

# Nonprofit Workforce Shortage Survey

## In California

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. Fifty-five California nonprofits shared insights that provide the substance of this report.

### Key Findings

- Four out of five (80.0%) California nonprofits completing the survey reported experiencing job vacancies.
- Two out of five (40.0%) nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and a fifth (20.0%) have longer waiting lists for services than in March 2020.
- 77.3% of respondents with vacancies identified program and service delivery as a category with vacancies.
- Four-fifths (65.5%) of responding organizations said budget constraints/insufficient funds affect their ability to recruit and retain employees, followed by salary competition (61.8%) and stress/burnout (40.0%).
- More than three out of five (63.6%) respondents anticipate the amount of donations will decline or remain flat for 2023. A higher percentage (65.4%) expects the number of donors to decline or remain the same this year.

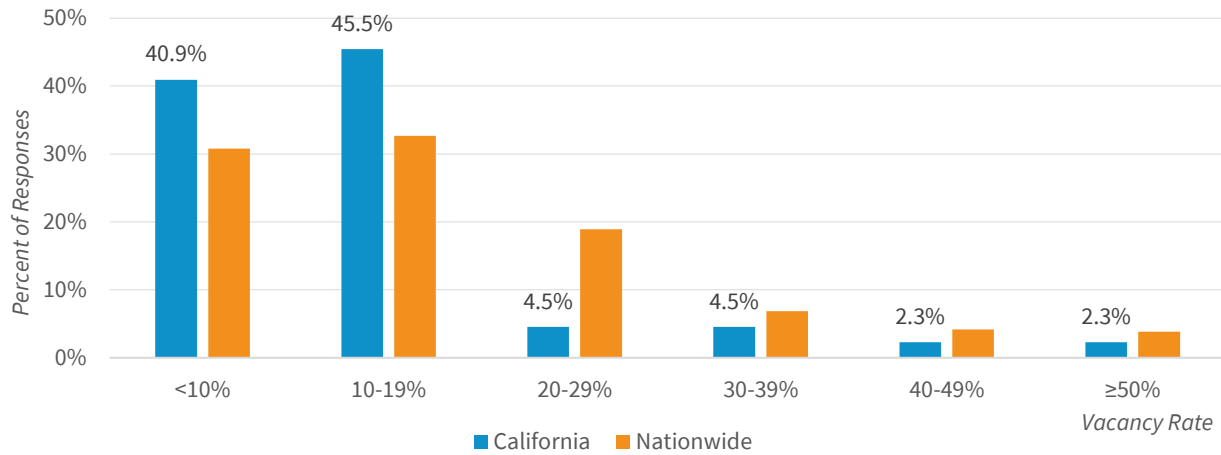
### The Scope of The Problem

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One of the key questions in the survey was, “What is your nonprofit’s current job vacancy rate?” Two out of five California nonprofits (40.9%) with vacancies shared rates fewer than 9%, while almost half (45.5%) responded that their vacancy rates ranged between 10% and 19%. More than one out of ten (13.6%) nonprofits reported a job vacancy rate greater than 20%.

