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**NEW REPORT: NONPROFITS THAT CARRIED NYC THROUGH THE PANDEMIC NOW
FACE EXISTENTIAL THREAT DUE TO LACK OF GOVERNMENT SUPPORT**

***Funding cuts and millions in payment delays have left thousands of organizations at risk
of collapse***

Executive Summary available [HERE](#) / Full report available [HERE](#)

NEW YORK -- The Human Services Recovery Task Force, made up of the Human Services Council, leaders of major New York City nonprofits, philanthropy, and business, today released a report showing the impact of COVID-19 on the nonprofit sector. The report, *Essential or Expendable? How Human Services Supported Communities Through COVID-19 and Recommendations to Support an Equitable Recovery*, includes new data that demonstrates how nonprofits were left on their own to navigate the pandemic, the damage that did to organizations and their workers, and recommendations for strengthening nonprofits, which will be essential for New York's post-pandemic recovery.

As the report describes, nonprofit human services workers--who are predominantly women and people of color--were sent to the frontlines of the pandemic with inadequate supplies and were asked to meet growing community needs with fewer resources. They were sent to help Black and brown New Yorkers who were dying at disproportionate rates due to economic insecurity, a lack of health-care access and affordable housing, and their overrepresentation in low-wage essential jobs that prevented them from staying at home.

- On average, the revenue of nonprofits declined by nearly \$9.1 million in 2020.
- Of the total amount that organizations spent on COVID-related expenses, like physical protections needed to ensure staff safety, only 38% was reimbursed by the government.
- Delays in payments from the City and State wreaked havoc on nonprofits, with 70% of organizations reporting a delayed payment from the City and 60% from the State in the last year.
- The average value of delayed payments from the City was \$8,025,000 and \$998,000 from the State.
- Funding cuts and COVID-19 losses mean that 62% of organizations had to either permanently or temporarily lay off or furlough staff and New York could see as many as 1,829 nonprofits close their doors.

Nonprofits were a lifeline to communities during the peak of COVID-19 and they will be essential for New York to achieve an equitable post-pandemic recovery. Communities will need job training for displaced workers, eviction prevention for those unable to make rent, and after-school and tutoring to get children back on track along with childcare to get parents back to work.

The Human Services Recovery Task Force, led by co-chairs Meridiam NA CEO Jamie Rubin and Urban Pathways CEO Fred Shack, also provided four recommendations in the report, designed to strengthen New York's post-pandemic recovery by ensuring a strong and sustainable human services delivery system.

- #1: Human services nonprofits must be a part of crisis response and community recovery.
- #2: Government must commit to paying equitable wages to contracted human services workers.
- #3: Government must pay in full and on time for essential services for New Yorkers. Human services contracts must cover indirect expenses, reflect market rates, and end delayed reimbursements that have, and continue to amount to millions of dollars.
- #4: Transform the human services procurement system to prioritize meaningful outcomes for New Yorkers, rather than "race-to-the-bottom" cost-cutting by convening a Procurement Reform Commission to fix the problem.

"Though the government expects nonprofits to pull our communities through chaotic times, they left the sector without necessary resources at the height of the pandemic, resulting in a significantly weakened sector," said **Jamie Rubin, CEO of Meridiam NA and Co-Chair of the Human Services Recovery Task Force**. "By embracing the recommendations in this report, the government can ensure nonprofit human services organizations are equipped to finish the job and continue delivering the vital services that are essential to New York's recovery."

"Nonprofit human services providers like Urban Pathways and our workers have proudly carried New Yorkers through one of the city's most vulnerable times. We remain deeply committed to our communities, but we can't do it alone," said **Fred Shack, CEO of Urban Pathways and Co-Chair of the Human Services Recovery Task Force**. "The conversation regarding the government supporting nonprofits is long overdue -- we need action so we can continue to deliver transformative services at this critical hour."

"The pandemic magnified long-standing disparities across our state--communities of color faced higher rates of infection and are now suffering from greater economic devastation," said **Michelle Jackson, Executive Director of the Human Services Council**. "The programs delivered by nonprofit human services organizations will be essential for achieving an equitable recovery, but the sector is in perilous condition after organizations were largely left to fend for themselves at the height of the pandemic. New York's leaders must invest in our communities by fortifying the systems they rely on."

