

Nonprofit Workforce Shortage Survey

In Montana

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 one hundred Montana nonprofits provided insights that provide the substance of this report.

Key Findings

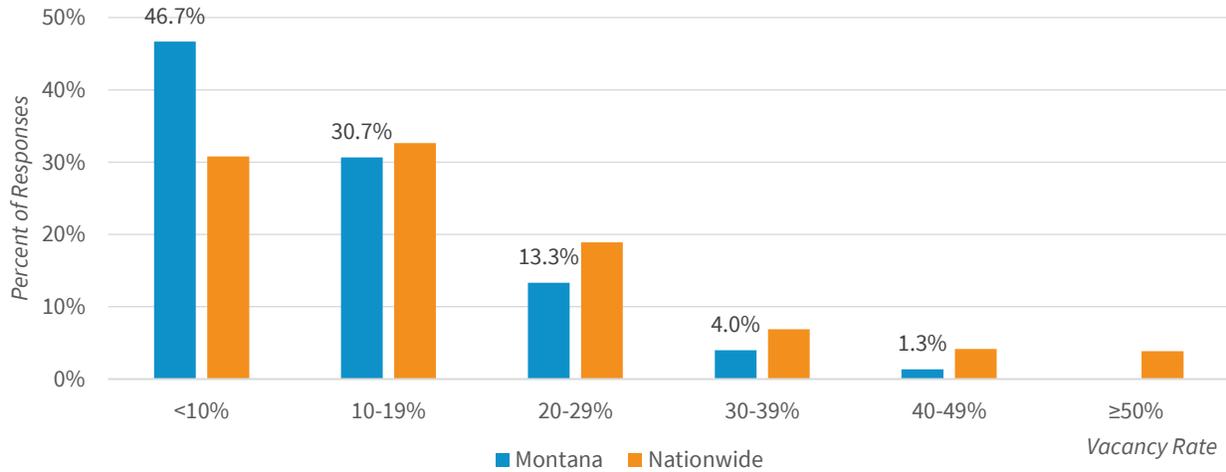
- Nearly three out of five (57.2%) Montana nonprofits completing the survey reported experiencing job vacancies.
- More than one-third (35.1%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 18.3% have longer waiting lists for services.
- 58.7% of respondents with vacancies identified program and service delivery as a category with vacancies.
- 61.8% of responding organizations said salary competition affects their ability to recruit and retain employees, followed by budget constraints/insufficient funds (58.8%)
- More than three out of five (65.7%) respondents anticipate the amount of donations will decline or remain flat for 2023. A similar percentage (63.4%) 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?” Nearly half of nonprofits (46.7%) with vacancies shared rates fewer than 9%, which is good news; yet another 30.7% responded that their vacancy rates ranged between 10% and 19%. Nearly one out of five (18.6%) nonprofits with vacancies reported a rate greater than 20%.

Figure 1: Nonprofits' Job Vacancy Rate in April 2023

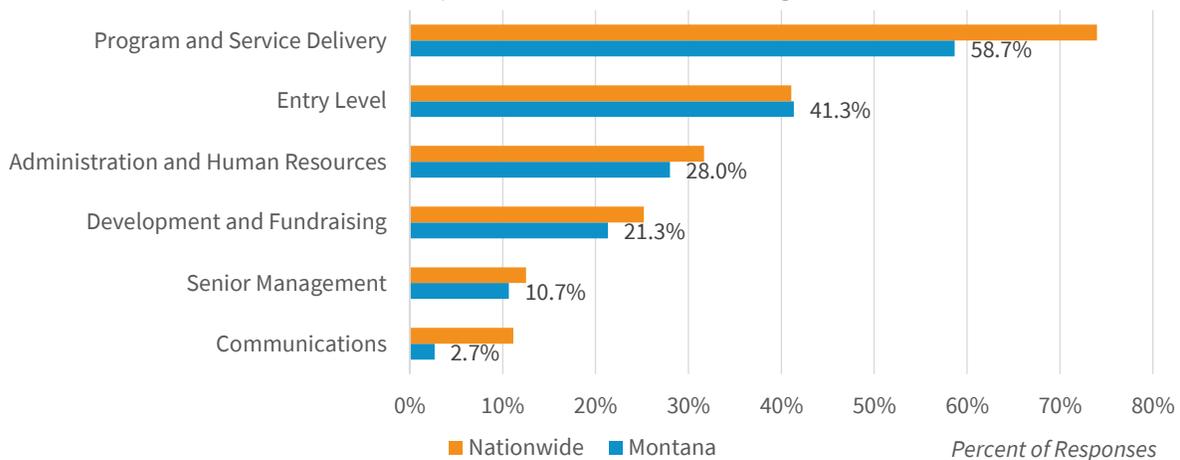
Number of Nonprofits that Provided a Vacancy Rate: 75



The job category with the most vacancies is program and service delivery, which affects 58.7% of nonprofits that reported vacancies. More than two out of five (41.3%) nonprofits also reported vacancies in entry level positions. Vacancies in administration and human resources impact 28.0% of organizations, while vacancies in development and fundraising affect 21.3% of nonprofits in Montana. An estimated one out of ten (10.7%) nonprofits that reported vacancies cannot fill senior management positions, and 2.7% have vacancies in communications positions. Other categories of reported shortages are counselors and case managers.