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

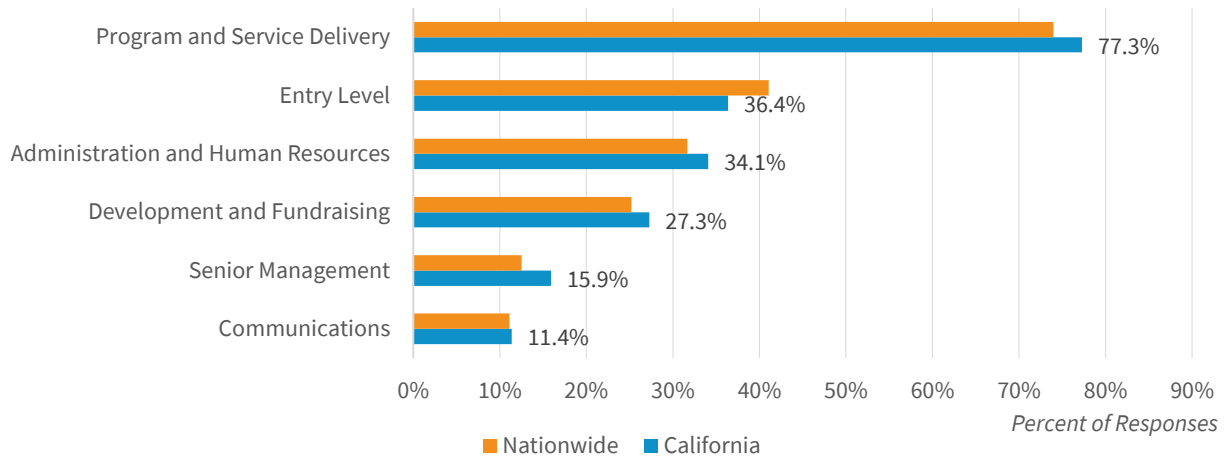
Number of Nonprofits that Provided a Vacancy Rate: 44



The job category with the most vacancies is program and service delivery, which affects 77.3% of nonprofits that reported vacancies. More than one out of three (36.4%) nonprofits also reported vacancies in entry level positions and administration and human resources (34.1%). Vacancies in development and fundraising impact 27.3% of organizations. More than one out of ten nonprofits in California that reported vacancies cannot fill senior management (15.9%) or communications (11.1%) positions. Other categories reported are seasonal and part-time positions.

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

Number of Nonprofits that Identified Job Categories: 44



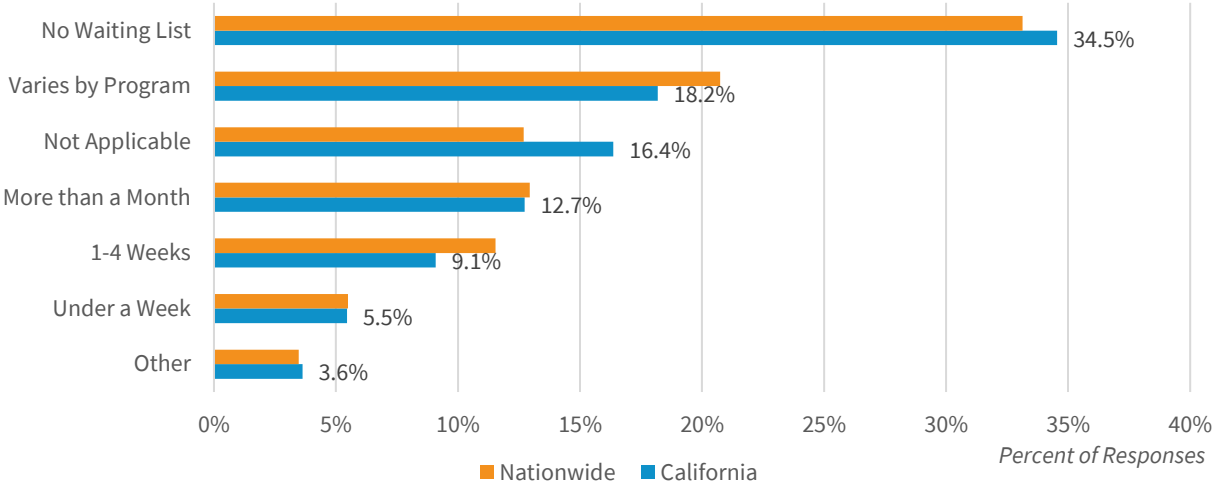
The impact of increased job vacancies is visible in California’s communities, as demonstrated in comments provided by survey participants. Big Sur Health Center shared that vacancies have decreased access to local quality healthcare. Interfaith Community Services, a human services provider, reported that it has reduced services, and passed on new grant opportunities because they are not confident that they can hire the staff to meet grant requirements. A mental health provider observed that the school population has received fewer counseling services at a time when there is greater need, and other individuals also must wait longer to receive counseling. Another mental

health provider explained that less care on demand leads to more severe symptoms presenting when clients are finally admitted, and that leaves staff more overwhelmed. Over time, they observed, this leads to the community losing faith in the health care system. A concerned respondent worries that delays in service provision can lead to child abuse, neglect, and other risks for youth and families.

