

## Nonprofit Workforce Shortage Survey

### In Oregon

August 2023

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In April 2023, more than 1,600 charitable nonprofit organizations throughout the United States completed the nonprofit workforce shortages survey designed to gauge whether job vacancies continue to be a problem for the missions of those organizations, how the vacancies impact communities, and what actions have been taken and are proposed for alleviating the challenges. More than one hundred Oregon nonprofits shared insights that provide the substance of this report.

### Key Findings

- 70.5% of Oregon nonprofits report job vacancies.
- 43.8% of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 26.8% have longer waiting lists for services.
- 67.1% of respondents with vacancies identified program and service delivery as a category with vacancies.
- 74.1% of responding organizations said salary competition affects their ability to recruit and retain employees, followed by budget constraints/insufficient funds (67.0%)
- 65.2% of respondents anticipate the amount of donations will decline or remain flat in 2023, and 62.5% anticipate the number of donors will decline or remain flat for 2023.

## The Scope of The Problem

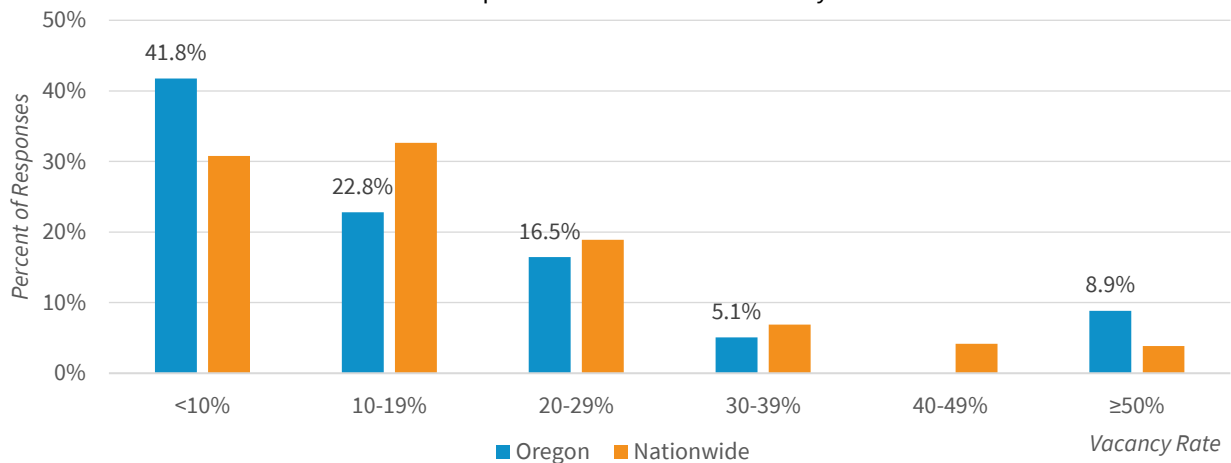
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One of the key questions in the survey was, “What is your nonprofit’s current job vacancy rate?” and 41.8% of nonprofits with vacancies shared rates below 10 percent, while 22.8% reported vacancy rates of between 10-19%. An estimated three out of ten (30.5%) nonprofits with workforce shortages have vacancy rates greater than 20 percent.

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**Figure 1: Nonprofits' Job Vacancy Rate in April 2023**

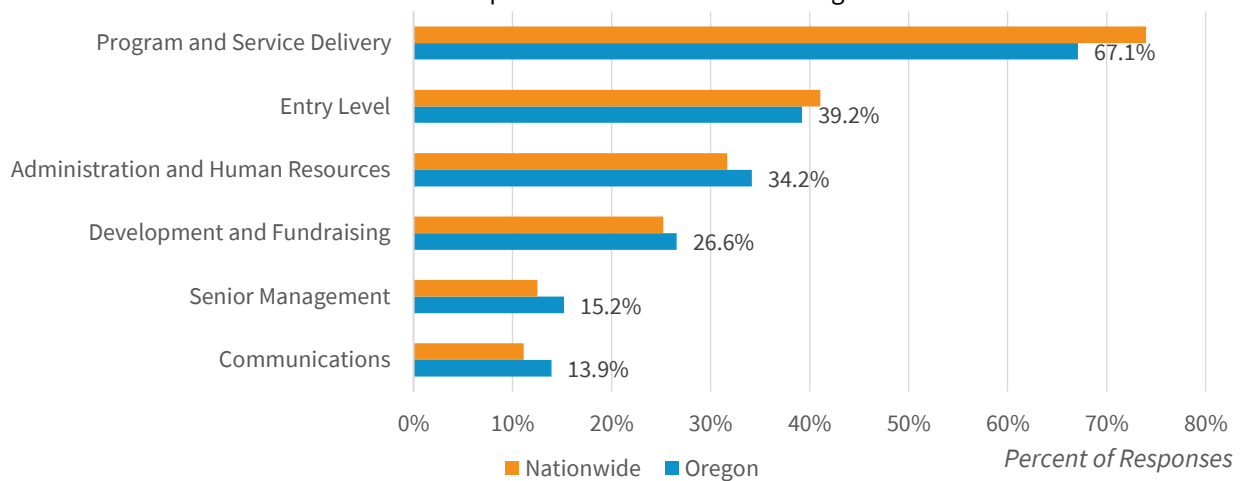
Number of Nonprofits that Provided a Vacancy Rate: 79



