RESILIENCE IN THE FACE OF ADVERSITY:

THE CALGARY NONPROFIT SECTOR TWO MONTHS AFTER THE FLOODS



Propellas



SEPTEMBER, 2013

The months following the worst flooding in decades across southern Alberta have been filled with endless examples of citizens and organizations stepping up to meet the needs of our communities. From the onset, nonprofit organizations have been at the forefront of, both, immediate responses, and now, ongoing recovery efforts.

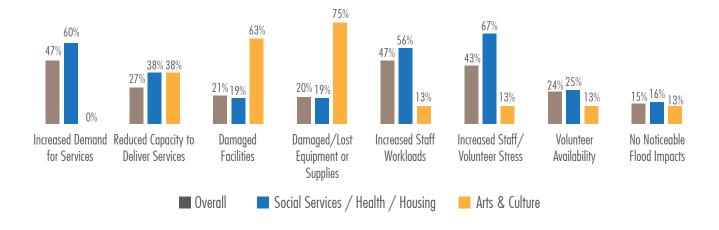
In the days immediately following the flooding, CCVO and Propellus launched a survey to gauge the initial impacts on Calgary and area nonprofits. The Calgary Nonprofit Flood Report provided insight into the experiences of organizations from all parts of the sector and has been widely used by funders, governments, capacity builders and other stakeholders to develop informed responses to the crisis.

This second survey follows up on the themes that emerged in the initial report. It summarizes the responses of over 100 nonprofit organizations providing a deeper understanding of their experiences over the past two months, their expectations of the future and the lessons they have learned throughout this journey.

The key themes that emerged from this round of surveying include:

- Increased demands for client services as the community deals with the physical, emotional and social impacts of the flood.
- Concerns that revenues, particularly from individual and corporate donations, as well as those generated through special events, will decline in the coming months.
- Returning to "normal" will take some time to achieve and may be more a case of organizations coming to terms with new ways of operating.
- Revenues lost from decreased fundraising events and third-party fundraising will be difficult to recoup.

IN THE AFTERMATH OF THE FLOODS, WHAT ISSUES ARE FACING YOUR ORGANIZATION?



This survey was intended to gauge the impact of the flooding on Calgary's nonprofit sector. This is not a scientific survey, nor is the sample representative of the entire sector.

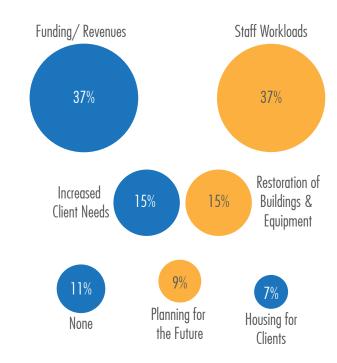
IMPACT OF THE FLOODS

Accurately gauging the number of organizations directly affected by the floods has proven to be a difficult endeavour. As with most households in Calgary, the vast majority of nonprofit organizations were not impacted by flood waters and sewer back up at a substantial level beyond the first week or two. While there are certainly organizations that continue to deal with the direct impacts of flood waters and sewer backup, there is a growing awareness that many nonprofits have been affected indirectly.

Flood impacts are evident throughout the sector in a variety of ways:

- Almost half (47%) of all respondents and a full 60% of Social Service, Health and Housing organizations indicated that they are facing increased demand for services in the wake of the floods.
- Arts and Culture organizations reported significantly higher rates of damaged facilities and damaged and/or lost equipment and supplies.
- As would be expected for those working on the frontlines of recovery, increased staff workloads and staff /volunteer stress were much higher in Social Services, Health and Housing organizations.
- Few organizations have avoided any flood impacts. Many respondents who indicated "no impact" cite growing financial/fundraising pressures as a result of the floods.

PRESSING NEEDS

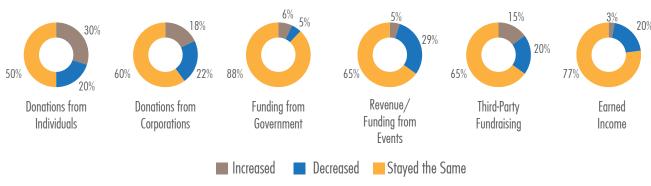


"Our work - addiction recovery - will begin now (7+ weeks after the flooding) as people move from disaster response mode into maintenance and the magnitude of their losses are realized and they turn to alcohol/drugs to cope with depression and loss."

