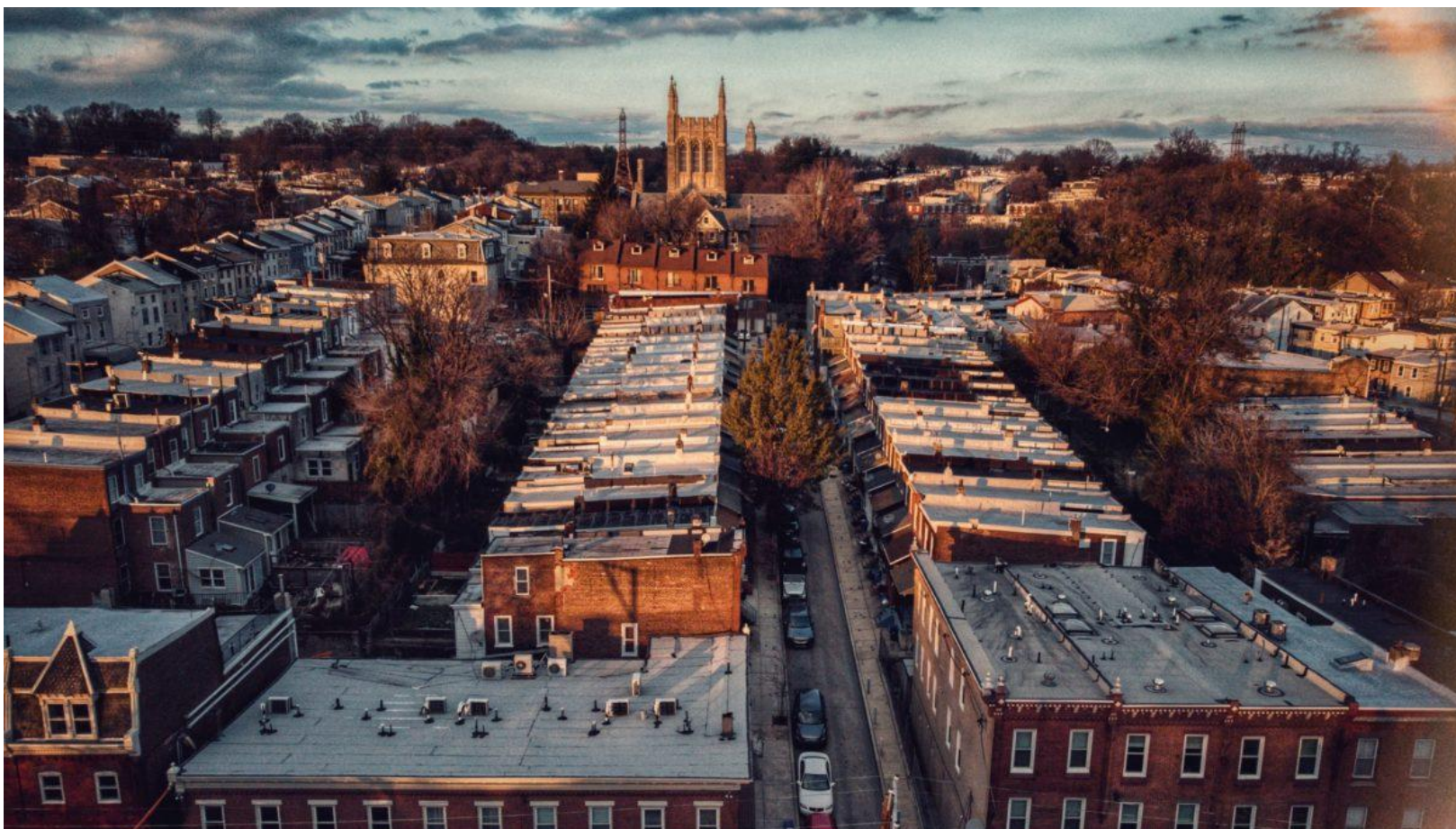
The project was made possible with \$96,000 in grant support from a coalition of foundations, including several that were supporting local journalism for the first time. Led by the Independence Public Media Foundation and The Lenfest Institute for Journalism, the effort was joined by the Scattergood Foundation, the Samuel S. Fels Fund, HealthSpark Foundation, The Barra Foundation, The Foundation for Delaware County and the Wells Fargo Regional Foundation.

In addition to weekly stories published on Generocity.org, the project included quarterly surveys of nonprofit, philanthropic and civic leaders.

The self-assessment surveys were sent to a curated list of more than 100 leaders of large social service providers and community-based organizations; civic and government leaders, and private sector representatives in quarterly report cards: July-Sept. 2020; Oct.-Dec. 2020; Jan.-March 2021 and April-June 2021.

This final report serves as an overview of how the Philadelphia region's civic, nonprofit and philanthropic sector responded to one the most traumatic year in recent memory in 2020-2021.

This has both a chronological review and top-level recommendations.



ORGANIZATIONS SENT SURVEYS FOR SELF-ASSESSMENTS

Between June 2020-July 2021, Generocty.org surveyed quarterly civic, nonprofit and philanthropic leaders on the Philadelphia region's recovery response, including both quantitative and qualitative feedback, aggregated and anonymized for this report.

- AccessMatters
- ACLAMO
- AFAHO
- Alfred and Mary Douty Foundation
- Arts & Business Council
- Barra Foundation
- Bartol Foundation
- Bebashi — Transition to Hope
- Benefits Data Trust
- Black and Brown Workers Cooperative
- Bloc Delivery
- Brandywine Health Foundation
- Bread & Roses Community Fund
- CCATE
- CEIBA
- Center for High Impact Philanthropy
- CEO Council for Growth
- Chamber of Commerce for Greater Philadelphia
- Children's Scholarship Fund
- Chester County Fund for Women and Girls
- City Year Philadelphia
- Coalición Fortaleza Latina
- Committee of Seventy
- Community Legal Services
- Compass Working Capital
- Congreso de Latinos Unidos
- CRL Consulting
- DiverseForce
- Diversified Community Services
- Economy League of Greater Philadelphia
- Econsult
- The Education Fund
- Esperanza
- The Food Trust
- Free Library of Philadelphia
- Fund for the School District of Philadelphia
- The Foundation for Delaware County
- GALAEI
- Gender Justice Fund
- GreenLight Fund Philadelphia
- Haverford College Center for Peace and Global Citizenship
- HealthSpark Foundation
- Hopeworks 'N Camden
- Impact100
- ImpactPHL
- Independence Public Media Foundation
- Indonesian Lantern
- International House
- Jewish Federation of Philadelphia
- Juntos
- Kensington Voice
- Knight Foundation
- LEADERSHIP Philadelphia
- Lenfest Institute for Journalism
- Little Giant Creative
- Mighty Writers
- Movement Alliance Project
- Mural Arts Program
- New Sanctuary Movement of Philadelphia
- North Broad Renaissance
- OIC Philadelphia
- Office of Immigrant Affairs
- Office of LGBT Affairs
- Pathways to Housing PA
- PA Domestic Workers Alliance
- Pew Charitable Trusts
- PHMC
- Philabundance
- Philadelphia Community Bail Fund
- Philadelphia Corporation for Aging
- Philadelphia Convention and Visitors Bureau
- Philadelphia Dept. of Commerce
- Philadelphia FIGHT
- Philadelphia Housing Authority
- PhillyCAM
- Philly Startup Leaders
- Philanthropy Network Greater Philadelphia
- PICC
- Porch Light
- Presente Media
- Puentes de Salud
- Read by 4th
- Rebuild
- Reclaim the Sector
- Resolve Philly
- Resources for Human Development
- Samuel S. Fels Fund
- Scattergood Foundation
- SEAMAAC
- She Can Win
- Taller Puertorriqueño
- TD Foundation
- United Way of Greater Philadelphia and Southern New Jersey
- Uptown Entertainment and Development Corporation
- Urban Affairs Coalition
- Urban League of Philadelphia
- VietLead
- Village of Arts and Humanities
- Welcoming Center for New Pennsylvanians
- Wells Fargo Foundation
- West Kensington Ministry
- William Penn Foundation
- WOAR
- Women's Medical Fund
- Wyncote Foundation

KEY FINDINGS FROM 2020-2021



Improve philanthropic flexibility.