## 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 one third (34.5%) of nonprofit respondents to the survey indicated that they had no waiting lists for their services. Nearly a fifth (18.2%) 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, 9.1% pointed to wait times of a few days or up to four weeks and 12.7% said that their waiting lists are more than a month long. Another 16.4% 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. Two-fifths (40.0%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and one out of five (20.0%) have longer waiting lists for services than in March 2020.

**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	40.0%
	Fewer vacancies	10.9%
	No change to vacancies	16.4%

	Changes Observed April 2023 vs. March 2020	Percent of Responses in 2023
<b>Waiting List</b>	Longer waiting list for services	20.0%
	Shorter waiting list for services	5.5%
	No change to waiting list	16.4%
<b>Other</b>	Other	9.1%
	Did not select an option	20.0%

For nonprofits with vacancies and waiting lists, there can be a significant impact on their operations and population served. Interfaith Community Services has seen limitations on the number of people they can help, and it also harms service delivery because their workforce is “overwhelmed and overworked.” A nonprofit with varying waiting lists explained that for school-based counseling, the delays can be a semester or longer, while other services can have a waiting list as long as three months. Another nonprofit that primarily serves the young people in foster care shared that they do not have the staff to support temp, and that youth in care having “multiple social workers has shown to be detrimental” as they lose faith in the care system.

Nonprofits in California are also concerned about inflation, and other traumatic effects from events like mass shootings. A mental health provider also recognizes the crisis in the state and is concerned about the politicization of mental health education, especially in elementary school.

## Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention for California charitable organizations are budget constraints/insufficient funds, salary competition, and stress/burnout. Respondents also pointed to the length of the hiring process as a factor, as well as a gap between the skills needed for positions like clinical social workers and the applicant pool.

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

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Budget constraints/insufficient funds	36	65.5%
Salary competition	34	61.8%
Stress/burnout	22	40.0%
Other	14	25.5%
Challenges caused by government grants/contracts	13	23.6%
Not Sure	8	14.5%
Lack of child care	5	9.1%
COVID-19 and vaccinations	3	5.5%

Government grants and contracting challenges can make it more challenging for nonprofits to adapt to employment and economic trends. For a child care provider, new government funding and contracts gave them the opportunity to expand, but they were not able to hire enough people. The organization has seen increases in turnover because more part-time staff are finding full-time opportunities elsewhere. Another child care provider echoed that government contracts do not pay enough to provide staff with a cost-of-living wage to remain in the county.

Interfaith Community Services has increased its compensation and benefits, but still cannot compete with governments as employers, and is continuously losing employees to them. Another respondent expressed concern that nonprofit work may no longer be a lifelong career option for their younger staff, adding that they need greater compensation to account for inflation, child care, housing, and other expenses. The lack of affordable housing in an area makes it difficult for a rural health center to recruit applicants, and nonprofits in the Silicon Valley cannot compete with tech salaries.