FINANCIAL CONSEQUENCES

The majority of respondents indicated that the floods have had little impact on their revenues. Over 30% of organizations who were directly affected by the flood waters have seen an increase in donations from individuals and 18% have experience increased corporate giving. However, overall, respondents were more likely to indicate that earned revenue, revenue from events and third-party fundraising had decreased in the months since the floods. The cancellation of events, loss of ticket sales and sponsorships were often cited as examples of lost revenue. Given the seasonal nature of fundraising events, such as golf tournaments and charity runs, much of this revenue cannot be easily replaced. Much as is the case with small businesses, damaged facilities and disruption of service have resulted in decreased earned revenue for many organizations.

CURRENT FINANCIAL IMPACTS: OVERALL



FLOOD IMPACT SURVEY

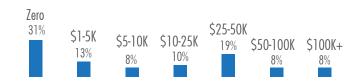
"It forces us to evaluate priorities and to make some serious changes to our organization [and] streamline, focus. Also we most likely will not be able to deliver/ provide the kind of work environment we have had in the past. Suitable, affordable venues are no longer available in Calgary. It will have a massive impact on how the company moves forward."

SOURCES OF FINANCIAL SUPPORT RECEIVED

Tens of millions of dollars have been raised through a number of funding bodies to address both the short and long-term impacts of the floods. Though much of this money remains to be disbursed as it is earmarked for long-term recovery initiatives, there are indications that funds are flowing to agencies.



ESTIMATES OF SUPPORT RECEIVED



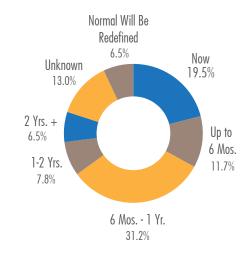
"Although money for flood assistance is critical there is a balance we need to find. Every non-profit agency is worried about cancelled events and loss of donor revenue. The "new" normal has yet to be found and is a long way off. Our agencies need support in the interim."

RETURN TO NORMAL

"There will be a 'new normal' not a 'back to normal'"

It is increasingly evident that the recovery period will be an extended one. While the majority of organizations anticipate returning to normal operations within the next year, for others the recovery will take much longer. Normalcy entails a variety of factors including the reduction of flood related community need and a stabilized funding environment.

An emerging theme from the survey was that the concept of returning to "normal" connotes, not a return to past ways of operating, but coming to terms with a "new normal". It is suggested that the changes to physical, social and financial landscapes have altered the environment to the point where pre-flood ways of operating, for some, are not possible.



FUTURE EXPECTATIONS

Looking to the future, there is a great deal of apprehension regarding individual and corporate giving. Fears cited in the July CCVO/Propellus survey of a funding vacuum with donations being redirected from ongoing need towards flood recovery have not abated, and may in fact be increasing. These expected pressures are far more pronounced among Social Services, Health and Housing respondents where 41% of respondents expect to see decreases in donations from individuals and 52% anticipate a decline in corporate giving. Organizations that rely heavily on these sources of funds to support ongoing needs are facing significant stress as revenues decline and needs increase.

FUTURE EXPECTATIONS: OVERALL 10% 13% 25% 28% 35%

39%

Funding from

Third-Party



Revenue/

Donations from

LESSONS LEARNED

Donations from

20%

The lessons learned through the initial period of crisis and recovery will continue to unfold over time. For some organizations it is simply too soon in the process to begin to reflect upon and learn from this crisis. There are, however, a number of themes that emerge from this survey. Paramount among these is the need for better planning and preparation at a number of levels. While most organizations were able to maintain some level of service throughout the early days of the floods, there is widespread recognition that plans for disruption of services need to be further developed. Organizations identified repeatedly the need for better preparations to ensure that the service delivery, communications and administrative systems are able to continue when facilities and operating infrastructures are compromised.

At the community level, respondents cited the need for coordinated crisis and recovery response plans to be developed prior to the next event. Also identified was the need for nonprofit organizations of all types to be included in government disaster responses and recovery plans.

The power of collaborations and partnerships, both those previously in place and new relationships formed out of necessity, were identified as one of the positive outcomes of the floods.

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"We made new connections with other organizations during the flood regarding how we could work together to best support the community; we still feel there is an opportunity here for the nonprofit sector to develop new relationships and stronger collaborative initiatives to better position our sector for future disasters and to increase our profile/reach with governments regarding the value and impact of the sector before, during and after events."

54%

Earned

Income