Funders should provide multi-year unrestricted grants, streamline and simplify paperwork (many advocate for a common application used by all), and solicit and act on grantee feedback.



Support bold, innovative experiments.

Crisis gives permission to tackle intractable problems in new ways. Too often we call for big new ideas, but we're quick to detract from them. Give them support and time. Otherwise the result is many small isolated efforts.



Benchmark against peer cities.

Without context on what is working and what is not, leaders risk losing the motivation and focus to solve real problems. We need a firm handle on tested solutions.



Consider digital access as foundational.

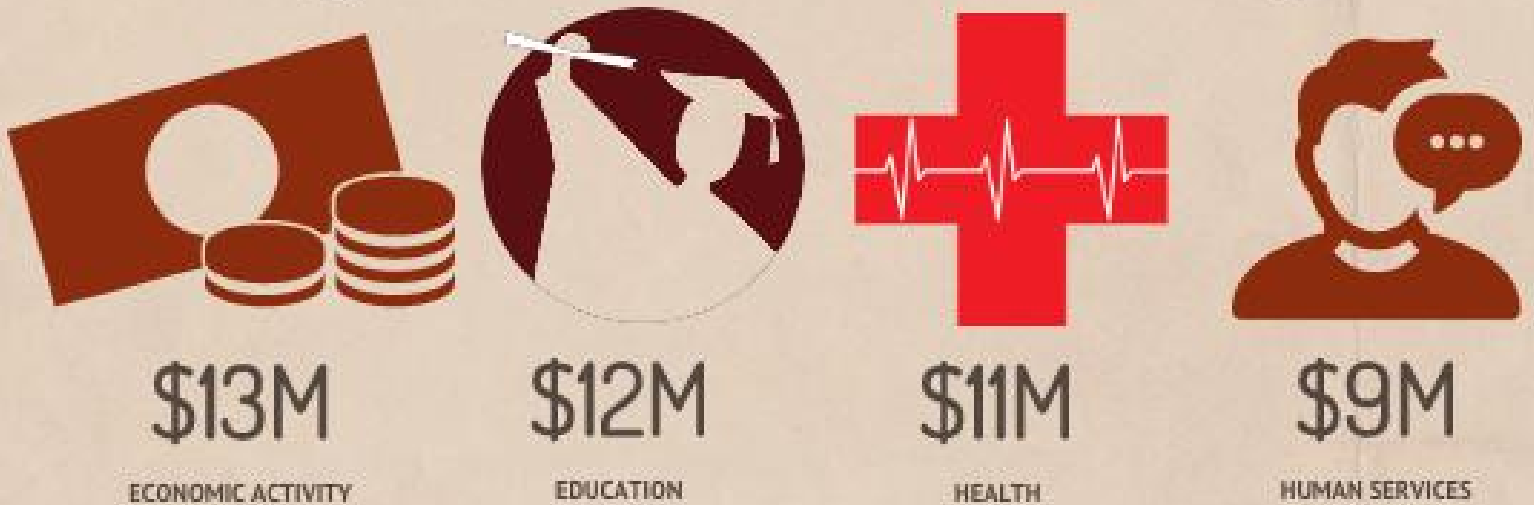
Inequitable digital access is part of the crisis that undercut the effectiveness of myriad emergency measures. This is not one issue but relevant to all.



Be more precise with the region's diversity.

Crisis relief and aid for those with language, cultural, mobility and financial literacy barriers require considerable focus. Though Philadelphia city is the region's diversity heart, increasingly pockets of economic and cultural diversity exist in all regional counties. Some interventions are best at the regional levels; others are best when targeted.

What's gotten the lion's share of funding?



July to September 2020

In February 2020, 800,000 U.S. workers were laid off. Owing to the pandemic-prompted economic shutdown, the number skyrocketed in June 2020 to 10.6 million, according to the Peterson Institute for International Economics. In July, the country was hemorrhaging about one million jobs a week. According to the U.S Census Bureau's U.S. Household Pulse Survey, by early September 2020 of the 5 million residents in the Philadelphia, Wilmington, and Camden area about half had experienced some employment income loss.

Social service providers added public health and economic crises to existing chronic issues, including a overdue racial justice reckoning sparked by the murder of George Floyd by a Minneapolis policeman. Fear and uncertainty were widespread.

"Given the scale of harm, we are going to require smarter, more coordinated funding."

— Kat Rosqueta

Demand on the area's nonprofits escalated as people were hit with food insecurity, housing instability, childcare concerns, unemployment, and health problems. Staff at the University of Pennsylvania's Center for High Impact Philanthropy (CHIP) started the crisis grantmaking evaluation and spent the summer collecting grant award data from 13 COVID-19 response funds in the Delaware Valley. Together the funds represented \$40 million of crisis grant awards in southeastern Pennsylvania and southern New Jersey.

Facing intertwined crises across funding priorities, where these investments went are one of the clearest signs of the Philadelphia region's collective priorities.

The lion's share of the funds went to the areas of largest community need — economic activity (\$13 million), education (\$12 million), health (\$11 million), and human services (\$ 9 million).

SERIES REPORTING FROM JULY TO SEPTEMBER 2020:

July:

- **Generocity.org is launching a year-long reporting project on a ‘more just recovery’**
- **Uprising in Philadelphia: A to-do list for the next six months**
- **A dashboard’s promise: A better funding approach to COVID-19**
- **Philadelphia’s rush to reconcile**

August:

- **Changing metrics for impact**
- **Layoffs plague nonprofits – some more troubled than others**
- **COVID-19 has boosted food-related philanthropy, but for how long?**
- **Despite urgent need, the philanthropic sector is absent from the rental relief funding space**

September:

- **Funding the COVID-19 recovery in Philly: Tracing the lessons to date**
- **COVID-19 funding: Seniors both need more and give more**
- **The other side of the heroic nonprofit pivot to provide COVID-19 services? The toll on the mental health of staffers**
- **Today’s state budget blues will bring tomorrow’s nonprofit woes**

Perhaps one of the biggest lessons of this timeframe was social and economic fault lines the pandemic laid bare. In 2020, state and local governments across the country worked to supplement the federal government's response, which included both a partisan public health response and one of the world's most generous fiscal stimulus programs, though gaps remained.

For example, the \$1.7 million Philadelphia Worker Relief Fund was created by domestic workers who were unable to benefit from any of the federal or state government aid programs. The fund provided a one-time \$800 cash payment.

