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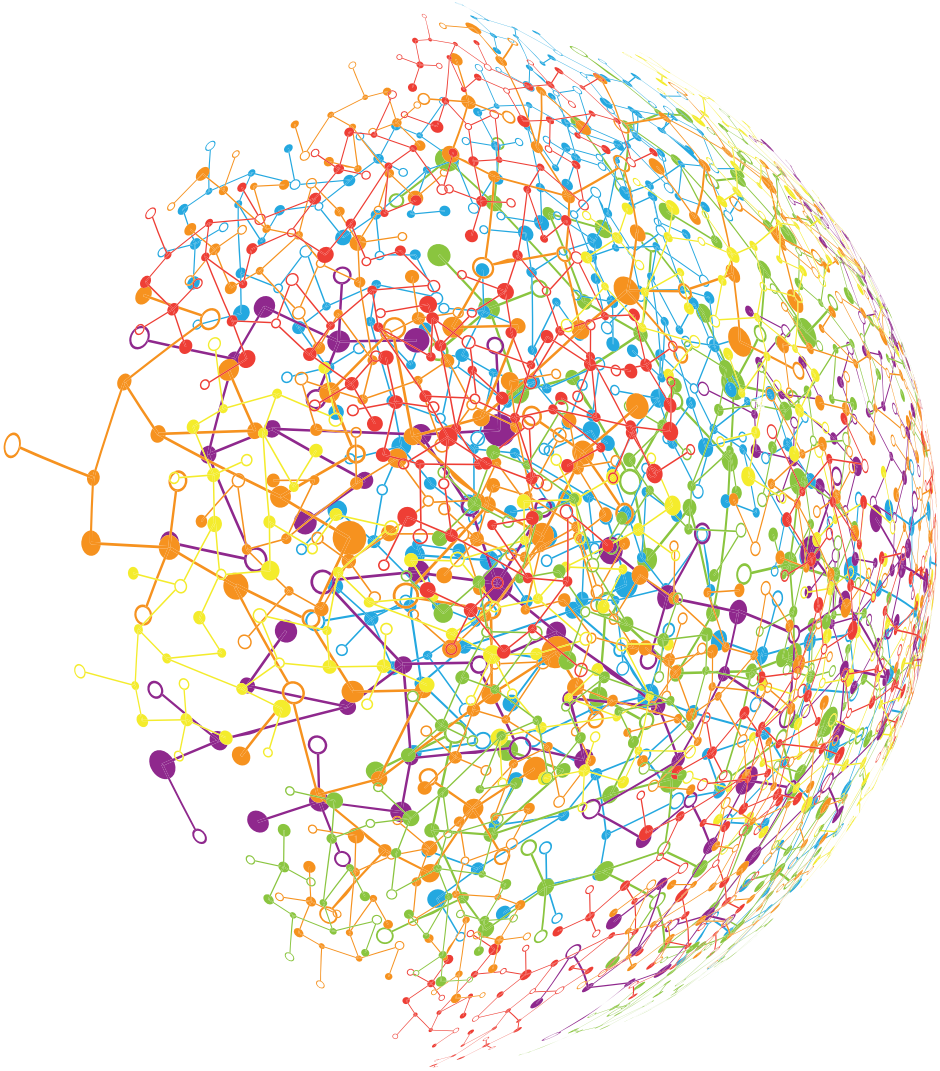

An event or an era?

Resources for social sector decision-making in the context of COVID-19

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MAKING AN IMPACT THAT MATTERS
since 1845

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In cooperation with New Profit, the Center for Effective Philanthropy, the Council on Foundations, Independent Sector, the National Center for Family Philanthropy, and United Philanthropy Forum.

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About Monitor Institute by Deloitte

Monitor Institute by Deloitte is a social change consultancy that marries the specialized knowledge and experience of a boutique social impact consulting practice with the breadth and scale of a globally-recognized professional services organization. We work with innovative leaders to surface and spread best practices in public problem solving and to pioneer next practices—breakthrough approaches for addressing social and environmental challenges. Monitor Institute combines a deep grounding in strategy, networks, social innovation, and human systems with the fundamentals of professional advisory services—effective project management, skilled facilitation, and well-timed intervention. As a for-profit/for-benefit hybrid, Monitor Institute by Deloitte pursues social impact while operating as a fully integrated unit of Deloitte LLP. For more information about the Monitor Institute by Deloitte, visit www.monitorinstitute.com.

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COVID-19 is a crisis unlike any we have faced

For most of us, "normal" life feels like a distant memory, even as many communities are reopening their doors for business. More than 100,000 Americans have died.[1] Tens of millions are out of work.[2] No one knows what the future will hold—not for the progression and spread of the virus, not for the economy, not even for the most basic aspects of how our country and communities will function in the weeks and months ahead.

And the COVID-19 crisis isn't occurring in isolation. The activism for racial justice taking place across the nation is intersecting with the health and economic disparities laid bare by the virus. The COVID crisis will increasingly serve as a compounding backdrop for many other issues we face, from our politics to our children's education.

Many organizations trying to navigate through this moment may find themselves alternately paralyzed or swamped by a crushing number of choices, without much scaffolding to guide their decision-making. This is especially true in the social sector, where the economic crisis has put organizations on tenuous financial footing even as demand for their assistance is skyrocketing.

For nonprofits that have managed to weather the initial storm, continued survival and effectiveness will depend on the ability to adapt strategies and operating models to new post-COVID realities, whatever they may look like. And many philanthropic funders, having decided on an initial emergency response, are struggling to figure out what to do next.

To help social sector leaders in the United States confront these challenges, the Monitor Institute by Deloitte—the social impact unit of the global professional services organization Deloitte LLP—launched a national effort with pro bono investment from Deloitte Consulting LLP to apply the tools of scenario planning to help funders and nonprofits get on their front foot in preparing for the post-COVID-19 landscape.

Over the course of two months starting in late April 2020, the Monitor Institute by Deloitte began a wide-ranging dialogue with a diverse group of more than 75 nonprofit leaders, foundation executives, and social sector experts from around the country to understand what they were seeing and experiencing and what they anticipate might be coming over the horizon. These conversations informed a "futures-thinking" process aimed at helping funders and operating nonprofits: (1) consider the critical uncertainties of the moment, (2) reckon with the difficult, new "truths" emerging from the pandemic, and (3) explore possible future scenarios that may emerge over the next 12-18 months.

We explicitly chose a 12-18 month time horizon as a way to help social sector leaders pressure-test how the immediate budgeting, operational, and strategic decisions they are making right now will play out over the course of 2021. It is also worth noting that while the potential scenarios presented here are centered on the COVID-19 crisis, we have made a point of looking at how they may play out through a racial equity lens. We made this choice intentionally—at a moment of deep social unrest when many organizations are reexamining their existing practices and systems—because we believe that equity concerns have profound impacts across virtually every other social and environmental issue.

To that end, over the next several months, the Monitor Institute by Deloitte will be building on this initial scenario work along several different fronts. One will focus on identifying potential "cascading aftershocks" that the field may need to prepare for in the wake of the immediate effects of the pandemic—from the potential for a housing and homelessness crisis if government eviction moratoriums aren't renewed to the health impact of deferred medical testing (e.g., missed physicals, mammograms, and other diagnostic testing) as people postpone non-urgent care.

