

OPEN LETTER TO OUR GOVERNMENT LEADERS FROM NEW YORK CITY'S NONPROFIT SECTOR

Friday, March 20, 2020

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By Nonprofit New York

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We are committed to ending this pandemic. We demand clear commitments.

New York City's nonprofits face an unprecedented threat to be able to serve our city. Our sector is committed to ending COVID-19. But, the government's responses to support nonprofits have not been enough. Nonprofits face an immediate financial crisis, while now protecting our communities against a global pandemic. We called upon philanthropy, and they are responding. The scale of this crisis is beyond the resources philanthropy alone can solve. Nonprofits demand immediate, explicit action and commitments from the city, state, and federal government to endure the COVID-19 pandemic and recession

New York City's nonprofits employ 16% of the private workforce, 6% higher than the national average. In the Bronx we are 34% of the workforce, in Staten Island 25%, in Brooklyn 21%. What makes our City vibrant? Our arts and cultural organizations that employ 300,000 people and pay over \$20 billion in wages, attracting global tourism. Who serves New Yorkers disproportionately impacted by this crisis? Our health and human service organizations on the frontlines of the pandemic, through 3,000 organizations employing over 40,000 people. We are faith centers, philanthropic institutions, schools, theatres and arts education centers, advocates, environmental justice champions, musicians, and sites of housing, community, and economic development among many other fields. Nationally we contribute \$900 billion to GDP and employ 12 million workers. We are part of the infrastructure and vitality of our city, state, and nation.

Nonprofits are called upon first to respond in times of crisis. Yet much of our sector operates in a precarious financial position. 40% of organizations have no cash reserves, 10% are insolvent, and less than 30% are financially strong. Despite many leaders' calls to build a stronger foundation for our sector for years. Nonprofits must shift our work to respond to COVID-19, in a financial predicament partially government made. Government has outsourced its obligations to nonprofits, paying us at a rate much less than the government would spend providing services directly. Our front line workers have borne the brunt of chronic underfunding.

Organizations face near impossible choices when our communities need us most. Staff furloughs or layoffs; suspend services this week or next. Some have one to two weeks of cash left. Even our largest institutions are suffering significant deficits and layoffs. Gig artists are out of work. Part-time workers laid off. Underpaid health and human service workers are asked to shift and work more, in high-risk positions. Yet government responses for contracted nonprofits - both arts and human service - have been slow, unclear, and out of touch with our circumstances. We need a comprehensive, firm commitment from the government. Health and human service organizations need supplies, staffing, resources for testing and treatment and clear guidance. Arts organizations need to know if they will be open after the pandemic. Intimate partner violence organizations expect increased demand from social isolation. Socially isolated people are turning to remote arts and entertainment - critical for mental health during times of isolation - while government leaders are asking artists to create this culture for free. Civil rights defenders are responding to the rise in anti-Asian racism and xenophobia endorsed by our highest levels of our government.

Our organizations celebrate, employ, and serve the marginalized in our society as artists, as workers, as constituents, as communities we represent: transgender and gender nonconforming, undocumented, people with disabilities, people of color, women, immigrants, people living in poverty. Those in the margins will be subjected to greater harm in the weeks ahead, and must be centered in this pandemic and recession.

We are confident our sector will rise to the challenge. But we cannot continue without the resources to do so, without being included in recovery actions, and without guaranteed commitments from government partners. No more vague promises. Nonprofits demand our contributions to end the COVID-19 pandemic be clearly recognized and valued.

Demands:

- All levels of government must include nonprofits in economic recovery efforts
- All levels of government must ensure healthcare for all our community members; our uninsured and undocumented are afraid to get tested
- All levels of government, including the federal OMB, all federal agencies, all state agencies, the Mayor's Office and all city agencies must commit to honoring budgeted contract levels to ensure organizational continuity; agencies should work with and listen to umbrella organizations like the Human Services Council, United Neighborhood Houses, New Yorkers for Culture & the Arts, Dance/NYC, and Nonprofit New York who are the direct link to impacted communities
- All levels of government should fund immediate needs and emerging demands, like testing, space for quarantine, supplies, increased intimate partner violence and bias violence against Asian communities

Federal

Congress must pass an economic stimulus package that includes \$60 billion specifically for nonprofits
Congress must ensure universal unemployment benefits that includes undocumented workers, sex workers, and other cash-based workers
Congress and federal agencies must mandate business insurance cover losses incurred from COVID-19, and force majeure clauses include bacterial and viral infections

State

- The state must coordinate a centralized response to all contracted nonprofits, commit to paying budgeted contract levels through FY21, and streamline the process and templates to change scopes of work
- The state legislature must include freelancers and gig workers in the state's paid sick leave

- The State Department of Health and Mental Hygiene must provide clear guidance to our nonprofit health centers on testing and closure protocols
- The state legislature must pass legislation ensuring business insurance cover losses incurred from COVID-19, and force majeure clauses include bacterial and viral infections

City

- The Small Business Services Department must expand the employee grant retention program to include all nonprofit organizations
- The Small Business Services Department must expand the COVID-19 loan program to nonprofits
- The Department of Finance must place a moratorium on debt and tax payments for nonprofits and small businesses losing revenue during this recession
- The Mayor's Office of Contract Services must suspend the wet, notarized signatures on contracts requirement while our organizations practice social isolation
- All city offices, including DCLA, DOE, HDC, EDC, DOHMH, ACS, DYCD, DSS, DFTA, Mayor's Fund, and Council Discretionary must commit to paying budgeted contract levels in full and advance through FY21, declare new guidance supersedes previous inflexible guidance, and streamline the process and templates to change scopes of work

Signatories:

Advocacy Institute

Asian American Arts Alliance Asian American Federation

Bowery Residents' Committee (BRC) Breaking Ground

Brooklyn Community Foundation Callen-Lorde Community Health Center Chinese-American Planning Council The Chocolate Factory Theater Churches United For Fair Housing Dance/NYC

The Fortune Society Good Shepherd Services Hester Street

Human Services Council

New York City Anti-Violence Project Nonprofit Finance Fund

New Yorkers for Culture & Arts Nonprofit New York

Riverdale Neighborhood House SeaChange Capital Partners

Staten Island Not For Profit Association

Stonewall Community Foundation United Neighborhood Houses United Way of NYC

Violence Intervention Program, Inc. YMCA of Greater New York WOMANKIND

[< back](#)

[previous listing](#) • [next listing](#)