

The Impact of COVID-19 on Community-Based Nonprofits and the Roles of Community-University Partnerships: A Study of a Community-University Partnership in Pontiac, MI



ACTION-RESEARCH

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ABSTRACT

Nonprofits play vital roles in delivering services, strengthening communities, and facilitating civic engagement, as they are deeply rooted in the community and aware of its fundamental needs. However, COVID-19 significantly interrupted nonprofits' activities and program operations. This study investigates the impact of the pandemic on the nonprofit sector in Pontiac, Michigan, a city characterized by high levels of poverty and racial diversity, the support nonprofits have been in need of since the pandemic, and the roles of community-university partnerships in mitigating long-term impacts of the pandemic. This study suggests that COVID-19 significantly disrupted nonprofits' programs and service provision and dramatically decreased resources such as financial donations and volunteers. Although the pandemic affected nonprofit organizations across the United States, its impacts were not uniform. Guided by a community-based participatory research approach, this study deepens our understanding of the impact of COVID-19 on community-based nonprofits in a vulnerable community and the important roles of community-university partnerships. We used data collected from 35 community-based human service nonprofit organizations in Pontiac. Our analysis revealed that 1) the pandemic significantly disrupted nonprofits' activities due to increasing community needs and decreasing resources, but the extent of the impact varied as a function of the nonprofits' financial capacities and board size and diversity and 2) nonprofits expect community-university partnerships to function as bridges to promote collaboration and support for building capacity.

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INTRODUCTION

Nonprofits play vital roles in delivering public services and strengthening communities, as they are often deeply rooted in their community and aware of its fundamental needs. However, the COVID-19 pandemic significantly disrupted nonprofits activities and program operations nationwide due to event cancellations, delays in grant processing, and a dramatic decrease in volunteer resources and donations resulting from social distancing requirements and widespread uncertainty (Newby & Branyon, 2021; Stewart et al., 2021). While the pandemic affected communities across the country, it disproportionately affected vulnerable communities characterized by high proportions of racial and ethnic minorities and low-income individuals (Gaynor & Wilson, 2020). Many human service nonprofits serving low-income, vulnerable, and disadvantaged populations experienced a dramatic increase in service demand while struggling with uncertainty, staff shortages, and limited resources during crises like the pandemic (Kim et al., 2024; Santos & Laureano, 2022). To help address the complex array of problems their community faced during the pandemic, nonprofits often collaborated with local universities (Haidar et al., 2021). This study explores the effects of COVID-19 on human service nonprofits in a community with high racial diversity and poverty levels, as well as the roles of community-university partnerships in mitigating the challenges these nonprofits face.

Nonprofits function as community representatives because their activities contribute to the overall well-being and development of communities. Nonprofit leaders are recognized as legitimate community representatives—they understand a community's needs, provide required services, and have earned the trust of community members (Mosley & Grogan, 2013). Human service nonprofits are particularly susceptible to health and human crises like the COVID-19 pandemic, given that they play a primary role in responding to crises, addressing community needs, providing direct services on behalf of the government, and collaborating with the government and other community partners (Azevedo et al., 2022; Brudney & Gazley, 2009). However, the COVID-19 pandemic disrupted nonprofits' normal operating procedures and their continuity of service (Mumford, 2022; Santos & Laureano, 2022). While numerous studies have focused on the impact of the pandemic on nonprofits' financial resources, its effects on service delivery or operation have yet to be adequately explored (Azevedo et al., 2022; Newby & Branyon, 2021; Shi et al., 2020).

Nonprofits often build partnerships with universities to address community needs and complex ongoing issues as universities are hubs of research and expertise with access to various resources such as equipment, healthcare facilities, and skilled personnel (Suarez-

Balcazar et al., 2004). Universities furthermore often possess the ability to mobilize student volunteers and donations. The COVID-19 pandemic highlighted the importance of collaboration between communities and universities for addressing complex public health- and community-focused challenges (Haidar et al., 2021). However, the ways in which communities and universities worked together and the benefits that nonprofits expected to gain from these partnerships to mitigate the long-term impacts of the pandemic have only been rarely studied. The Oakland University Pontiac Initiative (OUI) is a community-university partnership committed to advancing the community of Pontiac, MI and enhancing experiential learning opportunities for students. Using quantitative and qualitative data collected from 35 community-based nonprofits and guided by community-based participatory research (CBPR), we aimed to understand (1) the impact of COVID-19 on human service nonprofits in a vulnerable community characterized by high rates of poverty and racial diversity and (2) the roles of community-university partnerships in mitigating the long-term impacts of the COVID-19 pandemic.