When schools were closed and instruction moved online, the digital divide became both readily apparent and an emergency. It became an intensely local issue. At the beginning of August, as the second school year impacted by COVID-19 began, Philadelphia city officials announced a \$17 million plan for free internet access for 35,000 low-income families paid in part by private donors. That public-private partnerships sparked criticism, as foundation dollars, in part, flowed to Comcast, one of the country's largest telecommunications firms.

Some of the other takeaways from this timeframe:

- Faced with global crises, Philadelphia nonprofits were both critical providers and vulnerable victims of the pandemic.
- To be effective in nonprofit relief, donors had to act quickly and adapt their measures.
- Some issues were too big for philanthropy, such as providing rent assistance as people faced evictions.

“COVID-19 will test our leadership mettle and pragmatic capacity to operationalize the notion that ‘we are all in this thing together.’”

– Sidney Hargro

RESPONSES FROM THE FIRST QUARTERLY SELF-ASSESSMENT

On the public health crisis:

“We have been following the science and using real data. Dr. Farley and his team have kept the public informed. We have not addressed systemic barriers to equity in how communities and different populations are being impacted.”

“Coordination among neighboring counties is hit or miss.”

On community engagement:

“I want to see city officials mailing flyers and door-knocking in our hardest-hit neighborhoods to answer questions residents have about their health and wellbeing. Also, my god. .. the city needs to hire people who speak different languages for their engagement work.”

On the economic crisis:

“Each sector has its own plan, but no overarching leadership or convening around a bold vision for the future.”

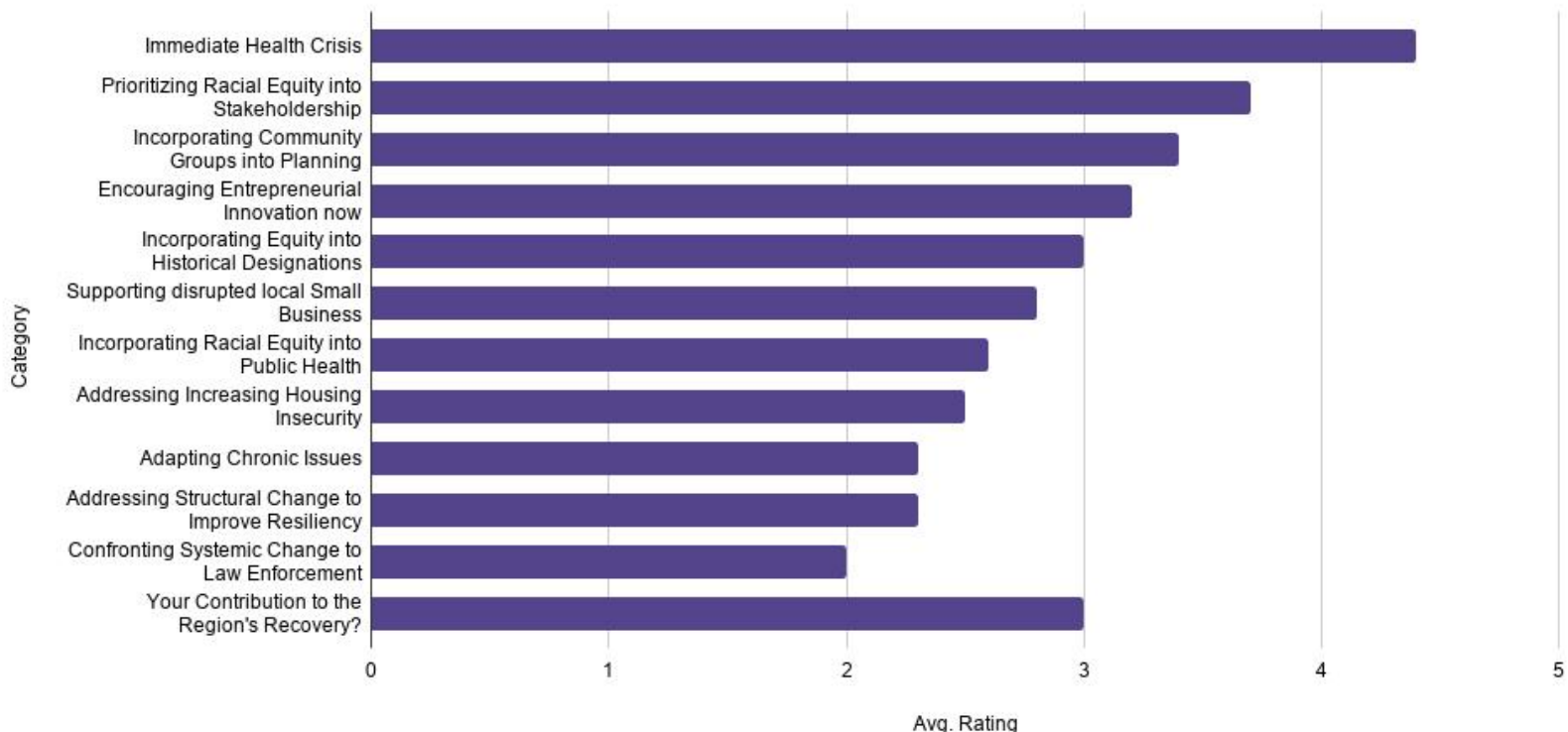
“Good ideas, good execution, and good results are three different things. Metrics ”

On the recovery overall:

“As an African American organization, our budget was lower anyhow. The pandemic has caused undue stress on delivering services to the most vulnerable. We have responded to the food crisis and need to have more resources.”

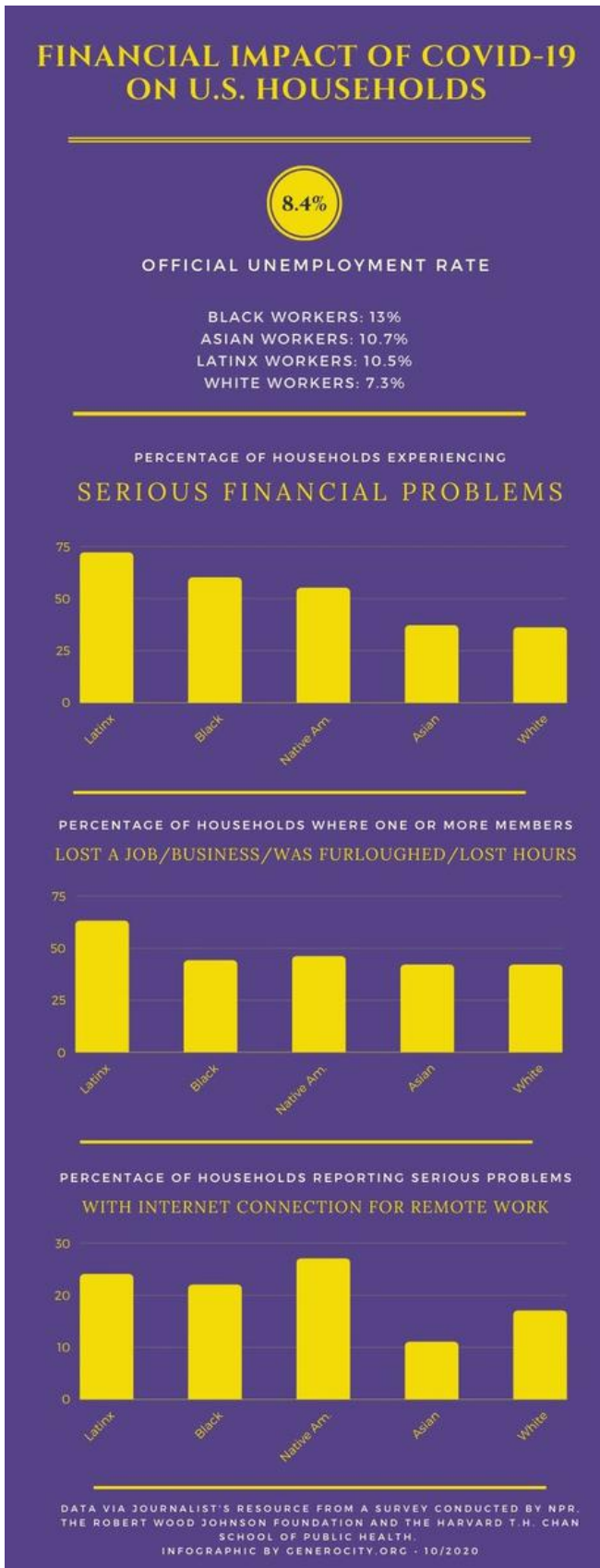
“I’m really unclear on how localized efforts intersect with some of these things beyond bandaids.”

