

# STATE OF THE SAFETY NET

Findings from the 2020 and 2021 Montgomery County, PA  
State of the Safety Net Survey



Prepared by HealthSpark Foundation  
HealthSpark.org

# In a time of crisis, the Montgomery County safety net system responded with agility and a call for long overdue investments in the sector and the people who staff it.

As our community moves into recovery and rebuilding from the impacts of the pandemic, we have a unique opportunity to utilize our collective lessons learned from the past year to rebuild a more just and resilient safety net. To help inform our approaches to public policy, distribution of American Rescue Plan Act (ARPA) funds, philanthropic investments, and nonprofit board and staff planning opportunities, HealthSpark Foundation created and fielded the State of the Safety Net Survey in spring 2020 and 2021 to capture the experiences of the Montgomery County safety net community in response to the pandemic.

Our findings from the survey denote the remarkable flexibility with which the sector responded, as well as the continued challenges of burnout and system strain, the impact of historic disinvestment in the sector, and the necessity of addressing longstanding systemic inequities if we truly aim to rebuild a better safety net that can support our diverse community.

The online survey was completed by executive or management-level staff at human services nonprofit organizations across Montgomery County responding to HealthSpark's open call to participate. Fifty-seven nonprofits responded in May 2020 and 42 responded in April 2021. The survey allowed for anonymous responses. The State of the Safety Net Survey was designed and analyzed by Capacity for Change, LLC.

Respondents included nonprofits focusing on food security, housing and homelessness, behavioral health, senior services, benefits assistance, services for persons with disabilities, workforce development, transportation, victim assistance, violence prevention, substance use, and childcare, among others. Organizations ranged in size, though most reported annual operating budgets of between \$200,000- \$499,000 (22% in 2021); \$500,000-\$999,000 (26% in 2021); and \$1M-\$2.4M (28% in 2021). Seven respondents, or 19%, reported that the Executive Director of the organization self-identified as a person of color in 2021 (question was not asked in 2020).

# KEY THEMES

The survey data over two years offer the ability to analyze both how the system responded in the early days of the pandemic, as well as how the sector adapted over the last year to changes in funding, demand for services, safety protocols, and other factors impacting operations. Key themes included:

## ADAPTABILITY AND A NEW FOCUS ON PREPAREDNESS

Providers exhibited tremendous flexibility in initial and ongoing responses. Organizations adopting planning practices such as strategic planning, development planning, and program evaluation were best prepared to respond to the crisis and are best positioned to head into the next phase. In response, nonprofits need funders to adopt more flexible funding practices and increase funds as service demands continue, and for boards to support planning efforts and investments in the infrastructure of organizations.

## FINANCIAL STABILIZATION OVERALL, BUT DISPARITIES ACROSS RACE CONTINUE

Since 2020 when uncertainty was high, providers overall have been able to stabilize their financial picture due to the influx of federal and private funding. That said, uncertainty for future budget years remains as one-time funding sources diminish. As well, organizations led by persons of color are under-resourced compared to their counterparts, and need policymakers to listen to their needs and invest directly in their capacity.

## BURNOUT IS AT A CODE RED

Burnout and stress are at an all-time high for nonprofit staff, and management is deeply concerned about the capacity to retain and recruit a qualified workforce due to the historic lack of livable wage employment and necessary benefits, and the overwhelming demands placed on service providers. Funders and particularly policymakers need to prioritize retooling state, federal, and county funding formulas in order to ensure contracts for social services pay a livable wage, offer appropriate benefits for workers, and provide funding to staff programs sufficiently.

# KEY THEMES, CONT.

## COORDINATION AND TRUST ARE CRUCIAL TO RAPID RESPONSE

By 2021, networks and partnerships are commonly understood to be essential for providing effective services and for sustaining services. Nonprofits and boards should actively seek to build strong relationships with others in the community, as should policymakers and funders.

## INCREMENTAL PROGRESS ON ADDRESSING RACIAL DISPARITIES

While most respondents reported taking some small steps to begin to address racial disparities within the safety net sector, more work is needed to ensure these actions take root and that providers don't lose momentum in the coming months and years. Increasing board member diversity remains a priority and challenge for nonprofits.

