

Nonprofit Workforce Shortage Survey

In New Jersey

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. Nearly forty New Jersey nonprofits provided insights that provide the substance of this report.

Key Findings

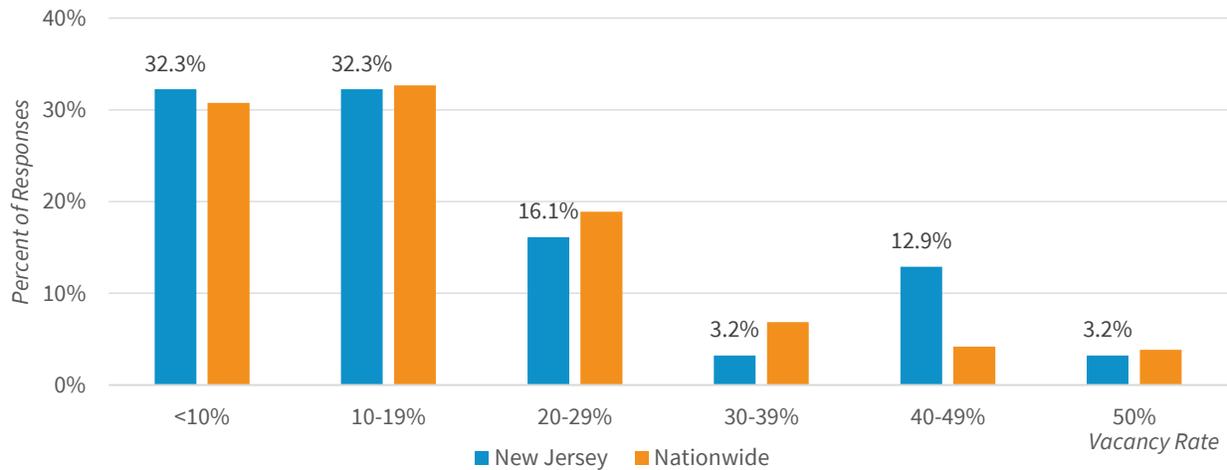
- More than four out of five (83.8%) New Jersey nonprofits completing the survey reported experiencing job vacancies.
- Over three-quarters (77.4%) of respondents with vacancies identified program and service delivery as a category with vacancies.
- More than half (56.8%) of nonprofits responded that they have more vacancies compared to before the COVID-19 pandemic, and 24.3% have longer waiting lists for services.
- 78.4% of responding organizations said budget constraints/insufficient funds affects their ability to recruit and retain employees, followed by salary competition (75.7%).
- More than three out of four (76.2%) respondents anticipate the amount of donations will decline or remain flat for 2023. Nearly two-thirds (64.8%) expect 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 one-third of New Jersey nonprofits (32.3%) with vacancies shared rates fewer than 9%, and another third (32.3%) reported vacancy rates of between 10% and 19%. Another 16.1% responded that their vacancy rates ranged between 20% and 29%. Of concern, nearly one out of five (19.3%) nonprofits reported a job vacancy rate greater than 30%, with some as high as 50%.

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

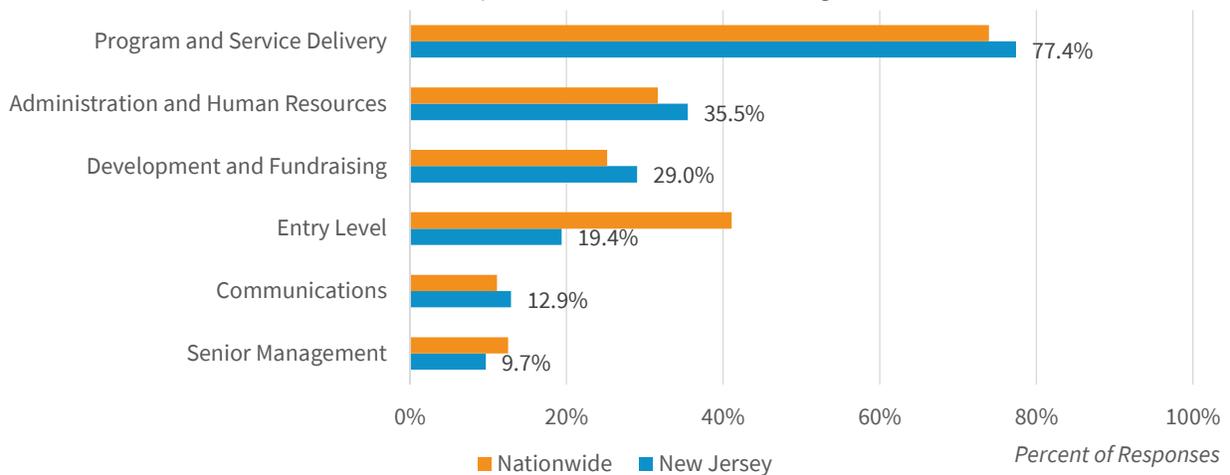
Number of Nonprofits that Provided a Vacancy Rate: 31