Generocity TRACE Regional Leaders Self-Assessment on Philadelphia Recovery (Oct. 2020)



On a scale of 1-5, with 1 being the "worst possible" and 5 being the "best possible," how is the Philadelphia region responding to these crises at present?

October to December 2020



Early on, we thought the road back from the pandemic troubles would be swift. Seven months and \$40 million in regional COVID-19 relief funding later, progress was stalled, the economic rebound bifurcated, need was escalating and funding was disappearing.

By October 2020 about 87 million Americans were infected, over 215,000 million had died and almost 18 million Americans were unemployed — making the pandemic the worst crisis since the Great Depression. Data from researchers at the University of Chicago and Notre Dame showed that poverty had grown by six million people in the past three months.

“Response and relief are still strained, but are now relatively organized, without the day-to-day vacuums/blind spots/gaps that emerged in the early stages of the pandemic,” Philadelphia Foundation CEO Pedro Ramos told Generocity. “However, relief is still needed and likely to grow through the winter as public sector revenue tightens.”

“We are nowhere near recovery,” Sarah Martinez-Helfman of the Samuel S. Fels Fund said in October. Funders from Bucks and Montgomery counties echoed the assessment, saying the region was still in the relief phase.

Plus, some orgs told us, there was a

SERIES REPORTING FROM OCTOBER TO DECEMBER 2020:

October:

- **In PA, few experience eviction relief and still face mounting debt**
- **As of October, this is what we know about philanthropic COVID relief in the Philadelphia region**
- **COVID recovery: Are we there yet?**
- **How are we doing? Take a look at the Philadelphia region's just recovery report card**
- **Like their parents, Latinx youth are suffering disproportionately from COVID**

November:

- **City says it's making progress on protest-driven policy changes**
- **Will Biden make social equity a pandemic policy essential?**
- **Home unsafe home**
- **Wanted: Volunteers**

December:

- **Facing a cliff: Is this the end of pandemic support and relief?**
- **Where has the coronavirus relief money gone?**

shadow pandemic — an uptick in domestic and elder abuse as vulnerable people were forced to shelter in place and quarantine with their abusers.

By early November, concurrent with an especially partisan U.S. presidential election, the conversation at many nonprofits centered on volunteer loses (9 out of 10 nonprofits were reporting heavy volunteer loses), with 85% of volunteers citing fear of getting the sick as their primary reason for pausing their activism work. Charitable efforts centered around holiday food distribution were particularly affected.

At the same time, the City's Transformation and Reconciliation steering committee released a four-month progress report with only a handful of reforms to police practices, despite the October shooting by Philadelphia police officers of Walter Wallace Jr., a Black man.

In the suburban counties, Chesco invested millions in CARES Act funds for COVID tests that turned out to be grossly inaccurate and had to be shelved, and Delco used CARES money to establish a fund to help small businesses. Bucks County and Montgomery County, who had each expended less than 5% of their CARE funds, invested in tourism and education, respectively.

Several vaccinations garnered early regulatory approval, which could mean a safer economic reopening. Meanwhile safety net supports put in place earlier in the year were set to expire December 31.



"I believe the region is still firmly in the relief phase. Not only is the public health threat ongoing, but the financial, social and emotional impact on people and communities is still very present."

— Emma Hertz

RESPONSES FROM THE SELF-ASSESSMENT

On the public health crisis:

“The lack of clarity about the threat (dining, gyms, etc reopening as experts are predicting a post-holidays surge, etc), the roll out of vaccines and letting people know the plan or set expectations, and what we can and all should be doing about it is infuriating.”

On community engagement:

“We are beginning to shift back into creating greater engagement opportunities for residents with elected officials, but this momentum must be sustained beyond a summer of public demonstrations. The continued development of commissions and advisory boards that convene a cross-section of Philadelphians is critical to the path forward.”

On the economic crisis:

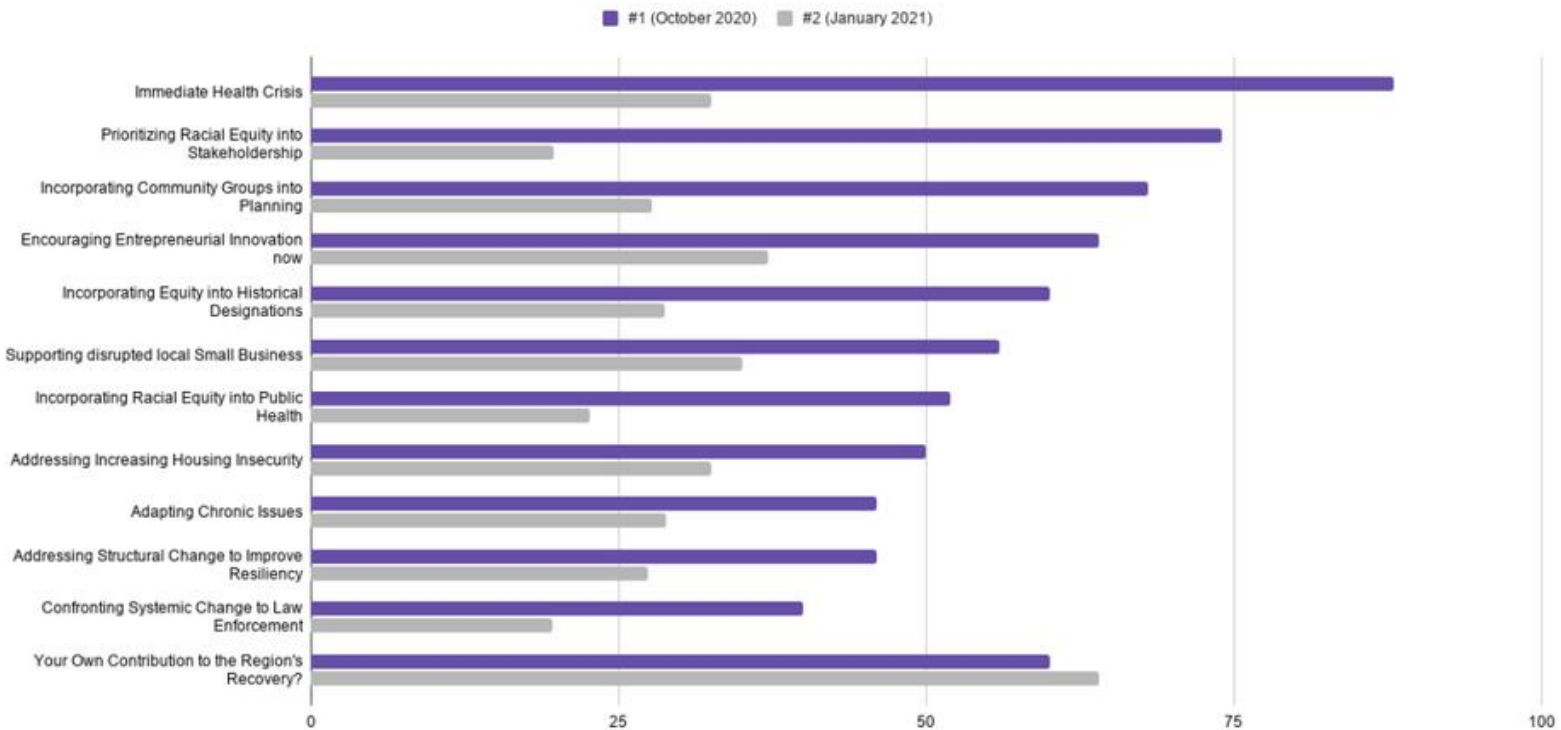
“None of this has to be the way it is. Pay people to stay home, pay for businesses to close temporarily, aggressively tackle the pandemic and vaccine rollout. Instead, everything is just a mess, and 2021 is going to reveal things are much worse than we thought.”