The job category with the most vacancies is program and service delivery, identified by 67.1% of nonprofits, followed by entry level positions at 39.2%. More than one-third (34.2%) of nonprofits also reported vacancies in administration and human resources positions. Vacancies in development and fundraising impact 26.6% of organizations. Other categories with vacancies are in membership & volunteer support, seasonal, receptionist, maintenance, construction, and operations positions.

**Figure 2: Nonprofit Job Categories with Vacancies in April 2023**

Number of Nonprofits that Identified Job Categories: 79

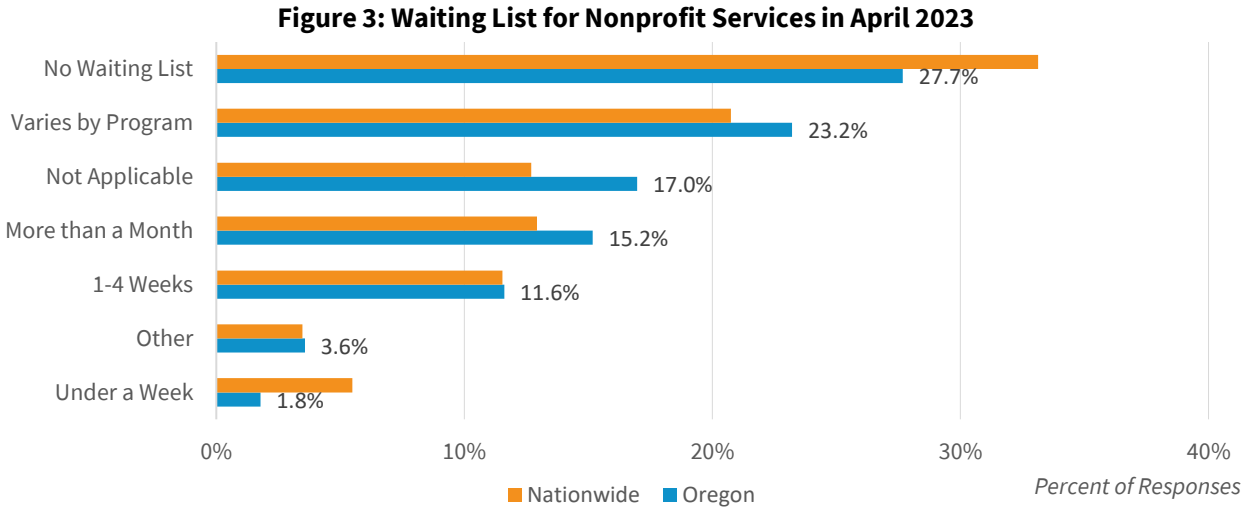


The impact of increased job vacancies is visible in Oregon’s communities, as demonstrated in comments provided by survey participants. A mental health provider with a waiting list more than a month long shared that individuals cannot start services when they are ready due to staff shortages, and that by the time they can start their treatment, they may have “relapsed, overdosed, or ended up in jail during that wait time.” A youth development nonprofit is unable to participate in as many community-serving partnerships due to “lack of staff.” For a human services provider, vacancies in their organization means that they reach fewer community members in need of their services, which is “especially impactful” for individuals with mental health or physical needs.