OUI: A COMMUNITY-UNIVERSITY PARTNERSHIP

Pontiac is a diverse Rust Belt city located in central Oakland County in Michigan, roughly 20 miles north of Detroit. Its population grew rapidly with the expansion of the automobile industry in the 1920s and 30s. However, Pontiac experienced significant deindustrialization due to the decline of the automobile industry, leading to a substantial loss in its tax revenue base as automobile plants closed and many residents left beginning in the 1980s (Alamy, 2012). While Oakland County is one of Michigan's wealthiest counties, Pontiac is one of the state's most impoverished cities. The poverty rate in Pontiac is 26.7%, which is 3.2 times higher than the mean rate in Oakland County. The median annual household income in Pontiac is less than half that of Oakland County. Pontiac is a community of color; more than half of its residents identify as non-Hispanic white (49% Black or African American and 20.6% Hispanic or Latino) (U.S. Census Bureau, n.d.).

Oakland University and the city of Pontiac co-created the OUI in 2014. This public university-municipality model of collaboration aimed to build a sustainable, mutually beneficial relationship between OU and the Pontiac community. This partnership connects Pontiac-based entities with OU faculty, students, programs, and resources to address issues of concern for city residents while creating learning and research opportunities for OU students and faculty via community engagement projects (Oakland University, n.d.). There are six major

areas of focus—so-called “Pillars”—within the OUPI: 1) arts & culture, 2) PK–16 education, 3) nonprofits and neighborhoods, 4) civic engagement, 5) economic workforce development, and 6) healthcare and wellness. Each Pillar focuses on one of these areas and has its own goals, activities, and leadership. A Pillar’s leadership is composed of two “Pillar Leads,” one representing OU and the other representing Pontiac, and one or two “Community Partner(s),” who provide guidance as subject matter experts in the area of focus. These Pillar leaders contribute expertise and resources and share decision-making and ownership. Involving community partners in leadership roles is particularly important for revealing the needs of the community; doing so additionally provides opportunities for valuable collaboration. The Core Team, which is the governing body of the OUPI, is also composed of representatives of all partners, including OU faculty, the deputy mayor of the city of Pontiac, and community group leaders.

The leaders of the OUPI build trust-based relationships through open communication. They hold a monthly Pillar leadership meeting to share their activities and projects, and they report quarterly to the Core Team on the progress of their activities, such as budgets spent, OU student involvement, and the impact of the project. Each Pillar also presents its main projects and outcomes to the community at an annual town hall meeting; there is a breakout session to discuss ongoing projects and obtain feedback from community members. Also, service-learning has been actively used to build mutually beneficial relationships between the community and university. One of OU’s most important priorities is community engagement with faculty and staff committed to involving students in service-learning. As a result, hundreds of students have participated in various community service-learning projects. Additionally, the OUPI provides funding opportunities for community organizations. For example, it provided \$75,000 in community impact sponsorship awards to a number of nonprofits that requested support for projects to positively impact the Pontiac community. Because of these efforts, the partnership has been successfully sustained for a decade. In June 2023, the OUPI was recognized as a national community engagement model by the American Association of State Colleges and Universities (AASCU), earning the inaugural AASCU Excellence & Innovation Award. Furthermore, OU received the 2024 Carnegie Community Engagement Classification from the American Council on Education (ACE) and the Carnegie Foundation for the Advancement of Teaching, which is the leading institutional assessment of outstanding community engagement in US higher education.

This study focuses on the role of the Nonprofits and Neighborhoods Pillar, which is devoted to serving nonprofits in Pontiac. This Pillar is led by two leaders: the

senior director of the Office for Student Involvement at OU and the director of Grants and Philanthropy in the city of Pontiac. There are also two community partners who are executive directors of local nonprofits. Nonprofits in Pontiac have exhibited resilience in serving the community despite experiencing economic hardships. However, they have struggled with a lack of resources and support, which has prevented them from working collaboratively. More importantly, there has also been a lack of trust and communication between nonprofits and the local government. Since the OUPI was established, the Nonprofits and Neighborhoods Pillar has focused on understanding the needs of nonprofits in the city and identifying ways to foster communication between nonprofits and local government. However, the leaders of the Nonprofits and Neighborhoods Pillar were uncertain about the roles they should play within the nonprofit community and the expectations nonprofit organizations had for the Pillar. Meanwhile, many human service nonprofits in Pontiac struggled to meet the increased demand for services during the COVID-19 pandemic. These challenges led Pillar leaders to initiate this CBPR project, aiming to better understand the impacts of the pandemic, the support nonprofits need, and how the Pillar can help build nonprofits’ capacity and promote collaboration.

