

Perspective

The COVID-19 Wildfire: Nonprofit Organizational Challenge and Opportunity

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ABSTRACT

Nonprofit organizations in Canada were significantly impacted by COVID-19, including lost revenue and needing to adjust the program delivery. The lack of technology capacity in the nonprofit sector is a key barrier for many nonprofit organizations to adapt to delivering programs online. Momentum, a Calgary-based nonprofit organization, experienced both financial and programmatic challenges due to COVID-19. Momentum pivoted program delivery to provide supports during the COVID-19 lockdown and developed innovative approaches to online programming. Since the start of the COVID-19 pandemic in Canada, Momentum was able to rapidly develop its capacity to use technology for online programming with the support of critical new funding. Many nonprofits will have to transform their business models to not only survive but thrive in the post-COVID world.

RESUMÉ

Les organismes à but non lucratif (OBNL) au Canada ont été fortement touchés dans le contexte de la pandémie de la COVID-19, notamment à cause d'une perte de revenus et de la nécessité de se réajuster afin de prêter des services en ligne. Le manque de capacités technologiques dans le secteur à but non lucratif est un obstacle majeur à l'adaptation de nombreux OBNL à la prestation de services en ligne. Momentum, un OBNL basé à Calgary, a connu des difficultés financières et de planification en raison de la COVID-19. Par contre, l'organisme a su adapter son offre de services pour fournir un soutien pendant le confinement et a développé des approches innovantes pour la prestation de services en ligne. Depuis le début de la pandémie au Canada, Momentum a développé rapidement sa capacité à utiliser la technologie pour offrir des services en ligne grâce à des nouvelles sources de financement qui ont été essentielles pour cette adaptation. De nombreux OBNL devront transformer leur modèle d'entreprise pour non seulement survivre, mais aussi prospérer dans un monde post-COVID.

Keywords / Mots clés : COVID-19 pandemic, funding, training programs, technology, innovation / COVID-19; Financement; Programmes de formation; Technologie; Innovation

Loomis (2020)

The impact of COVID-19 on many nonprofit organizations in Canada is like a wildfire. It is both destructive and has created an opportunity for renewal. Momentum, a Calgary, Alberta-based community economic development organization that connects people living on lower incomes to economic opportunities, is experiencing both the negative impact of COVID-19 and a potential positive unintended consequence.

Many already strained nonprofit organizations are at significant risk due to the destructive impact of COVID-19. In fact, the Calgary Chamber of Voluntary Organizations estimates that up to 20 percent of nonprofits in Alberta may fold over the next six months (Kaufmann, 2020).

Momentum is not immune to the financial challenges caused by COVID-19. In the first few weeks of the outbreak in Canada, Momentum lost or delayed over \$900,000 of revenue, or approximately 10 percent of our annual budget. We cancelled our only annual fundraising event, which was scheduled for Friday, March 13, 2020—perhaps the date was doomed! We also had to cancel several training programs and lost the corresponding revenue. The height of the pandemic's first wave was a time of significant financial stress for Momentum that was only abated by sustainability reserves that were built up over the last twenty years due to prudent financial management. Momentum's board chair pragmatically said that the "sustainability fund was created for a rainy day and the impact of COVID was a torrential downpour." The immediate financial constraint was also mitigated by COVID-19 response funding from various sources, as well as the federal government's Canada Emergency Wage Subsidy. As we approach the end of 2020, Momentum, unlike some organizations, is not at risk of folding.

The challenges caused by the pandemic also motivated Momentum to work differently. As the organization was not able to deliver programs in the same way it had always done, there was an opportunity for renewal. In 2018, Momentum had identified embracing technology to expand our reach and increase our impact as a new strategic priority. However, it was challenging to pursue new technology to deliver programs while maintaining a consistent level of program activity. The forced pause imposed by the lockdown created the space and time to significantly ramp up our use of technology. Desperation and constraint became a driver of innovation and adaptability. It was clear we had to pivot quickly to deliver programs differently—both to alleviate organizational financial pressures by offering programs online and to respond to challenges in our community due to the economic impact of COVID-19.

All Canadians were economically impacted by COVID-19; however, people living on lower incomes were disproportionately affected. In Calgary, women and visible minority workers experienced the greatest total job loss. Canadians may have all been in the same storm, but we were not all in the same boat (Loomis, 2020). Given Momentum's mission to work with people living on low incomes, we knew we needed to maintain services despite not being able to offer in-person programs. Our initial response was to offer money management, employment, and business helplines that included personal coaching by phone. We also offered online webinars, including a session called Money Talks, to help Calgarians navigate new government benefits such as the Canada Emergency Response Benefit (CERB). The response to this early webinar was significant, and its capacity was exceeded. By pivoting quickly and launching the community helplines by April 1, 2020, we were able to provide some relevant, immediate support to individuals struggling with financial stress.

