

Nonprofit Workforce Shortage Survey

In Vermont

August 2023

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 twenty-five Vermont nonprofits provided insights that provide the substance of this report.

Key Findings

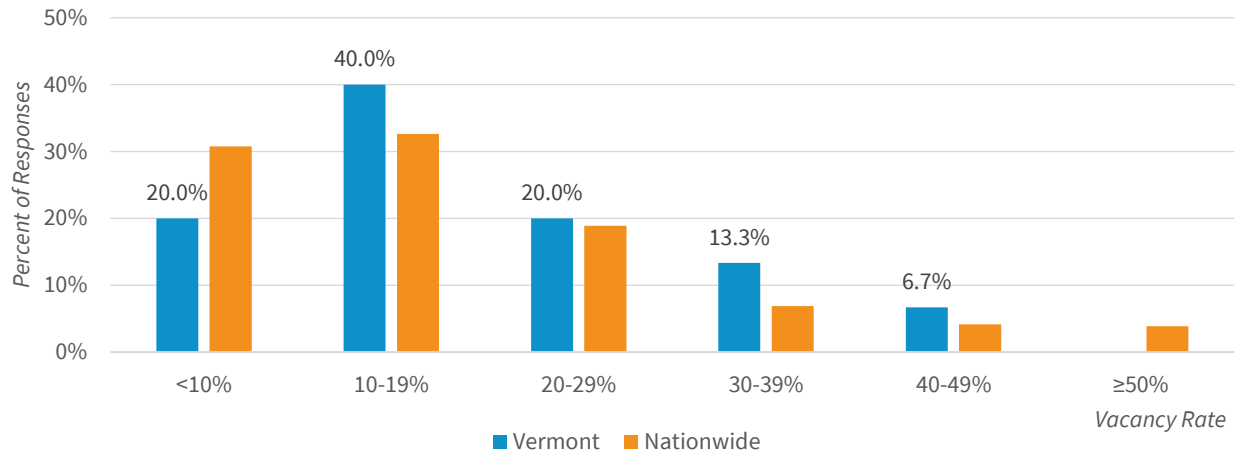
- Well more than half (57.7%) of Vermont nonprofits completing the survey reported experiencing job vacancies.
- Better than two out of five (42.3%) nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 19.2% have longer waiting lists for services.
- 86.7% of respondents with vacancies identified program and service delivery as a category with vacancies.
- Nearly a quarter (73.1%) of responding organizations said salary competition affects their ability to recruit and retain employees, followed by budget constraints/insufficient funds (69.2%) and stress/burnout (46.2%).
- More than three out of four (76.9%) respondents anticipate the amount of donations will decline or remain flat for 2023. A similar percentage (73.1%) expects the number of donors to decline or remain the same this year.

The Scope of The Problem

One of the key questions in the survey was, “What is your nonprofit’s current job vacancy rate?” A fifth of Vermont nonprofits (20.0%) with vacancies shared rates fewer than 9%, while 40.0%

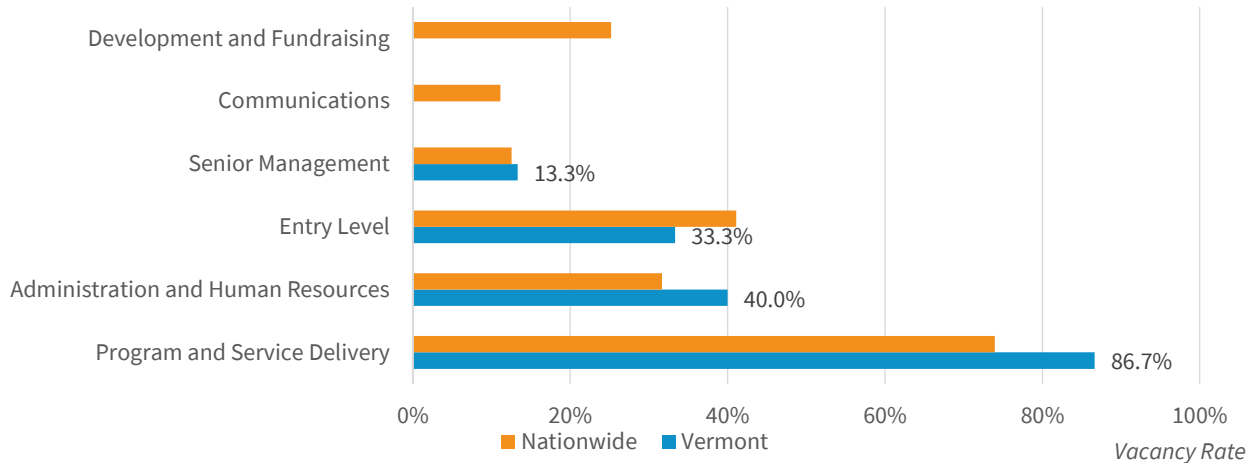
responded that their vacancy rates ranged between 10% and 19%. Two out of five (40.0%) nonprofits reported a job vacancy rate greater than 20%.