“This presents a massive opportunity for entrepreneurship, supporting businesses owned by BIPOC, and equitable seed funding. It is happening, but not through the regions’ leadership but rather private innovation.”

On the recovery overall:

“We need to stop thinking about it as ‘recovery.’ We are still in the throes of it.”

Generocity TRACE 'Just Recovery' Self-Assessment



*Self-assessments put on a 100-point scale

January to March 2021

Faint optimism brought by the end of 2020 didn't last long.

Conspiracy theories and toxic partisanship exploded with the storming of the U.S. Capitol on Jan. 6. Locally, an inexperienced group calling themselves Philly Fighting Covid spun a contract to supply personal protective gear to the City of Philadelphia into one involving vaccine administering. In the suburbs, vaccines were vanishingly scarce. By February, amid missing vaccine doses and other mismanagement, these became symbolic of how fragile we are in times of overwhelming crisis.

Those two events, one national and one local, were an unwelcome reminder of how far we were from a year before.

Prior to the pandemic, America was working, and unemployment was historically low — including for Black and Latinx Americans. However, many in the city — especially minority women — were working poorly-paid service sector jobs during these pre-pandemic boom times.

In March experts were questioning if even those jobs would return post pandemic.

“If the problem stems from not having enough vaccinations, can we at least plan an effective roll-out sequence so we are ready when we do have enough to administer?”

— James Logan

Pre- and post-COVID Community Health Needs assessments



The essence of public health is prevention. And prevention requires a commitment to long-term investments. Yet, a study out in April 2021 showed one reason why COVID may have been so devastating for vulnerable communities. Nonprofit hospitals only spent \$2.3 out of every \$100 on charity care — less than their government-based and almost half as much as their for-profit hospital counterparts — even as their bottom lines have benefited from the Patient Protection and Affordable Care Act (ACA).

“These results suggest that many government and nonprofit hospitals’ charity care provision was not aligned with their charity care obligations arising from their favorable tax treatment,”

continued...

In March 2020 about 160,000 Philadelphians were unemployed. A month later that number almost tripled to over 470,000. In early 2021, the city’s unemployment rate was declining — falling in January to 227,149 — but unemployment had not reached its pre-COVID lows and the recovery had not been equal.

According to Harvard’s Opportunity Insights tracker employment in high-wage sectors had almost completely recovered while low-wage industries remained down 28% from the year before

In February 2021, Philadelphia City Council announced its New Normal Jobs Initiative — a \$4 million effort to boost employment programs across the city including a same-day-pay program which put people to work cleaning vacant lots, a jobs training program to provide home health aides with nursing certifications and an employment training effort to revitalize neighborhood commercial corridors. In March, they added another \$5 million to the jobs effort.

Meantime, on the COVID front, the Kaiser Family Foundation (KFF) reported early in March of a consistent pattern of African American and Latinx people being undervaccinated when compared to their COVID burden in terms of cases and fatalities.

according to a report released that same month in Health Affairs magazine.

"The pandemic is forcing a reckoning within the public health community as it grapples with issues such as underinvestment and disparate treatment in communities of color as well as demands for more transparency," Lynette Hazelton wrote in her April article on the topic.

In June, Hazelton took a look at the issue again as local hospitals were preparing their fourth community health needs assessment and implementation strategy.

The COVID-19 pandemic made the failure to invest in programs combatting public health challenges and disparities glaringly clear. That's a conclusion from the Hospital & Health System Association of Pennsylvania (HAP) which is calling for more significant investment in the state's public health infrastructure.

"Hospitals have an important and big role to play in supporting public health infrastructure," Health Care Improvement Foundation (HCIF) Senior Director Susan Choi told Hazelton. "One of the highest priorities (for 2022) is to expand the qualitative data collection process."

While over one million of PA's 10.2 million residents were fully vaccinated by the end of March, Montgomery, Delaware, Chester and Bucks counties had experienced a shortage of vaccine supplies and increased demand, as well as other challenges, especially in communities of color.

"There are great distribution models and best-practices out there to replicate," Coatesville's City Manager James Logan told Generocity in March. "If the problem stems from not having enough vaccinations, can we at least plan an effective roll-out sequence so we are ready when we do have enough to administer? Is it an equity issue? That's hard to say [...] but the optics are pretty discouraging."

"A few churches and residents have taken it upon themselves to bring the vaccine to the community and help those needing assistance to register or drive them to get their first shot," he added.



TRACE

REPORT CARDS TO DATE

RESPONSE TO THE IMMEDIATE PANDEMIC HEALTH CRISIS



PRIORITIZING RACIAL EQUITY INTO STAKEHOLDERSHIP



INCORPORATING COMMUNITY GROUPS INTO PLANNING



ENCOURAGING ENTREPRENEURIAL INNOVATION NOW



INCORPORATING EQUITY INTO HISTORICAL DESIGNATIONS



SUPPORTING DISRUPTED LOCAL SMALL BUSINESS



RESPONSES FROM THE SELF-ASSESSMENT

On the public health crisis:

“Coordination at the City and across stakeholders seems very messy and it’s unclear who the conveners and connectors are to make sure resources and information are being disbursed in an effective and transparent way. There’s also been a serious lack of leadership in City Hall. No vision.”

“Nonprofits are doing the lion’s share of this work.”

On community engagement:

“There is so much work to be done in police reform and how police engage with [the] community. There are good examples at the district level but they have not turned into system-wide reforms.”

On the economic crisis:

“I’m concerned that folks will be ‘on to the next’ in about 18 months and we’ll be back to locking out Black and brown folks from accessing growth and startup capital.”

“We need to be pouring every available dollar into maintaining and creating jobs and that means supporting small business. Stimulus checks are good, but not sustainable. We need employment opportunities.”

On the recovery overall:

“Recovery’ is not the appropriate word. The crisis is still here, still very much present.”

