

Investing in the Nation's Nonprofit Sector During COVID-19



Congressional action has been critical in protecting Americans during the 2019 novel coronavirus (COVID-19) pandemic. The pandemic has affected all industries, including nonprofit organizations, who have significant positive impact on the communities they serve. Nonprofits are the linchpin to a healthy society and work to ensure a shared goal: ensuring individuals in America are able to thrive. **The CARES Act was a great start towards recognizing and addressing the needs nonprofits face, but the reality is that more is needed by all the nonprofit community to maintain their critical operations.**



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March of Dimes is working to meet the challenges of these times and fight for pregnant women, infants and their families to remain as healthy as possible during the crisis. We strongly support significant new funding for the CARES Act Paycheck Protection Program and **urge Congress to address the revenue cap** for nonprofit and charitable organizations who wish to qualify for SBA loans. **We urge Congress to work with the Secretary of the Treasury to ensure that a lending program for nonprofits is established and implemented.**



Paycheck Protection Program

Congress has taken extraordinary steps to address the impact of COVID-19 on Americans' well-being. By advancing the Paycheck Protection Program and Health Care Advancement Act, congressional action provided funding to support small businesses impacted by the pandemic, among other provisions. The Paycheck Protection Program (PPP) provided forgivable loans to help small employers make payroll and pay other essential expenses to weather the pandemic, but it's original funding of \$310 billion was depleted in two weeks. March of Dimes is one of the many mid-sized nonprofits with more than 500 employees who are unable to access any sort of forgivable loan through the PPP. **We strongly urge Congress acts to eliminate the PPP's employee cap for nonprofits, and, once lifted, address the revenue cap for nonprofit and charitable organizations who wish to qualify for loans.**



Main Street Lending Program

The recent proposal by the Federal Reserve to expand the Main Street Lending Program (MSLP) facility to allow it to lend to nonprofit organizations hurt by COVID is designed for nonprofits that operate like businesses, such as hospitals and institutions of higher learning. Nonprofits like March of Dimes rely more heavily upon donations from the public to support their mission. Nonprofits largely function in models that do not turn profits. Ultimately, the Federal Reserve's proposal does not include forgivable loans, which would need to be authorized by Congress. **March of Dimes asks Congress to weigh in with the Secretary of the Treasury to finalize a nonprofit lending facility under MSLP that is better tailored to accommodate mid-size nonprofits.**



Investing in Nonprofit Fast Facts

- Charities employ approximately 10% of the nation's private workforce and account for over 5% of the national Gross Domestic Product (GDP).
- According to the U.S. Bureau of Labor Statistics, nonprofits with more than 500 employees employ 7.7 million people. Nonprofits are the third largest employer in the economy after manufacturing and retail.
- March of Dimes supports significant new funding for the CARES Act Paycheck Protection Program (PPP).
- **We strongly urge Congress to eliminate the PPP's 500-employee cap and revenue cap for qualified nonprofit and charitable organizations.**
- The Main Street Lending Program current proposal by the Federal Reserve fails to include forgivable loans for charities and nonprofits.
- **We urge Congress to work with the Secretary of the Treasury to ensure a lending program for nonprofits is established and implemented.**