Figure 1: Nonprofits' Job Vacancy Rate in April 2023
 Number of Nonprofits that Provided a Vacancy Rate: 15



The job category with the most vacancies is program and service delivery, which affects 86.7% of Vermont nonprofits that reported vacancies. A third (33.3%) of nonprofits also reported vacancies in entry level positions. Vacancies in administration and human resources impact 40.0% of organizations. More than one out of ten (13.3%) nonprofits in Vermont reported that they are having trouble filling senior management positions.

Figure 2: Nonprofit Job Categories with Vacancies in April 2023
 Number of Nonprofits that Identified Job Categories: 15

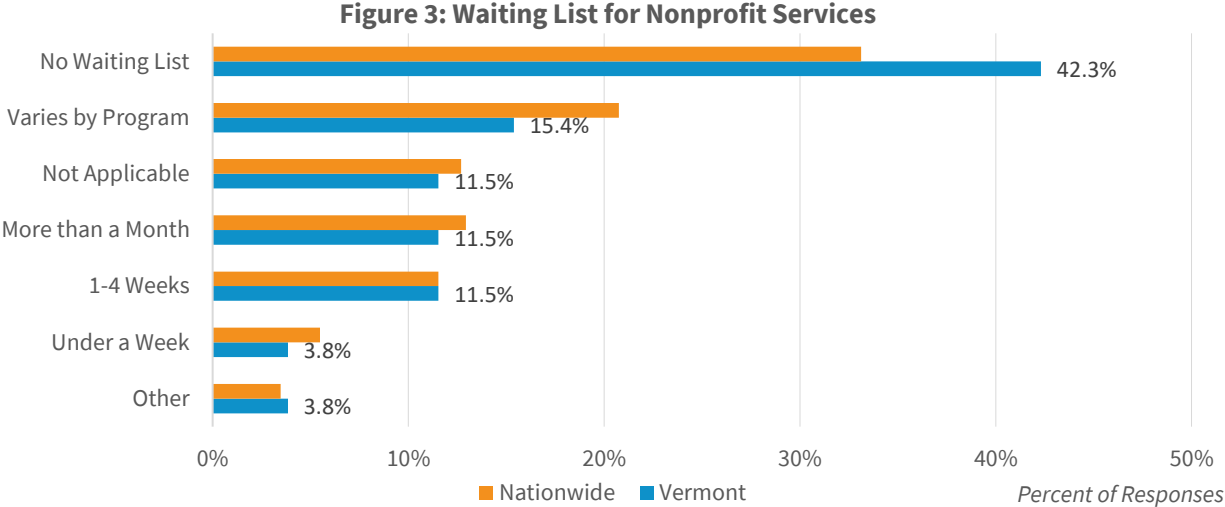


The impact of increased job vacancies is visible in Vermont’s communities, as demonstrated in comments provided by survey participants. A human services provider shared that participants in their programs do not receive the “attention and support they deserve because existing staff are covering programs that are not staffed.” The same provider has seen the needs of participants grow and they are seeing more mental health concerns and a lack of housing, food, and transportation.

For a child care provider, vacancies mean that “fewer families have care for their children, which affects their ability to work.” According to one professional the impact of vacancies over an extended period also affects a nonprofit’s financial sustainability: “We are behind on many projects that we currently have funding for. We may not have this funding in the future and it is frustrating not to have the staff to take advantage of the funding we have that could be used to move projects forward.”