## CAPACITY-BUILDING NEEDS POINT TO FLEXIBLE FUNDING, COMMUNITY ENGAGEMENT, AND OPERATIONS

Respondents are directly calling government and private funders to provide multi-year general operating support grants and increase flexibility in grants overall. As well, capacity-building needs center on increasing opportunity for diverse community engagement and support in building the capacity of board members to engage in strategic planning and fundraising.

---

Scroll down for a deeper discussion on each item, download our two-page [Fact Sheet](#), or view the [full survey data](#) behind this report.

# ADAPTABILITY AND A NEW FOCUS ON PREPAREDNESS

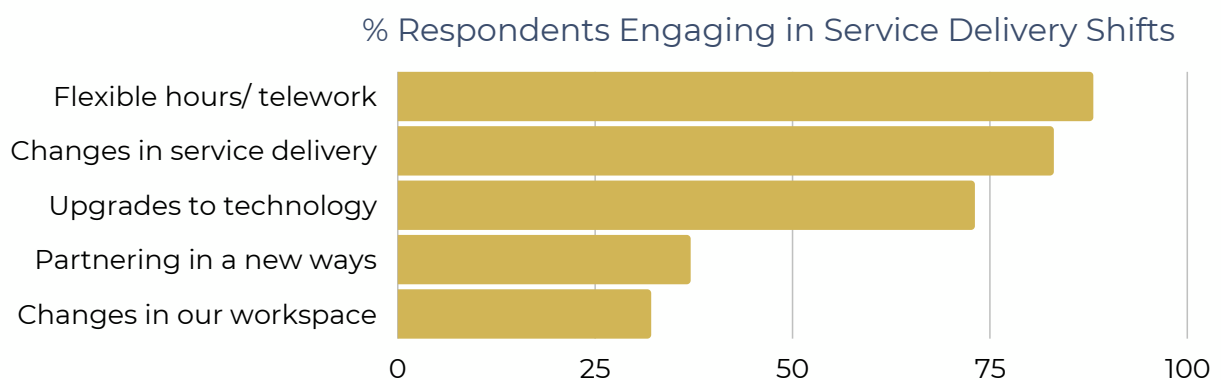
In 2020, providers made remarkable shifts in services and accelerated the adoption of new practices and repurposing of resources. In 2021, providers continue to adapt services, and anticipate continued increases in need, which centers long-term sustainability as a key issue.

Ninety percent of service providers shifted services in some way, including expansions and/or reductions in services, and 20% expanded all services. As one provider explained the variety of shifts in services, “We went from an open community center approach to appointments only, and pivoted from social and educational opportunities to practical needs like laundry (we always had laundry, and food, and other practical services but these became primary).”

The most common changes in practices were flexible schedules/telework (88%), changes in service delivery such as telehealth and home visits (83%), and upgrades to technology (73%).

## SERVICE ADAPTATIONS

Nearly all respondents reported adaptations in service delivery by 2021.