TRACE

REPORT CARDS TO DATE

INCORPORATING RACIAL EQUITY INTO PUBLIC HEALTH



ADDRESSING INCREASING HOUSING INSECURITY



ADAPTING CHRONIC ISSUES



ADDRESSING STRUCTURAL CHANGE TO IMPROVE RESILIENCY



CONFRONTING SYSTEMIC CHANGE TO LAW ENFORCEMENT



YOUR OWN CONTRIBUTION TO THE REGION'S RECOVERY?



SERIES REPORTING FROM JANUARY TO MARCH 2021:

January:

- In crisis, public health comes undone
- The Reading Terminal Market story: Will beloved public spaces return?
- COVID is ravaging the incarcerated. Where are the solutions?

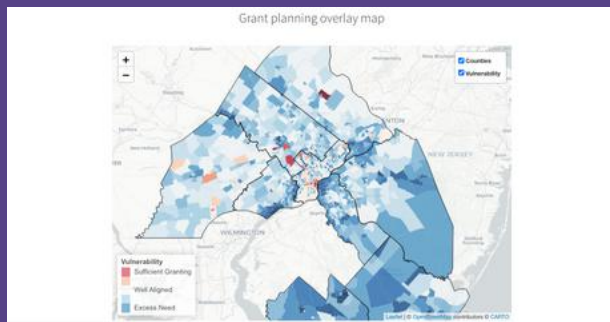
February:

- Energy burden is housing and food insecurities' hidden cousin, but the pandemic is putting it in the spotlight
- Help wanted: Local small businesses haven't caught a break since COVID
- Six months into its push to end systemic racism, City gives itself good grade
- How are we doing? Philly might want to hide its latest 'just recovery' report card
- Does the local nonprofit sector have the collective agency to make change and move us toward just recovery?

March:

- What ever happened to the North Philadelphia Health Enterprise Zone?
- The birth of a disparity: What does the high vaccination rates among white America say about justice?
- Does COVID-19 recovery depend on the kindness of strangers?
- In PA, getting shots into millions of arms is a logistical and equity nightmare
- Jobs are key to the build back effort – but will they bring economic equity?

Tracking the funding



Philanthropic dollars can't single-handedly end the economic strangulation that is COVID-19, the Center for High Impact Philanthropy's Kat Rosqueta told reporter Lynette Hazelton in July 2020.

That was the reason behind the creation of the Regional Data Dashboard for COVID-19 Philanthropic Response.

After scrutinizing 4,892 grants made by 13 shared relief funds, CHIP reported that over \$40 million in rapid response funding was spent from March through June. Nonprofits received almost 60% of the grant funds. The average grant size was \$8,211, and the top need areas to receive funding were economic activity, education, and health.

The real reason to do the work, Rosqueta told Hazelton in May 2021, is there will be another disaster. "It isn't a question of will there be one, but of when."

April to July 2021

Whereas its initial pandemic response left much to be desired, the U.S. vaccination rollout became among the world's most successful — though certainly a low bar. For many, vaccines became another desperately-needed source of optimism. But once half of adult Americans got vaccinated, progress slowed, and this became another bitter and tortured political fight.

Locally the vaccine rollout was mixed too. Efforts like the Black Doctors Covid-19 Consortium garnered national attention for their effectiveness in supporting communities of color. Such bonds can last long after their current use. However the country's deep political divisions and conspiratorial instincts have shown up throughout the region.

It's just one of the many contrasts as the pandemic continues through the summer, with new variants and challenges appearing.

One recurrent theme of the intertwined crises of 2020-2021 has been just how uneven the stakes have been. Many high-income professionals easily transitioned to remote work and saw their retirement accounts balloon with a surging stock market. The already economically disadvantaged were crushed.

If nonprofit pros always have to combat guilt for being "better off" than those they serve, this was accelerated and heightened a year

into the pandemic. Burnout among professionals became a common point of concern. Operating under such strain for so long frequently garners comparisons to wartime. Fair or not, this became its own crisis. Just what will the nonprofit sector of Philadelphia look like when we have a stronger handle over covid-19?

Amid the hopefulness of COVID fading, a quiet obituary being prepared for the region's nonprofit sector whose finances have been devastated by the demands of the pandemic.

"This anticipated rise in nonprofit morbidity and mortality rates associated with the COVID-19 pandemic will not receive media attention commensurate with that of individual lives lost, nor likely with the coverage that will be afforded large corporations that are similarly imperiled."

That is from the most recent report on the financial state of the region's nonprofit community from the Greater Philadelphia Repositioning Fund, a pooled fund of philanthropic partners — including HealthSpark Foundation, the Philadelphia Foundation and the United Way of Greater Philadelphia and Southern New Jersey — that encourages and supports restructuring opportunities among regional nonprofit organizations.

The days of COVID have been long and the nonprofit sector's pandemic heroics have been well-documented. Need skyrocketed and nonprofits pivoted to provide essentials to families, many newly impoverished

"At best, 20-40% of organizations appear to be financially strong, defined as having more than six months of unrestricted net assets."

– Repositioning Fund

Focus on the digital challenges

In March 2021, writing about the disparity in vaccination rates in the region, Lynette Hazelton noted that "Sign up procedures were designed for those with working cellphones, strong bandwidth, fast internet, good English skills and digital literacy."

In March, when the School District of Philadelphia closed down its brick-and-mortar schools and took education online it scrambled to connect low-income students in grades K-12 with free internet services.

With telehealth and emergency relief dependent on reliable internet access, the coronavirus had revealed just how great the digital divide in the city really was.

While many consider the rapid digital response one of the city's pandemic successes, others point to cities that seemed to bridge the digital divide more successfully or in more comprehensive ways.

Amanda Bergson-Shilcock, she/her/ella to 8:44 AM
Everyone

Mark - one example is Ramsay County (St. Paul) MN, which used federal emergency Covid relief funds through its workforce board to provide TechPaks (internet access, devices, and digital navigation/digital literacy help) to low-income families).

by the collapsed economy. There was also an outpouring of response funding from the philanthropic community, corporations, and individual donors.

Yet, the lesson COVID-19 has made clear is that the nonprofit sector, while much needed, is under-resourced and as financially fragile as some of its own clients.

Returning to a new normal will mean returning to an old reality of financial pressures including government contracts that underpay for services, changing priorities of donors and the philanthropic community, living with less than a month of cash, delaying payments to vendors, spending down restricted funds and not investing money for emergencies.

"At best, 20-40% of organizations appear to be financially strong, defined as having more than six months of unrestricted net assets," according to the Repositioning report.



RESPONSES FROM THE SELF-ASSESSMENT

On the public health crisis:

“A sudden shower of dollars helps, and that’s what we have been seeing in philanthropic dollars and federal stimulus dollars during COVID. This burst of money can temporarily cloak the effect of unjust systems but fixes nothing. Until we design our systems to be equitable, and commit to funding it over the long term, there will be no sustainable change for the better.”

