

Executive Summary

PwC has taken a close look at the longer-term impact COVID-19 is having on non-profits in the New York metro region, in particular assessing:

How many / what percent of non-profits in the region are in danger of closing their doors permanently, despite actions that have already been taken (e.g., CARES Act)?

To provide directional guidance on the potential longer term impact, we have attempted to identify the non-profit sectors most significantly impacted by COVID-19, identify the key drivers of that impact and use proxies to quantify the financial implications to inform risk levels for closures. This information is intended to be directional and provide a framework for monitoring the situation as it continues to evolve.

What would the impact on communities be if there were significant closures of non-profits?

When assessing long term implications for non-profits, it is important to look beyond COVID-19 and also consider the pace of economic recovery, and the state and city budget decisions, which are still unknown but will have significant impact on an organization's ability to recover. Therefore, it will be imperative for Partnerships for New York City to continue to monitor these factors to refresh the long term outlook as more information becomes available.

What are some interesting ideas for supporting non-profits, and how much capital could potentially be needed to revive these non-profit organizations?

When considering solutions to support non-profits, we believe it is critical to consider both the current situation and the long-term. We are recommending four approaches:

- To assess the risk-levels and financial needs of the organizations, conduct a comprehensive survey to identify the ways to best support them
- To respond to the technology-driven challenges organizations have experienced, establish IT support resources
- To help organizations with increased operating costs, coordinate distribution of funds, provide grant and loan application preparation training and publish available resources
- To help organizations get needed funding, support funding coordination to non-profits by liaising with grantmaking organizations, local government, and civic organizations

Additional assessment of workforce matching and community trust areas

This report provides additional detail in assessing displaced worker matching initiatives, with a focus on the most significantly affected sectors - hospitality and restaurants, assessing the scale and scope of the displaced worker population and sharing leading practices, challenges, and considerations for implementation.

This report highlights key examples of community spirit and social trust building during the current pandemic and two prior New York City area shocks, 9/11 and Hurricane Sandy. The report identifies initiatives and impact from community and social groups' efforts to build back after these events.



Recommendations

New York area non-profit groups face the dual challenge of increased need for their services during the pandemic, and a severe disruption to operations from a combination of impacts: funding deficits, reduced workforce, and pandemic-safety adjustments, primarily. We suggest four overarching recommendations for all sectors as well as sector-specific suggestions. These recommendations are designed to support non-profits, help revive them, and help them deliver their services today and in the future.

Overall Recommendations

- 1. Conduct a comprehensive survey to get a deeper understanding of the financial state of at-risk organizations. Organizations have expressed concerns of financial security due to the impacts of COVID-19. To best support organizations in financial distress, it is important to understand the organization's situation and area of risk. A survey will provide key data points, help unfold the details of the situation, and allow more targeted, effective support.
- 2. Provide IT support to enable non-profits to transition to virtual delivery of services and virtual donations. Organizations have expressed difficulty engaging with their communities due to technological barriers such as access issues, limited understanding of the tools' capabilities, or simply not having the right set of tools to best serve their community. By providing IT support such as providing access to licenses to commonly used platforms for virtual programming or donations, organizations can better leverage technology to deliver services and collect financial support without an additional financial burden.
- 3. Provide loan and grant training and promote best practices / available resources to help organizations know what services are available and how to access them. There are many financial support resources available to non-profit organizations impacted by COVID-19 but not every organization is comfortable preparing the applications or aware of the available resources. Training on loan and grant application preparation would help organizations take advantage of the existing resources. Establishing a database of available resources would also enable organizations to be aware of available financial support. Some other suggestions to enable financial support across organizations are:
 - Adjust contract budget restrictions to allow for more flexible funding
 - Honor existing contracts with non-profits and avoid retroactive funding cuts
 - Encourage providing reimbursement for bonus pay to essential, frontline employees reporting to work
 - Encourage conducting targeted outreach to past supporters / donors reports¹ note that two thirds of current support is from existing donor base
 - Provide resources for non-profits to launch special appeals to cover pandemic-related increase in costs e.g., PPE, physical distancing modifications and constraints within facilities
- 4. Support coordination of funds to local non-profits by liaising with grantmaking organizations, local government, and civic organizations. During these difficult times, establishing partnerships across organizations will enable collaboration and coordination of resources to fend the challenges presented by COVID-19 and enable organizations to provide necessary services. It is recommended organizations establish partnerships to collect and distribute tools/resources necessary for safe operations across non-profits during the pandemic e.g., tracing tools, PPE, childcare for essential workers. This will help relieve and revive organizations.

¹ Fundraising Personnel Being Repurposed During Pandemic



Sector Focused Recommendations

This section provides more detailed examples of potential tactics for non-profits across focus sectors:

Arts, Culture, Humanities:

- Stream / record live performances to engage community and drive donations across viewers
- Assess deploying flexible royalties / earnings structure for Arts, Culture, and Humanities workers
- Provide subsidized spaces for organizations and artists

Health and Human Services:

- Establish partnerships across organizations to offer more holistic/comprehensive care to enhance wellbeing, pool existing resources, and protect against future crises due to missing services
- Consider alternative uses for existing facilities (e.g., gyms) that can make facilities available to emergency health and human services (e.g., childcare for front-line workers fighting the pandemic)

Community and Social:

 Leverage technology including scraping tools, and automated databases to provide updated directories of assistance and mutual aid in a consolidated database that improves awareness and accessibility

Environmental and Animal-related:

Drive voluntary giving by promoting community benefit from access to environment

Religion:

 Drive awareness of grants and PPP based support available to religious organizations due to the CARES Act

Education:

- Establish academic partnerships across New York schools to enable access to digital educational content for students and trainings for educators
- Work with the State to establish public wi-fi across New York State for approved websites
- Run a campaign to collect funds to provide tablets to students unable to otherwise access learning content remotely

Detailed Supporting Information

Role of non-profits in communities today and challenges they face

Non-profits play a critical role in society by providing essential public services in areas such as the arts, healthcare, and education, among many others. These services are often most needed in times of crisis, and yet the organizations that provide them are at great risk.

The COVID-19 pandemic has left non-profit organizations facing unplanned changes in revenue. This is due to cancelled events and programs, membership refunds or cancellations, and decreased donations, alongside increased operating costs and staffing disruptions.



