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New Report Shows Impact of COVID-19 on Nonprofits in Texas *Now, more than ever, Texas nonprofits are stretched to their limits while meeting increasing community needs*

Austin, Texas, August 17, 2020 - On National Nonprofit Day, a new report from United Ways of Texas (UWT) and OneStar Foundation (OneStar) highlights the impact that COVID-19 has had on the Texas nonprofit sector. United Ways of Texas and the OneStar Foundation have previously partnered to raise awareness of the vital role that nonprofits play in the Texas economy, specifically highlighting that 1 in 8 Texas jobs (private) are in or tied directly to nonprofits, making the nonprofit sector in Texas a significant employer in the state. Texas nonprofits have stepped up without hesitation to support Texans impacted by COVID-19, including foodbanks, childcare providers, and workforce support organizations. While nonprofits are eager to support Texans in need throughout the pandemic, the report points to the fact that nonprofit organizations themselves have been severely affected during this time.

UWT, a statewide membership organization dedicated to supporting the work of local United Ways in Texas and OneStar, a neutral convener and a respected partner to foundations, state agencies, and the business community, has released *Impact of COVID-19 on Texas Nonprofit Organizations*, which includes the results of surveys of Texas nonprofits done across the state, highlights key themes regarding the impact of COVID-19 Texas nonprofits, and offers opportunities to strengthen the nonprofit sector—a key economic driver in our state.

Key Highlights in the Report:

- The majority of Texas nonprofits are providing direct support to those most impacted by the pandemic and are stepping up to do more. *Over 70% of nonprofits that responded to a statewide survey have changed their operations or services so that they can more directly support the COVID-19 response.*
- Nonprofits throughout the state have been severely affected by the pandemic; even those not directly responding to COVID-19 (e.g. arts and cultural organizations) are facing financial difficulties. *70% of survey respondents said that their budgets had been impacted or will likely be impacted by COVID-19's strain on the economy. Additionally, 82% of nonprofits have canceled or plan to cancel revenue-generating programs or events, which will affect their financial prospects.*
- The COVID-19 pandemic is crippling the sector's ability to sustain an important workforce and provide critical services that all Texans depend on. *Over 24% of respondents have reduced employee hours or instituted furloughs or lay-offs, and 19% have instituted a hiring freeze.*
- The pandemic and resulting financial strain are impacting the ability of the Texas nonprofit sector to serve their communities on a day-to-day basis. *Specifically, nearly 69% have experienced a disruption of services to clients, and 62% have experienced an increase in demand for services from clients and communities.*
- Texas nonprofit organizations and the communities they serve need flexible financial resources right now.

In addition to survey results, the report provides ways that policymakers, philanthropy, and business leaders can ensure Texas nonprofits have the capacity, resources, and flexibility to best serve their communities now and well beyond the COVID-19 pandemic.

“Whether on the frontline serving meals, supporting new models for learning, or helping people receive health care and access to social services, our communities depend on nonprofits to respond to the needs of Texans during this pandemic,” said Chris Bugbee, President and CEO of the OneStar Foundation. “While nonprofits are facing significant increases in demand, they are also experiencing decreases in donations and other revenue. It’s vital to the recovery of Texas that we work together to keep the sector strong.”

Ensuring the health, stability, and connectivity of Texas’s nonprofit sector—especially during this challenging time—will serve to further anchor Texas communities, strengthen the health and productivity of Texans, and drive our state’s economy.

“Throughout this pandemic, nonprofits across our state have risen to the challenge of supporting Texans in need by being nimble and innovative to tackle the complex issues that our communities are facing,” said Adrianna Cuellar Rojas, President and CEO of United Ways of Texas. “We hope that policymakers, business leaders, and other public officials will explore opportunities to support our Texas nonprofit sector so that they can continue to meet the challenging situations that this pandemic has created.”

All Texans can play a role in ensuring nonprofits have the capacity, voices, and resources needed to continue their pivotal work throughout the state. With the impact of the pandemic expected to increase as the crisis and fallout unfolds, nonprofits need—now more than ever—additional support and resources from the state, local governments, business, and philanthropy to continue serving communities in the months ahead.

To ensure our nonprofit sector can continue its important role for our state:

1. Nonprofits, funders, businesses, and governments must work together to mitigate negative short and long-term impacts to the sector and communities overall.
2. Advocacy is more important than ever.

Find the report online on the Built for Texas website: txnonprofits.org/covidimpact

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United Ways of Texas (UWT) works collaboratively toward a future where all Texans thrive by building nonprofit organizational capacity and enhancing the impact of local nonprofits including United Ways across the state. With a long history of supporting the charitable sector, UWT aims to build a unified voice for all nonprofits in Texas by supporting, protecting, and promoting the nonprofit sector. For more information, visit uwtexas.org

OneStar Foundation was created to support the State of Texas by strengthening the nonprofit sector, encouraging civic engagement through service and volunteering, promoting innovative strategies to address local issues, and facilitating public-private partnerships to expand the reach of the sector. As the Texas State Service Commission, OneStar administers a portfolio of \$18.7 million in federal grant funds for AmeriCorps Texas programs. OneStar also has been designated by Texas Governor Greg Abbott to raise and distribute funds to eligible organizations working on the ground to support the economic recovery of Texas communities impacted by COVID-19. Learn more at onestarfoundation.org.