METHODOLOGY

This study was guided by a CBPR approach, which refers to a collaborative process between community-based organizations and universities (Weiner & McDonald, 2013). This approach renders research more responsive to existing needs and important ongoing community issues because it involves all partners and researchers working together on some or all of the research steps (Christopher et al., 2008; Weiner & McDonald, 2013). In this study, community and university partners—including nonprofit leaders, city government officials, and university faculty and staff in the Nonprofits and Neighborhoods Pillar—were involved in the entire research process. They worked collaboratively to identify and address problems relevant to the community and implement and share the results of their work. The leaders of the Nonprofits and Neighborhoods Pillar recognized the uptick in community needs at the start of the COVID-19 pandemic and initiated research on the impact of the pandemic on nonprofits. The leaders’ goal was to increase awareness of the Pillar and actively support their community; they furthermore wished to understand nonprofits’ needs and their expectations related to this Pillar. After talking with the nonprofit leaders, OU faculty developed a survey. A pilot of that survey was first conducted from January through April 2022 with the support of eight community-based

nonprofits selected by members of the Nonprofits and Neighborhoods Pillar. Next, the survey was modified and reviewed by the committee members and OU faculty members. While community-based nonprofit leaders were integrated into the project as knowledge partners (Stern, 2019), an OU faculty member led the project as principal investigator. The research was approved by the OU Institutional Review Board. The survey questions were developed to explore (1) general information about the nonprofits, (2) the nonprofits' expectations of and familiarity with the Nonprofits and Neighborhoods Pillar, (3) the impact of COVID-19 on nonprofits, and (4) the nonprofits' collaborative relationships.

DATA COLLECTION AND ANALYSIS

To understand the impact of the COVID-19 pandemic on nonprofits and the support they expect to receive from the Nonprofits and Neighborhoods Pillar, we identified 97 human service nonprofits located in Pontiac using a two-stage process. First, human service nonprofits were identified using the website [guidestar.org](https://www.guidestar.org). We only included active nonprofits that had submitted an IRS 990 form for the past three years. Then, small community-based nonprofits whose annual revenues fell below the threshold for IRS reporting were identified via the city of Pontiac and the Nonprofits and Neighborhoods Pillar's contact list. Second, the Nonprofits and Neighborhoods Pillar committee members reviewed the organization list and made additions to the original list. Three organizations were accordingly added to the list.

We then sent out an online survey (Qualtrics) to the executive directors and managers of the 97 organizations. We reached out to executive directors first because they have an unparalleled understanding of their organization and are often gatekeepers of organizational collaborative relationships; they additionally possess knowledge about financial and strategic planning information (Snively & Tracy, 2000). The survey was conducted from March to the end of June 2023. After sending out the first email, a community partner of the Pillar followed up with a reminder email every two weeks from March through May. Of the 97 identified nonprofits, 35 (36%) responded to the survey and 24 (26%) completed it. Stata software was used to conduct quantitative analysis of the data. An OU faculty member also qualitatively analyzed the open-ended questions in the survey by looking for patterns in the responses.

The OU faculty then shared the results in the form of a full report and presented them to the members of the Nonprofits and Neighborhoods, an OUPI Core Team coordinator, and nonprofit leaders in the community at a monthly meeting. While presenting the results, the

committee members and nonprofit leaders shared their thoughts and experiences regarding the interpretation of the findings. Furthermore, the faculty member asked questions about any ambiguous findings to clarify the thoughts and feelings of the participants. This situation was particularly true for the qualitative analysis of the open-ended questions. For example, the faculty member asked about the specific meaning of "lack of trust" in the community, what collaboration really means to nonprofits, and why it is so important. The full report, containing the final analysis, was shared with committee members in a subsequent meeting. Finally, the results were presented at a town hall meeting held in October 2023.

FINDINGS

The majority of the respondents were executive directors (55%), followed by program managers (17%) and board members (17%). Table 1 summarizes the characteristics of the participating organizations. On average, the organizations had roughly three different revenue streams: private donations (43%), government grants (23%), and foundation support (17%). The organizations' average annual income was \$2.3 million; the organizations' median income was \$225,000. The average age of the organizations was 25.0 years; the median age of the organizations was 10.5 years (one outlier had a 150-year history). The organizations had 15.6 employees on average, and 18 of them (75%) indicated that more than 50% of their employees were professionals.