And as noted in our initial report, the COVID-19 Pulse Poll survey conducted by Non-Profit New York uncovered that 70% of non-profit organizations across New York State have been heavily to significantly impacted by COVID-19 (through cancellation of programming, changing employee / workplace policies, and reduced revenue expectations) and 77% expect heavy to significant impact in the near future². In this assessment, we've further explored the estimated impact to non-profits and communities from the pandemic.

In addition, the non-profit sector accounts for 17.7% of the employment in New York state³. While the pandemic has called into question the future stability of these jobs, data on the immediate impacts is still emerging.

Despite the broad-based loss of revenue, 75% of CCS Fundraising survey (April 20-May 1) respondents indicated they had not laid off or furloughed fundraising staff to date, with only 6% having made 'significant' reductions in staff, and 9% having made 'modest' reductions. At the time of the survey, an additional 10% said similar measures were under consideration.⁴ Non-profits report that repurposing staff has become very effective to meet demand and continue delivering services (e.g., health non-profits directing administrative personnel to direct stewardship and donor engagement). At Alvin Ailey American Dance Theater the social media team has been augmented with Center dancers. "There's just so much more absorption of Ailey content and the social media side of it has picked up"⁵.

Financial impact assessment to inform potential closures

Quantifying the risk of non-profit closures in the New York City region is difficult due to the relative lack of specific data and given the pandemic situation is continually evolving.

Given this, we have instead assessed the potential financial impact using historical data on charitable giving during the 2008-09 Financial Crisis. Our assumption is that charitable giving behavior during and in the fallout of the current systemic shock will directionally follow that of the Financial Crisis.

Our approach aims to provide an understanding of the potential long term implications resulting from COVID-19 and the resulting economic downturn, based on currently available data. This also provides directional insights that can inform planning and areas for additional primary research. The assessment does not take into account sector-specific impacts and distinctions (e.g., differences in income profiles, fund holdings, and cost structures among sectors and non-profits).

² The Impact of COVID-19 on New York non-profits

³ Bureau of Labor Statistics

⁴ Fundraising Personnel Being 'Repurposed' During Pandemic

⁵ Fundraising Personnel Being 'Repurposed' During Pandemic



Key findings of our assessment to inform potential closures:

 Based on 2019 disclosures, at least ~31,000 non-profit organizations (~42% of all non-profits) within the greater New York region can currently be considered "atrisk" according to commonly accepted criteria⁶

We focused the financial analysis on non-profit organizations with income of <\$20M in 2019 disclosures, as this cut-off has been consistently used by key grant-making organizations as a threshold for an "at-risk" profile. Within the greater New York region ~31,000 organizations fall below this threshold and are therefore considered "at-risk." An organization's financial profile includes income from charitable giving, fees-for-services, grants, loans, and public funding.

2. Charitable giving is declining based on existing surveys, creating greater financial burden and risk of closure

Existing surveys polling non-profit organizations provide a preliminary look into the current decline in charitable giving. 70% of the organizations surveyed by non-profit New York have already seen a decline in giving, while CCS Fundraising found that 63% of responding non-profits have experienced a decline in giving since the start of the pandemic and 25% report a "significant" fundraising decline.⁷ However, 15% of these organizations, notably hospitals, health, and human services organizations, reported a funding increase during the pandemic.

3. We estimate \$1.8-2.5B, or 6-8% of revenue, across non-profit sectors is at risk due to decline in charitable giving

Our analysis suggests the current trend in charitable giving is likely to create a financial gap of \$1.8-2.5B, or 6-8% of revenue across the non-profit types included in this analysis. The extent to which this revenue impact will drive closures is still currently unknown for a variety of reasons including key finding #4 (below).

4. A portion of this revenue impact has already been supported by various grants

Several entities, including federal, state, and local government, and the philanthropic and grant-making community, are attempting to fund this gap. Private grant-making organizations have raised ~\$278M as part of their pandemic response⁸. In addition, public funds from the Small Business Association (SBA) PPP funds and grants of an estimated ~\$500M are included in assessing the total impact.

5. After considering existing grants, we estimate a financial impact of \$1-1.6B, or 5-6% of revenue across non-profit types

⁶ NYC COVID-19 Response & Impact Fund Launched to Support New York City non-profit Organizations

⁷ Fundraising Personnel Being 'Repurposed' During Pandemic

⁸ Who's funding New York non-profits stretched by the coronavirus?



Taking existing support into account, our findings suggest a gap of \$1-1.6B, or 5-6% of revenue across the non-profit types. While, again, difficult to estimate, given the thin operating margins of non-profits, we assume this scale of income loss represents a direct threat to the survival of two thousand non-profit organizations⁹, approximately 3-9% of the total organizations serving P-NY regions.

A deeper look into the impact of COVID-19 by non-profit sector

Health & human services non-profits

Situation:

Health and human services non-profit organizations attend to some of New York's greatest challenges, such as mental health, food insecurity, domestic violence, health services, and housing.

The health and economic impacts of COVID-19 have resulted in an increase in demand for these services, posing a challenge to the financial security of the organizations that provide them. 60% of organizations reported they are experiencing great financial distress during the pandemic¹⁰. The American Hospital Association estimates the four-month financial impact of COVID-19 to be \$202.6 billion in losses for America's hospitals and health systems, reducing expected income on average by \$50.7 billion per month¹¹. Additionally, the demand for food bank services has grown across NYC while almost one third of the food banks throughout the city have closed due to the increasing supply costs¹² and mental health service providers have seen a significant increase in demand. Non-profits have a higher rate of insolvency due to their limited cash reserve, and thus have a low margin of error in the event of funding cutbacks or emergencies.

In a recent Kaiser Family Foundation poll, it found that 45% of adults in the United States reported their mental health has been negatively impacted due to worry and stress over the virus¹³. In order to meet this increasing demand for these services, a coalition of mental health organizations requested federal support in early April to keep providers from closing; as of May 20 only 1% of the requested funding had been allocated¹⁴. During the Great Recession, human services saw government funding slashed while demand grew. With history in mind, organizations are scaling back services and programming in an effort to save funds and promote longer-term survival¹⁵.

COVID-19 has also caused many organizations to shift their standard operations to better meet current needs. Whether it be transitioning services from in-person to virtual, offering virus testing in their workspaces, or providing critical care for their members, these at-risk organizations are still working to support the health of their communities.