**90%** OF RESPONDENTS SHIFTED SERVICES IN SOME WAY

**20%** OF RESPONDENTS EXPANDED ALL SERVICES

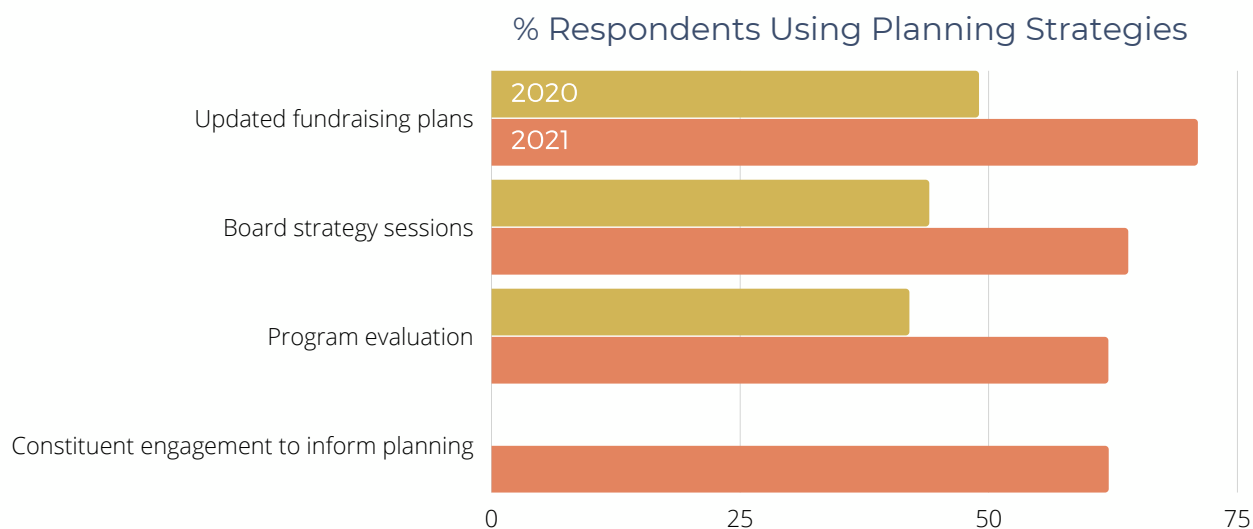
We also learned that nonprofit boards and management that had invested the time and resources into strategic planning, development activities, program evaluation, and other planning efforts prior to the pandemic were better situated to weather the storm.

Notably, many more nonprofits and their boards recognized the need to undertake these activities as the pandemic wore on, with survey results showing a notable uptick in the percentage of respondents in 2021 that were engaged in updated fundraising and development planning, board strategy and planning sessions, and program evaluation.

Finally, 62% are engaging the community and their constituents to inform decisions in 2021 (question was not asked in 2020). Increasing consumer engagement in safety net decision-making has been a top priority of safety net providers throughout the last year.

## PLANNING & PREPAREDNESS

There was a notable uptick in nonprofits engaging in planning and preparedness strategies in 2021.



"Planning ahead and having a strong organizational foundation will make it easier to manage ordinary operations but will really come through during difficult times."

