



Nonprofit Association  
of Washington



## ARPA TOPLINE NARRATIVE

*The American Rescue Plan Act (ARPA) is an opportunity for Washington to put the wellbeing of communities first. Our communities need help and nonprofits have been the bedrock of connecting with and uplifting Washington communities, especially during times of crisis and recovery.*

# What Nonprofits Want Government Partners to Know

Washington communities need our help, and the American Rescue Plan Act (ARPA) offers us a unique opportunity to invest in activities that strengthen our people, our communities, and our economy.

During the COVID crisis, we have seen that **nonprofits are vital to providing both relief and recovery to our communities**. Nonprofits are providing increased food assistance, mental health supports, childcare, and housing. They are training and placing people in jobs, educating children and adults, and caring for animals and our environment. Arts and cultural organizations are poised to revitalize our main streets and inspire communities. Nonprofits have responded to new needs but are feeling the strain of doing more with less, working long hours with fewer volunteers, and spending down limited reserves.

**Nonprofits are the foundation of our communities.**

That is why elected officials from all political perspectives turn to charitable organizations in their communities to deliver essential, cost-effective results. And that is why nonprofits need your support to help our communities as we continue to address COVID and recovery from this crisis.

**ARPA is intended to include support to nonprofits.**

ARPA § 9901 declares that state, local, Tribal, and

territorial governments may use their State and Local Fiscal Recovery Funds to provide “assistance to households, small businesses, **and nonprofits**, or to aid impacted industries” (emphasis added).

The State and Local Fiscal Recovery Funds from ARPA are unique in the federal response to the COVID crisis because they empower state and local decisionmakers to partner with nonprofits and businesses to target and solve specific challenges in communities. **We urge state and local leaders to engage nonprofits in the process of setting these priorities and in designing fund distribution processes that ensure that the funds reach communities most in need.** Nonprofits have the community knowledge, often serve communities disproportionately impacted by COVID, and have proven their ability to scale up to meet new needs. However, nonprofits can best put government funding to work if they are not faced with burdensome bureaucratic requirements or narrow restrictions regarding how the funding can be used. Washington Nonprofits has guidelines to help you create an effective grants or contracting process.

**Our communities in Washington need help to address and recover from COVID-19, and nonprofits across our state are here to help.**





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## ARPA KEY MESSAGES

# Nonprofits are Vital to Recovery

## Nonprofits are vital to our state's economic and social recovery.

Nonprofits support our communities across the state in areas ranging from childcare to culture and from healthcare to conflict resolution. Our sector is essential to recovery from COVID-19, providing childcare so parents can return to work, mental health services for grieving families, and bringing life back to main streets.

## Most nonprofits are small businesses.

**Nonprofits are a vital part of the workforce in communities across Washington, and should be included in economic recovery programs targeting small businesses and job retention.**

The vast majority of nonprofits are small businesses and nonprofits represent 10% of the private workforce in our state.

## Nonprofits offer good jobs.

Prior to the pandemic, **Nonprofits employed nearly 270,000 people and paid more than \$13 billion in wages annually in Washington.** These jobs pay better than equivalent for-profit jobs in healthcare, education, human services, and other fields. While nonprofit jobs have recovered somewhat, they are still down 6% nationally as of May 2021. **That means an estimated 16,000 missing nonprofit jobs in Washington state.**

## Nonprofits are financially fragile, and many are at risk of closure.

49% of nonprofit revenue comes from fees for services (ticket sales, tuition, etc.), and this income was reduced by 58% during the pandemic. Nonprofits do not have significant financial reserves to weather downturns. **Prior to the pandemic, 46% of nonprofits surveyed in Washington reported having less than 3 months of reserves.**