⁹ High-level estimate derived by calculating the count of average income non profit organizations that would face closure based on the total deficit impact

¹⁰ New York non-profits in the Aftermath of FEGS: A CALL TO ACTION

¹¹ Hospitals and Health Systems Face Unprecedented Financial Pressures Due to COVID-19

¹² Coronavirus in NYC: How to help your New York neighbors right now

¹³ The Implications of COVID-19 for Mental Health and Substance Use

¹⁴ COVID-19's Impact on Mental Health

¹⁵ non-profits and Funders: Coronavirus Requires Immediate State Advocacy - Non Profit News



Our high-level estimate of income decline among health and human services non-profits is \$200-400M, adjusted for existing support. We believe this could result in the closure of 4-6% of the non-profits in this sector (~250 organizations).

Key Drivers:

- New York has restricted hospitals from performing non-essential services due to COVID-19, reducing revenue. The American Hospital Association estimates \$161.4 billion in lost revenue over a period of four months due to this restriction¹⁶.
 - Montefiore Health System reported operating losses of 6.4% for the first three months of 2020¹⁷.
- There is an increased demand for services in a time when operating costs have increased (e.g. PPE, salary and wage costs, medical supplies and equipment, capital costs to acquire space for expanded treatment capacity) and revenue decreased (driven by restrictions of elective/non-essential services)¹⁸.
- The CARES Act allocated funding for healthcare providers, with most of the funds being distributed to larger hospitals¹⁹.

Implications for the Community:

- Hospitals, clinics, nursing homes, and independent living facilities are other examples of non-profits questioning survival if support is not issued.
 - Many health systems are expecting a greater percentage of their future revenue will come from Medicaid patients, as more potential patients become unemployed and face financial hardships.
 - Nursing homes are converting facilities to single-occupancy units for enhanced safety, resulting in future budget risk due to the lower revenue potential it simultaneously creates²⁰.
 - Hospitals anticipate shortages for many vital drugs due to the broken pharmaceutical supply chains on account of COVID-19, resulting in higher costs for hospitals²¹.
 - Individuals are experiencing greater than average mental health burdens due to COVID-19 - isolation, business/school closures, and financial distress. This increases the risks of societal depression and anxiety, which could in turn drive up rates of suicide and substance abuse if not addressed²².
- Organizations are concerned they need to either scale back services or risk closure if the current demand continues given their financial outlook²³.

¹⁶ Hospitals and Health Systems Face Unprecedented Financial Pressures Due to COVID-19

¹⁷ Montefiore reports Covid-19-related financial losses

¹⁸ Hospitals and Health Systems Face Unprecedented Financial Pressures Due to COVID-19

¹⁹ Wealthiest Hospitals Got Billions in Coronavirus Bailout

²⁰ RiverSpring Health CEO: COVID-19 Pandemic Will Affect Nursing Homes for 'At Least Two Years'

²¹ Hospitals and Health Systems Face Unprecedented Financial Pressures Due to COVID-19

The Implications of COVID-19 for Mental Health and Substance Use

²³ Coronavirus in NYC: How to help your New York neighbors right now



- The current distribution practices of the CARES Act, allocating the majority of funds to larger hospitals and not providing financial support to the smaller organizations in greater need which may inhibit these smaller care providers from surviving the impacts of the pandemic and continuing to provide services²⁴.
- Many non-profits believe that in the absence of additional support from New York State, the state's networks of care will be severely damaged and leave thousands of people without necessary services for the foreseeable future²⁵.

Community and Social Benefit non-profits

Situation:

Across the greater NY region, public and societal benefit non-profits augment government services in creating community support instruments for key social actions (e.g., childcare, senior care, legal aid, language support, government relations, and job training / searches, among others). These organizations are closer to coordination services, often supporting the delivery of health and human services rather than directly providing aid.

While estimates and reports of coronavirus related risk of closure are limited, two key concerns appear in this sector: organizations "downstream" of mutual aid groups will likely be negatively impacted by "upstream" closures, as they are part of the same local ecosystems. Additionally, the risk of their closures will increase inequality as those most in need of support services will have difficulty accessing them at a time when they are increasingly financially and socially vulnerable.

Our high-level estimate of impact in the sector is a \$300-500M decline in income adjusted for existing support, potentially driving closure of ~5% of the non-profits in the sector (~500+ organizations).

Key drivers:

- Service provision is contingent on adherence to pandemic health and safety protocols. The cost of providing services including daycare, senior care, English language learning, and youth services, has risen due to the need for PPE and individual transportation.
- The importance of neighborhood and district-specific community organizations has
 increased during the pandemic as the need for local-area mutual aid support has risen.
 The services provided by these groups includes local news and alerts, as well as support
 for human service provisions through information gathering and reporting (e.g., on
 databases of food, shelter, and other services).

Implications for the community

• The reduction in services from this non-profit sector would cause significant challenges in overall non-profit service provision as it provides key routing and searching functions.

²⁴ New York Times - Wealthiest Hospitals Got Billions in Coronavirus Bailout

²⁵ non-profits and Funders: Coronavirus Requires Immediate State Advocacy - Non Profit News



- This sector has not been a priority focus in fundraising which renders it at risk to revenue drops, creating the potential budgetary deficits in future years.
- The employment impact may be lower given that a core of these groups has a high employee-to-impact leverage ratio.

F4, Culture, and Humanities (ACH)

Situation:

The non-profit arts sector makes art and culture widely available. In 2018, of the 120 million people who attend performances and museum visits annually in New York City, 60% were free to the public, enhancing the experience of living or visiting New York City²⁶. Additionally, this sector provided volunteer opportunities for nearly 115,000 New Yorkers²⁷. The ACH non-profit sector is specifically composed of museums, theater, performing arts centers and schools, opera, television, arts education, ballet, dance, symphony orchestras, music, printing and publishing, radio, and filmography. These organizations support the many individual artists and artists groups residing or working in the New York metropolitan region.

Our high-level estimate of impact in the sector is a \$90-160M decline in income adjusted for existing support, potentially driving closure of 4-5% of the non-profits in the sector (~200 organizations). The New York metropolitan region is well represented by more than two thousand non-profit respondents in the Americans for the Arts' ongoing survey to capture the economic impacts of COVID-19 on artists, arts organizations, and arts agencies of all types, genres, sizes, and tax statuses. To date, the New York metropolitan region reported an anticipated ~\$190 million loss with a median financial impact of \$41,000 per organization, though organizations have expressed that it is too early to verify financial loss²⁸. 66% of respondents expect the overall financial impact of the novel coronavirus to be severe or extremely severe on their organization²⁹.