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. More than two out of five (42.3%) nonprofit respondents to the survey indicated that they had no waiting lists for their services. Another 15.4% explained that they could not give a time frame for waiting lists because the duration for wait times varied by program. Of those who reported a time frame, one out of ten (11.5%) said that their waiting lists are either more than a month or between one and four weeks long. Another 11.5% 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 two out of five (42.3%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 19.2% 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
Vacancies	More vacancies	42.3%
	Fewer vacancies	0
	No change to vacancies	7.7%
Waiting List	Longer waiting list for services	19.2%
	Shorter waiting list for services	3.8%

	Changes Observed April 2023 vs. March 2020	Percent of Responses in 2023
	No change to waiting list	3.8%
Other	Other	3.8%
	Did not select an option	42.3%

Mountainside House shared that they have had to postpone taking residents in, or keep a census lower than their usual levels, and closed one of their shelters, attributing all of these changes to a lack of staff. A small child care provider was forced to close classrooms, which means they cannot serve the children on their waiting lists. An education nonprofit has been able to avoid waiting lists, but the staff worries about their ability to keep that up.

Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention for Vermont charitable organizations are salary competition, budget constraints/insufficient funds, and stress/burnout. Respondents also stated that the lack of affordable housing in the state affects their vacancies. One nonprofit professional shared that their organization needs to do some strategic planning before hiring staff, but they don't have the capacity because they are trying to support remaining employees and keep up with demand. A human services provider has not seen funding increases in years, which over time equates to funding cuts due to inflation, yet funder expectations keep growing.

Table 2: Factors Affecting Nonprofit Recruitment and Retention

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Salary competition	19	73.1%
Budget constraints/insufficient funds	18	69.2%
Stress/burnout	12	46.2%
Other	9	34.6%
Challenges caused by government grants/contracts	7	26.9%
Lack of child care	5	19.2%
COVID-19 and vaccinations	2	7.7%
Not Sure	1	3.8%

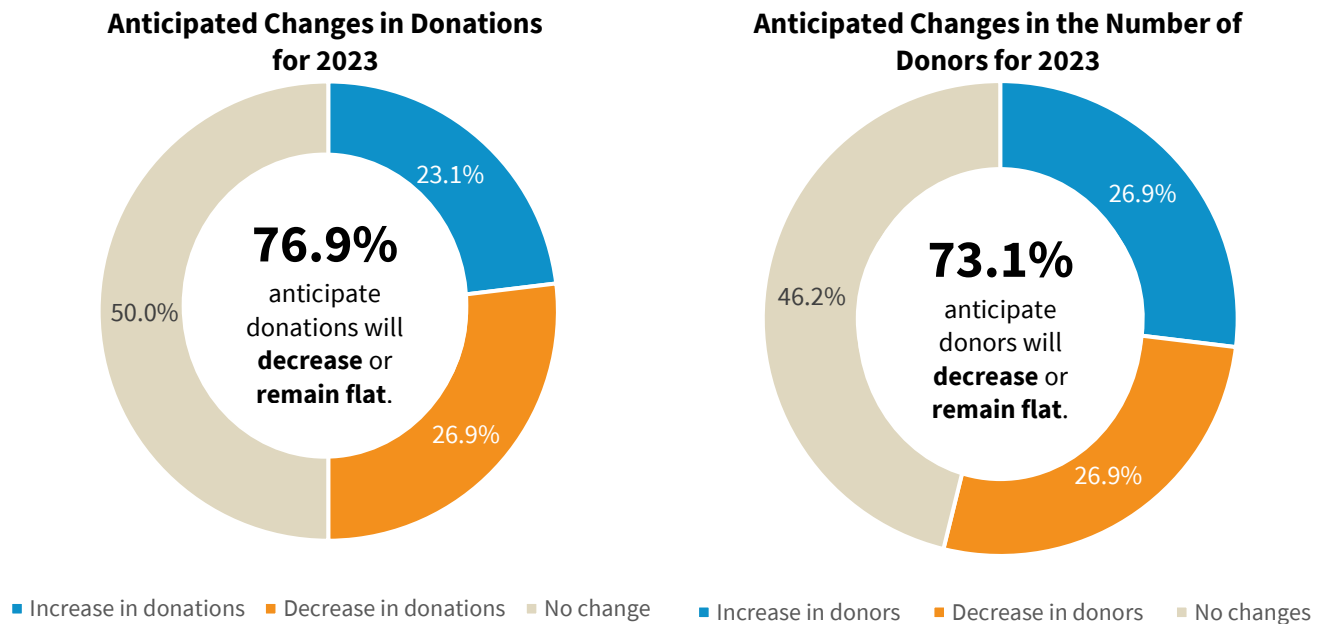
External Factors Impacting Nonprofits

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

More than three out of four (76.9%) Vermont respondents anticipate the amount of donations will decline or remain flat for 2023. A similar percentage (73.1%) expects the number of donors to decline or remain the same this year.