Table 2 summarizes the leadership and racial diversity of the participating organizations. On average, the organizations had 9.5 board members. Black, Indigenous, and people of color (BIPOC) board members accounted for 46% of all board members, on average. Participants reported that Black (70%) and Hispanic (19%) constituted the majority of BIPOC board members. Six of the organizations (25%) did not have any racial diversity on their boards; two boards (8.3%) were 100% white, and four boards (16.6%) were 100% Black or African American. There was fewer than one Hispanic or Latino board member on average per board, and most boards did not contain any Asian and Indigenous, Native American, or Alaskan Native individuals. The number of male and female executive directors was roughly equal (females held a slight lead with 54%). There were no Latino or Hispanic executive directors despite 20.5% of the population of Pontiac being Hispanic or Latino. Considering the demographics of the city, Hispanic and Asian populations are not well represented in the organizational leadership of the participating organizations.

ORGANIZATIONAL CHARACTERISTICS	MEAN	MEDIAN	MIN	MAX	SD
Annual revenue (thousand USD)	2,298	225	0	40,000	8,378
Number of funding sources	2.96	3.5	0	5	1.52
Funding sources (%)					
Government funding (%)	22.6	10	0	97	28
Foundation support (%)	16.6	9	0	67	20.3
Fee-for-service (%)	2.3	0	0	41	8.5
Private donation (%)	43	40	0	100	35.6
Corporate contribution (%)	5.2	0	0	24	7.6
Membership fee	3	0	0	50	10.4
Number of Full-time employees	15.6	2	0	250	51.3
Professional employees* (%)	53.9	62.5	0	87.5	37.3
Organizational age	25	10.5	2	150	31.9

Table 1 Organizational size and funding sources of participating organizations (n = 24).

*Employees who have professional degrees, certificate, or training.

	MEAN (SD)	MIN	MAX
Number of Board Members	9.5 (5.35)	4	24
Number of volunteers (per month)	29 (46.64)	0	200
Employee BIPOC	0.40 (0.38)	0	0.88
Board BIPOC	0.46 (0.34)	0	1
Volunteer BIPOC	0.41 (0.38)	0	0.88
CEO BIPOC	0.38 (0.49)	0	1
CEO gender	0.65 (0.49)	0	1

Table 2 Racial diversity of the organizations (n = 24).

THE IMPACT OF COVID-19 ON NONPROFIT ORGANIZATIONS

The impacts of COVID-19 were most evident in service provision and resource reductions, especially in donations and volunteers (Table 3). Most of the participating organizations had experienced disruptions in their service provision. The majority of the organizations (83%) experienced ‘somewhat more’ or ‘to a greater extent than usual’ disruptions in their service provision. Although most organizations reported some disruption in service provision and operation, only about 10% of programs were discontinued during the pandemic (Table 3). The majority of the organizations (63%) never stopped providing programs or services; only nine of them had to stop some of their operations. Of those organizations that had to stop their programs or services, five (56%) stopped fewer than 25% of their programs; only one

IMPACT OF THE PANDEMIC	MEAN (SD)	MIN	MAX
Program disruption	4.25 (1.03)	2	5
Program operation stop (%)	10.04 (0.17)	0	62.5
Decrease in overall revenue	2.45 (1.61)	1	5
Decrease in gov. grants or contracts	2.30 (0.97)	1	5
Decrease in fee-for-service	2.59 (1.22)	1	5
Decrease in donation	3.78 (1.35)	1	5
Decrease in volunteers	4.22 (1.16)	1	5

Table 3 Decrease in resources and disruption in service/program (n = 24).

Note: To measure the decrease in resources, we used five Likert scales including, ‘greatly decreased (5)’, ‘somewhat decreased (4)’, ‘neither decreased nor increased (3)’, ‘somewhat increased (2)’, and ‘greatly increased (1)’.

organization reported that they stopped 50–75% of their programs.