Key Drivers:

- Non-profit cultural organizations typically rely on three broad revenue sources: ticket or
 "gate" sales (fee-for-service), private funding, and governmental support. Working artists
 and this sector rely on productions that occur in person, yet many productions have been
 cancelled during the pandemic³⁰. Social distancing threatens to all but eliminate this
 crucial source of income³¹ for the foreseeable future.
- Small and medium sized arts and culture organizations have a high rate of insolvency³². Even before the pandemic, they are also threatened by lack of space³³.

Implications for the community:

²⁶ New York City Comptroller - The Creative Economy

²⁷ New York City Comptroller - The Creative Economy

²⁸ The Economic Impact of Coronavirus on the Arts and Culture Sector

²⁹ The Economic Impact of Coronavirus on the Arts and Culture Sector

³⁰ Essential Yet Vulnerable: NYC's Human Services non-profits Face Financial Crisis During Pandemic

³¹ Art in the Time of Coronavirus: NYC's Small Arts Organizations Fighting for Survival

³² Essential Yet Vulnerable: NYC's Human Services non-profits Face Financial Crisis During Pandemic

³³ New York City Comptroller - The Creative Economy



- Due to social distancing, all events and programs in this sector have been placed on hold or moved online. Communities have been deprived of most arts programming and any ability to interact with cultural artifacts at this time.
- Community engagement with the arts will be limited even after spaces that survive this crisis begin to reopen; both capacity and engagement are expected to be low³⁴.
- Temporary or permanent unemployment and its resulting economic insecurity
 exacerbates the existing challenge of affordably making a living in New York City, and
 calls into question the future displacement of these community members³⁵.
 - Employment in this sector has been substantially impacted: ~32,000 staff laid off and 1.3 million staff furloughed³⁶, resulting in a decline in programming capability across the sector.
 - Working artists have lost up to one-third of their annual income and face months
 of canceled projects and likely unemployment³⁷.
 - New York City's small and mid-sized arts organizations project steep revenue losses—from 17% to 50% or more of their annual operating budgets³⁸. With little cash on hand, many small and mid-sized arts organizations, as well as large institutions and museums, have had to lay off or furlough staff^{39,40,41}.
- The following permanent closures reduces rehearsal spaces in the city:
 - Spaceworks NYC built and operated subsidized creative workspace across New York City⁴². It closed its doors in June 2020.
 - Upright Citizens Brigade have closed both locations permanently and will continue to exist only as a troupe⁴³.

Environmental and Animal-related non-profits

Situation:

Non-profits in this sector provide crucial support for 15,000 acres of parkland and green space, which accounts for 50% of the city's total open space⁴⁴. Organizations in the Environmental and Animal non-profit sector provide the following services: natural resources conservation and protection, environmental education, botanical gardens and arboreta, research institutes and public policy analysis, and pollution abatement and control.

³⁴ U.S. Museums Are Reopening: To See Monet, Don a Mask

³⁵ New York City Comptroller - The Creative Economy

³⁶ The Economic Impact of Coronavirus on the Arts and Culture Sector

³⁷ Art in the Time of Coronavirus: NYC's Small Arts Organizations Fighting for Survival

³⁸ Art in the Time of Coronavirus: NYC's Small Arts Organizations Fighting for Survival

³⁹ Art in the Time of Coronavirus: NYC's Small Arts Organizations Fighting for Survival

⁴⁰ State of the art: How museums are preparing to open amid coronavirus crisis

⁴¹ Natural History Museum Slashing Staff with Layoffs and Furloughs

⁴² Spaceworks NYC

⁴³ New York Times - Upright Citizens Brigade to Close Its Permanent Locations in New York

⁴⁴ <u>Foundations Seed COVID-19 Relief and Recovery Fund to Support Non-profits Caring for NYC Parks and Green Spaces</u>



Our high-level estimate of impact in the sector is a \$10-30M decline in income adjusted for existing support, potentially driving closure of 2-3% of the non-profits in the sector (~30-40 organizations). A report released in early May indicated that some non-profit open space groups, which rely almost entirely on private donations, expect to see a 60% reduction in revenue as a result of COVID-19⁴⁵.

Key Drivers:

- This non-profit sector relies almost entirely on private donations⁴⁶. While there may be a reduction in general revenue, a new NYC Green Relief & Recovery Fund (administered by the City Parks Foundation) has been formed. Current contributions amount to \$2.3 million. Since the parks groups estimate a shortfall in private revenue of up to \$40 million in 2020, this coalition is committed to growing this fund to meet the deficit.
- Environmental and animal-related non-profits had the lowest insolvency rate at 5%⁴⁷.

Implications for the community:

- This sector employs over 500 full-time staff and hundreds of seasonal workers, as well as engages more than 100,000 volunteers annually to help care for parks and gardens. Many park groups have already furloughed key staff and cut dozens of necessary seasonal positions, with more cuts anticipated. In addition to significant staffing cuts, this decline in revenue could result in the loss of nearly 150,000 hours of landscape maintenance and horticultural care, thousands fewer volunteer hours, and 541,000 fewer trees, shrubs and perennials planted⁴⁸. This yields decline in services related to new tree growth, needed pest control, additional nutrients to NYC topsoil, and more.
 - NYC Parks cares for the majority of the city's seven million trees that exist inside and outside of our natural areas. These trees — an asset valued at \$5.7 billion clean the air, mitigate extreme summer heat, and provide essential habitat for wildlife. They also reduce urban flooding and help manage stormwater, keeping pollutants out of waterways"⁴⁹.
- In the short term, New York City residents have turned to local parks for socially distanced respite. From a public health perspective, spending time in local natural areas can reduce stress and even lower blood pressure⁵⁰. As residents expand usership of these areas during the warming weather, the budget reduction will widen the gap on funding necessary to maintain these spaces for the community.