We will also explore potential "reset opportunities" that might allow funders and nonprofits to make new progress on critical issues—from labor rights to individual-based health insurance to affordable housing in the wake of the crisis. And perhaps most importantly, we will be designing other tools and workshops to help nonprofits and funders adapt the futures work to their specific issues, places, and organizations, and consider how their strategies may (or may not) fit the different possible futures that may emerge in the coming days and months.

No one knows what the future will hold—not for the progression and spread of the virus, not for the economy, not even for the most basic aspects of how our country and communities will function in the weeks and months ahead.

What we mean by scenario planning

Scenario planning is an approach to thinking about the future that is rooted in the recognition that even in the best of times, we can't accurately anticipate what will come ahead. Instead decision-makers can begin to imagine multiple plausible pictures of the future and rehearse how their organizations might respond.

Scenarios are stories about what the future may look like, created through a structured process, that aim to help organizations stretch their thinking, challenge their traditional assumptions, and drive better strategic decision-making. Scenarios aren't about what *will* happen; they're provocative pictures of what *could* happen, designed to provide a new perspective and context to help guide present-day decisions.

This is quite different from the "scenarios" that many social sector organizations are accustomed to discussing, which are typically contingency planning exercises focused on best-, medium-, and worst-case revenue projections. Thinking about these types of resource questions is a critically important activity, but it ignores the fact that the current disruption is far more than just financial, and it is unlikely to provide leaders with a framework for thinking through the complex uncertainties they face in the midst of the rapidly shifting crises.

It's worth noting that even the most optimistic futures painted here present difficult challenges and significant threats. There isn't one best scenario that you'll read—most will involve glints of progress combined with varying degrees of negative consequences stemming from the virus, the economy, and widespread inequities.

We enter into the work with a humility and understanding that we can't predict the future. No one can. Who, for example, would have anticipated back in April the extent to which recent events have prompted organizations and leaders across the nation to begin confronting longstanding inequities and systemic racism? And it's not hard to imagine that the coming months may see additional transformative surprises. As former *Time* magazine editor Richard Corliss once said, "Nothing ages so quickly as yesterday's vision of the future."[3]

What complicates things is that the COVID-19 crisis is no longer just the "lead story." It's now also "the setting" in which other emerging issues and crises will play out.[4] It's hard to miss that recent protests for racial justice are occurring with the backdrop of masks, social distancing, and racial tensions already heightened by the inequitable impacts of the pandemic. Similarly, the story of the election in November 2020—itself a major uncertainty for the future—will be inseparable from COVID-19. Or this year's coming hurricane season, where communities will need to manage their response to the storms while at the same time reeling from, and dealing with, the health and economic impacts of COVID-19. Or the potential for international conflict stemming from blame about the spread of the virus. With so many variables and wildcards in play, it's quite possible that COVID-19 won't be the most important story of 2020.

We at the Monitor Institute by Deloitte also have a deep conviction that even with so much out of our control, there are ways we can influence how the future will unfold. Scenario planning is a tool for helping understand how the world around us may change and what those changes may mean for both what we do and how we do it—but it also helps us to make decisions that can have important implications for how (and which) scenarios may play out over time.

What we know so far

Regardless of what happens in the next few weeks and months, the consequences of the COVID-19 crisis will continue to echo through our communities. Even if there were an early vaccine or other fast resolution to the health crisis, many long-standing businesses and nonprofit organizations will have shuttered for good. Unemployment is at record highs[5] and government budgets are already under pressure, with a cascading set of implications for education, food access, and other social services that will vary widely from place to place.

Creating stories about the future often begins with thinking about critical uncertainties—the key things we don't know and how they might interact to produce very different futures. But at a time when so much is uncertain, we think it may be just as important to focus on what we *do* have a grasp on—what Deloitte futurist Eamonn Kelly calls "Prudent Assumptions."[6] These are the baseline realities that organizations will need to come to terms with—and hold onto—in order to begin moving forward in the midst of great uncertainty. We see five essential prudent assumptions that social sector leaders will likely need to recognize and face:

The pandemic will intersect with and compound other ongoing trends

The crisis is accelerating many changes (especially digital ones) that were already underway in how we work and live—from telehealth and remote work to job automation and the ubiquity of e-commerce. But it is also widening many of the fissures and flaws in our systems, including long-standing health and educational disparities, as they play out against the backdrop of disruption, fear, and difficult health and economic conditions. In particular, it is clear that the economic and health disparities in the impacts of the pandemic will be part of a larger conversation on racial inequity—while at the same time racial inequity becomes an inextricable part of the conversation about COVID-19.

The need for nonprofit services will dwarf available capacity and resources

Even if the pandemic miraculously ended tomorrow, communities will be facing daunting resource gaps in dealing with the economic and health impacts of the last few months. As Anders Holm of the Hempel Foundation observed to us, "You cannot do more with less. You can only do less with less."[7] Nonprofits will face real limits and have difficult choices to make about whose needs get prioritized, what quality of services they can provide, and whether to focus on immediate need or more systemic causes.

A significant number of nonprofits will be forced to consolidate or close their doors

Early estimates of contraction in the nonprofit sector range from 10 percent to as high as 40 percent.[8] Nonprofits that rely on earned income, government contracts, and fees for service are likely to be among the hardest hit, and organizations in the arts, education, and other space that don't lend themselves to remote service delivery may be particularly vulnerable as many must fundamentally re-imagine their program and financial models.

Impact from the crisis will fall disproportionately on communities of color and other marginalized populations

Heightened risk of exposure of frontline workers, worse access to health care, and disproportionate risk of job and business loss all hit marginalized groups harder.[9] This has exacerbated already existing inequities. And community-based nonprofits led by people of color, which typically have less access to capital,[10] will likely be at greater risk for insolvency. Additionally, other cross-sections of the population will bear an outsized share of the consequences of the crisis, including the elderly, immigrants, families with children, and low wage workers. Without active intervention, our communities will emerge from the pandemic with highly divergent outcomes and widened inequities.

Differences in outbreak rates and reopening strategies will cause varying levels of crises and need across geographies and time

We already see different case levels, peaks, and plateaus across the country. Policy divergence, combined with variations in population density and demographics, geography, cultural responses, and health infrastructure—not to mention a significant dose of luck—are creating very different realities on the ground in different states and metropolitan areas. This creates wide deviations in our experience of the pandemic and heightens the significance of place and localized responses.

Reckoning with these new realities—and what they may mean for the work of the social sector—will be critical to moving forward in the coming weeks and months.

What is still uncertain

There is also a great deal that we don't know about how the crisis will unfold over the next 12-18 months. There are many "critical uncertainties" right now: factors that (1) are volatile in terms of how they play out and (2) have an unusually high impact on how the future may unfold. In scenario planning, we use these critical uncertainties as the building blocks for creating scenarios. Think of them as a continuum of possible outcomes (normally visualized as an axis), and by labeling both ends of the axis, we should be able to imagine both end points being plausible.

Through our research we've identified at least five critical uncertainties that we believe have the potential to tip the future of the social sector in one direction or another:

The length and severity of the pandemic

So much remains unknown about the health realities of the novel coronavirus and how COVID-19 will spread and play out across the nation. But uncertainty about the length and severity of the outbreak will have a set of cascading implications for everything from how quickly the economy recovers to the scale of cuts in state and local government budgets to who lives and dies from the outbreak. Uncertainty about the length and severity of the pandemic will be driven by a set of interrelated questions, including: the rate and spread of the disease as the economy reopens; the temperature sensitivity and seasonality of the disease; the timing and effectiveness of potential treatments, management protocols, and/or vaccines; and the duration of antibodies and/or immunity. In addition, the distribution of health impacts—and the accessibility of testing and treatments—in marginalized communities are likely to have outsized implications related to the social sector and racial equity concerns.