COVID-19 severely affected the financial and human resources of nonprofits, but the extent of its impact varied among organizations depending on their revenue sources and leadership. We noted discrepancies in budget decreases among the nonprofits; more than half of the participating organizations (54%) reported increased revenues and six organizations (25%) reported decreased revenues. Private donations, in particular, decreased while government grants increased during the COVID-19 pandemic: two-thirds of the organizations reported a ‘somewhat’ or ‘great’ decrease in private donations, and 63% reported a

‘somewhat’ or ‘great’ increase in government funding due to government support. As shown in Appendix, a decrease in donations was one of the most significant impacts on nonprofits during the pandemic. This decrease in donations was also positively correlated with decreases in other resources, such as volunteers ($r = .38, p < .1$), budget ($r = .43, p < .05$), and program disruption ($r = .35, p < .1$). Furthermore, the percentage of donations over the total budget is negatively correlated with the percentage of government grants over the total budget ($r = -.62, p < .01$); that latter was in turn negatively correlated with the impact of the pandemic such as budget decreases ($r = -.37, p < .1$). Nonprofits that relied heavily on donations, therefore, have been more severely affected by the pandemic. Another resource that was severely impacted by the pandemic was volunteer support: 19 of the organizations (79%) reported a ‘somewhat’ or ‘great’ decrease in their volunteer base.

In addition, a nonprofit’s board size and its racial diversity were strongly correlated with the impact of COVID-19 and organizational resources. We found that board size was negatively correlated with budget decreases ($r = -.53, p < .01$) during the pandemic but positively correlated with revenue size ($r = .44, p < .05$), government funding (%) ($r = .44, p < .05$), the number of full-time employees (FTE) ($r = .65, p < .01$), and organizational age ($r = .45, p < .05$). This finding suggests that board size is associated with resource acquisition. However, interestingly, a board’s BIPOC representation was positively correlated with discontinuation of programs and services ($r = .54, p < .01$) and negatively correlated with both revenue size ($r = -.56, p < .01$) and revenue diversification ($r = -.47, p < .05$). This result indicates that a higher proportion of non-white board members is negatively related to resource acquisition and revenue diversification, which, in turn, may lead to more severe pandemic-related impacts.

Participating organizations also reported that one of the most significant COVID-19-related challenges they faced was a disruption in program and service provision. Many nonprofits were uncertain about how to assess their community’s needs and available resources. They also attempted to communicate with clients but were hindered by social distancing requirements and limited technical capacity. Many activities and programs were canceled, and the ability to work in collaboration was limited. The respondents commented that,

“It is difficult to figure out what is available, what kind service the community needs, and who need our services. We need to rethink the services we provide and the method we deliver them.”

“Creating an information signal of what is available, to those who need our services, that rises above the noise and distractions of all the information they are being bombarded with.”

Furthermore, the significant decrease in volunteers and donations resulted in disrupted service delivery. Many nonprofits reported a significant downturn in the availability of volunteers and interns to support their services and programs. The organizations also struggled to secure adequate funding for the required staff and service delivery because of the dramatic drop in donations and an increase in community needs. Nonprofits that relied heavily on donations were severely impacted by the pandemic, facing difficulties in connecting with potential funders during the pandemic. Some nonprofits also reported a dramatic decrease in donations after the pandemic despite an ongoing need for crisis assistance. They expressed concern about sustained decreases in funding and volunteers in the post-pandemic era in light of the need to continue providing assistance to the community. Rising costs due to inflation after the pandemic were also noted by several organizations. In addition, nonprofits expressed a desire for funding, not only to help people in need of immediate services but also to build their organizational capacity to deal with external shocks like pandemics. Nonprofits need support to enhance their ability to reevaluate fundraising strategies, improve volunteer recruitment and management, advance technology, and build capacity.

“Volunteering is down significantly during the pandemic and reengaging volunteers to be in person after the pandemic is challenging.”

“There is still a need for crisis assistance but many funders have moved away from this with the pandemic ending. The people we serve are the last to recover from any crisis and often the supportive funds are pulled long before they have recovered.”

“Funding is always a struggle. We have grown fast, but capacity building funding is necessary. We could use more capacity building funding.”

THE EXPECTED ROLES OF THE COMMUNITY-UNIVERSITY PARTNERSHIP

We posed questions about the roles the Nonprofits and Neighborhoods Pillar should play within the community.

