

Nonprofit Workforce Shortage Survey

In Washington

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. One hundred seventeen Washington nonprofits provided insights that provide the substance of this report.

Key Findings

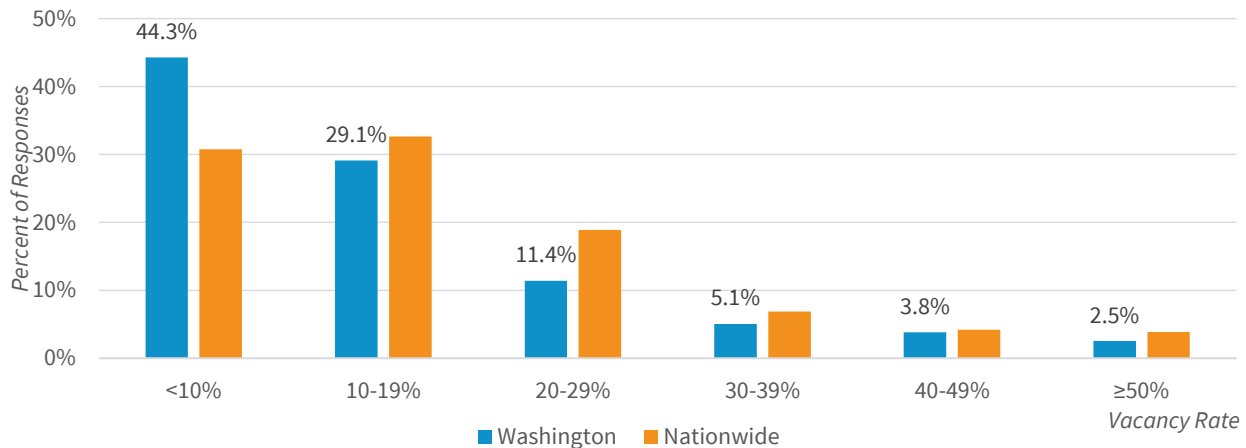
- 67.5% of Washington nonprofits report job vacancies.
- Nearly half (47.0%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and nearly one out of four (23.9%) have longer waiting lists for services.
- 63.3% of respondents with vacancies identified program and service delivery as a category with vacancies.
- 73.5% of responding organizations said budget constraints/insufficient funds affects their ability to recruit and retain employees, followed by salary competition (70.9%)
- Seven out of ten (70.9%) respondents anticipate both the amount of donations and the number of donors will decline or remain flat for 2023.

The Scope of The Problem

One of the key questions in the survey was, “What is your nonprofit’s current job vacancy rate?” and 44.3% of nonprofits with vacancies shared rates fewer than 9%, while another 29.1% responded that their vacancy rates ranged between 10% and 19%. More than one out of five (22.8%) nonprofits reported a job vacancy rate greater than 20%.

Figure 1: Nonprofits' Job Vacancy Rate in April 2023

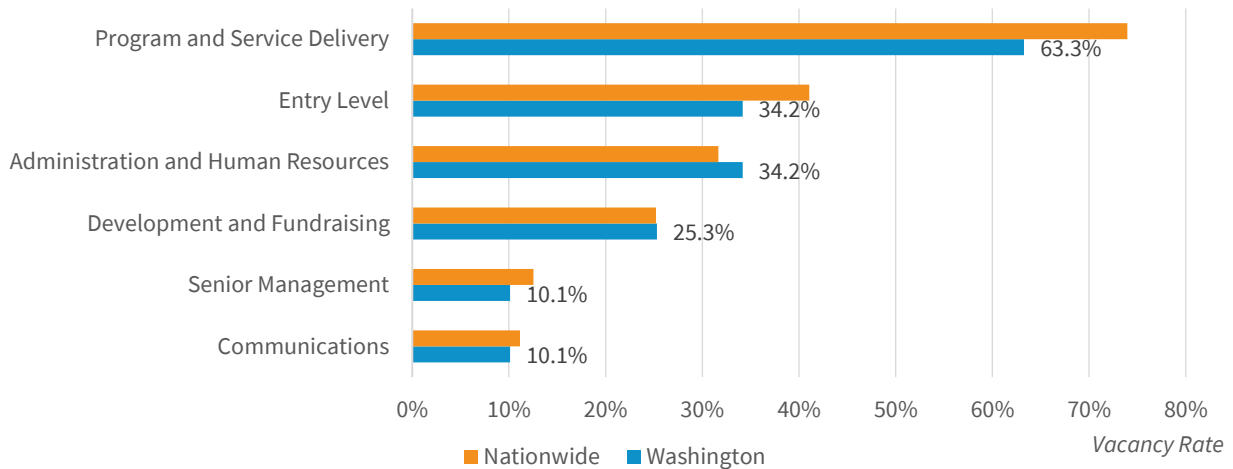
Number of Nonprofits that Provided a Vacancy Rate: 79



The job category with the most vacancies is program and service delivery, which affects 63.3% of nonprofits. More than one out of three (34.2%) nonprofits also reported vacancies in entry level and administration/human resources positions. Vacancies in development and fundraising impact one out of four (25.3%) organizations, while one out of ten (10.1%) of nonprofits have vacancies in senior management and communications. Other job categories with vacancies included camp counselors, internships, maintenance and operations, accounting, therapists, and case managers.