Figure 2: Nonprofit Job Categories with Vacancies in April 2023

Number of Nonprofits that Identified Job Categories: 75

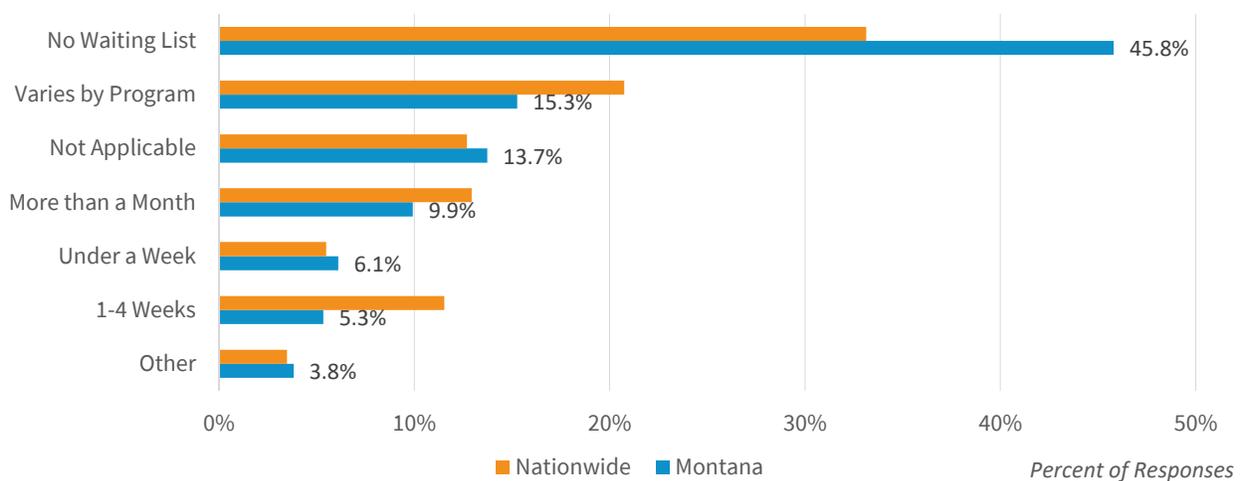


The impact of increased job vacancies is visible in Montana’s communities, as demonstrated in comments provided by survey participants. A human services provider is concerned that there is an “extreme” shortage of mental and behavioral health care in their community. Another nonprofit shared that vacancies mean that there is “less care for older adults needing services,” and “more heartbreaking stories of people living in unhealthy conditions.” An arts nonprofit is currently operating below their capacity to “produce the level of arts education and community engagement activities that our community asks for and needs.”

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. Nearly half (45.8%) of nonprofit respondents to the survey indicated that they had no waiting lists for their services. Another 15.3% 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, more than a fifth (21.6%) said that their waiting lists are more than a month long while 11% reported waiting times of a few days or weeks. Another 13.5% 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. More than a third (35.1%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 18.3% 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	35.1%
	Fewer vacancies	4.6%
	No change to vacancies	13.0%
Waiting List	Longer waiting list for services	18.3%
	Shorter waiting list for services	2.3%
	No change to waiting list	9.9%
Other	Other	3.8%
	Did not select an option	42.7%

The impact of vacancies on a nonprofit’s waiting list varies, and respondents were invited to elaborate on these challenges. One respondent shared that the ongoing turnover could make their members question the organization’s “management/leadership skills and level of commitment.” A nonprofit that focuses on animal welfare clarified that vacancies do not lead to a waiting list for services at their organization, but they do lead to burnout for staff who are “not getting to have a break from duties to provide ongoing care for our animals.”

For the Southeast Montana Area Revitalization Team, vacancies leave them without the staff to provide their “usual level of services,” and with their number of projects at the time, they “realistically cannot take on anything new at this time.” An arts nonprofit has remained open, but they may need to shorten hours to continue providing services. Big Sky Senior Services has seen their waiting list grow and other services decrease in their community and are now getting referrals from other agencies and others who do not have services.