The length and severity of the economic downturn

Economic activity in the United States has fallen in the wake of the COVID-19 pandemic. Unemployment has risen sharply, and there is some fear that the economic decline may rival the Great Depression.[11] The economic damage of the virus will likely go beyond temporary decreases in spending and job losses; consumer behavior appears to be changing as well, and regardless of any resurgence of the virus there will likely not be a quick return to normal as social distancing measures, ongoing anxiety about the virus, and precautionary consumer saving may blunt a hoped-for burst of pent-up demand. The length and severity of the economic downturn will depend on several key factors, including: the shape of the economic "recovery curve;" the willingness of consumers to spend and businesses to make capital expenditures; the degree to which the economy is staked to the trajectory of the pandemic; the scale, duration, and distribution of job losses; and the scale of bankruptcies and organizational

closures. The economic impact of the crisis will also have a number of more specific implications for equity and the social sector, especially related to the disproportionate distribution of economic impacts in communities of color, the increased scale of demand for services from nonprofits, and the extent and uneven distribution of nonprofit consolidation produced by the downturn.

The government's response and the strength of the public social safety net

As unemployment and other social, health, and economic challenges mount across American communities, the government's response to COVID-19—and in particular the strength of the public social safety net and stimulus efforts—will have massive implications for the social sector and the recovery of individuals, businesses, and organizations that will vary widely from place to place. In many parts of the country, it remains unclear whether government safety net programs will be sufficient to keep individuals from falling through the cracks. And uneven access to stimulus funds will have enormous implications across communities. Uncertainties around the government response to the crisis will be driven by several key questions, including: how significantly state and local budgets are affected by the crisis; the level of coordination of recovery and stimulus efforts across the federal, state, and local levels; and the outcomes of the 2020 elections, including state and local races. Other governmental uncertainties, such as possible regulation and stimulus efforts for funders and nonprofits, the potential for decreased civic engagement, and potential disruption of key government processes like the election and the census will also have important consequences for the social sector.

What is still uncertain

The impact of technology on operating models

Social distancing and sheltering-in-place aimed at limiting exposure to the virus has meant that people have not been able to attend school or work (excluding those deemed essential workers) and have depended on virtual platforms to connect with others. Necessity has accelerated digital transformation; technology transitions that were once expected to take years have occurred in weeks. But what remains unclear is the degree to which the digitization of work, learning, and other forms of interaction will stick, and how much will eventually just return to the way it was before the crisis. And while many organizations have figured out ways to transfer (at least parts of) their normal work online, it is also less clear how technology might enable new ways of working and new possibilities for service delivery. While the consequences of increased reliance on technology will have long-term implications for the nation, its impact on the social sector will be driven by a number of key uncertainties, including: how tech changes the delivery of social services and shifts the way nonprofits think about scale; what the increasingly ubiquitous use of technology means for data ownership and privacy; and the capacity of social sector organizations to undertake digital transformation.

The level of social cooperation across communities

Social cooperation—the willingness of people to work together across lines of difference toward common or collective goals—has long been one of the hallmarks of American communities in the face of crisis. Diverse groups of individuals pull together against a common challenge, engage with their communities in new ways, and draw on a collective strength and identity. But the COVID-19 pandemic and other cascading shocks to the system may stretch our sense of social cohesion and cooperation to the breaking point. The durability of social cooperation across American communities will be driven by several key uncertainties, including: the level of trust and confidence in core institutions and government; the predominant cultural narratives (e.g., individual liberty versus collective responsibility) that win out; and the degree of collaboration across sectors and organizations. Social cooperation will also have important consequences specifically for the social sector. For example, whether the country can come together to address systemic racism depends, in part, on the level of cooperation between groups. Another important area is the level of cooperation between funders and nonprofits, and whether sometimes harmful funding practices and power dynamics will fade or persist.

It's worth noting that we have deliberately not included the 2020 election as one of the primary critical uncertainties in this work. It was frequently flagged in our conversations with sector leaders, and there is no question about its importance to the future of the social sector. While we do discuss the election in the scenarios, we decided not to give it a greater degree of primacy for two key reasons. First, we feel that many of the critical consequences of the elections related to COVID-19 and the social sector are already embedded in the other health, economic, community, and technological uncertainties described here. The election will affect these uncertainties, but it's likely that these uncertainties will also affect the election. Second, we recognize that the 2020 elections have so many different permutations that they defy a straightforward analysis. Do different parties control Congress and the presidency? Would such a situation lead to compromise to pass additional stimulus legislation or greater retrenchment? How close are the elections? Are they contested? What role do state governors and mayors play? The 2020 election has a complex series of possible outcomes, and we wanted to avoid over-simplifying it. We understand that some readers won't agree with this decision, but we want to be transparent in our thinking.

How to read (and how not to read) the scenarios

Scenario planning is quite different from other planning efforts you have likely undertaken in the past. And while scenario planning itself is often focused on stretching people's thinking with hypothetical stories about the future—the key challenge right now is on helping organizations move from thought to action in the midst of great uncertainty.

As you read through the scenarios, **DO**:

- Focus on why the scenario might happen, what it would mean if it did, and how your current strategies and tactics would—or wouldn't—work in that context. What assumptions would you need to rethink? What would you need to hold on to? What would you need to let go of? And what would you need to think about in new ways?
- Consider what it would feel like to live in each scenario. What new threats would there be to your organization's survival? What new opportunities might emerge? What would you need to start doing right now to prepare? What strategic bets would you want to make?
- Think about how you would respond in each scenario, determine signposts that signal key changes, and prepare for how you can pivot as necessary.
- Consider whether you have been operating as if one of these scenarios is your "expected future." Do you need to be hedging against the possibility of another future emerging?

As you read the scenarios, **DON'T**:

- Just pick the scenario that you like best, or that you think is the most likely. The work is meant to help you look across possible futures and prepare in a structured way to be able to pivot and quickly adapt as circumstances change.
- Focus too much on the specific details of the scenarios. Instead, try to suspend disbelief for a few minutes and put yourself into the scenario to think about the overall direction and conditions each future creates.
- Dwell on the nuances of the two axes of the matrix. General understanding of the concepts is enough to help you understand the contours of the scenarios, and focusing too much on the details of each axis will prevent you from fully "living in" the scenarios themselves.
- Expect to see specific details about the places or issues you care most about. Scenarios are not meant to provide specific answers, and this document was designed to be used broadly across the entire social sector. Scenarios are a tool for prompting thinking and discussion, so there is real power in doing the work to consider what a world like this would mean for your place, your issues, or your organization.

What are the critical axes of uncertainty

To shape the scenarios, we explored two critical uncertainties that we believe will most significantly shape demands on the social sector over the next 12-18 months: the **severity of the crisis**—a combination of both health and economic variables (which, although not perfectly intertwined, are likely to be closely correlated)—and the **level of social cooperation**.

What is the continued severity of the crisis?

Definition: The level of harm and dislocation experienced by the population as a result of the depth and duration of the health and economic impacts of the pandemic

Lower Impact ⟷ Higher Impact

- The **virus is brought under relative control** by the development of treatments, testing and monitoring, and/or vaccines
- The **economy steadily recovers,** and the economic damage of the downturn, while bad, is more limited

- The virus is harder to control and the **number of infections and deaths soar**
- The **economy is devastated** as cities and states are forced to repeatedly shut down and shelter in place. Unemployment and other economic indicators persist at record levels

What is the level of social cooperation?