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 Washington communities. For a human services provider, vacancies spread their work thin and limit their ability to “expand by providing more meals and do contract work with shelters and tiny home villages.” They continued, “It also limits our advocacy work, and partnership abilities.” Another human services provider based in a small community responded that they are one of only a few providers, so workforce shortages cause “stress for community members in need of services and unable to obtain services in a timely manner.” Nonprofit job vacancies can also damage an organization’s reputation over time,

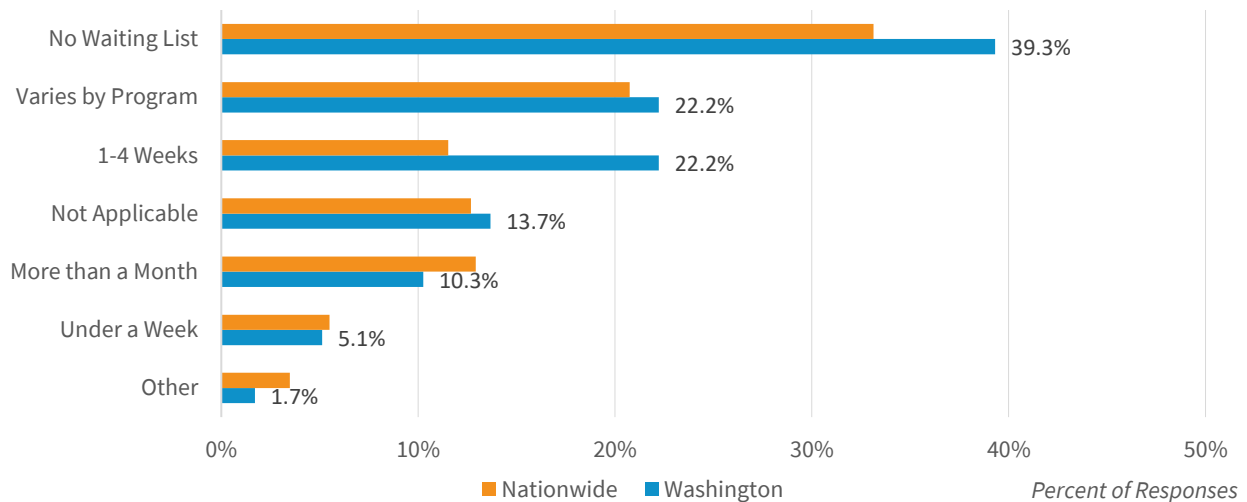
according to one respondent, elaborating that the community “respect us less for it, but it is challenging hiring highly qualified museum workers in a small, rural community.”

Child Care: While the data do not initially suggest a shortage of affordable child care in Washington, a testimonial from a respondent illustrates an ongoing challenge for employers and families: “I get 2-3 calls a day of parents looking for childcare. I can only offer putting them on the waiting list but they need childcare immediately so it isn't very helpful. I don't refer them to other childcare facilities because they have no open spaces either.” Another child care provider elsewhere in the state shared that families are stuck finding options that “may or may not be safe, or they may choose to have one parent leave the workforce to care for their children.”

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 (39.3%) indicated that they either had no waiting lists for their services or that they varied by program (22.2%). Of the nonprofits that reported a time frame, 10.3% said that their waiting lists are more than a month long. Another 13.7% said that the question is not applicable to their operations.

Figure 3: Waiting List for Nonprofit Services in April 2023



The survey also asked nonprofits to compare their current challenges to prior experiences. Nearly half (47.0%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and nearly one out of four (23.9%) 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	47.0%

	Changes Observed April 2023 vs. March 2020	Percent of Responses in 2023
	Fewer vacancies	6.0%
	No change to vacancies	6.8%
Waiting List	Longer waiting list for services	23.9%
	Shorter waiting list for services	2.6%
	No change to waiting list	10.3%
Other	Other	6.2%
	Did not select an option	32.5%

Homes First, a housing nonprofit, stated that it is challenging for them to take on more cases when they “struggle to provide our program to our current users.” A human services provider said that waiting lists are “longer than normal” for programs with job vacancies and high turnover, especially in behavioral health. They expressed concern that finding qualified candidates to fill these positions is also a challenge. Another human services provider struggling to hire mental health professionals spoke on their vacancies, concluding that “we are unable to compete with for-profit/private practice wages. Our waitlists for both programs are extensive, sometimes months long.”

Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention in Washington are budget constraints/insufficient funds, salary competition, and stress/burnout. Respondents also stated that a lack of affordable housing impacts their ability to recruit and retain employees, as well as a “poor transportation infrastructure.” One nonprofit also said that they struggle to find bilingual employees.

Table 2: Factors Affecting Nonprofit Recruitment and Retention

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Budget constraints/insufficient funds	86	73.5%
Salary competition	83	70.9%
Stress/burnout	52	44.4%
Challenges caused by government grants/contracts	25	21.4%
Other	22	18.8%
Not Sure	11	9.4%
COVID-19 and vaccinations	11	9.4%
Lack of child care	9	7.7%

Government Grants and Contracts: Survey respondents highlighted challenges with government grants and contracting practices that do not cover the cost of services as a cause for nonprofit workforce shortages. A nonprofit wrote that it places a “constraint” on wages. Another responded

that “restrictive grants hinder our ability to best serve the community.” The Hearing, Speech & Deaf Center (HSDC), which provides services on behalf of governments pursuant to contracts, is facing turnover, which impacts when they “get payments, impacts our cashflow and is creating extra work for staff that are working hard to simply avoid burnout.” A human services provider shared that they need more resources to respond to “stress, burnout, and organizational trauma caused by workforce shortage and other related challenges brought about by COVID-19.” Finally, a nonprofit connected the challenges of overloaded staff to grants and contracts, elaborating that increased workloads reduces the time staff must look for grants as additional revenue, creating an unsustainable cycle.

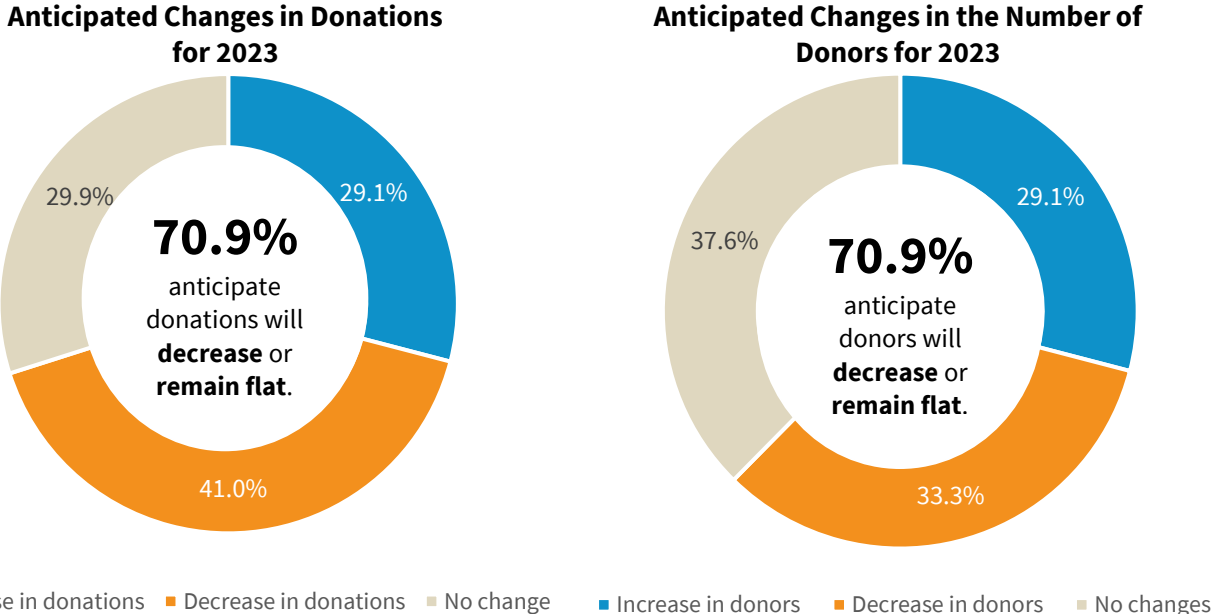
External Factors Impacting Nonprofits

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

Seven out of ten (70.9%) respondents anticipate that the amount of donations will decline or remain flat for 2023. The same expects the number of donors to decline or remain the same this year.

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



The anticipation by most Washington 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 Washington they mainly lead to increased costs of providing services, increased demand for services.

Table 3: Impact of Natural Disasters on Nonprofits

Impact of Natural Disasters	Number of Responses	Percent of Responses
Not applicable	72	61.5%
Increased costs of providing services/unbudgeted costs	34	29.1%
Increased demand for services	27	23.1%
Staff impacted by natural disasters	11	6.2%
Building/office damage	10	8.5%
Unable to provide services	6	5.1%
Other	6	5.1%

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 expect this to impact their operations. With the end of extra SNAP benefits, for instance, a nonprofit anticipates a “ripple effect” that will lead to increased demand and increased stress. Another expects an increase in demand for “food access, rental assistance need, and energy assistance requests.” For a nonprofit, the lifted restrictions have led to “more workers out sick after contracting COVID simultaneously, leading us to cancel programs due to lack of staff.”