⁴⁵ Foundations Seed COVID-19 Relief and Recovery Fund to Support non-profits Caring for NYC Parks and Green Spaces

⁴⁶ Foundations Seed COVID-19 Relief and Recovery Fund to Support non-profits Caring for NYC Parks and Green Spaces

⁴⁷ Half of US non-profits on Financial Precipice, New Report Finds

⁴⁸ Foundations Seed COVID-19 Relief and Recovery Fund to Support non-profits Caring for NYC Parks and Green Spaces

⁴⁹ Opinion: Now More Than Ever, NYC Needs Nature, and NYC's Nature Needs Funding

⁵⁰ Opinion: Now More Than Ever, NYC Needs Nature, and NYC's Nature Needs Funding



- In the long term, reduced funding and resulting reduction in services will have long-term impact on climate change mitigation and adaptation⁵¹.
- Though funded partially by the government, the NYC community composting programs are led and executed by non-profit organizations⁵². New York City had early composting programs in the 1990s but didn't commit to a more widespread collection program until 2013⁵³. The mayor suspended compost pickup and community composting as part of painful cuts to the city budget in response to COVID-19 losses. The citywide Curbside Composting program (for 3.5 million households) will be suspended for at least 14 months, from May 4, 2020 to June 30, 2021⁵⁴. The Mayor's budget also eliminated funding for community composting (6 facilities) and Food Scrap Drop Offs (170 sites), which together are considered a viable alternative for curbside composting^{55,56}. These programs also help to distribute compost to parks, gardens, and residents. One third of what New Yorkers throw away is considered compostable (food scraps and yard waste)⁵⁷. Instead of sending it to landfills, the waste is used to create compost and renewable energy. In 2019, GrowNYC's Compost Program collected 3.2 million pounds of food waste, which prevented over 42,000 MT of carbon dioxide from being released into our air⁵⁸.
- Community Supported Agriculture (CSA) organizations continue to run for the summer and fall seasons.

Religion

Situation:

Religious organizations traditionally provide members and visitors a place of worship, a sense of community, and a space to gather for programming and social interaction. To operate they rely on membership dues, programming fees, and individual donations. Closure of facilities and social distancing rules restrict religious organizations from serving their community in "normal" ways. The impacts of COVID-19 are being felt by these organizations, particularly the smaller congregations who have limited resources in comparison. Organizations have tried setting up online donation options to help fill the gap of expected annual donations. They have also tried to transition their services to be virtually accessible but not all communities are able to participate due to observance restrictions, limited technology, or access to streaming platforms. Given the unknown duration of the COVID-19 impacts, religious organizations are exploring new ways to engage with and serve their communities as well as collect necessary financial funding.

Our high-level estimate of impact in the sector is a \$40-60M decline in income adjusted for existing support, potentially driving closure of ~6% of the non-profits in the sector (~125 organizations).

⁵¹ Opinion: Now More Than Ever, NYC Needs Nature, and NYC's Nature Needs Funding

⁵² News - Sign the Petition to save NYC composting!

⁵³ Inside NYC's organics collection program

⁵⁴ NYC Sanitation Announces <u>Service Changes Related to COVID-19 Budget Cuts</u>

⁵⁵ NYC Sanitation Announces Service Changes Related to COVID-19 Budget Cuts

⁵⁶ Save Composting In NYC! Petition

⁵⁷ DSNY - Food Scraps and Yard Waste

⁵⁸ Compost Food Scraps



Key Drivers:

- A third of all congregations have no savings, according to the 2018-2019 National Congregations Study⁵⁹.
- Though some religious organizations' funding is partially grant-driven, these organizations are still highly dependent on individual donations to support daily operations, including:
 - Building maintenance
 - Utility expenses
 - Staff/clergy salaries
 - o Rent
- Only 20% have been able to stream their services online and only 48% were able to accept donations electronically⁶⁰
- These organizations are preparing for a cash crunch driven by cancelled programming, cancellation of memberships due to limited services and closure of facilities, and limited flow of donations due to the current state.
 - The New York Archdiocese has seen a 50% decline in donations while closed due to COVID-19⁶¹.

Implications for the community:

- The biggest toll anticipated is on the emotional and mental state of those who depend on these organizations as their spiritual and community hubs.
- Religious organizations in New York provide assistance to residents in need with services like shelters, soup kitchens, food pantries, social services, financial and legal support, immigration and refugee services. These services are able to happen because of donation support. With the drop in donations, and increased demand due to COVID-19, there is risk of the services being able to continue⁶².

Education

Situation:

Over the past few months the education sector has been under immense pressure to adopt and rapidly scale virtual learning programs and tools while also working to ensure engagement, access and support to all of the students across the NY region. The non-profit education sector is broad, including universities, special education, scholarships, libraries, research institutes, and the philanthropic arms of many academic institutions. New York City has the country's largest public school system, with over 1.1 million students⁶³. 70% of the city's student body is considered economically disadvantaged⁶⁴.

However, very little information is available on the financial impact COVID-19 has had on the non-university organizations considered in this segment. Our high-level estimate of impact in the sector is a \$200-400M decline in income adjusted for existing support, potentially driving closure of 4-5% of the non-profits in the sector (~300 organizations).

⁵⁹ Washington Post - Congregations' budgets hit hard by covid-19

⁶⁰ Washington Post - Congregations' budgets hit hard by covid-19

⁶¹ NY Archdiocese church don<u>ations plunge 50 percent amid coronavirus</u>

⁶² New York City church assistance programs

⁶³ How NYC public schools are shifting online during the coronavirus

⁶⁴ NYC teachers, students grapple with at-home AP exams - New York Daily News



Key Drivers:

- Access to devices and steady internet: nearly 1 million households in New York City lack internet access⁶⁵. Though the Department of Education attempted to address this issue with free access to 300,000 internet-enabled iPads, many households still do not have access to steady internet and devices required for remote learning and virtual testing.⁶⁶
- Enrichment programs and services that were provided by non-profits on a fee-for-service basis have stopped unless they are able to go virtual, reducing income for the non-profits and educational services.