Definition: The relative willingness of society to work together across lines of difference towards common or collective goals

Fragmented
Sporadic
Factional
Variable

⟷

United
Enduring
Broad-based

- **Breaches of institutional trust** limit our ability to effectively work toward common goals
- Where coordination is found, it is entirely **factional in nature**
- Attempts at change and reform are **gridlocked**

- A **unified sense of purpose** to address the crisis ultimately prevails
- People and organizations seek out ways to **collectively solve cross-sector problems**
- The value of **collective responsibility** is prioritized, and many divisions are overcome

An overview of the scenarios

1 Return to "normal"

- Despite heavy tolls across American communities, an early vaccine helps us **control the virus more quickly than anticipated and the economy bounces back** as people breathe a sigh of relief. By the end of 2021, it feels like a recovery.
- As in other recoveries, strong top-line growth masks deeper inequities, but in the rush for a return to normalcy there's **limited appetite to make deeper, more structural changes**. Efforts to address the unequal impact of the virus on communities of color prompt movement on key challenges like structural racism, but progress is **modest reform, not revolution**.
- The good news is that we are getting **back to normal**. The bad news is that we are getting back to normal.

4 Rising from the ashes

- The virus is more deadly than we initially thought and the economy declines sharply. **Facing a national crisis of epic proportions**, we're forced to pull together. Given the level of death and destruction, **people are open to deeper structural changes**. Our existing systems clearly aren't working.
- By the end of 2021, there is a sobering understanding that we are at the **beginning of a decade-long effort to build a new social compact.** The crisis convinces enough people that the status quo will no longer work.
- The story here is that **through much pain and suffering, we collectively face the truth** that our systems are creating vastly unequal opportunities and need to be reimagined.

High social cooperation

Lower impact of crisis

Higher impact of crisis

Low social cooperation

2 Social fabric unraveled

- New treatments help us begin to get the virus under control, and COVID-19 gradually becomes **one more "acceptable" risk** we take as people return to work and consumer confidence increases.
- But the **disproportionate impact of the crisis on communities of color** turns out to be part of a spark that ignites long-standing powder kegs of inequality. The economy and virus are relatively under control, but our **social fabric is unraveling.**
- By the end of 2021, there is no collective narrative of the crisis. **Everyone holds their own truth** and sees others as "villains." Any cooperation is factional in nature and those with opposing views are seen as dangerous.

3 A nation on the brink

- The crisis worsens dramatically, and **no one is coming to save us**. As government aid dwindles and giving collapses, the virus worsens, stifling any economic progress—with a particularly devastating impact on communities of color and other marginalized populations.
- A **scarcity narrative** wins the day. There's more demand for fewer resources. As municipal governments go bankrupt, there are requests and later demands on philanthropy to fund social services and sustain public, civic institutions.
- By the end of 2021, it's unclear if things will get better or worse. **Fringe views gain traction** in the national debate and the "sensible center" all but disappears.

Return to "normal"

Scenario 1

Low Crisis, High Cooperation

At a glance

A vaccine is developed in late 2020 and begins to be distributed using existing influenza vaccine infrastructure as people rejoice after a year of pain and loss. 2021 is a year for healing—physically, mentally, and economically—as we embark on a sustained, steady recovery. Politicians work together enough to get a deal on additional government stimulus, which allows most families to tread water until hiring ramps back up. Racial justice protests ignite a desire for change, bringing communities together. While modest reforms take hold, many Americans have limited appetite and energy for taking on larger, more structural transformation on the heels of the COVID-19 crisis. Many nonprofit leaders find themselves frustrated that we snap back to the status quo instead of continuing the push for deeper systems change.

What you would need to believe

- A vaccine or treatment comes in late 2020 or early 2021. It is produced and distributed at scale and succeeds in getting the virus under control. People resume activities at something close to pre-crisis levels, aggregate demand rebounds, and the economy recovers more quickly than is expected.
- The shared experience of the crisis ultimately results in a desire to create change, but the pull of simply returning to the way things were provides a strong counterbalance.
- As trust in institutions increases, people believe change will arise from reforming the system, not breaking it.

> "We tend to overreact to new risks and then we tend to absorb them and move on. That will ultimately happen here."[12]
>
> Larry Kramer
> The William and Flora Hewlett Foundation
> May 2020

Impact on the social sector & communities

Philanthropy

Funders face strong pressure from nonprofits to continue less restrictive grantmaking processes as boards begin to ask, "Was our COVID-19 response effective?" Funders that didn't immediately adjust their strategy in response to the crisis may have even more "dry powder" available to push for reform on the issues they care about.

Nonprofits

As the crisis lessens over time, the level of community need and funding available begins to normalize, though not all organizations make it through. Relationships and power dynamics with funders improve. Nonprofits also improve relationships with government to deliver services and shape reforms.

Equity

Racial disparities around the virus and economic recovery linger. For some, the racial justice protests triggered by long standing inequities are a tipping point that lead to an increased focus and drive for change. Others are eager to put the troubles of 2020 behind them and look to better days ahead.

Return to "normal"

Scenario 1

Low Crisis, High Cooperation

A closer look

A vaccine and a strong economic recovery

Through the fall of 2020, treatments for COVID-19 drastically improve mortality rates and by the end of 2020 a safe and effective vaccine gains approval from the FDA. Mass production gets underway and vaccines begin to be distributed using existing influenza vaccine infrastructure. New cases of COVID-19 start to fall and Americans breathe a collective sigh of relief.

The first quarter of 2021 brings the strongest U.S. GDP growth on record. Pent-up demand is high as people return to restaurants and hotels and resume their plans for postponed elective procedures in hospitals. The Federal Reserve undertakes extraordinary efforts to spur the economy during the crisis. By the end of 2021, for the first time in a decade, people are worried about inflation in a serious way.

Despite the recovery, the inequitable effects of the virus remain in the forefront. Mortality rates for Black, Latinx, and Native Americans are double the rate of White patients because of unequal health, housing, and employment systems that translate to inadequate access to healthcare, a higher likelihood of working in essential frontline jobs, and overcrowded housing. Like the economic recovery after the 2008 financial crisis, gains are unequal and the lowest-paid workers struggle to get ahead.

Back to normal?

In the fall of 2020, the social cohesion of the nation wavered but ultimately held together. After protests sparked by the unjust killings of a series of Black men and women, some criminal justice reforms take hold in cities across the country and organizations make sincere pledges toward advancing racial equity. Another major issue—the November election—is fraught, but not particularly close. The winning party has a clear mandate. The vaccine announcement brings additional calm toward the end of 2020.

By 2021, the mood is almost celebratory. In the Spring, New York City holds a ticker-tape parade for healthcare workers. People look forward to a summer of travel, barbeques, and time with families. Despite challenges, Federal and State governments ultimately work together and manage to provide enough support to help most families weather the storm. Unemployment insurance is extended, SNAP benefits temporarily increased, and emergency aid to small businesses continued. Communities work together as well, beginning to address the trauma and mental health consequences of the crisis.

2021 is defined by modest reform rather than major revolution. However, by the end of the year, a sense of complacency begins to set in. Many want to continue to push for deeper structural reforms but find limited support for drastic changes. Corporations slowly drift back to prioritizing shareholders over deeper community commitments. The good news is that things are back to normal; the bad news is that things are back to normal.