We made use of a five-point Likert scale ranging from (1) “not at all important” to (5) “very important.” We found that the three most important roles for this Pillar are: 1) sharing collaboration opportunities, 2) sharing grant application opportunities, and 3) promoting networks through regular in-person meetings (Table 4). We noted that collaboration can take various forms, ranging from informal/non-contract-based collaboration to formal/contract-based collaboration. Of the 29 organizations that responded to this question, the majority were interested in informal types of collaboration, including “sharing information about resources/services/funding” (83%), “regular informal networking” (69%), and “client referral” (41%). The formal collaboration that garnered the most interest was the “joint effort to seek funding” (66%). The organizations also emphasized the importance of mutual collaboration and expressed a desire that the Nonprofits and Neighborhoods Pillar support collaboration opportunities in the community. They commented that collaboration has become more necessary since the pandemic in order to rapidly provide services to a larger number of clients. However, they reported that a “lack of communication and information” and a “lack of trust” have inhibited collaboration. Given that there is no strong leadership promoting collaboration in Pontiac, there has been a lack of trust and a dearth of information about other nonprofits and the local government. The organizations we studied expected the Nonprofits and Neighborhoods

Pillar to provide networking opportunities, share good practices, and invite experts to give advice.

“Pontiac has previously operated in silos and it is necessary to work together. There are resources, but not if we are all trying to do the same thing for the same group of people.”

“It was difficult to do everything alone. The magnitude and scope of the needs were too great; there had to be a team effort to accomplish things and that mind set has become part of our organization.”

Since promoting collaboration opportunities was frequently noted as an important role of the Pillar, we queried the organizations as to what they sought from a collaboration with different partners. The organizations noted that access to financial resources was a primary goal when collaborating with any partner. Other key motivations for collaborating with other nonprofits included improving service delivery (76%) and advocating for clients (72%). In collaborations with OU in particular, nonprofits sought access to non-monetary resources such as expertise (72%) and aimed to improve their operations (62%).

The organizations furthermore emphasized that they expected the Nonprofits and Neighborhoods Pillar to share information about available grants, provide them with students available to volunteer and intern, and host seminars and training sessions focused on capacity building (e.g., grant writing, volunteer and staff development, board development, and organizational sustainable growth and management). They wanted the Pillar to be a resource for grant information, given that Pillar personnel represent people working in the spheres of local government, universities, and nonprofits. The organizations hoped that the Pillar would share grant opportunities aimed at securing funding for capacity building, particularly for hiring qualified staff and upgrading technology.

“Bring in expert speakers to help us all deal with real time issues...Provide connections to material resources and volunteer/staff development.”

“I know so many organizations need funding. They need specifically capacity building funding...so many ED have been handling multiple jobs, and they are exhausted. Many organizations are surviving on volunteers and board members for work that needs proper staff. It is impossible to grow and sustain an organization with limited volunteers, board members, and an exhausted ED.”

EXPECTED PILLAR'S ROLES	MEAN (SD)	MIN	MAX
Sharing collaboration opportunity	4.68 (0.63)	2	5
Sharing grant application opportunity	4.53 (0.85)	1	5
Promoting networks (e.g., regular in-person meeting)	4.51 (0.81)	1	5
Regular information sharing about community development, service opportunity, recruitment, events, etc.	4.40 (0.76)	2	5
Providing education and training seminars (e.g., grant writing, fundraising strategy)	4.31 (0.98)	2	5
Providing an opportunity for student volunteers or interns	4.26 (1.02)	2	5

Table 4 The important roles of the Pillar (n = 35).

DISCUSSION AND IMPLICATIONS FOR PRACTICE

This study reveals that the pandemic significantly disrupted nonprofits' service provision due to a dramatic decrease in resources. However, the impact of the pandemic varied according to organizations' financial capacity, board size, and board diversity. According to Lu et al. (2019), financial capacity is the extent to which a nonprofit maintains or expands financial resources to support its operations. While a nonprofit's financial capacity can be measured by multiple indicators such as revenue diversification, revenue size, equity ratio, months of spending, assets, and operating margins, revenue diversification is one of the most critical and widely used indicators (Carroll & Stater, 2009; Chang & Tuckman, 1994; Prentice, 2016). Revenue diversification reduces revenue volatility and increases organizational sustainability when there is a decline in any one source (Carroll & Stater, 2009; Chang & Tuckman, 1994). It also helps nonprofits resume operations when they experience a financial shock, such as an economic downturn or the loss of a major donor (Lu et al., 2019). Nonprofits often face high levels of revenue uncertainty because they rely on external funding sources and are significantly affected by dynamic environmental factors, such as government policies, economic fluctuations, and unexpected events like pandemics (Carroll & Stater, 2009; Johnson et al., 2021). According to Chang and Tuckman (1991), a financially vulnerable nonprofit is likely to cut back on its services when a financial shock occurs. Our results suggest that revenue diversification and a large revenue were positively correlated with service provision and budget increases during the pandemic. It is, therefore, critical for nonprofits to keep their revenue streams diversified so they can sustainably provide services during crises.