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



Vermont nonprofits' anticipation 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 to [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 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 Vermont they mainly led to increased costs of providing services and increased demand for services.

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Table 3: Impact of Natural Disasters on Nonprofits

Impact of Natural Disasters	Number of Responses	Percent of Responses
Not applicable	17	63.4%
Increased costs of providing services/unbudgeted costs	8	30.8%
Increased demand for services	7	26.9%
Staff impacted by natural disasters	2	7.7%
Unable to provide services	2	7.7%
Building/office damage	1	3.8%

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 Vermont expect this to impact their operations. For instance, a housing provider knows the costs of providing COVID-19 testing will affect their offices. Other nonprofits anticipate that demand for services will increase.

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

Vermont nonprofits responded to the workforce shortages crisis by increasing salaries, providing more benefits, and creating remote work options. Other common strategies or practices include offering one-time bonuses, and providing trainings in diversity, equity, and inclusion and in career advancement. A Vermont nonprofit responding to the survey shared that it is going through a “collective revising” of policies like salaries and benefits to recruit and retain staff. An education nonprofit called for affordable housing reforms so their employees can continue to live in their community.

Table 4: Practical Solutions Implemented by Nonprofits

Implemented Practices	Number of Responses	Percent of Responses
Salary increases	18	69.2%
Benefits increased (health insurance, transportation, etc.)	13	50.0%
Remote work options (hybrid, full-time, etc.)	12	46.2%
One-time bonuses	9	34.6%
Diversity, Equity, and Inclusion trainings and strategies	9	34.6%
Career advancement opportunities (training, mentorship, etc.)	9	34.6%
Mental health (expanded benefits, counseling, etc.)	7	26.9%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	6	23.1%
Not applicable	5	19.2%
Notified employees about their eligibility for Public Service Loan Forgiveness	3	11.5%
Signing bonus	3	11.5%
Other	3	11.5%

Profiles of Nonprofits Completing the Survey

Although workforce shortages impact nonprofits from all sectors and budgets, smaller nonprofits feel the impact more: all the nonprofits that responded to the survey in Vermont have an annual operating budget of less than \$3 million. Those with budgets of between \$1 million and \$3 million made up half (50.0%) of respondents, and nearly a quarter (23.1%) of respondents have budgets that range from \$100,001 to \$500,000.

Figure 5: Nonprofits' Annual Operating Budget

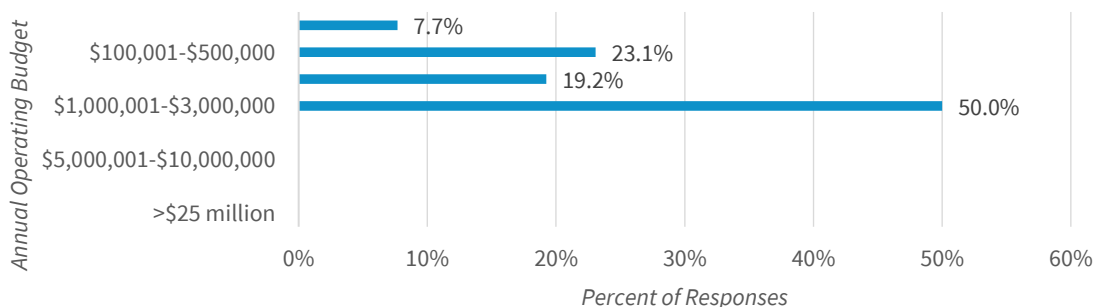


Table 5: Communities Served by Nonprofits

Communities Served	Number of Responses	Percent of Responses
People living in rural communities	17	65.4%
None of the above	8	30.8%
People with disabilities	3	11.5%
People who identify as LGBTQ+	2	7.7%
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	1	3.8%

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

Subsector	Number of Responses	Percent of Responses
Human Services	10	38.5%
Other	7	26.9%
Public/Societal Benefit	3	11.5%
Education	2	7.7%
Arts, Culture, and Humanities	1	3.8%
Community/Civic Engagement	1	3.8%
Child Care	1	3.8%
Housing	1	3.8%