Bridging the Gap Oregon shared that with staff shortages, “thousands” are left without resources or “in dangerous situations” simply because they don’t have the “funds, capacity, or staff.” A housing nonprofit cannot house people or provide mental health services because of vacancies. Integral Youth Services is unable to provide emergency shelter to foster youth and are “limited in providing emergency shelter for our runaway and homeless youth populations,” and cannot conduct outreach. The New Dream Family Center shared that they cannot provide consistent, reliable child care, and have had to close a classroom “early or entirely for a day, week, or reduce operational hours” to adjust to the number of staff available.

## Why It Matters: The Consequences to People, Communities, and Missions

The survey asked participants to share the extent they had been forced to resort to waiting lists or otherwise alter service delivery because of workforce shortages. Most nonprofits (27.7%) indicated that they either had no waiting lists for their services or that they varied by program (23.2%). Of the nonprofits that reported a time frame, 15.2% said that their waiting lists are more than a month long. Another 17.0% said that the question is not applicable to their operations.



The survey also asked nonprofits to compare their current challenges to prior experiences. More than four out of ten (43.8%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and more than one out of four (26.8%) have longer waiting lists for services.

**Table 1: Vacancies and Waiting Lists in April 2023 Compared to March 2020**

	Changes Observed April 2023 vs. March 2020	Percent of Responses in 2023
<b>Vacancies</b>	More vacancies	43.8%
	Fewer vacancies	7.1%
	No change to vacancies	8.9%

	Changes Observed April 2023 vs. March 2020	Percent of Responses in 2023
<b>Waiting List</b>	Longer waiting list for services	26.8%
	Shorter waiting list for services	1.8%
	No change to waiting list	14.3%
<b>Other</b>	Other	5.4%
	Did not select an option	29.5%

## Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention in Oregon are salary competition, budget constraints/insufficient funds, and stress/burnout. Respondents also shared that leadership challenges, lack of development opportunities, affordable housing shortages, high cost of living expenses, and competition from the public sector negatively impacts nonprofits' recruitment and retention efforts.

**Table 2: Factors Affecting Nonprofit Recruitment and Retention**

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Salary competition	83	74.1%
Budget constraints/insufficient funds	75	67.0%
Stress/burnout	71	63.4%
Other	32	28.6%
Lack of child care	31	27.7%
Challenges caused by government grants/contracts	21	18.9%
COVID-19 and vaccinations	13	11.6%
Not Sure	9	8.0%

The analysis points out that nearly a fifth (18.9%) of respondents point to government grants and contracts as a cause of the severe workforce shortages. We noted in the [National Council of Nonprofits testimony](#) to the Senate Homeland Security and Governmental Affairs Committee that a problem and solution relates to up-front payments vs. reimbursable contracts:

### Reimbursable Grants vs. Up-Front Payments

The fact that most government grants for services are paid on a reimbursement basis is a challenge that charitable organizations are seeking to overcome. "Government grants and contracts are often approved on a reimbursement basis, and they do not always cover our program and/or admin costs," wrote a large Oregon human services provider. In that state, and several others across the country, pending legislation would flip the practice and mandate lump-sum or partially pre-paid grants in many circumstances. This approach would certainly improve planning for nonprofits,

enabling them to staff up and provide ongoing training to ensure both performance and accountability.

### **Additional Challenges**

One respondent shared that, in addition to having difficulties with recruitment and retention, they also cannot find interns to join their organization even when they pay for internships. A nonprofit professional acknowledged that pay equity has been an internal problem, and another reason for employees, especially women, to leave the organization. Another organization is having challenges budgeting for the minimum wage increases, noting that they don't have the funding to offer higher wages or more professional development. An agricultural nonprofit shared another challenge: "Inflation and multi-year fixed grants have made it very difficult to keep up with an ever increasing competitive wage."

### **External Factors Impacting Nonprofits**

Going beyond the scope of the earlier survey, the 2023 nonprofit survey sought to quantify how much three external factors have impacted nonprofit employment challenges: 1) charitable giving; 2) natural disasters; and 3) the end of enhanced benefits provided during the declared public health emergency. The results vary widely depending on, among other things, the respondent's subsector, geographic location, and demographics of people served.