Lesson 1: A nonprofit's financial capacity (i.e., revenue diversification and revenue size) was critical for sustainable service provision and stable financial resource acquisition during COVID-19.

Second, the racial diversity and size of a nonprofit's board affected its service provision during the COVID-19 pandemic. Several scholars have empirically studied how BIPOC representation on boards affects nonprofits' performance, but the findings have been inconclusive. Some studies have found that board racial diversity improves financial performance, resource acquisition, leadership effectiveness, community responsiveness, and expertise (Faulk et al., 2016; Fredette & Bradshaw, 2012); others have noted a BIPOC representation on board is associated with less cohesion and internal coordination (Fulton, 2021), as well as reduced social

capital and fundraising capacity (Daley, 2002). We have shown how nonprofit boards' BIPOC representation in a racially diverse community was linked to their service provision during the pandemic. Our findings revealed that greater BIPOC representation on a nonprofit's board was negatively correlated with its revenue diversification and budget size, which are critical indicators of financial capacity (Chang & Tuckman, 1994; Lu et al., 2019), resulting in more discontinuity of service provision during the pandemic. Previous studies have come to similar conclusions: Black-led nonprofits are less likely to have access to flexible reserves as emergency resources, partially due to the systematic exclusion of BIPOC and Black-led nonprofits from funding networks (Faulk et al., 2016; Lin & Wang, 2016). More recently, Mumford (2022) found that Black-led nonprofits were less likely to have financial sustainability due to a lack of reserves during the pandemic, while their programs and services were more likely to target BIPOC and Black populations. Board size also affected service provision. Boards are pivotal resources that affect nonprofits' performance and resource acquisition; they play a critical role in mobilizing resources, fundraising, and providing a wide range of perspectives and professional expertise in governance (Brown & Chao Guo, 2010; Hillman & Dalziel, 2003). Since boards function as resource catalysts for nonprofits by providing linkages to necessary resources, as well as legitimacy and expertise, a larger board is positively associated with an organization's financial performance (Brown, 2005), number of programs, program spending, and fundraising performance and donations (Aggarwal et al., 2012). Thus, nonprofits with small boards can lack the financial and staff resources to deliver necessary services and also face difficulties recruiting board members with special expertise and connections with potential funders to promote organizational capacity. Executive directors of small nonprofits in this study often struggle to manage everything on their own due to insufficient staff, limited resources, and lack of board support. Therefore, it is crucial that nonprofits conduct board development training and board assessments to improve their effectiveness. Additionally, the community as a whole—including donors, funders, and nonprofit leaders—needs to provide support for nonprofits with a high level of BIPOC representation on their boards in order to improve their capacity to mobilize resources and remove barriers to accessing funding.

Lesson 2: A small board or a high rate of BIPOC representation on a board (or Black leadership) was negatively correlated with financial capacity and sustainable program operation during the pandemic. Thus, nonprofits with small or racially

diverse boards should improve their board capacity to deal with impacts from external shocks.

Third, nonprofits look to increase their collaboration and capacity-building efforts through community-university partnerships. The organizations indicated that promoting collaboration was the most important role of the Nonprofits and Neighborhoods Pillar; they also expected the Pillar to serve as a bridge among nonprofits, the government, and the local university. The organizations aimed to access and secure more resources, enhance the impact of their delivered services, and better advocate for clients through collaboration with other nonprofits. Furthermore, they sought to improve organizational learning and operation via collaboration with OU. However, the organizations that participated in our survey reported that a lack of trust between nonprofits and local governments and a lack of communication prevented them from building collaborations. To promote collaboration, the Pillar should hold regular networking meetings to share information on community events, grant applications, and collaboration opportunities. Such ongoing networking can help ensure that nonprofits get to know one another better, build trust, and find opportunities for further collaboration.