The job category with the most vacancies is program and service delivery, which affects 77.4% of nonprofits that reported vacancies. More than one out of three (34.5%) nonprofits also reported vacancies in entry level positions. Vacancies in both development and fundraising and administration and human resources impact one out of five (20.7%) organizations. An estimated one out of ten (9.7%) nonprofits in New Jersey that reported vacancies cannot fill senior management positions, and 12.9% have vacancies in communications positions.

Figure 2: Nonprofit Job Categories with Vacancies in April 2023

Number of Nonprofits that Identified Job Categories: 31



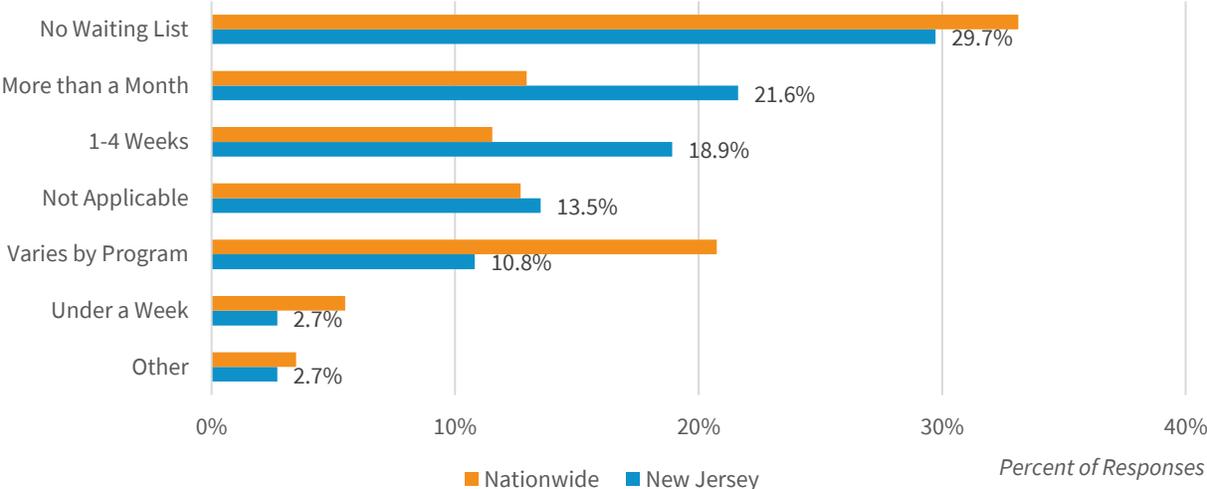
The impact of increased job vacancies is visible in New Jersey’s communities, as demonstrated in comments provided by survey participants. One provider had to cut back on staff since their contracts have not changed in fifteen years and have no new vehicles even though their contract requires them to transport clients. They also elaborated on their experiences with vacancies, noting that they have more referrals than ever, but they can no longer pay the staff. Another nonprofit has had to reach out to other nonprofits to help service the needs of the community because they do not have the staff needed to serve them directly, but often find other nonprofits are also having similar

challenges meeting increases in demand. A nonprofit with vacancies in fundraising and communications noted that their visibility in the community has decreased, which in turn has led to a decrease in the number of new clients. A child care provider has been forced to permanently reduce slots by an estimated 40% for some programs, leaving families without access to child care.

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 three out of ten New Jersey nonprofit respondents to the survey (29.7%) indicated that they had no waiting lists for their services. Another tenth (10.8%) explained that they could not give a time frame for waiting lists because the duration for wait times varied by program. Of those that reported a time frame, more than a fifth (21.6%) said that their waiting lists are more than a month long, while 18.9% 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 half (56.8%) of nonprofits in the state reported that they have more vacancies compared to before the COVID-19 pandemic. A quarter (24.3%) responded that they 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
Vacancies	More vacancies	56.8%
	Fewer vacancies	13.5%
	No change to vacancies	0

	Changes Observed April 2023 vs. March 2020	Percent of Responses in 2023
Waiting List	Longer waiting list for services	24.3%
	Shorter waiting list for services	10.8%
	No change to waiting list	5.4%
Other	Other	13.5%
	Did not select an option	16.2%

Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention for New Jersey charitable organizations are budget restraint/insufficient funds, salary competition, stress/burnout budget.