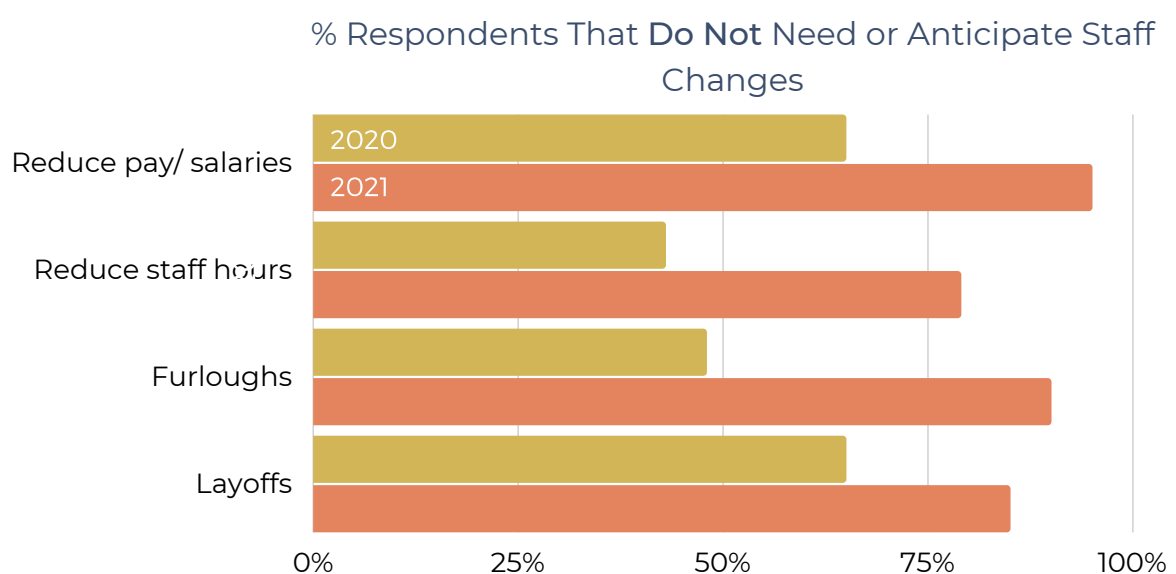
# FINANCIAL STABILIZATION OVERALL, BUT DISPARITIES ACROSS RACE CONTINUE

The sudden increase in demand and loss of funding streams for nonprofits, such as the inability to host in-person fundraising events and the uncertain nature of fiscal aid for nonprofits in early 2020, caused a significant amount of financial uncertainty for nonprofits when surveyed in spring 2020. However, the last year has shown a remarkable stabilization financially due to the influx of PPP loans, CARES funding, an increase in private donations, and increases in philanthropic support through efforts like the MontcoPA COVID Relief Fund.

As noted in the chart below, there was a dramatic change in respondents reporting the need for reducing pay, staff hours, implementing furloughs, or layoffs from 2020 to 2021, with most nonprofit respondents reporting that these undesirable actions are not needed at this point. As one respondent noted, “The only reason this is true is because we were able to secure forgiveness for the PPP loan - it was absolutely vital for fiscal stability through the pandemic.”

## FINANCIAL STABILIZATION

By spring 2021, most nonprofits are no longer anticipating the need for staff reductions due to financial uncertainty.



However, the type of funding (one-time or recurring, restricted or general operating support) matters, too. Unfortunately, as one respondent noted, “The vast majority of resource increase other than general public donations in response to the pandemic has been a one-time surge in money for physical things. We need to realize there was never enough funding for adequate pay for adequate staffing, much less funding to achieve a sustainable workload to take the above and beyond steps necessary to do right by the people that we serve, create systemic change, and expand access to culturally competent, high quality services.”

The current financial stabilization is also considered fragile. The impact of state budget gaps on the social sector is a top concern, as safety net programs are often flatlined or targeted for cuts. The local safety net sector is already engaging heavily in advocacy around use of the \$161 million in federal American Rescue Plan Act funds designated for Montgomery County, however this source of funding does little to address underinvestment in ongoing operational costs, such as salaries, benefits, and programming. As one respondent notes, “There are currently a number of COVID-related funding sources that are available to us. Our state contract funding did not decrease as much as initially predicted. We are concerned about FY22-23, and are working towards maintaining the organization during that year and beyond.”

---

“There are currently a number of COVID-related funding sources that are available to us...We are concerned about FY22-23, and are working towards maintaining the organization during that year and beyond.”