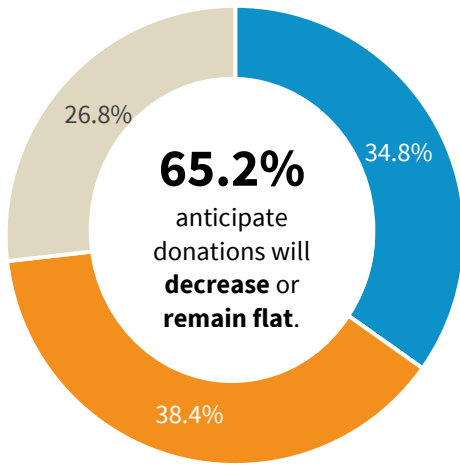
### **Charitable Giving**

Nearly two-thirds (65.2%) of respondents anticipate the amount of donations will decline or remain flat for 2023, while 62.5% expect the number of donors to decline or remain the same this year.

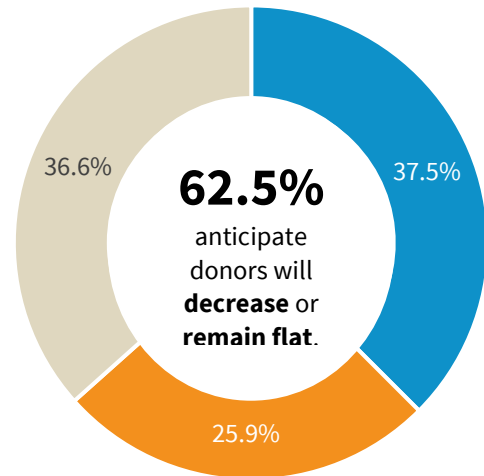
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**Figure 4: Nonprofits' Anticipated Changes in Donations and Donors for 2023**

**Anticipated Changes in Donations for 2023**



**Anticipated Changes in the Number of Donors for 2023**



■ Increase in donations ■ Decrease in donations ■ No change ■ Increase in donors ■ Decrease in donors ■ No changes

The anticipation by most Oregon nonprofits that total giving and the number of donors will be either flat or declining in 2023 is troubling. Charitable giving declined by 10.5 percent in 2022 compared to 2021, according [Giving USA's Annual Report](#). This comes at a time when [inflation](#) has caused higher costs for services and demand for those services continues to rise. According to the [Nonprofit Finance Fund](#), between FY2019 and FY2021, demand for services significantly increased for 52% of nonprofits. As a result, nonprofits expect giving to effectively decline while the needs of residents remain high and are going up.

## Impact of Natural Disasters on Nonprofits

As communities suffering from natural disasters turn to charitable nonprofits, they are discovering that the nonprofits where they seek relief are themselves struggling to recover from the significantly added workloads they endured throughout the pandemic. Natural disasters impact nonprofits in many ways, and in Oregon they mainly lead to an increased demand for services, increased costs of providing services, and staff is impacted by natural disasters.

**Table 3: Impact of Natural Disasters on Nonprofits**

Impact of Natural Disasters	Number of Responses	Percent of Responses
Not applicable	56	50.0%
Increased demand for services	32	28.6%
Increased costs of providing services/unbudgeted costs	26	23.2%
Staff impacted by natural disasters	18	16.1%
Unable to provide services	8	7.1%

Building/office damage	5	4.5%
Other	4	3.6%

## The End of the Public Health Emergency

With the expiration of many federal and state relief programs created under the COVID-19 public health emergency, some nonprofits in Oregon expect this to impact their operations. A human services provider has been “ramping up work” with their clients to make sure they are not dropped from Medicare and are trying to help the communities they serve adjust to the changes in SNAP benefits. Many respondents do not expect a significant impact on their nonprofits.

## Solutions and Recommendations

Recognizing that the people leading, working in, and volunteering for charitable nonprofits are, by nature, problem solvers, the 2023 survey invited participants to share the solutions they had already implemented or identified for addressing the nonprofit workforce shortages crisis. They provided practical solutions and proposed public policy solutions.

## Practices Implemented by Nonprofits

While there are legislative solutions in the works or not yet implemented, nonprofits have responded to workforce shortages crisis by increasing salaries, implementing remote work options, and providing more benefits. Even with these policies, they are struggling to hire and retain staff, which makes it essential to continue to advocate for solutions at the federal, state, and local levels.