What funders and nonprofits face

Although nearly 10% of nonprofits are forced to close their doors or shift to volunteer-led activities during the crisis, many funders and nonprofits work together relatively well through the crisis by cutting red tape, more rapidly responding to community needs, and increasing unrestricted funding. Some work to lock in these gains, though other funders retrench, slowly rolling back emergency efforts and defaulting back to old practices after the crisis is perceived to be over.

Financial resources for nonprofits return to pre-crisis levels. Funding for leaders of color working more "proximate" to communities increases somewhat as some funders intentionally redirect resources, but levels still lag White-led organizations. Nonprofits looking to change systems face headwinds as complacency sets in.

Hypothetical signals that this scenario is emerging

These potential headlines are intended to be thought-starters, not predictions.

- Production ramps up on new COVID-19 vaccine
- Dow hits new highs; unemployment down
- Congress passes new interim stimulus package
- Limited systemic racism reforms frustrate activists

Implications for the social sector

In this scenario, the relief that comes from a faster-than-expected return to normalcy undermines the opportunity to address deeper inequities and problems. Social sector leaders will need to think hard about interim solutions. Nonprofits will need to figure out how to temporarily adapt their fundraising, staffing, programs, and operations to make it through until a new normal emerges. Funders will need to consider how they can best support grantees to help them weather the storm, while at the same time looking for opportunities to leverage change before things begin to return to a new status quo.

Social fabric unraveled

Scenario 2

Low Crisis, Low Cooperation

At a glance

New treatments and lower mortality rates make the virus an "acceptable risk" for many. The economy recovers as consumer confidence increases. But as the virus is increasingly managed, the divisions stemming from the differential spread of COVID-19 pull communities apart. The disproportionate impact of the crisis on marginalized populations stirs up deep-seated fear, distrust, and fracturing along predictable lines. In particular, racial justice protests become an accelerant that highlights division, entrenchment, and social unrest.

What you would need to believe

- Improved understanding and better treatments of the virus mean that we can flatten the curve and lower the risk of death to "acceptable" levels.
- People observe the unequal effects of the virus and racial injustice, but avoid addressing them productively, preferring to demonize and fight the other side.
- The social sector will operate in an increasingly polarized context.
- With no shared narrative of the crisis, people will struggle to trust and retrench into their existing belief systems.

> "Without social cohesion, the default rallying cry is "protect yourself and the people you care about."[13]
>
> Alejandro Gibes de Gac
> Springboard Collaborative
> May 2020

Impact on the social sector & communities

Philanthropy

As societal divisions and gaps in government programs grow, funders must decide how to respond. Should they fill the gaps? Which ones? Should they more fully check their values and commit to an ideological point of view? Should they maintain the "sensible center" to ease growing tensions?

Nonprofits

Nonprofits, who are still recovering from the pandemic, experience increased pressure and demand as society turns to them to fill gaps as trust in government erodes. The funder-grantee power imbalance grows as many grapple with how to appeal to funders' changing strategies.

Equity

Even under a best case recovery, marginalized communities and proximate organizations serving them suffer disproportionally. With low social cooperation, tensions around racial, ideological, and socioeconomic issues are exacerbated, resulting in deeper divides.

Social fabric unraveled

Scenario 2

Low Crisis, Low Cooperation

A closer look

A manageable virus and a steady economy

We catch a few lucky breaks with the virus. A better understanding of COVID-19 helps us discover more effective treatments, introduce safety protocols, reduce spread, and lower mortality rates. There isn't a silver bullet, but steady improvements make COVID-19 an "acceptable" risk as people inevitably resume more and more activities (albeit altered from the pre-COVID era).

The economic recovery follows this steady improvement as well. Spurred by increasing consumer confidence, economic demand returns over time, though some sectors like restaurants, retail, and travel & hospitality recover more slowly. Unemployment rates trend downward. However, the economic recovery isn't as strong as it could be because additional federal stimulus packages remain stalled by partisan divides.

Even under improving economic scenarios, some groups are left behind. Workers making less than $40,000 per year faced the brunt of layoffs in early 2020 and, while companies rehire most of these workers, the pace is painfully slow. Structurally, more jobs become gigs, continuing pre-crisis trends. But with double-digit unemployment rates for some populations and little national consensus, changes to wage and labor rules stall.

A social fabric unraveling

Despite the economic recovery, the nation cleaves apart along several major fault lines. Partisanship and filter bubbles mean that we can't even agree on facts throughout the crisis. Whether you wear a facemask or trust health experts is predicted by your political views. Conspiracy theories gain real credibility. Some communities experience widespread polling closures while others take weeks to tally mail-in ballots. Allegations of voter suppression are countered with claims of voter fraud. Election results are called into question. A winner is finally declared, though a narrow governing majority combined with bitter gridlock limit additional federal response.

Race relations continue to divide the country. Following additional unjust killings of a series of Black men and women, centuries of racial injustice are laid bare for hundreds of millions of Americans to see. Some cities and states make progress in advancing racial equity, but many advocating for racial justice underestimate the backlash to the movement that emerges. Entrenched interests fight back, inertia is strong, and the movement is caricatured as anarchists who want to abolish police.

COVID-19 turns out to be a spark that ignites long-standing powder kegs. Instead of putting out the fires, divergent opinions fan the flames.

What funders and nonprofits face

Organizations respond quite differently over this time period. Some shift their strategies away from persuading a "sensible center" and more fully commit to their ideological point of view. The use of 501(c)(4)'s increases dramatically as conservative and progressive funders support likeminded organizations. Others look to meet division with collaboration, creating space where people with different viewpoints can come together and develop community solutions.

One silver lining is that a relatively stronger economy helps to insulate stretched nonprofit budgets and resources aren't as scarce as some feared. However, community organizations that are led by people of color face unequal access to capital. Some larger, national organizations see a sharp increase in funding for racial equity.

Hypothetical signals that this scenario is emerging

These potential headlines are intended to be thought-starters, not predictions.

- New drug cocktail showing promise
- Black unemployment remains high as overall rates drop
- Trust in government plummets, survey says
- Protests grow as D.C. gridlocks on systemic racism reforms
- Survey shows COVID-19 behind climate change, racial tensions as top worries

Implications for the social sector

As social and political divides become deeper, the passing crisis worsens existing inequities and responses are viewed through polarized lenses. Many organizations will feel pressure to "pick a side" as the social sector becomes more politicized. It will be important for organizations to get clear about their core values and understand how to operate and affect change in an even more divided world.

A nation on the brink

Scenario 3

High Crisis, Low Cooperation

At a glance

The virus is unrelenting with no cure or effective treatment in sight. The economy craters and it does so in an incredibly unequal manner. Society divides further along existing fault lines and is on the brink of shattering. Governments are gridlocked and additional aid to workers, states, and nonprofits dries up. A slew of municipal bankruptcies ensues and the nonprofit sector faces a major contraction. Protests and counter protests become increasingly common and increasingly violent amidst the chaos. Funders are overwhelmed and act unpredictably. Nonprofits claw for resources in a zero-sum contest.

What you would need to believe

- There is little hope that the virus will be contained, and without a vaccine or effective treatments, people will choose to operate in individualistic ways.
- In times of crisis and without unifying leadership, people will splinter off to fragmented groups that reinforce existing narratives.
- With high scarcity and lack of coordination, nonprofits are forced into a "hunger games" mentality for resources.
- Things can get really bad, really quickly.