"Nonprofit human services organizations have been on the front lines throughout the pandemic," said **Kathryn Wylde, President and CEO of the Partnership for New York City**. "There are structural and funding issues that must be addressed by the city and state government in order to enable this vital sector to carry out their essential role in the recovery of communities that have suffered the greatest losses from COVID-19."

"Our services will be key to the survival of and rebuilding of our communities who have been severely impacted by COVID-19," **Maria Lizardo, the Executive Director of Northern Manhattan Improvement Corporation** continues, "We need the New York City and State government to support our work and finally treat our sector as essential. This includes registering contracts quickly and paying on time, covering the full costs of services rendered, and paying equitable wages to government-contracted human services workers!"

"Our organizations were the lifeline to our hardest hit communities when COVID-19 arrived in New York. We were on the ground, in-person and remained open while the City and State shut down." **Jeremy Kohomban, President and CEO of The Children's Village** said. "We did all this with little to no support from our government partners. This cannot happen again! Together we can ensure that New York has a truly fair and equitable recovery. This report is our call to action. Listen to the human services providers who know firsthand what New Yorkers need to recover and thrive."

"Many young artists and scholars were left behind by remote schooling because they lacked access to necessary technology and they will rely on programs like ours, now more than ever, to make up for this lost time." **Haydee Morales, Executive Director for Casita Maria Center for Arts & Education** explains, "We need expedient and prompt resources to respond to their growing needs so we can ensure they aren't left behind again while the rest of New York recovers."

"City and State contracted human service workers, the majority of whom are women and people of color, have stepped up to the front lines and provided the support New Yorkers needed to survive a pandemic," said **Patricia Swann, The New York Community Trust**. "These workers, and the services they provide, are key to achieving an equitable recovery; the City needs to recognize them as the true partners they are."

"When the budget runs at a deficit, New York City and State are quick to cut and withhold funding from human services organizations, including this past year when human services organizations were leading New York COVID-19 response on the ground." **Jason Cone, Chief Public Policy Officer at Robin Hood** states "The government cannot keep treating our essential nonprofits and workers as expendable or we will never be prepared for the next disaster."

"While nonprofit staff work for positive social good, they can't use kindness and good intentions as currency to pay their rent, healthcare, and grocery costs," said **Jennifer Talansky, Managing Director, Knowledge & Impact, Nonprofit Finance Fund**. "Nonprofit human

services workers – the majority of whom are women and people of color – have long been denied the wages they deserve. The time to change that is now."

"As people in prisons and jails watched the pandemic spread through facilities and struggled to keep safe, Osborne and other nonprofits serving those in the criminal legal system worked to meet our participants needs however possible, and support family members in the community who were – and continue to be – frantic about their loved ones' wellbeing," said **Osborne President and CEO Elizabeth Gaynes**. "We never backed down, and we expect the government to back us up. This new report from the Human Services Recovery Taskforce tells them how."

"Frontline staff providing essential human services throughout the pandemic, in spite of concerns for their own health and that of their families, have been nothing short of heroic. They are the heart of this city, eminently resourceful and committed, and they save lives. Yet, they are paid abysmally." **Myung Lee, President/CEO, Volunteer of America-Greater New York** continues, "The vast majority are Black and brown and most are women. This is an issue of structural racism and gender inequality which must be acknowledged and rectified. It is time to show the respect our human services workforce deserves by providing fair wages across the sector, adequately funding the programs they provide, and paying on a timely basis the government contracts they are responsible for fulfilling."

"The COVID-19 pandemic has exacerbated many of the critical issues addressed by nonprofits, including domestic violence and homelessness, which are the mission areas of URI, while at the same time creating challenges in resources, funding and staffing for the organizations delivering the services," stated **Nathaniel M. Fields, Chief Executive Officer of Urban Resource Institute**. "The nonprofit sector is vital to New York and New Yorkers, and it is important that the recovery efforts include fair and equitable consideration for the essential and dedicated nonprofit workers who are always on the frontline in challenging times."