On community engagement:

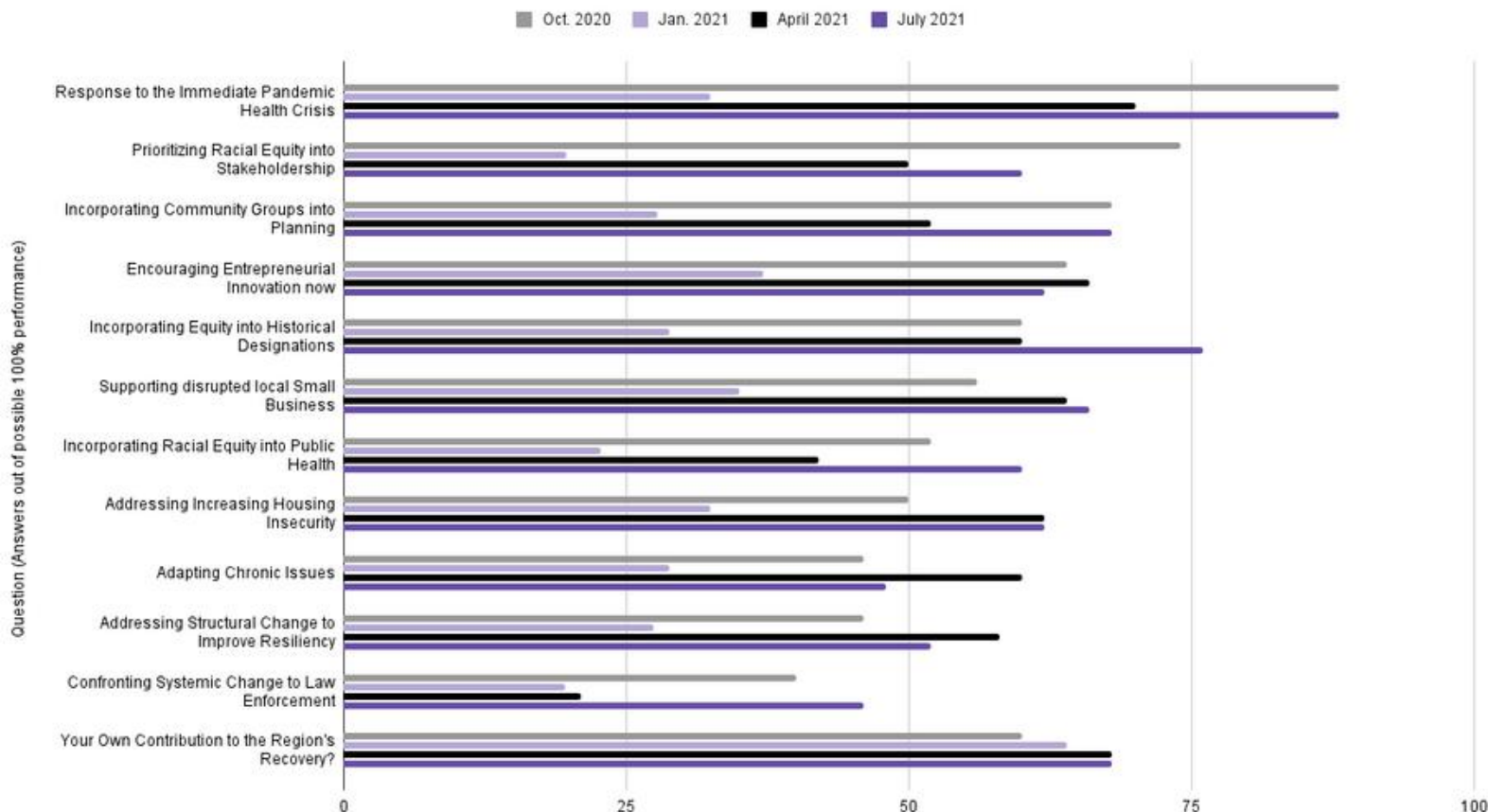
“Community engagement means ultimately engaging people not just connecting or shifting burden to grassroots organizations with little or no infrastructure.”

On the economic crisis:

“I want to see a long-term focus on providing capital and other supports so that home-grown businesses launch, thrive, and scale. Instead, I feel like policies and attention are focused on attracting large companies from outside Philly to come into Philly.”

On the recovery overall:

“The pandemic has been quite a lesson in what leadership does and does not look like - at the federal, state, and local levels - and also it had reinforced how the federal and state government's budgets dwarf anything that the philanthropic sector could do to move the needle on any of these issues. It is much much larger than us, and yet, everyone turns to us to fix things that the government itself should, but won't do.”



SERIES REPORTING FROM APRIL TO JULY 2021:

April:

- **View from the economic top**
- **People of color are most burdened by debt and collection judgments issued by ‘weaponized’ courts**
- **After years of conducting community health needs assessments, why weren’t we more prepared for COVID?**

May:

- **Disappearing benefit packages leave workers with chronic economic insecurity**
- **Big philanthropy’s newest disruptor? Tiny philanthropy**
- **Report card: Community leaders say the sector has responded well to challenges. Local gov, not so much**
- **You asked ‘How can I help?’ and CHIP found answers**
- **PA county govs map out how they will use American Rescue Plan money while state dithers**

June:

- **COVID deaths decline, but nonprofits need help if they are going to survive**
- **The new normal means centering mental health to recover**
- **Bridging the digital divide: An equity saga**
- **Creating the next Community Health Needs Assessments in the aftermath of COVID**

July:

- **A conversation about lessons learned from reporting on a year of COVID crisis and recovery**
- **How well did philanthropy respond to COVID?**



POWER
BREAKFAST

On June 23, 2021, approximately 60 professionals from area nonprofits and philanthropic organizations gathered online to discuss regional recovery efforts and the challenges and solutions examined during the year of TRACE project reporting.

Some of the discussions revolved around:

- How other systems (i.e., transit) intersect with public health
- Lack of state and city coordination
- The hospitality industry and the creative economies as economic engines
- Lack of innovative thinking
- Nonprofits effectively subsidizing city government by providing translation and interpretation
- Lack of diversity in leadership contributing to blind spots
- Despite having nationally recognized design thinking experts in the city not applying design thinking to greatest challenges

Amanda Bergson-Shilcock, she/her/ella to Everyone 9:22 AM

Right. It's like someone shook up the Etch-a-Sketch and started all over again with the vaccine rollout instead of capitalizing on the stuff we ALREADY KNEW from Census and other outreach

The final overview

Recovery from the health, economic and social justice issues that the pandemic exacerbated will not mean a return to yesteryear but something altogether different. In July, the reporter and editor who spent a year immersed in the region's recovery, encapsulated what had resonated from the weekly stories they worked on:

"You could summarize my first and maybe most lasting impression with the word 'fragility,' reporter Lynette Hazelton wrote. "Our health, our wealth, our school districts, our health system — so much is much more fragile, more easily broken than I originally thought."

More than 90% of professionals reported in a recent survey that the last year was the most challenging of their careers. Looking back, that still sounds like an understatement. Amid so many intertwined crises, the systems of a highly diffuse country like the United States and a poor big city like Philadelphia were shown to be a well-worn patchwork.

"[Philadelphia] must intentionally invest, build and support policies and systemic structures that prioritize racial equity and social justice."

— Nikia Owens



In interviews, this project's surveys and private conversations, nearly everyone seemed exasperated by the gaps in the region's response. Nonprofit and philanthropic leaders fumed at the lack of leadership from City and county officials. City and county officials fumed that the federal government failed. In contrast, those surveyed gave their own contribution relatively high marks.

Even where the investment was swift and robust, the pandemic exposed a shaky foundation for U.S. small business. Informed by the experience of the Great Recession in 2008-2009, the federal government directed an historic fiscal stimulus toward small business. For all the worthwhile criticism of the Paycheck Protection Program, it and related programs had a profound impact.