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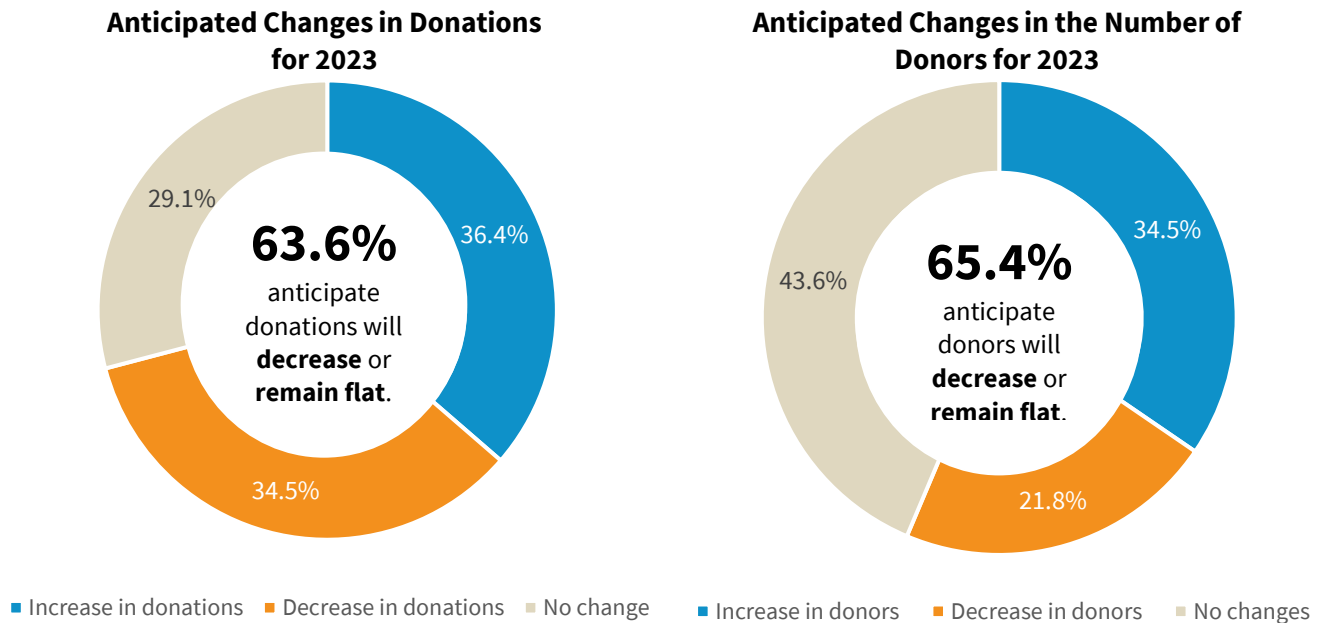
## **External Factors Impacting Nonprofits**

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 five (63.6%) respondents anticipate the amount of donations will decline or remain flat for 2023. A higher percentage (65.4%) 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 California 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 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 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 California they mainly lead to **increased demand for services, increased costs of providing services, and staff adversely impacted by natural disasters**. Senior Coastsiders shared that their region had already been affected by 13 atmospheric rivers in 2023, and these damaged public infrastructure and private property. Big Sur Health Center had endured the consequences of 12 atmospheric storms by the time it completed the survey in April 2023 and is concerned about the patients who have been isolated for months because they cannot access services.

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

Impact of Natural Disasters	Number of Responses	Percent of Responses
Not applicable	25	45.5%
Increased demand for services	18	32.7%
Increased costs of providing services/unbudgeted costs	15	27.3%
Staff impacted by natural disasters	15	27.3%
Building/office damage	7	12.7%
Unable to provide services	4	7.3%
Other	2	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 expect this to impact their operations. A nonprofit professional in California anticipates that nonprofits with revenue below \$100,000 will have to “vigorously” compete against larger nonprofits for funding. Senior Coastsiders presumes that the flexibility with spending and reporting requirements, along program eligibility, will expire. A child care provider fears that critical resources like food assistance programs will receive less funding.

## 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

California nonprofits have responded to the workforce shortages crisis by providing remote work options, increasing salaries, increasing benefits like health insurance and transportation, distributing one-time bonuses, and implementing diversity, equity, and inclusion trainings and strategies. Some have provided career advancement opportunities and wellness programs, among other options.