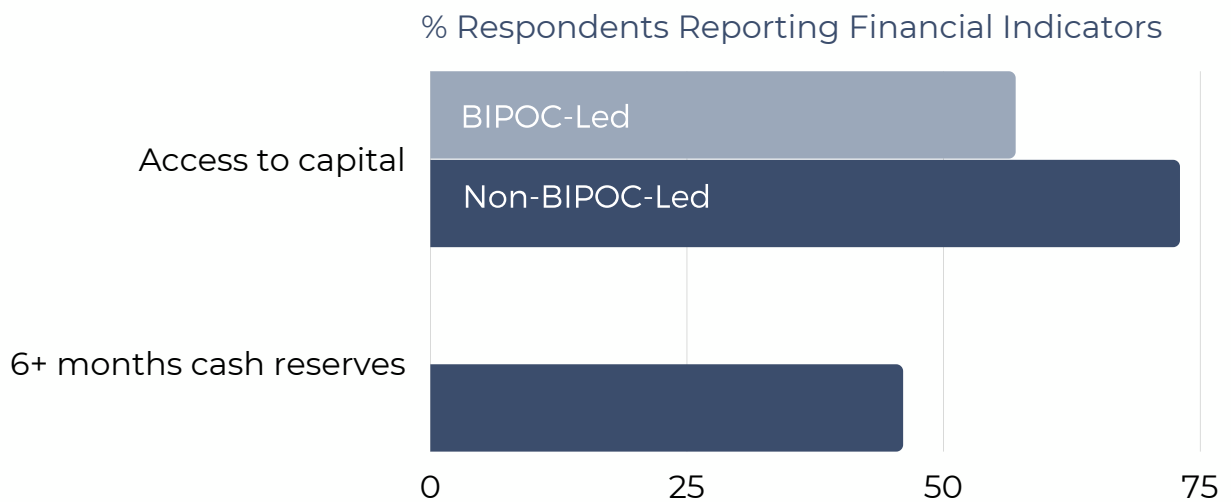


Organizations led by Black, Indigenous, and Persons of Color (BIPOC) executive directors reported significantly fewer resources than their non-BIPOC counterparts. In 2021, none of the BIPOC-led organizations surveyed reported cash reserves beyond 6 months, compared with 46% of non-BIPOC-led organizations that do (Executive Director demographics were not collected in 2020). Three of seven BIPOC-led organizations have budgets above \$500,000 compared with 26 of 30 non-BIPOC-led organizations. Lack of reserves and smaller operating budgets impact the ability of nonprofits to respond or pivot in times of crisis, as well as innovate new service delivery options.

Further, BIPOC-led organizations have less access to capital, such as lines of credit or an endowment. Seventy-three percent of non-BIPOC-led organizations have access to capital, compared with just 57% of BIPOC-led organizations.

## UNDERINVESTMENT IN BIPOC-LED ORGS

Organizations led by BIPOC leaders are significantly underinvested in, compared to their non-BIPOC counterparts.



How should funders and policymakers address these disparities in investment? Encourages one respondent, “Provide opportunities for people of color to safely share information on inequities they are aware of and provide safe and effective ways of drawing attention to and remedying these inequities. Convene groups that are solely for people of color.”

The financial strain has caused more nonprofits to speak up, engaging funders in conversations about what's needed to rebuild a more robust, financially resilient safety net moving forward.

Eighty-three percent of respondents reported that they have engaged in intentional dialogue with funders about what is needed to strengthen the safety net system and 65% reported participating in advocacy for policy changes that would improve the safety net system, such as by signing on as a partner to the [Here for Us Advocacy Coalition](#).

## NEW ACTION TO BUILD SUSTAINABILITY

The majority of nonprofits have engaged in efforts to address long-term sustainability and support for the safety net system.

83%

Engaged in intentional dialogue with funders about what is needed to strengthen the safety net system

83%

Invested in and/or provided resources to staff and volunteers to prioritize their mental health and well-being

65%

Engaged in advocacy for policy changes that would improve the safety net system

"The Safety Net importance cannot be overstated. Although more people are using services than ever before, there is still a stigma to the safety net and a general lack of understanding of the system as a whole. I have learned that we need to collectively advocate for a stronger safety net, changes in policies/requirements for accessing safety net services and looking at funding the Safety Net outside of government agencies."

# BURNOUT IS AT A CODE RED

In early 2020, providers were already experiencing strain on their staff and were concerned that it will intensify over time due to decreased resources and increased demand for services.

In 2021, providers continue to operate under significant stress. Burn-out and emotional wellness are front and center- from frontline staff weary of the never-ending lines for services, to management teams tired from the rapid policy and funding changes and uncertainty moving forward.

Sixty-eight percent of respondents report the issue of staff being overworked has gotten "a little" to "much worse" in the past year (and they were overworked before); 28% report staff being underpaid has gotten a little worse, though 60% ensured a living wage for staff by 2021 which was identified as a primary concern in 2020.

## STAFF BURNOUT AND STRAIN

As the pandemic has worn on, safety net staff are burned out from constant demand on their time, energy, and lack of resources.



68% of respondents report the issue of staff being overworked has gotten "a little" to "much worse" in the past year

"Our board and staff rallied and supported each other and we have been abundantly blessed and supported by a generous community. However, as weeks turned into months and now into a year enduring this pandemic and planning for a post-pandemic norm has become exhausting and a bit overwhelming."

Positively, providers are doing more to address these issues and support their staffs. As examples, 83% of respondents have invested in and/or provided resources to staff and volunteers to prioritize mental health and well-being, with the most common solutions being flexible work environments, updated policies, employee assistance programs, wellness events and trainings. As one respondent noted, “For the first time in the history of the organization, we were able to provide health benefits to our staff which is a huge step in addressing health and wellness.”