Implications for the community:

- The principally disrupted service in this sector is access to learning and child care.
 - As school moves online many students remain logged out, leading to a higher virtual drop-out rate and low attendance rates. Teachers at some schools across the country report that fewer than half of their students participate in online learning⁶⁷.
 - The education sector provides essential child care to households with inadequate resources.
 - All of the city's public libraries have been closed since mid-March, but have offered virtual resources, including e-books and other online materials. Libraries are currently working on a curbside pickup service⁶⁸.
- Another major consequence is the changing engagement for standardized testing (whether for admission, merit or licensing).
 - Many colleges and universities have announced that they will not require an SAT or ACT score for students applying in fall 2021⁶⁹.
 - Although the College Board (non-profit) says less than 1% of virtual AP testtakers experienced technology issues, NYC students, teachers and officials report that there may have been more problems with the virtual exam⁷⁰.
- American higher education, which employs about three million people nationwide, was already suffering from a host of financial problems⁷¹. Many liberal arts colleges have struggled to meet enrollment goals in recent years because of rising tuition costs, concerns about student debt and a shrinking population of young people. Schools have already experienced a drop in enrollment as students move off the waiting list^{72,73}. Uncertain that campuses will reopen, students are reluctant to commit for the fall. For schools, enrollment drops and lost revenue could be devastating. In April, the American Council on Education projected that international enrollment would drop by 25%⁷⁴. With

⁶⁵ New York Times - Coronavirus in N.Y.C.: Pressure to Close School System, Nation's Largest

⁶⁶ iPad Distribution

⁶⁷ New York Times - As Schools Moves Online, Many Students Stay Logged Out

⁶⁸ New York Public Library considering curbside pickup service

⁶⁹ Washington Post - Testing giants ACT and College Board struggle amid covid-19 pandemic

⁷⁰ NYC teachers, students grapple with at-home AP exams - New York Daily News

⁷¹ New York Times - After Coronavirus, Colleges Worry: Will Students Return?

⁷² New York Times - Coronavirus Drives Signs of a Major Drop in College Enrollment

⁷³ New York Times - After Coronavirus, Colleges Worry: Will Students Return?

⁷⁴ New York Times - After Coronavirus, Colleges Worry: Will Students Return?



college campuses closed, free virtual tours have grown in popularity as students and their families explore their options while staying safe at home.

Additional Assessment of Workforce Matching and Community Trust Building Areas

5B - Drastically speed matching displaced workers

 Evaluation of programs currently in use in the region (e.g., how many operating, at what scale, major differentiators between platforms, and recommendations for how to strengthen or make them more effective). Note: if information is not readily available, can substitute with 2-3 case studies

Case study on hospitality workers displacement matching: Hotel sector

Context

- In mid-March, hotel chains around the US began to experience what would quickly become a 90%+ drop off in demand. These companies needed to furlough massive staff pools, an estimated 400K+ across the top three chains: Marriott, Hilton, and Hyatt.
- Concurrently, leading grocery and delivery companies -- namely Amazon, CVS, and Albertsons, among others -- were facing a massive demand surge as national stay-athome orders drove Americans to e-commerce (many for the first time) for essential and non-essential shopping needs alike.

Initiative

Hilton and Hyatt corporations launched "matching initiatives" in partnership with CVS, Amazon, Walgreens, Dollar General, Instacart and Albertsons-Safeway to help workers find employment in the newly high-demand grocery sector

- Hilton's Workforce Resource Center lists 1M+ jobs open to all hospitality workers
 across firms as a temporary measure, with the intent to bring workers back to Hilton after
 the pandemic
- Groups are maintaining benefits where possible, e.g., furloughed employees on a
 Hyatt healthcare plan are covered by fund benefits, including employee benefit
 premiums, for up to two months. Furloughed employees are also eligible for
 unemployment benefits.
- In some examples, leadership has stepped up personally. In several companies, senior leadership have taken pay freezes and reductions. In another example, Hyatt established a Care Fund, initially seeded by salary reductions of the senior leadership team, to be distributed to those colleagues with the most pressing financial needs due to loss of income

Impact

 Amazon reported successfully filling job needs and anticipates retaining 125K workers (71% of surge / temporary hiring) as full-time employees after the initial pandemic impact subsides



Hilton plans to roll-out WRC program globally following strong results in launch market

Case study on restaurant workers displacement matching: Rethink

Context

Pandemic-related stay-at-home orders and bans on public gathering have forced the closure of restaurants in many areas, driving operators to lay-off or furlough staff. Resource portals including the National Restaurant Association list companies hiring during the pandemic; however a few groups have additionally started to directly support restaurants and workers⁷⁵.

Initiative

Rethink is a New York City-based non-profit working to recover nutritious excess food to provide low- or no-cost meals to New York City families in need. It recently launched its Rethink Restaurant Response Program to offer operators and restaurant workers ways to help save jobs during the pandemic and meet the need for food aid in vulnerable communities.

Rethink is hiring back-of-house employees—culinary team members, facilities team members and food distribution associates—to join its Brooklyn Navy Yard-based culinary center and begin cooking and preparing meals for New Yorkers that will be distributed to its partners like God's Love, City Harvest, the Rethink Cafe in Fort Greene, and at its partner restaurants across the city.

Impact

- Rethink anticipates its program will save ~150 jobs directly and produce 8,000+ meals / day to feed vulnerable populations in 30+ communities⁷⁶.
- 2. Sizing of immediate inefficiencies in employment due to COVID (e.g., number of jobs needed in manufacturing in Q3 2020, number of unemployed restaurant workers), magnitude of midterm need (through EOY 2020), and high-level description of longer-term "steady state" need for this type of program

Pandemic Unemployment Estimates

Total new NY State unemployment values since the pandemic began are 1.6 million, approx 17x the level in 2019. Nearly half of those claims (~730K) were from New York City.⁷⁷

The top three sectors contributing to these unemployment numbers are restaurant, retail, and health care. 527K restaurant employees have been laid off or furloughed, ~80% of the February restaurant employment total⁷⁸. Retail trade employees have filed the second highest number of initial claims at 217K, followed by workers in the health care and social assistance industry, which filed 180K unemployment insurance claims from March 8 to April 25. Unemployment in the

⁷⁵ https://restaurant.org/manage-my-restaurant/business-operations/covid19/resource-directory#e-resources

⁷⁶ https://www.rethinkfood.nyc/restaurant-response-program

https://www.lohud.com/story/money/2020/05/04/covid-19-unemployment-new-york-state-numbers/3064195001/

⁷⁸ https://www.nysra.org/uploads/1/2/1/3/121352550/ny survey covid impact press release.pdf



healthcare sector was due to many outpatient offices being closed and elective procedures being stopped during the crisis.

Mid-term job needs

Preliminary estimates suggest that for every ten jobs being lost because of the pandemic, there are three being created.⁷⁹ However, jobs at firms currently hiring like Walmart, Amazon, CVS and Domino's are significantly different than jobs lost both in pay and skills required.