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

Implemented Practices	Number of Responses	Percent of Responses
Remote work options (hybrid, full-time, etc.)	32	58.2%
Salary increases	31	56.4%
Benefits increased (health insurance, transportation, etc.)	24	43.6%
One-time bonuses	22	40.0%
Diversity, Equity, and Inclusion trainings and strategies	20	36.4%
Career advancement opportunities (training, mentorship, etc.)	18	32.7%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	14	25.5%
Notified employees about their eligibility for Public Service Loan Forgiveness	10	18.2%
Mental health (expanded benefits, counseling, etc.)	10	18.2%
Signing bonus	5	9.1%
Not applicable	5	9.1%
Other	3	5.5%

## Solutions Proposed by Nonprofits

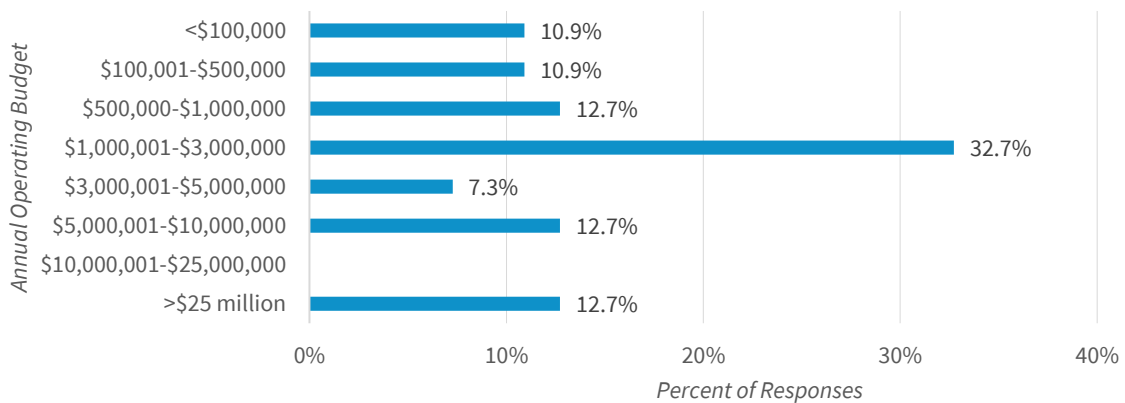
Nonprofits on the frontlines in California shared solutions they think lawmakers, philanthropy, and other nonprofit professionals should consider. Many of these proposals focus on overcoming challenges arising from government grants and contracting practices and policies. A child care provider recommended that there needs to be an increase in funding to account for inflation. Interfaith Community Services called for government funding at a rate that allows for pay equity with government service providers. Other nonprofits also shared that city, county, and state reimbursement rates need to be increased so they can increase wages and hire full-time staff. According to one respondent, their nonprofit is required to do the work of a full-time employee but only receive funding for a 0.25 full-time employee. A mental health provider believes there needs to be fair compensation from governments so their nonprofit can offer competitive wages, and “better child care compensation on taxes or stipends.” Another respondent encouraged states to expand teacher credentialing.



# 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 \$1 million made up more than one-third (34.5%) of respondents to the workforce shortages survey. Those with budgets of between \$1 million and \$3 million comprise 32.7% of respondents, and 20.0% of respondents had annual operating budgets that range from \$3 million to \$25 million. Another 12.7% of nonprofits had budgets greater than \$25 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	25	45.5%
None of the above	16	29.1%
People with disabilities	12	21.8%
People living in rural communities	9	16.4%
People who identify as LGBTQ+	5	9.1%

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

<b>Subsector</b>	<b>Number of Responses</b>	<b>Percent of Responses</b>
Other	11	20.0%
Human Services	9	16.4%
Education	9	16.4%
Arts, Culture, and Humanities	6	10.9%
Public/Societal Benefit	4	7.3%
Healthcare	3	5.5%
Environment and Animal Welfare	3	5.5%
Housing	2	3.6%
Community/Civic Engagement	2	3.6%
Child Care	2	3.6%
Mental Health	2	3.6%
Multiple Subsectors	1	1.8%
Religion	1	1.8%