That said, even these recent changes can’t compensate for a sector that has been historically underfunded, with government contracts often relying on services that pay below a livable wage, offer limited benefits, and don’t provide adequate staffing support to meet the need for services. Lack of adequate compensation and burnout are a recipe for staff turnover, and management is concerned about long-term ability to attract and maintain a proficient workforce. As one respondent notes, “Recruitment and retention of qualified staff continues to be a threat to quality services. Paying a livable wage across all positions remains challenging with rates set at the state level as insufficient. The likely increases to minimum wage, while positive for communities, will threaten our capacity to field a workforce.”

“Recruitment and retention of qualified staff continues to be a threat to quality services. Paying a livable wage across all positions remains challenging with rates set at the state level as insufficient. The likely increases to minimum wage, while positive for communities, will threaten our capacity to field a workforce.”

# COORDINATION AND TRUST ARE CRUCIAL TO RAPID RESPONSE

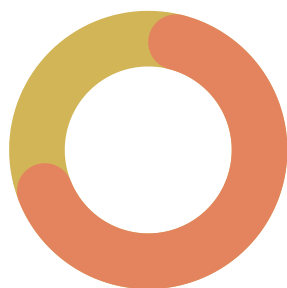
As public health guidance was released and shifted, and as service delivery hours and operations shifted, providers noted that coordination between partners was essential to timely response. In 2020, providers noted that the safety net system's coordination and communication with partners and funders has been a strength. Those providers with pre-existing relationships, collaborations, and trust were essential to being able to respond quickly and cohesively.

In 2021, networks and partnerships are commonly understood to be essential for providing effective services and for sustaining services. Seventy-three percent of respondents reported new and/or expanded partnerships in the past year, and 32% report working with new grassroots partners as a result of re-tooling their work.

"This year has highlighted the importance of partnerships and community engagement," one respondent noted. "With so many things changing so quickly, it became clear that it was critical to be able to communicate information to potential clients through trusted networks and that we needed to be able to learn from clients and potential clients about the impacts of changes on their lives."

## COORDINATION & NETWORKING

Partnerships are commonly used to enhance services. A growing cohort are beginning to partner with grassroots groups to increase impact among diverse populations.



73% report new or expanded partnerships in 2021



32% are working with new grassroots partners

# INCREMENTAL PROGRESS ON ADDRESSING RACIAL DISPARITIES

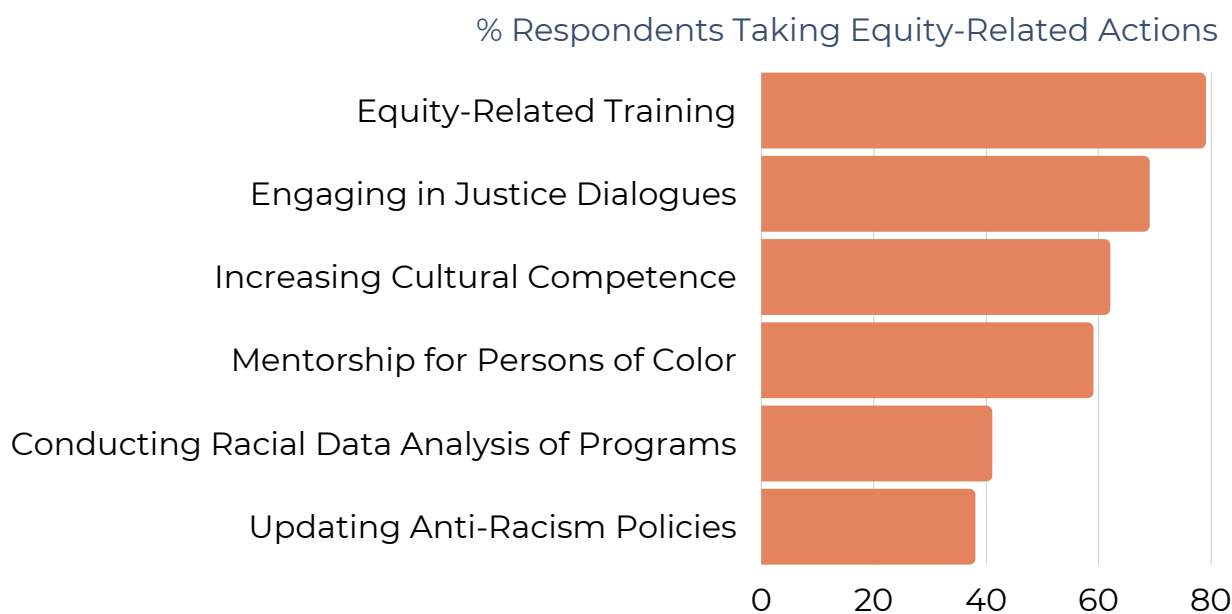
The coronavirus pandemic was, of course, not the only public health crisis attracting national attention in 2020. The safety net has also been impacted by calls for urgent reform in addressing systemic racial inequities, with providers calling for transformative change both within their own practices as well as within the larger community and related systems like criminal justice, education, and healthcare.