**Table 4: Practical Solutions Implemented by Nonprofits**

Implemented Practices	Number of Responses	Percent of Responses
Salary increases	78	76.6%
Remote work options (hybrid, full-time, etc.)	74	66.1%
Benefits increased (health insurance, transportation, etc.)	55	49.1%
Diversity, Equity, and Inclusion trainings and strategies	53	47.3%
One-time bonuses	46	41.1%
Career advancement opportunities (training, mentorship, etc.)	41	36.6%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	27	24.1%
Mental health (expanded benefits, counseling, etc.)	26	23.2%

Implemented Practices	Number of Responses	Percent of Responses
Notified employees about their eligibility for Public Service Loan Forgiveness	21	18.8%
Signing bonus	17	15.2%
Not applicable	10	8.9%
Other	5	4.5%

## Solutions Proposed by Nonprofits

Nonprofits on the frontlines in Oregon shared solutions they think lawmakers, philanthropy, and other nonprofit professionals should consider. A human services provider called for better “funding support for entry level positions with training, mentorship and wage parity.” One respondent suggested that funding opportunities should be “easier to access and apply for.”

A housing nonprofit recommended that “Federal/state/local grants should pay the value of staffing needs including the administrative staff,” adding that some overhead rates are not enough. Another housing nonprofit shared that there needs to be a “Collective effort to encourage public and private funders to increase funds available for staffing and overhead,” adding that “the cost of housing and childcare in our community has increased so dramatically that it's difficult to compete with the for-profit sector to attract and retain skilled workers.” For a child care provider, continued subsidies is the only way to prevent closure, and for parents to compete for the few spots left in many centers.

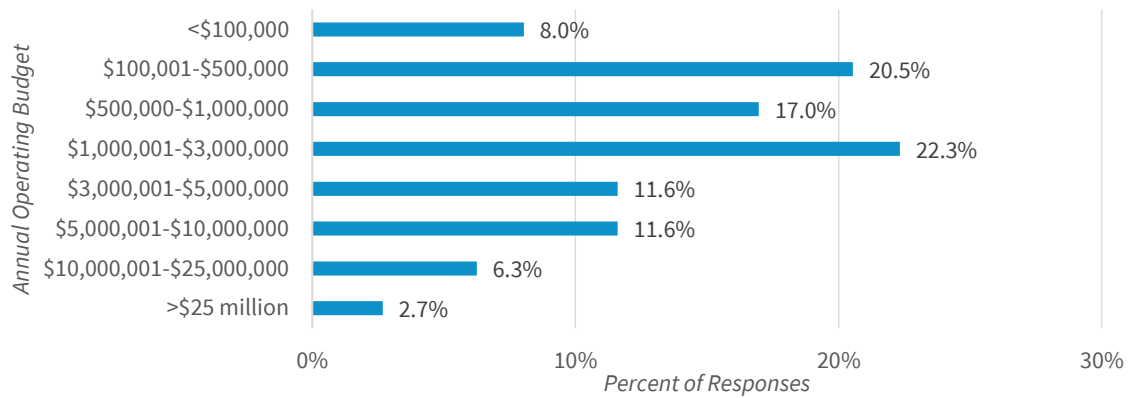
## Profiles of Nonprofits Completing the Survey

Although workforce shortages impact nonprofits from all sectors and budgets, smaller nonprofits feel the pressure more: 45.5% of nonprofits have an annual operating budget of less than \$1 million. More than one-fifth (22.3%) of nonprofits reported annual operating budget of between \$1 million and \$3 million, while those with budgets of between \$3 million and \$10 million comprise 23.3% of nonprofits. Another 9.0% of nonprofits had budgets greater than \$10 million.

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**Figure 5: Nonprofits' Annual Operating Budget**



**Table 5: Communities Served by Nonprofits**

Communities Served	Number of Responses	Percent of Responses
None of the above	46	41.1%
People living in rural communities	31	27.7%
People with disabilities	31	27.7%
American Indian or Alaskan Native, Asian, Black, Native Hawaiian or Pacific Islander, Middle Eastern/North African, Hispanic/Latino/Latina/Latinx, or multi-racial/multi-ethnic	21	18.8%
People who identify as LGBTQ+	13	11.6%

**Table 6: Responses to the Nonprofit Workforce Shortages Survey by Subsector**

Subsector	Number of Responses	Percent of Responses
Other	30	26.8%
Human Services	28	25.0%
Arts, Culture, and Humanities	15	13.4%
Environment and Animal Welfare	7	6.3%
Public/Societal Benefit	6	5.4%
Healthcare	5	4.5%
Education	4	3.6%
Multiple Subsectors	4	3.6%
Mental Health	4	3.6%
Community/Civic Engagement	3	2.7%
Child Care	2	1.8%
Research	1	0.9%