Post-pandemic employment predictions

Current estimates suggest that post-pandemic job recovery may only return ~60% of lost jobs, and FEMA assessments show that on average ~40% of small businesses will not reopen after economic shocks⁸⁰

High-level steady state program need - A workforce matching program for the NYC area would be a crucial tool to support displaced workers find safe, feasible, and gainful employment rapidly. A program would help deliver productivity to sectors that need it most, income to displaced workers, and help address the surge demand on social services by helping people get back to work.

3. Identification of biggest challenges facing the current workforce matching landscape, taking into account technical capabilities of platforms to efficiently match profiles to roles, whether platforms have sufficient scale to realize full network effects, etc.

• Urgent need for an updated and easily locatable jobs portal

- An authoritative and centrally found jobs database is needed. NY State employment agency, Workforce1 is "paused" under NY pandemic response rules, updating its resource list at a limited pace with only a subset of openings (currently showing ~4,000)
- Current focus on "precise matching" reduces centralized visibility of all opportunities -current portals and resource lists inadequately attempt to filter opportunities.
- Sortable databases (e.g., People + Work, Taleo, Workday) with filter attributes will be a more effective tool for finding work
- Basic skills training to support transition is needed but provided on an ad-hoc / limited basis
- Workplace safety considerations including matching displaced workers at appropriate risk-levels given range of risk levels (e.g., meat-processing vs. call center support)
 - 4. Focus on a case study of a successful workforce reallocation/matching program with potential lessons learned or ideas for our region

Case study on Get Shift Done

⁷⁹ https://bfi.uchicago.edu/working-paper/covid-19-is-also-a-reallocation-shock/

⁸⁰ https://www.accesscorp.com/access-in-the-news/study-40-percent-businesses-fail-reopen-disaster/



Context

Identifying a crucial need to provide basic incomes to workers and food security for affected children and families in the North Texas area, Get Shift Done is a partnership organization meeting local area emergency food and income needs. Successful broader expansions across Texas, the national capital region, and New Orleans are a part of a national roll-out strategy

Initiative

Get Shift Done is a relief fund and initiative launched in North Texas to address both affected service workers who have lost their paychecks and immediate support for the demand of the non-profits, especially with respect to hunger relief. The initiative uses its Shift platform to connect volunteers, supporters and non-profits to deliver essential functions

Launched a special program with a dedicated team to leverage the Shiftsmart platform to onboard, train, schedule, dispatch, route, and pay the assigned workers to perform these shifts at non-profits.

Impact:

Get Shift Done has provided 100,000+ hours of skilled shifts to 60+ non-profits in 10 cities, delivering over 10 million meals with 8,500+ workers

Lessons learned:

- Leverage existing tools having an existing platform in place allowed GSD to mobilize rapidly
- Select the right private sector partner Shift has technology expertise and a multipartner platform, making it easier for bringing the GSD initiative to onboard additional workers, non-profits, and restaurants
- Reduce administrative barriers GSD worked with local government to streamline launch so as to more rapidly deploy and scale
- 5. Considerations for demographics with unique needs for matching and ideas for how to address (e.g., digital trainings for non-tech natives, written communication training for ESL residents)

Unique-need demographic	Potential solution
Working family members	Senior and child-care assistance
ESL residents of NY area	Written communication 'basics' cheat sheet
Federally scheduled disabled groups	ADA compliant UX/UI
High-health-risk residents	PPE provision
Reduced-mobility groups	Priority access to WFH opportunities
People experiencing homelessness	Distributed outreach efforts
Residents unable to start work immediately	Conditional cash transfer relief



· · · · · · · · · · · · · · · · · · ·	Mobile app-driven matching interface / publicly available WiFi for key sites
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6B - Preserve and build upon the community spirit and social trust

 Landscape of different types of community groups in the region (e.g., childcare, addiction recovery) and importance to the communities they serve. Note: can also be accomplished via a few community profiles if a full landscape is not feasible

Please find sector-specific research and insights in sections above. We anchored on the non-profit community landscape established by trusted organizations including the National Center for Charitable Statistics, using NTEE criteria⁸¹

2. Description of community spirit and social trust demonstrated in the region over the course of the pandemic

Crowdsourced information as resource

- Emergency/neighborhood notification (e.g., Citizen app, NextDoor app, Facebook groups) provide location-based safety alerts in real time, sourced by neighbors.
- Lists of restaurants and businesses that are still open, hosted on Google Docs/Sheets⁸²
- Lists of available remote jobs during pandemic, hosted on Google Docs/Sheets⁸³

• Community organizing and remote volunteering

- Business professionals turned community organizers or non-profit startup founders help bring technology to help local businesses. Some examples include:
 - Feed Your Hospital is a 100% volunteer run philanthropic initiative that is supporting minority-owned restaurants and feeding frontline healthcare workers⁸⁴⁸⁵.
 - Send Chinatown Love is a group of volunteer engineers, web designers and fundraisers who will build custom fundraising pages for immigrant-run local restaurants⁸⁶.
- NYC restaurants feeding healthcare workers: Restaurants, individuals and groups have been fundraising and mobilizing to feed healthcare workers on the frontline⁸⁷

Nightly collective cheer at 7:00 PM

⁸¹ https://nccs.urban.org/publication/irs-activity-codes

⁸² NYC Chinese Supermarket Closure March/April 2020

^{83 1761} Remote Jobs from Companies Hiring Remotely - May & April 2020 (weeklyi updates)

⁸⁴ https://www.thepivot.news/post/young-philanthropists-are-fighting-the-impact-of-covid-19-with-kindness

⁸⁵ Restaurants Have Pivoted to Feeding the Frontlines: Is It Delivering?

⁸⁶ A Nonprofit Startup Helps Chinatown Restaurants Connect to Customers Online

⁸⁷ A List of NYC Restaurants Raising Funds to Feed Health Care Workers



- "For many New Yorkers, the time of coronavirus will be defined by two sounds. One is the ambulance siren, shrieking at all hours through deserted streets. The other is its opposite: the nightly 7 o'clock cheer for frontline workers. The collective cheering ritual started in Wuhan, China, in January and spread across the globe in the virus's wake. Here, it is sometimes accompanied by the song 'New York, New York'"88.
- Global Citizen and other free concerts touching on the importance of supporting each other
 - Global Citizen is historically an annual concert in Central Park that borrows the voice of celebrities and performers to highlight global issues between performances. During the pandemic, they encouraged people to stay home and shared stories of workers fighting COVID-19 by making the concert available online on YouTube⁸⁹.
 - Since this virtual event, celebrities and artists have provided free concerts on YouTube,
 Twitch, and Instagram Live.
 - 3. 1-2 case studies on exemplars of sustained community spirit and social trust following a crisis (e.g., UK after the Blitz); highlight the role that the private sector played in those examples

Case study on sustained community spirit and social trust following a crisis: 9/11

Context:

On September 11, 2001, nineteen al Qaeda terrorists hijacked four commercial airplanes, intending to strike the World Trade Center in New York City and targets in Washington, D.C. In NYC and Washington, D.C., thousands of people evacuated safely. Tragically, nearly 3,000 lives were lost – the largest loss of life from a hostile attack by a foreign entity on American soil. This catastrophic event promoted the launch of multi-year efforts to track relief and recovery funding, monitor and promote the long-term health and recovery of survivors, and memorialize the event and the lives lost.