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	82	70.1%
Remote work options (hybrid, full-time, etc.)	73	62.4%
Benefits increased (health insurance, transportation, etc.)	58	49.6%
Diversity, Equity, and Inclusion trainings and strategies	57	48.7%
One-time bonuses	46	39.3%
Career advancement opportunities (training, mentorship, etc.)	45	38.5%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	40	34.2%
Mental health (expanded benefits, counseling, etc.)	29	24.8%
Notified employees about their eligibility for Public Service Loan Forgiveness	24	20.5%
Signing bonus	22	18.8%
Not applicable	9	7.7%
Other	6	5.1%

Solutions Proposed by Nonprofits

Nonprofits on the frontlines shared solutions they think lawmakers and others should consider. To address burnout, one respondent suggested “mental health support” and opportunities for “rest and renewal retreats” for specified nonprofit staff so that they can get the “kinds of the breaks that they

desperately need.” Another thinks government and private funders must “think about and value the services that nonprofits provide.” One respondent believes less restricted funding could support capacity building, adding that there is a need for “things like leadership development and technical assistance to keep nonprofits strong.”

On the need for government grants and contracting reform, a housing nonprofit stressed that contracts must ensure that they can pay for the salaries required to comply with requirements, and the full cost of services. A human services provider expressed strong support for reform and would like for “all our human services contracts to pay the true full cost of operating, including a living wage.”

A respondent suggested more initiatives to “increase the numbers of people entering the mental health field, to support people working in this field in nonprofit agencies, and increasing program funding to make it attractive to STAY in the nonprofit space.” Changes to pipelines into the nonprofit sector are also necessary from an equity perspective, according on nonprofit: “Infrastructure support, access to recruitment and hiring best practices, grants specifically related to equitable HR practices and more trainings that are DEI focused.”

Profiles of Nonprofits Completing the Survey

Although workforce shortages impact nonprofits from all sectors and budgets, smaller nonprofits feel the impact more. Nonprofits with annual operating budgets below \$500,000 make up nearly one third (32.5%) of respondents. Those with budgets of between \$500,000 and \$1 million make up 17.1% of respondents, and 17.9% of nonprofits have annual operating budgets that range from \$1 million to \$3 million. Another 32.5% of nonprofits have budgets greater than \$3 million.

Figure 5: Nonprofits' Annual Operating Budget

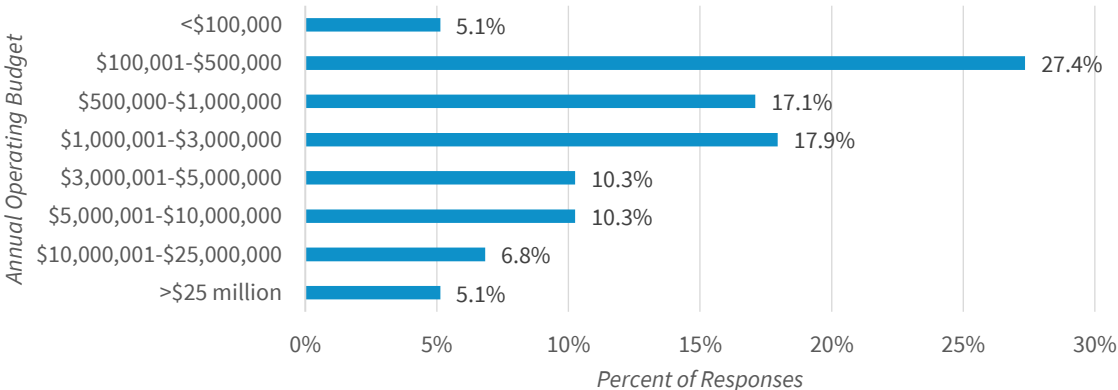


Table 5: Communities Served by Nonprofits

Communities Served	Number of Responses	Percent of Responses
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	35	29.9%
People living in rural communities	40	34.2%
None of the above	40	34.2%
People with disabilities	18	15.4%
People who identify as LGBTQ+	12	10.3%

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

Subsector	Number of Responses	Percent of Responses
Human Services	28	23.9%
Other	16	13.7%
Arts, Culture, and Humanities	14	12.0%
Education	12	10.3%
Child Care	9	7.7%
Public/Societal Benefit	8	6.8%
Housing	6	5.1%
Environment and Animal Welfare	5	5.7%
Community/Civic Engagement	5	4.3%
Healthcare	4	3.4%
Multiple Subsectors	4	3.4%
Mental Health	3	2.6%
Religion	2	1.7%
Higher Education	1	0.9%