Another important role of the Nonprofits and Neighborhoods Pillar is to support the capacity building of nonprofits. Nonprofit leaders are looking for seminars or training sessions on topics such as (1) grant writing, (2) forming collaborations, (3) fundraising strategies, and (4) board effectiveness. By collaborating with OU, the Pillar can invite experts, consulting agents, or scholars to give advice on a topic at a regularly scheduled seminar or training event on campus. Furthermore, the Pillar can invite community leaders to share good practices on various topics such as organizational collaboration, board-executive relationships, grassroots lobbying, and fundraising. Such seminars and training sessions will be especially beneficial for small nonprofits with limited resources and capacity. In addition, the Nonprofits and Neighborhoods Pillar can improve nonprofits' capacity by connecting OU faculty and students with community-engaged learning projects. Through such projects, students will be able to increase their understanding of the community and contribute to local organizations by acting as volunteers. Such work would be beneficial to the community over the long term because it promotes student civic engagement and awareness of local nonprofits. Community-engaged learning projects increase students' desire to volunteer, understand their community, and donate to local nonprofits (Benz et al., 2020). Therefore, nonprofits should actively look for opportunities to participate in community-engaged learning projects and utilize the resources

of OU. Such work would, in turn, build organizational capacity, improve student learning, and foster a sense of connection between students and their community.

Lesson 3: The university-community partnership is expected to support the nonprofit community by promoting collaboration, improving capacity building, and connecting student volunteers with nonprofits.

LIMITATIONS

This study is not without limitations. First, the survey data were self-reported by the leaders of participating nonprofits. Although leaders' subjective evaluations or perceptions are often used in organizational research (Pandey et al., 2007), the responses we collected could have been affected by leaders' ability to assess the impact of COVID-19 on their organization. Second, the focus of this study was on human service nonprofits in Pontiac, Michigan; generalizability to other regions and other types of nonprofits has not been established. Our findings may reflect the social, political, and financial attributes of Pontiac. Furthermore, human service nonprofits rely heavily on government grants and contracts as well as volunteers (Boris et al., 2010), which may limit generalization to all types of nonprofits. Third, our sample was too small to sufficiently understand the impact of COVID-19 on all organizations in Pontiac.

CONCLUSION

Human service nonprofits play a primary role in responding to crises like COVID-19, addressing community needs. In particular, human service nonprofits in communities with high levels of racial diversity and poverty have experienced dramatic increases in service demand while they strive to remain open and provide resources. Guided by a CBPR approach, this study focused on the impact of COVID-19 on nonprofits in Pontiac, Michigan, a city characterized by high levels of poverty and racial diversity, and the important roles of community-university partnerships. Using data collected from 35 community-based human service nonprofits in Pontiac, our analysis revealed that the pandemic significantly disrupted nonprofits' service provision due to a dramatic decrease in resources and a simultaneous increase in community needs. However, the extent of the impact varied based on the nonprofits' financial capacity, board size, and board diversity. In addition, nonprofits expect community-university partnerships to promote collaboration and support capacity building.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. CEO BIPOC															
2. Board BIPOC	.67***														
3. Board size	-.50**	-.04													
4. Revenue	-.68***	-.56***	.44**												
5. Gov grant (%)	-.02	-.10	.44**	.08											
6. Foundation (%)	-.53***	-.33	.29	.48**	-.23										
7. Donation (%)	.16	.19	-.41**	-.18	-.62***	-.21									
8. Revenue diversification	-.62***	-.47**	.32	.72***	.03	.64***	-.16								
9. FTE	-.21	.07	.65***	.34	.44**	.06	-.29	.21							
10. Age	-.38*	-.14	.45**	.21	.22	-.12	-.15	.27	.26						
11. Gov grant decrease	.34	.22	-.32	-.40*	-.35*	-.37*	.08	-.61***	-.10	-.30					
12. Donation decrease	-.02	.03	-.33	-.27	-.32	-.08	.21	-.29	-.08	.20	.15				
13. Volunteer decrease	-.06	.00	.08	.03	.01	-.20	.07	-.11	.11	.29	-.06	.38*			
14. Budget decrease	.21	.08	-.53***	-.40*	-.37*	-.44**	.33	-.47**	-.25	-.10	.68***	.43**	.20		
15. Operation stop	.31	.54***	-.16	-.41**	-.25	-.41*	.18	-.35*	-.14	.24	.18	.24	.11	.25	
16. Program disruption	-.62***	-.24	.13	.11	-.22	.12	.06	.15	-.02	.31	.22	.35*	.09	.29	.06

Appendix: Correlation coefficient matrix for organizational resource, leadership, and the impact of COVID-19.

Note. Correlation coefficient with *** if $p < .01$, ** if $p < .05$, * if $p < .1$.

COMPETING INTERESTS

The author has no competing interests to declare.

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