Initiatives/Impact:

- 1,271 foundations, corporations, and other institutional donors gave nearly \$1.1 billion in response to 9/11⁹⁰.
 - 282 relief and regranting funds created to aid victims, their families, and communities affected by the disaster received support from institutional donors totaling \$754 million
 - 1,295 direct-service providers, groups directly affected by the attacks, and organizations addressing 9/11-related issues received \$188 million.
 - Among direct-service organizations, arts and culture groups affected by the attacks received \$53 million while local human service agencies providing aid to affected persons and communities received more than \$50 million.

Lessons learned:

⁸⁸ What N.Y.C. Sounds like Every Night at 7

⁸⁹ Global Citizen One World: Together At Home

⁹⁰ Giving in theAftermath of 9/11



- A crisis inspires an outpouring of compassion and volunteerism in the aftermath and commitment to service. By recreating a healing spirit and contributing to the good of their local communities, people build community spirit and social trust⁹¹.
 - Suggested themes for activities include:
 - Make something/give comfort
 - Help others recover/help others rebuild
 - Pay it forward
 - Identify and support a cause
 - Bring people together
- During the recovery for 9/11, people were encouraged to go to church or support local businesses that were most impacted by the event. However, during this pandemic, these essential tools and spaces as a means of community spirit and support are not available to residents coping with the collective grief⁹².
- Essential to this recovery was no-fee or low-fee workshops presenting various approaches to treat individuals, families and groups within a multisystemic resilience framework to strengthen the natural support systems of families, communities, and organizations⁹³.

Case study on sustained community spirit and social trust following a crisis: Hurricane Sandy

Context:

Hurricane Sandy (Sandy) landed on October 29, 2013. In the New York metropolitan area, Sandy resulted in 97 deaths, major power outages, some lasting weeks, and billions of dollars in structural damage. Many major cities, including parts of New York City (NYC), are in hazard-prone areas, either near the coast or in flood plains. Without electricity, heat, or running water for two to three weeks, garbage collection, or local health clinical services, the residents experienced an inability to cook, did not have access to clean drinking water or have proper sanitation within their homes, as well as experienced increased exposure to the elements and limited access to routine medical care. Red Hook, Brooklyn, was vulnerable to Sandy since it lies on a peninsula. The community has a 45% poverty rate and high levels of asthma and diabetes. In Red Hook, 85% of residents are Black or Latino; data indicate they are more likely to be exposed to social risk factors, increased barriers to health care, and compounded stressors than non-White residents⁹⁴

Initiatives/Impact:

• Community meetings with public officials were held on November 5, 11, and 14 during the initial recovery period⁹⁵.

⁹¹ The Spirit of Volunteerism 9/11 and Beyond

⁹² Why the Coronavirus Is So Much Worse Than Sept. 11

⁹³ Collective Trauma, Collective Healing: Promoting Community Resilience in the Aftermath of Disaster

⁹⁴ Lessons from Hurricane Sandy: a Community Response in Brooklyn, New York

⁹⁵ Lessons from Hurricane Sandy: a Community Response in Brooklyn, New York



• High social capital within the neighborhood that might not be replicable in other vulnerable communities contributed to Red Hook's resiliency in the weeks after Hurricane Sandy landed. Individual groups including volunteers from outside of Red Hook, residents, and local community-based organizations (CBOs) had important resources they were able to bring to bear on the problems that emerged. Their efforts were coordinated to provide hot meals, resource and information distribution, and limited access to electricity. To address the lack of refrigeration and gas to cook meals, RHI and other volunteers coordinated efforts to deliver food, medicine, and ice for medication to the homebound. This service began as early as the day after the storm and continued over a 3-week period. Activist groups used online registry tools (e.g., typically used for wedding registry) to collect donations for NYC and then triage them to high-need areas. RHI also utilized social media to communicate beyond Red Hook when food, supplies, and volunteers were needed for specific tasks. This approach translated into 300 contributors per day for 3 weeks⁹⁶. Public health needs were addressed after the government officials arrived.

Lessons Learned:

- One benefit of geographic isolation is the opportunity for community stakeholders to establish and maintain strong social networks and have a profound understanding of the inner workings of the community. High social capital within a neighborhood contributes to the community's resiliency as individuals and groups can be activated and emerge with community-focused solutions⁹⁷.
- Regarding external assistance and outside intervention, resist holding donation drives
 unless there has been a stated need in the affected community and a designated place to
 send the items to avoid waste and not over-extend community resources. Disaster
 groups need time to become ready to receive both supplies and volunteers, in order to
 put them to work with proper supervision, instruction, and personal protective equipment
 to ensure safety⁹⁸.
- "Many people who survive disaster must deal with the shattering of the belief that they were previously protected, a feeling which often accompanies experiencing trauma (Boschman, 2011). Some of the magnitude that people deal with is that of significant emotional experiences, such as grief, anger, fear. Shock, awe, and bewilderment over the sheer enormity of damage or loss also came up frequently"⁹⁹. There is also puzzlement about why and how progress could be achieved in some situations yet not others.

Links to Available Fact Bases

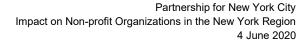
Our sources can be found directly embedded throughout the document.

⁹⁶ Lessons from Hurricane Sandy: a Community Response in Brooklyn, New York

⁹⁷ Lessons from Hurricane Sandy: a Community Response in Brooklyn, New York

⁹⁸ The Critical Role of Volunteers in Hurricane-Affected Communities

⁹⁹ Examination of Spiritual Needs in Hurricane Sandy Disaster Recovery Through Clinical Pastoral Education Verbatims





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