Somewhat surprisingly, the community helplines were not inundated with demand. Despite the call volume being lower than anticipated, Momentum worked with 323 unique callers who took part in a total of 612 sessions from April to August of 2020. The coaching services made a measurable difference. A total of 93 percent of callers reported being more confident about their ability to solve problems, and 90 percent reported they were more hopeful for the future after their coaching sessions. The lower demand on our helplines provided us the time and energy to focus on developing new

Loomis (2020)

online programs. Within the first month of the COVID-19 pandemic, we developed an online learning strategy to shift our employment, self-employment, and money management training programs fully online.

One of the programs we prioritized delivering online was our full-time Self Employment training program, which was one of the programs we were forced to cancel in early April due to the lockdown. We were not able to acquire the approximately \$65,000 of revenue for the program intake until it could re-start. Since it is a pay-for-performance contract program with the Government of Alberta, if the program is not offered, we cannot claim the revenue; however, by pivoting to online delivery in the same fiscal year, the funding would only be delayed and not lost entirely.

If someone had told me a few years ago that we would deliver the Self Employment program fully online in 2020, I do not think I would have believed them. Our team at Momentum worked hard to offer the program online starting in the summer of 2020. Momentum needed to recover the revenue and we anticipated increased demand for self-employment training due to job losses created by COVID-19, so our teams were relentlessly focused on changing the approach to program delivery. Ten participants started the program in July and successfully completed their business plans in October. At the business plan celebration event, which was the first time the group met in person, participants shared powerful reflections on their online program experience. Several participants commented on how they felt they had found a new community or family. One participant described how “empowering it was to gain momentum through the group” (it is not clear if the pun was intended). The staff’s effort to not simply offer the program online but to do so in a way that worked from a learning and community-building standpoint, while also avoiding “Zoom fatigue,” was critical to the group’s success. Necessity drove the innovation to rapidly implement an online virtual classroom experience; however, we were careful not to sacrifice the quality of the experience for the participants in our urgency.

Momentum made progress developing several other online programs. By the end of summer, two fully online, asynchronous Money Management sessions (budgeting and credit) were launched. In the first six weeks of the launch, over 200 people had registered. We are aiming to release the remaining three modules of our financial literacy curriculum (assets, banking, and consumerism) by early 2021. Momentum’s technology training program, Tech Plus, also launched online in June, with our partners Bow Valley College and the Southern Alberta Institute of Technology (SAIT) offering the technical training fully online. Several other part-time programs were offered online using a lower tech “virtual classroom” model with standard content facilitated through an online platform such as Zoom or Microsoft Teams. Our plan is to further develop the online learning approach for those programs in 2021.

A critical factor for online learning is technological capacity. Only a few years ago, Momentum identified in a capacity analysis that the use of technology was an organizational weakness. It is a fair assessment that we were not operating from a position of strength as we ramped up our efforts to use technology for online program delivery; however, we have made significant strides since the lockdown. We hired an instructional designer with experience in online learning to ensure that our approach is effective. We selected and are now implementing a new learning management system (LMS) to support online program delivery. We significantly advanced our own staff’s ability to use platforms such as Microsoft Teams and Zoom for online content delivery. Since technology has become such a significant delivery tool for learning, we have a new appreciation for developing our competency in the “back-end” systems to optimize the “front-end” user experience.

The new systems to develop our technological capacity did not come without new costs. In a difficult financial year, it was critical that we secured new revenue to support this renewal. Momentum was able to successfully access COVID-19 response funding, including from the McConnell Foundation (2020) Social Innovation Fund, to invest in the implementation of our online learning strategy. The ability to pivot quickly from in-person programs to online delivery within several months was only possible due to the investment of new philanthropic capital.

Loomis (2020)

Many nonprofit organizations struggle with limited technology capacity, much as Momentum has over the last few years since we are still in the early stages of advancing our use of technology. Generally, the nonprofit sector is a late adopter of technology, often due to a lack of technical know-how and resources. At Momentum, we recently updated our strategy to reflect our plan to continue building our capacity to use technology to increase online programming, both as a pandemic response and to enhance our reach.

Despite the significant challenges for nonprofits in 2020, it is also a time of transformation and renewal for many organizations and the entire nonprofit sector. It is unlikely that businesses—including nonprofit organizations—will remain unchanged. Nonprofit organizations such as Momentum need to innovate and adapt through the pandemic wildfire to not only survive but thrive in the post-COVID-19 world.

WEBSITES

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