> "We're all facing the same storm, but we're not all in the same boat. Some of us are in duct-taped rafts and others are in reinforced cruiser ships and there's really no comparing the vessels."[14]
>
> Tulaine Montgomery
> New Profit
> May 2020

Impact on the social sector & communities

Philanthropy

Failing state and local governments look to philanthropy for bailouts. Faced with gross injustices, public sector demands, and a contracting nonprofit sector, funders are in uncharted waters. Some retrench, while others spend down entirely.

Nonprofits

The sector contracts significantly due to retrenchment from donors and a plummeting economy. Nonprofits must decide how to allocate the little they have. Boards and staff are divided and see community need differently based on their degree of proximity. Trust erodes between funders and nonprofits.

Equity

The unequal effects of the virus and economic recession are described as atrocities. Anger at this injustice is felt by many, but their cries largely go unanswered as those in power choose to divert resources away to other, more mainstream efforts.

A nation on the brink

Scenario 3

High Crisis, Low Cooperation

A closer look

A deadly virus and a collapsed economy

The virus continues to spread across the country and we're unable to halt its spread and flatten the curve. Virus cases rise dramatically through the fall of 2020 as a result of episodic compliance with preventative measures, and then peak in the winter. Medical capacity is stretched, and healthcare workers reach their mental breaking point after seeing months of suffering. The sick overwhelm hospitals in some cities. Worse still, getting infected with the disease only grants short-term immunity and some people get the virus multiple times over 2020 and 2021. As with the annual flu season, experts warn us to prepare for a cyclical "COVID-19 season" that potentially claims 100,000-200,000 lives each year. In terms of treatments, we regularly raise our hopes only to see them dashed by extremely limited advances.

The economy craters as people don't see a real end in sight. Sporadic shortages of medical supplies and other basic necessities become more common as supply chains start to break down. Economic contraction and unemployment levels spike to levels that approach those of the Great Depression. For the first time in a century, food shortages and hunger overwhelm many municipalities.

The effects of the virus and economic contraction are gravely unequal. Communities of color and immigrant communities face constant waves of trauma as unequal systems exacerbate already disproportionate outcomes.

Pulling apart

Against the backdrop of pain and suffering, social cohesion breaks. The crises push democracy to the brink. State governments balkanize over their handling of COVID and several governors attempt to close borders between states to slow the spread of the virus. Election results are challenged amidst polarized debate and have to be decided by the Supreme Court. Internationally, the crisis exacerbates existing skirmishes and large-scale conflict seems closer than at any point in recent memory. Amidst the pain of the virus and the tumult surrounding it, fringe, sometimes dangerous, views gain real traction in many communities.

How funders and nonprofits respond

The social sector faces incredible levels of need but a drastic cut in resources. Many organizations don't make it through the crisis, and those that do need to triage the work they do.

Foundations and their endowments are seen as one of the few remaining sources of funds to support communities. New regulations are proposed to increase minimum foundation payout rates and start taxing endowments more aggressively. And citing the "Detroit Precedent," where a consortium of funders saved an art museum during the city's bankruptcy, municipal governments seek (and then demand) bailouts from foundations. Funders effectively decide which nonprofit organizations survive and which collapse. Funders are portrayed as out-of-touch villains hoarding resources from cities and nonprofits and face heightened regulatory pressures.

There's massive contraction of nonprofits. Hundred-year-old institutions fail. Those that survive struggle to stay on their feet. Nonprofits still respond to community need and work toward systems change as best as they can, but struggle mightily.

Hypothetical signals that this scenario is emerging

These potential headlines are intended to be thought-starters, not predictions.

- Second wave COVID-19 deaths surpass first
- The Greater Depression: Stock market and unemployment at 1930's levels
- Another COVID-19 vaccine fails in trial
- Fiscal stimulus stalls again amidst D.C. gridlock
- Senator proposes "repatriating" endowments

Implications for the social sector

In this scenario, nonprofits and funders will need to begin to consider how they will respond if most other civic infrastructure begins to fail American communities. As things worsen at an alarming pace, organizations will face the unthinkable and need to be prepared to rapidly pivot or pull the "rip cord" on Plan B. It will be important for funders and nonprofits to be clear about the signals that indicate a need for fundamental shift mission or operations; and for nonprofits, that includes when to merge or dissolve.

Rising from the ashes

Scenario 4

High Crisis, High Cooperation

At a glance

The pandemic devastates American communities. Hundreds of thousands of lives are lost and the numbers are growing. The nation mourns and the collective trauma cements the COVID-19 crisis in our national psyche. But history is replete with examples of people coming together in the face of extreme adversity—and that's what happens in communities across the country. Not everyone is along for the ride, but a strong majority of the American population begins to agree that the system isn't working and there is enough cohesion to start to imagine and begin the long road towards a more just and equitable future.

What you would need to believe

- The virus is hard to control, and treatments don't really help. The timeline for a vaccine is a 3-5 year process, not a 1-2 year effort.
- The economy struggles over this time period, much like the decade-long Great Depression.
- Americans find strength through adversity. The severity of the crisis brings out our shared humanity and we collectively find space for listening, healing, and action to fix broken systems.
- The social sector can work through financial resource constraints as funders spend more and nonprofits develop new, leaner models that empower communities.

> "We get a modern era New Deal. The movements for racial, economic and social justice win. But the price is high."[15]
>
> Pia Infante
> The Whitman Institute
> May 2020

Impact on the social sector & communities

Philanthropy

Philanthropy is looked to as a key funder of policy and systems-level change. The needs and opportunities are enormous, but a stagnant economy adds pressure to focus financial resources on the spaces where they can make the most significant systemic difference.

Nonprofits

In a world of financial scarcity, nonprofits develop new approaches and innovations that support communities in creating structural change. Organizations adopt lean operating models and empower community members to direct resources, make decisions, and shape strategy.

Equity

Black, Native American, and Latinx communities, as well as immigrants, frontline workers, and others have a growing voice as the disproportionate impacts from the virus shine a clear light on inequity in our systems. As the country comes together, there is a real opportunity to center these voices in designing what comes next.

Rising from the ashes

Scenario 4

High Crisis, High Cooperation

A closer look

A severe virus and stagnant economy

We never really get the virus under control. It spikes during the fall and winter of 2020. Most treatments are ineffective and vaccine progress stalls. The healthcare system is pushed to the brink, with emergency hospitals popping up in a dozen states. The number of lives lost steadily climb and then even surpass 405,000—the number of Americans who died in World War II. No one escapes the impacts of the virus—especially in communities of color. There isn't really an end in sight.

The economy sputters along but doesn't collapse. Great Depression-levels of infrastructure building, work programs, social safety net spending, and transfers to state governments prevent the worst of the worst. Nevertheless, unemployment jumps as there is only so much demand that the government can create.

Truth, reconciliation, and coming together

The destruction from the virus causes the country to come together and face hard truths. Even though everyone faces loss, racial inequities are so blatant that most Americans can no longer overlook them. That creates a space for truth-telling that Black, Latinx, Native American, and other communities of color face disproportionate hardships because of inequitable systems like access to health care, employment, housing, and justice. The nation then moves towards healing and action. While progress is slow and sporadic at the beginning, it becomes steady by the end of 2021. People realize that these systems aren't just failing communities of color; they're failing everyone.

