Nonprofits in the Houston region are facing immense need from vulnerable populations due to the Covid-19 pandemic. Meanwhile, many organizations are worried they might not have the money to survive this crisis.

In a survey of 160 Houston-area nonprofit leaders published April 22, Houston-based nonprofit consultancy Sterling Associates found that more than 84 percent of respondents indicated they have lost "significant" revenue since the pandemic began. Less than half of the survey respondents have at least six months' worth of working capital.

Kim Sterling, founder and president of Sterling Associates, told the Houston Business Journal that local nonprofits are facing unprecedented demand for their services during the Covid-19 pandemic. Over 280,000 Texas workers filed for first time unemployment benefits in just the week ended April 18, according to the U.S. Labor Department. There is intense demand for nonprofit services to aid with food insecurity, rent assistance and other essential needs right now, Sterling said.

"Houston nonprofits are getting hit hard and in such different ways," Sterling told the Houston Business Journal. "It's not just the charitable giving that's changed, but it's also the impact on the need for services and other revenue sources."

Philanthropic contributions are going up for many local nonprofits as the need caused by the pandemic is top-of-mind — but not by enough to meet the need, Sterling said.

"We've never seen anything quite like this," Sterling said.
Anna Babin, president and CEO of the United Way of Greater Houston, said that she has not seen a decline or slowdown in philanthropic giving yet. The United Way and the Greater Houston Community Foundation launched the Greater Houston Covid-19 Recovery Fund in late March with a $1 million donation from the Houston Endowment. The fund is now breaking $10 million, Babin told the HBJ. As of April 15, the fund had deployed more than $1.5 million into 30 local nonprofit partners.

Babin, who led the United Way in the recovery efforts after Hurricane Harvey in 2017, knows how great the demand for nonprofit services is right now.

"This really is a pervasive disaster," Babin said. "Even though Harvey was just terrible, it hit pockets of the community. Across the community, you're seeing the loss of jobs and then the impact that it has on a family."

Of that initial $1.5 million nonprofit investment from the Covid-19 Recovery Fund, $75,000 went to Houston-based BakerRipley — the largest Houston-area Better Business Bureau charitable organization, according to HBJ research. David Haines II, chief strategy and innovation officer for BakerRipley, said that those funds are going to families in the form of small stipends for essential needs, like rent and utility assistance.

"We're talking about folks that were living paycheck to paycheck prior to this," Haines said. "Now, we're trying to figure out ways of managing through not having a job or any type of income."

BakerRipley is planning for an expected drop in philanthropic contributions. The nonprofit has had to lower its contribution estimates for the year by about 25%, Haines said.

Meanwhile, BakerRipley's mission of assisting underserved communities continues. Haines said the long lines for food assistance keep him up at night.

"When we go out there to these food fairs, we don't ever have enough food," Haines said. "Their cars keep coming. There's a line, sometimes a mile long. Folks are really struggling to make ends meet."

Chris Mathews
Reporter
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