Factors Affecting a Nonprofit’s Ability to Recruit and Retain Staff

The three leading factors affecting recruitment and retention for Montana charitable nonprofits are salary competition, budget constraints/insufficient funds, and stress/burnout. Respondents also stated that a lack of affordable housing and inflation affect their applicant pool. When it comes to housing challenges, a respondent elaborated that a shortage of housing, and the inability to compensate at a rate that can pay for the available units, can make the difference between an applicant accepting a position at their organization or going somewhere else.

Table 2: Factors Affecting Nonprofit Recruitment and Retention

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Salary competition	81	61.8%
Budget constraints/insufficient funds	77	58.8%
Stress/burnout	61	46.6%
Other	36	27.5%
Lack of child care	27	20.6%
Challenges caused by government grants/contracts	19	14.5%
Not Sure	14	10.7%
COVID-19 and vaccinations	6	4.6%

Additional Challenges

A human services provider shared that the “inadequate sustained public investment” in the child care sector contributes to the access crisis for families and employers in Montana. Another nonprofit that is focused on economic development has a limited budget and knows that

infrastructure projects are needed, but they are expensive and grant matches are a barrier to make them happen. The same nonprofit has also seen a recent, positive focus on rural communities in the state, which has helped spotlight the opportunities to help communities beyond urban areas thrive.

A nonprofit professional observed that donors are “tightening their belts” in response to inflation and fuel prices. The organization is based in a rural area that requires employees and volunteers to drive to access and provide services, which impacts their budget. An education nonprofit has seen more gaps in entry-level hiring, while burnout mainly affects their upper-level staff.

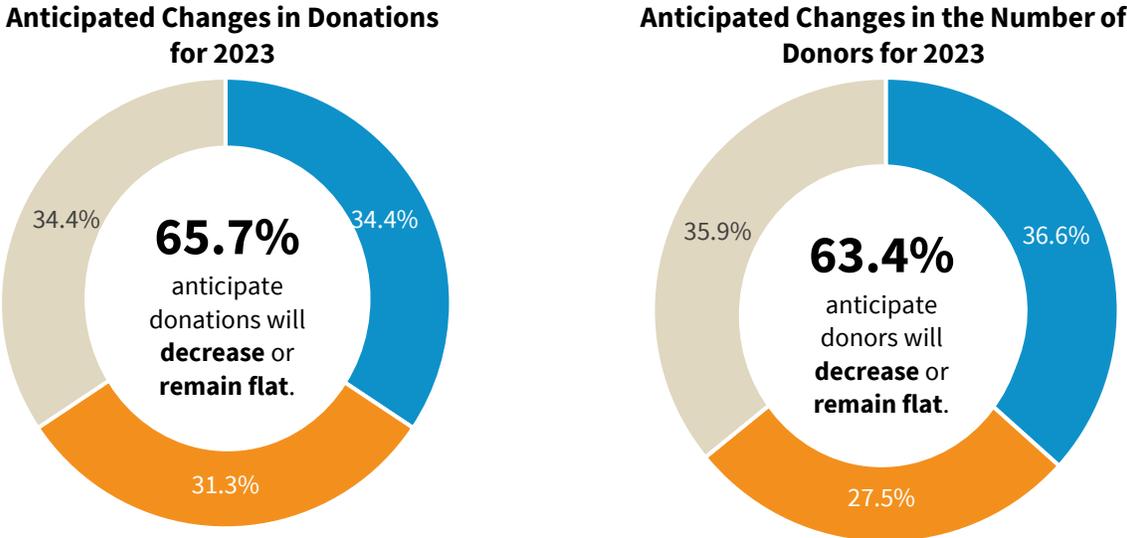
External Factors Impacting Nonprofits

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 (65.7) of Montana respondents anticipate the amount of donations will decline or remain flat for 2023. A similar percentage (63.4%) expects the number of donors to decline or remain the same this year.

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



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

The anticipation by most Montana 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 Montana they mainly lead to increased costs of providing services, increased demand for services, and staff impacted by natural disasters. North Valley Music School, for example, is seeing that households fleeing states with high occurrences of emergencies are relocating to their area. As a result, the increases in housing and other expenses are making it “tough to keep wages at a pace where faculty and staff can afford to live and students can afford to attend.” Another nonprofit had to purchase space outside their office to store their event supplies.

Table 3: Impact of Natural Disasters on Nonprofits

Impact of Natural Disasters	Number of Responses	Percent of Responses
Not applicable	90	68.7%
Increased costs of providing services/unbudgeted costs	25	19.1%
Increased demand for services	22	16.8%
Staff impacted by natural disasters	13	9.9%
Unable to provide services	8	6.1%
Building/office damage	4	3.1%
Other	4	3.1%

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 in Montana expect this to impact their operations. For instance, a human services provider knows that many people on Medicaid could lose that coverage, and, as a result, their organization will have to help them reapply. Another provider shared that the change will impact their nonprofit due to the reduction of SNAP and Medicaid benefits, which will increase the need for food assistance and the demand for services from their organization. According to a child care provider, the sector received an influx of funds, most of which are running out, and once those funds are gone many parents will be left without child care options or unable to afford them.