With higher levels of trust and cohesion, people work together on real structural reforms. Healthcare, climate change, affordable housing, policing, and a revived labor movement are all on the table. Some call for a new social compact that rethinks the way governments, corporations, and civil society interact. Nonprofits and funders work hard to make sure voices of underserved communities are included in conversations about new systems.

The election is historic as a large number of states use mail-in voting. The results are challenged through the winter of 2020, but are ultimately accepted. Throughout 2021, Americans reevaluate the role of the government with real energy for increased federal spending by the end of the year.

What foundations and nonprofits face

The social sector faces some tough choices about what to prioritize. We never really escape relief mode, as communities struggle with meeting basic needs and there is enormous pressure to provide cash, food, and housing to out-of-work families. At the same time, organizations work to balance this urgent need with the perceived once-in-a-generation chance to make progress on key structural reforms. Nonprofits implore funders and donors to fund at greater levels to ensure that the sector can provide direct relief while also working to change entrenched systems.

Funders and nonprofits re-imagine their own practices by moving resources and decision-making more into the hands of grantees and the communities most-affected by the crisis.

Some funders also have an opportunity to re-shape the narrative and intellectual agenda during this time of crisis. Efforts to "re-imagine" capitalism, neoliberalism, and international relations abound, though the level of coordination between funders on these questions remains an open question.

There's also an opportunity to re-think the sector's role with government in a positive way and a renewed openness to use government funding to scale promising social programs.

Hypothetical signals that this scenario is emerging

These potential headlines are intended to be thought-starters, not predictions.

- Another vaccine fails in trials
- Fed revises economic outlook downward—again
- National Affirmative Action bill gains steam
- COVID-19 deaths surpass WWII totals
- More than 500 foundations sign new "Debt Pledge" to increase giving

Implications for the social sector

Out of the throes of devastation, the nation emerges with a growing recognition of the need to fundamentally change our existing systems. Nonprofits and funders need to find a way to balance efforts to meet urgent, basic needs with opportunities to think big about how to catalyze systemic change. Social sector leaders will also have a critical role in working to make sure that constituent voices are heard in the midst of larger change processes.

What to do with the scenarios

This document is intended to serve as a launching pad for planning and action, providing initial tools and ideas to help funders and operating nonprofits with the difficult task of preparing for the future during a time when so much is uncertain. But its greatest value will come from how the resources can be adapted to fit the specific nuances and context of your organization. We recommend four different activities to help apply our findings in your work:

01
Make the scenarios your own

Our general scenarios can help push your thinking, but it may be even more valuable to tailor the uncertainties and scenarios to fit your organization and the people, places, and issues you care about.

Adapt the four scenarios

- You don't need to re-invent the wheel, but it may be helpful to tweak the four scenarios to make them more relevant for your organization, issue area, geography, or constituencies. For example, a K-12 education organization might add more detail regarding the economic impact on local taxes used to fund education programs while also looking at the level of social cooperation between parents and teachers. Keep the spirit of each scenario, but add important details for your work.

Customize the axes

- For the "Length and Severity of the Crisis" axis, add important details for your organization. What does the virus look like in your community? What economic factors are most relevant for you and your constituencies? How are your state or local policies addressing the health and economic impacts of the crisis?
- For the "Level of Social Cooperation" axis, consider what kinds of cooperation would be most important to your organization. National, political cooperation? Within your community? Between funders and nonprofits in your field? Discuss what high or low levels of cooperation would look like in these areas.

Create entirely different scenarios

- We don't recommend undertaking this lightly, but your organization may choose to create two new axes and four new scenarios based on the uncertainties that are most critical for you. Monitor Institute by Deloitte's book, What If? The Art of Scenario Thinking for Nonprofits, can be a valuable resource if creating new scenarios feels appropriate for you.

02
Find your anchors

For however long we are dealing with effects of COVID-19 crisis, having clarity about your core beliefs, values, and principles can help ground the many decisions your organization will need to make over the coming months.

Name your underlying values.

- Identify the core values that define your work, so that you know what to hold firm on if you need to quickly respond to changing conditions. Talk through your hidden assumptions and discuss what you see as the role of the social sector, and of your organization, in these crises.

Identify what you can influence and your role in the ecosystem

- While much is outside our control, scenarios aren't fixed. You can identify actions you can take now and with others to promote better outcomes. Where can your efforts most make a difference towards a more desired future?

Consider your boundaries

- Talk about what decisions, if they turn out to be incorrect in hindsight, you could live with. If you spend more now to respond to urgent needs, are you comfortable that your organization may have less resources in the future? If abbreviated due diligence processes lead to more failures, would that be a problem? You won't get every decision right, and it helps to talk explicitly about what tradeoffs you can accept.

What to do with the scenarios

03
Test your current strategy against each scenario and explore how your organization might adapt

Ask the tough questions about your mission, strategies, and operations in each different scenario. In addition, use the scenarios as an opportunity to explore topics that you might not normally consider.

Imagine that your organization is living in each scenario

- Take a deep breath and really try to feel what it would be like to live in each of the four scenarios. Do your best to meditate and clear your head. Try to experience the emotions of living in each scenario—fear, anger, joy, surprise, etc. This sounds cheesy, but it really helps.
- Also think about how one of your constituents (for nonprofits) or grantees (for funders) would experience the scenario.

Understand how your strategy and operations would fare in each scenario

- Unpack the key assumptions about your programming and/or grantmaking strategies. What would still work in different futures? What would need to shift? What might you need to abandon entirely?
- Evaluate your operations in each scenario. What would each scenario mean for your fundraising? Staffing? Digital infrastructure?

Explore less incremental actions

Don't ignore more significant changes that you might make in some of the scenarios. For example:

- Under what conditions would you reframe your mission or stake out a bold moonshot initiative?
- When would you consider taking a strong, values-driven, ideological stance? What would that look like for your organization?
- What new or unlikely partnerships might you consider?
- For funders, what would it take for you to double or triple your payout rate, or even consider spending down? For nonprofits, consider what emergency financing you could access, or even how you might explore mergers or dissolution in the worst case.

04
Develop a plan for 12 to 18 months, in 6 month increments

Planning in these conditions is not about having a full operational plan for each scenario, but about having sufficient flexibility and choices as conditions change.

Create a roadmap that enables you to adapt quickly

- Set a direction, identify strategic elements at high risk under changing scenarios, prioritize opportunities to explore, and determine criteria for shifting course.

Be intentional about equity

- The COVID-19 crisis is contributing to disparate health, economic, and racial outcomes. At the same time, a movement for greater racial justice is gaining traction and social sector leaders are being called upon—and calling for others—to respond and change their practices. As you develop your plans, apply a clear equity lens both to your external work and to your values, statements, strategies, and internal processes.

Develop processes to monitor signals

- Once you have a plan, consider what signals you can track to understand which scenario we're moving toward and how you might make adjustments to your plans as new information appears. The processes don't need to be fancy. It could be as simple as keeping a bulletin board where people can post relevant articles for future discussion and then periodically assessing the implications of the signals you've collected—especially signs that suggest we may be heading towards one scenario or another.