At the outset of the pandemic, analysts warned that as many as 30 million small businesses might permanently close, a truly horrifying threat. Instead the Federal Reserve Bank counted just 200,000 excess business closures in the pandemic's first year. Yet, despite all that remarkable response, the scars are real. The Philadelphia region lost 1,000 businesses, according to a report by Yelp, and Black-owned businesses were hardest hit. Forty-five of 594 tracked by a local directory are now permanently shuttered.

In the face of a pandemic, even our mightiest efforts fell short. Imagine, then, about the many causes that did not reach top priority. Fragile indeed.

Editor Sabrina Vourvoulias' lasting impression was of crisis-driven resilience.

"I was amazed by how quickly small community organizations mobilized and activated safety nets for the vulnerable communities they serve," Vourvoulias wrote. "I'm thinking of immigrant advocacy organizations, for example, who immediately offered food relief; activated their informal networks for peer-to-peer digital training, clearing up health misinformation, and facilitating social interaction; and even set up collective funds that provided much needed rental and unemployment assistance to those completely shut off from government help. These were heroic efforts by people who left everything on the field — and I'm still speechless with awe at our community organizations' dedication and ingenuity."

Among the most cherished assets of any great city, most certainly including Philadelphia, is the depth and diversity of its neighborhoods. Community is the sturdiest safety net.



"Last spring, due to COVID we saw a 150% increase in calls across all our contact centers; more people calling were eligible for public benefits and many people were applying for benefits for the first time."

— Trooper Sanders



What optimism Hazelton experienced during the year came from "the outpouring of charitable support when COVID first hit and the stories began to pour out that people, through no fault of their own, were losing their jobs and eating was becoming impossible. Food banks across the country saw a substantial uptick in demand, but also a significant uptick in donations. I think it is amazing, too, that Philadelphia Foundation spearheaded an effort that raised and distributed \$18.4 million to a variety of safety net groups."

This became both cheery sign of collective action and painful reminder of Philadelphia's slow and steady approach. Little transformative rethinking of Philadelphia's chronic issues appears to have resulted from the crisis. As one activist put it: Philadelphia is expert at "servicing poverty, not solving it."

In one area of lasting adaptation, one might look toward philanthropy, an old tax avoidance strategy that is increasingly populated with big thinkers pursuing radical change. The funders themselves spoke with Hazelton about the evolution of their practices over the course of the year. More than one called for something resembling a revolution, talking of "trust-based philanthropy" and more unrestricted, multi-year investments to let doers do.

Many in institutionalized philanthropy argue they were among the Philadelphia region's most responsive civic anchors.

"The philanthropic community in Pennsylvania and around the country really stepped up during the pandemic, as is reflected in the most recent Giving USA report, which shows that giving from foundations went up by 17% compared to 2019," reported Anne L. Gingrich, executive director of Pennsylvania Association of Nonprofit Organizations (PANO).



"Consider beginning relationships with grant dollars and work to increase the number of Black-led/Black-serving organizations in your grant portfolio."

— Shanell Ransom



Jennifer Leith, executive director of the Douty Foundation, said she gave regional funders a grade of B/B+ for their giving efforts.

"From my conversations with funders, in the beginning weeks, almost all provided extra financial support outside of a grant cycle and/or switched program grants to general operating use if needed," she said. "As the crisis moved into months, we saw collaborations among funders that probably wouldn't have happened if not for the pandemic."

"Funders in our region stepped up in ways and on a level that we likely have not seen before," said Sidney R. Hargro, president of Philanthropy Network Greater Philadelphia. "For example, there were over 20 pooled funds created relatively early in the pandemic. For the 13 funds included in the COVID-19 Dashboard, over 4,800 grants totaling more than \$40 million were made across 10 counties in the region between March 18 and June 29, 2020."



"What we have done well is to recognize that our practices and policies could be disrupted to be more responsive."

– Vanessa Briggs

Philanthropy has had its critics. At the pandemic's outset, public stock markets collapsed, temporarily crushing many of their endowments. Some feared that philanthropy would pull back their giving. Then something puzzling happened: 2020 proved the shortest-lasting recession in American history, and financial markets had a healthy and rapid rebound. Activists and outspoken nonprofit leaders called for philanthropy to dip deep into their suddenly surging endowments.

Hargro said many funders did increase their payouts in response to the crisis (and their financial tailwinds). Others offered flexibility for reporting and grant applications, and were responsive to changing needs as they arose.

"What we have done well is to recognize that our practices and policies could be disrupted to be more responsive. We quickly changed grantmaking procedures to address urgent needs. We quickly engaged the board to get relief of funds," said Vanessa Briggs, president and CEO of Brandywine Health Foundation.

"The question is why did it take a pandemic for our traditions to be disrupted and for us to be responsive to and engaging of community, versus before [the pandemic]."

Douty Foundation's Leith said, "There is something about calling the challenges of COVID a moment of crisis' that I don't think is accurate. The crisis exposed the deep, embedded systemic barriers and failures of our society and our economic systems," Leith said. "And I hope that my funder colleagues are thinking deeply about why extra funding was needed, why the communities that we support didn't have access to food or stimulus payments or testing and vaccines or stable housing or the internet. In the immediate, funding was and is good for nonprofits."



"Imagine if every funder would use even an extra 1% of its assets annually for advocacy or movement building. Then, we can imagine real change together."

— Jennifer Leith

Leigh explained: "As The Douty Foundation sunsets this year, we are moving our remaining assets to movement building work that is happening now and will happen in the future. And I am incredibly proud of that! Imagine if every funder would use even an extra 1% of its assets annually for advocacy or movement building. Then, we can imagine real change together."

One of the biggest complaints is that funders maintain racial inequities. American foundations award about \$60 billion a year to nonprofits and about 95% of that goes to white-led organizations. According to research from the National Committee for Responsive Philanthropy, a survey of several major cities between 2016 and 2018 concluded that community foundations cumulatively spent \$78 per person but only spent \$6 per Black person.

"The resource gap has real consequences: If community foundations invested in Black communities on a per capita basis like they invested in the general population, Black communities in these cities alone would have been the beneficiaries of \$2 billion more in grant making since 2016," the report stated.



As COVID response leads to recovery, the question is what is next.

Hargo said, “The more pertinent questions before us are to what degree will philanthropy continue to respond this year and in the coming years of recovery? Will increased assets lead to higher levels of giving and continued collaboration among funders? In what ways will the increased flexibility and responsiveness of 2020 become permanent? How will verbal commitments to racial equity lead to permanent changes in practices and grant investments in anti-racism and anti-oppressive efforts and investments in transformative change?”

For the Scattergood Foundation's Joe Pyle and others one answer is disruption. Dismantling the status quo and building a more effective grantmaking system that centers sharing power with nonprofits and developing policies such as replacing programmatic grants with multiyear operational grants that are nonprofit friendly.

Leith added that foundation need to become advocates themselves.

“Funders need to advocate for fair, better and more robust systems that the crisis exposed in all their inglorious failings,” she said.

"The more pertinent questions before us are to what degree will philanthropy continue to respond this year and in the coming years of recovery?"

– Sidney Hargo

But the urgency brought on by the pandemic is already receding as more Americans are vaccinated and the economy begins to reopen.

“I do see atrophy setting in,” said Briggs, who added that embedding equity practices and a tremendous amount of work and effort and often leads to challenging conversations.

“When you are trying to dismantle racism it’s a commitment for the long haul. Do people have the fortitude, patience, resilience?” she said. “That’s what it requires. It is selfless work.”

"We are not as good as we could be."

– Joe Pyle