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

Montana’s nonprofits have responded to the workforce shortages crisis by increasing salaries, providing remote work options, and increasing 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	62.6%
Remote work options (hybrid, full-time, etc.)	72	55.0%
Benefits increased (health insurance, transportation, etc.)	49	37.4%
One-time bonuses	36	27.5%
Diversity, Equity, and Inclusion trainings and strategies	35	26.7%
Career advancement opportunities (training, mentorship, etc.)	35	26.7%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	30	22.9%
Mental health (expanded benefits, counseling, etc.)	26	19.8%
Not applicable	21	16.0%
Notified employees about their eligibility for Public Service Loan Forgiveness	18	13.7%
Signing bonus	15	11.5%
Other	5	3.8%

Solutions Proposed by Nonprofits

Montana nonprofits on the frontlines shared solutions they think lawmakers, philanthropy, and others should consider. One respondent called for an increase in Medicaid reimbursement rates.

Another nonprofit thinks it would be helpful if more capacity grants were made available to help organizations hire and grow teams when there are shortages. An arts nonprofit believes there needs to be a greater focus on capacity building grants, rather than on grants that “increase our promise for more programs when we can't pay our employees enough to add more work to their jobs.” Other respondents agreed that funding should cover operational costs for nonprofits so they are able to keep providing services.

For a nonprofit professional, expanded child care and sick time would benefit more employees: “sick kids really take a toll on our work availability, which then creates additional workplace stress especially with supervisors without children who do not understand the issue.” Another respondent supports increasing child care availability, noting that in their county, over 45% of residents are listed as “not active in the workforce.” They believe that “many of those are due to parents staying home because of the lack of affordable child care. Simply put, even if you can find an open child care slot, the cost of that child care is not worth reentering the workforce.”

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 two out of five (39.7%) respondents to the workforce shortages survey. Those with budgets of between \$500,000 and \$1 million make up 19.8% of respondents, and 24.4% of nonprofits have annual operating budgets that range from \$1 million to \$3 million. Another 16.0% of nonprofits have budgets greater than \$3 million.

Figure 5: Nonprofits' Annual Operating Budget

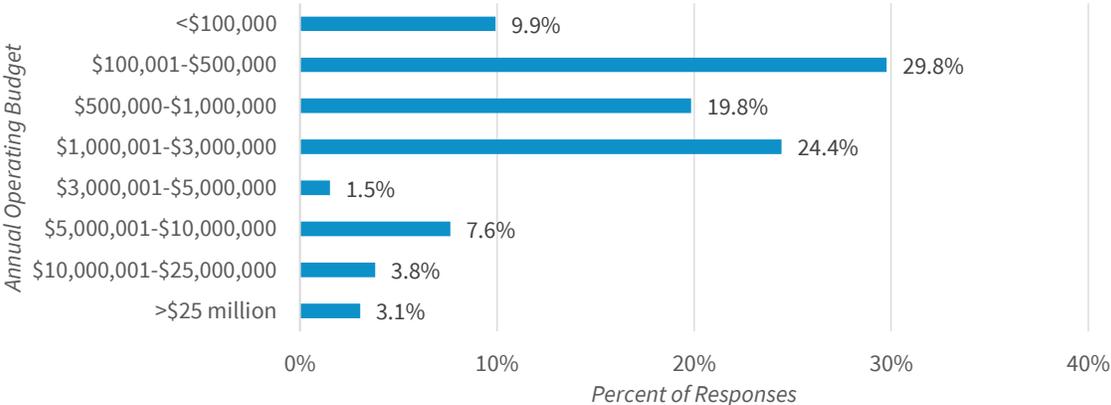


Table 5: Communities Served by Nonprofits

Communities Served	Number of Responses	Percent of Responses
People living in rural communities	65	49.6%
None of the above	45	34.4%
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	14	10.7%
People with disabilities	10	7.6%
People who identify as LGBTQ+	3	2.3%

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

Subsector	Number of Responses	Percent of Responses
Human Services	32	24.4%
Other	21	16.0%
Arts, Culture, and Humanities	16	12.2%
Education	12	9.2%
Environment and Animal Welfare	10	7.6%
Community/Civic Engagement	10	7.6%
Public/Societal Benefit	9	6.9%
Healthcare	5	3.8%
Child Care	5	3.8%
Housing	3	2.3%
Multiple Subsectors	3	2.3%
Mental Health	3	2.3%
Religion	1	0.8%
Higher Education	1	0.8%