In 2020, respondents noted that racial inequities and disparities have heightened pre-existing inequities and disparities, and organizations do not have the cultural competency, language access, and diversity, equity, and inclusion capacities to be most effective.

This recognition seems to have been received as a call to action, where by spring 2021, 70% of respondents report that the safety net system has made “a little” progress toward addressing racial disparities in the system. At least 80% of respondents have taken at least one action to address racial disparities (see chart below). Yet, a full 38% of organizations do not use demographic data in planning, evaluation, and understanding who is accessing resources, which impacts their ability to truly reform practices.

## SOME PROGRESS TOWARDS EQUITY

Most organizations have taken steps to advance greater equity or address disparities.



# CAPACITY-BUILDING NEEDS POINT TO FLEXIBLE FUNDING, COMMUNITY ENGAGEMENT, AND OPERATIONS

The issues highlighted here are reliant upon the willingness of policymakers, funders, and nonprofits together to enact meaningful reform. When asked what they'd like funders and policymakers to know, respondents had an overwhelmingly united response.

First and foremost, providers need unrestricted, multi-year funding; an increase in financial support to address sustained upticks in service demand; and the need to pay (and ensure contracts offer) a living wage to staff. Other responses including funding to upgrade building systems, including technology and facilities; for funders and others to act as conveners and promoters of best practices; and to actively promote the value of the safety net to the broader public.

## CALL TO ACTION FOR FUNDERS AND POLICYMAKERS

1	<h3>Fund larger, flexible grants</h3> <p>Provide unrestricted, multi-year funding; increase levels of support; all contracts should pay a livable wage, benefits, and allow for adequate staffing</p>
2	<h3>Address operational systems</h3> <p>Provide funding to upgrade building systems including technology systems and facilities</p>
3	<h3>Convene and champion</h3> <p>Serve as conveners and promoters of best practices and actively promote the value of the safety net system</p>

Respondents noted a variety of capacity-building needs to respond to the varying lessons learned through the last year. The sector as a whole has limited accessibility for diverse populations, and so providers have requested support in identifying strategies to better meet the needs of non-English speaking clients, examples of authentic consumer engagement to inform services, help in building social media/web/internet presence, and support in engaging law enforcement, faith-based coalitions, and other stakeholders often working parallel to social services.

As well, business systems and operations are in dire need of retooling. Cybersecurity is a noted threat. Respondents also need support in making business processes more efficient and financial forecasting and tracking.

Finally, board members take note- nonprofits have noted that board management is an area where work is needed. Respondents identified the need for assistance in diversifying the board, in building fundraising skills among board members, and in building strategic planning knowledge and skills among board members.

## TOP NEEDS FOR BOARD DEVELOPMENT

1	Diversifying the board
2	Improving board members' fundraising skills
3	Building up board members' strategic planning knowledge

HealthSpark Foundation is a private, independent foundation serving Montgomery County, PA. Please visit [HealthSpark.org](https://HealthSpark.org) for more information on our community's efforts to build a more just and financially resilient social safety net.