Takeaways for the social sector

As you reflect on what the scenarios mean for your organization, also consider the macro- level impacts on the broader social sector. Here are a handful of the most critical takeaways that emerged from our interviews:

Multiple, compounding crises are resulting in devastating blows to American communities (especially communities of color)—but also a potential opening to drive forward fundamental change

As Mario Morino of Morino Ventures LLC noted, "We're now dealing with three crises at the same time: a health crisis, an economic crisis, and a social justice crisis."[16] These challenges are intersecting and compounding one another. COVID-19 is increasingly not only a "lead story" but also the "background setting" in which other crises are playing out.[17] This dynamic is also true for the push for racial justice following the killing of George Floyd and other Black men and women. As organizations (across sectors, issues, and geographies) go about their other critical work, they are doing so while grappling with systemic racism in both their external actions and their internal practices and cultures. The interrelated crises are exacerbating many existing fissures in American systems, and the visibility of the disproportionate impacts on communities of color will increase pressure not just to manage the consequences of the crises on these populations, but to address the deeper root causes behind many systemic inequities.

Nonprofits and funders will live in the same context, but experience it in very different ways

There is a prevailing ethos in the social sector that funders and nonprofits are working together to face the same crisis. But the pandemic will leave far greater and more lasting financial and operational distress for nonprofits. While some funders are experiencing setbacks, most are relatively well positioned to manage through the crisis given existing endowments and possible inflows of resources from living donors. This has the potential to significantly exacerbate already imbalanced power dynamics between funders and grantees at a time when public critics are already questioning growing economic inequality. As our Monitor Institute colleague Allan Ludgate explained to us, "All in all, philanthropy may be the safest haven in the American economy right now. I think the contrast between that and the day-to-day reality for grantees will be weird at best and dystopian at worst."[18]

The role of the social sector will be significantly determined by how federal, state, and local governments are able to respond to the crisis

Limits on stimulus spending and budget cuts may drastically impair the ability of state and local governments to provide health, education, and other social services. If government agencies are forced to retrench, it will leave enormous pockets of need that nonprofits and funders will be asked to fill—even though they do not have anything close to sufficient resources to cover the gap. This shifting dynamic between government and the social sector—not to mention the efforts of the private sector in recovery efforts—opens up the potential for a significant reconsideration of the roles and relationships between the sectors in the coming years.

How private funders respond to a potentially significant nonprofit contraction will matter

If earned revenue, individual donations, and government contracts to nonprofits dry up, institutional funders will often be the last backstop for many nonprofits and infrastructure organizations. Some funders are adopting a "no regrets" mentality, taking unprecedented measures to increase spending to keep nonprofits afloat over the next 1-2 years (such as the innovative social bonds issued by the Ford Foundation and several other major funders to allow themselves to significantly increase their payout rates over the next two years. Others are thinking about how to redirect funds from their focused strategies toward immediate relief for basic needs in the communities where they operate. And still others posit that philanthropy doesn't have the resources to meet all of the needs that will emerge from the crisis, and that with new opportunities for change emerging in the crisis and additional crises (such as climate change on the horizon, they need to "keep powder dry." Each funder will need to find the right balance across these very different—and often competing—types of community needs.

Many organizations will be torn between investing in high-risk, high-reward opportunities for systems change and a desire for a return to normalcy

Periods of major systemic change in the United States have often been preceded by significant disruption, unrest, and economic upheaval. In the midst of current crises, some organizations may find an unprecedented window of opportunity to change entrenched systems, while others will yearn for a return to "normal" where their existing resource and delivery models allow them to deliver important and successful programs.

Conclusion: Nudging the future your way

It is common for organizations to operate with an "expected version" of the future that no one really stops to question. But in this moment of hyper-uncertainty, our conversations with social sector leaders suggest that organizations are preparing for wildly divergent expected futures. Some are planning for a relatively quick recovery and stabilization of their work. Others are preparing for an extended Great Depression level of dislocation. It remains unclear whether the COVID crisis is simply a devasting but passing *event*, or the start of fundamentally different *era*.

We don't know which of these realities (or others) might unfold. But there are a wide range of possibilities in play, and we know that it's never a good bet to bank on a single, expected future.

We created this guide to help social sector organizations begin to think and talk about the future in a structured and productive way that embraces the many possible scenarios that may unfold. We have found that the most resilient organizations are those that have a broader array of choices and alternatives as the future twists and turns—and our hope is that the work here can help funders and nonprofits figure out how to plan and move forward amidst the uncertainty.

As we mentioned earlier, this document is only meant to be a starting point. The true benefits will come from adapting the work to your specific issues, places, and organizations, and working through the strategies that will help you push forward toward your goals in and across the different possible futures that may emerge. The Monitor Institute by Deloitte and Deloitte LLP are committed to helping social sector organizations in this challenging work.

Because even as many of the scenarios we portray here don't feel especially positive, we remain hopeful. The social sector has a real opportunity to meet the moment by stepping forward with bold action and leadership in a national time of crisis. Funders and nonprofits may not be able to control the future, but it's critical that we all keep working to do what we can to influence its trajectory. As author Rebecca Solnit emphasized in an April piece in *The Guardian*:

> [H]ope is not optimism that everything will be fine regardless. Hope offers us clarity that, amid the uncertainty ahead, there will be conflicts worth joining and the possibility of winning some of them. And one of the things most dangerous to this hope is the lapse into believing that everything was fine before disaster struck, and that all we need to do is return to things as they were. Ordinary life before the pandemic was already a catastrophe of desperation and exclusion for too many human beings, an environmental and climate catastrophe, an obscenity of inequality. It is too soon to know what will emerge from this emergency, but not too soon to start looking for chances to help decide it. It is, I believe, what many of us are preparing to do.[19]

Or more pointedly, as Antony Bugg-Levine, the CEO of the Nonprofit Finance Fund, explained to us, "I have no idea what's going to happen, but I know what I'm going to fight for." [20]

We hope our work here can help.

Endnotes and additional resources

Endnotes

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13. Alejandro Gibes de Gac, Deloitte Interview, Springboard Collaborative, May 2020
14. Tulaine Montgomery, Deloitte Interview, New Profit, May 2020
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17. Venkatesh Rao, From Story to Setting, Breaking Smart, May 2020
18. Allan Ludgate, Deloitte Interview, Monitor Institute by Deloitte, June 2020
19. Rebecca Solnit, 'The impossible has already happened': what coronavirus can teach us about hope, TheGuardian, April 2020
20. Antony Bugg-Levine, Deloitte Interview, Nonprofit Finance Fund, May 2020

Further COVID-19 Scenario Planning Resources

The World Remade by COVID-19: Recover: Planning scenarios for resilient leaders Written for global business leaders, Deloitte and Salesforce worked with some of the world's best-known scenario thinkers to consider the societal and business impact of the pandemic. A team of Deloitte leaders adapted the scenarios to look specifically at higher education as well.	Salesforce and Deloitte | April 2020 Online
Scenarios for the COVID-19 Future A short-term scenario planning process that envisions where America might be by the State of the Union address in January 2021.	Arik Ben-Zvi and Dr. Steve Weber | May 2020 Online
COVID-19 and the New Future for Nonprofits and Foundations An accessible workbook for social sector organizations looking to develop their own visioning and scenario planning process.	Trista Harris | April 2020 Online
Making Sense of Uncertainty: Nonprofit Scenario Planning in the COVID-19 Pandemic A guide by the Bridgespan Group to help nonprofits catalog the key risks facing their organization and develop scenarios around those risks.	Lindsey Waldron, Robert Searle, Alexandra Jaskula-Ranga | May 2020 Online

Interviewee acknowledgements

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Dan Cardinali (Independent Sector)
Emily Cherniack (New Politics)
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