Table 2: Factors Affecting Nonprofit Recruitment and Retention

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Budget constraints/insufficient funds	29	78.4%
Salary competition	28	75.7%
Stress/burnout	13	35.1%
Challenges caused by government grants/contracts	9	24.3%
Other	6	16.2%
COVID-19 and vaccinations	4	10.8%
Lack of child care	2	5.4%
Not Sure	2	5.4%

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.

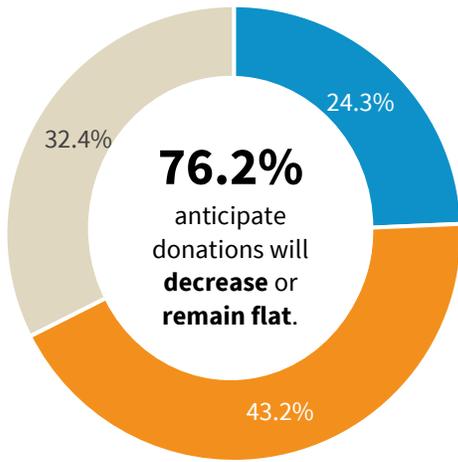
Charitable Giving

More than three out of four (76.2%) New Jersey respondents anticipate the amount of donations will decline or remain flat for 2023. More than three out of five (64.8%) expect the number of donors to decline or remain the same this year.

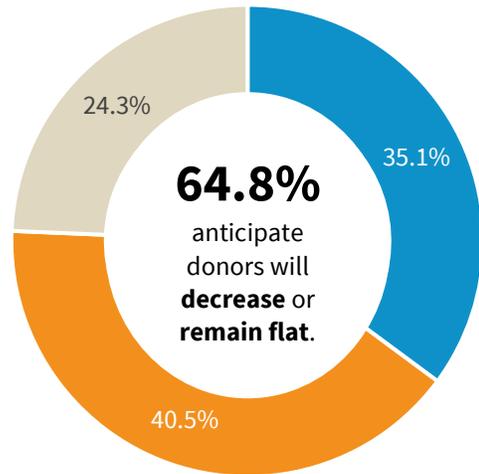
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Figure 4: Nonprofits' Anticipated Changes in Donations and Donors for 2023

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 New Jersey 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 New Jersey they mainly led to increased costs of providing services and increased demand for services.

Table 3: Impact of Natural Disasters on Nonprofits

Impact of Natural Disasters	Number of Responses	Percent of Responses
Not applicable	21	56.8%
Increased costs of providing services/unbudgeted costs	10	27.0%
Increased demand for services	10	27.0%
Staff impacted by natural disasters	4	10.8%
Building/office damage	3	8.1%

Impact of Natural Disasters	Number of Responses	Percent of Responses
Unable to provide services	2	5.4%

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 New Jersey expect this to impact their operations. For instance, a respondent expects a significant number of clients to lose their Medicaid benefits. Another provider shared that their clients will lose some SNAP benefits, and believe it is only going to get worse.

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

New Jersey nonprofits responded to the workforce shortages crisis by utilizing a wide range of strategies and practices to attract and retain staff. The top approaches were providing remote work options, increasing salaries, providing one-time bonuses, and notifying employees about their eligibility for Public Service Loan Forgiveness. Nonprofits also increased benefits, offered training opportunities for career advancement and for diversity, equity, and inclusion, and adopted wellness programs.

Table 4: Practical Solutions Implemented by Nonprofits

Implemented Practices	Number of Responses	Percent of Responses
Remote work options (hybrid, full-time, etc.)	21	56.8%
Salary increases	18	48.6%
One-time bonuses	15	40.5%
Notified employees about their eligibility for Public Service Loan Forgiveness	15	40.5%
Benefits increased (health insurance, transportation, etc.)	14	37.8%

Implemented Practices	Number of Responses	Percent of Responses
Career advancement opportunities (training, mentorship, etc.)	12	32.4%
Diversity, Equity, and Inclusion trainings and strategies	9	24.3%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	7	18.9%
Signing bonus	7	18.9%
Mental health (expanded benefits, counseling, etc.)	5	13.5%
Not applicable	2	5.4%
Other	2	5.4%

Solutions Proposed by Nonprofits

Nonprofits on the frontlines shared solutions they think lawmakers, philanthropy, and others should consider. One respondent called for fair contracting, cost of living increases, and contracts that cover the cost of the services. A separate New Jersey nonprofit stressed the need for governments to evaluate the cost of contracts. Another nonprofit professional believes there needs to be easier access to funding for newly formed nonprofits.

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 27.0% of New Jersey respondents to the workforce shortages survey. Those with budgets of between \$1 million and \$3 million comprised 24.3% of respondents, and 10.8% of nonprofits have annual operating budgets that range from \$3 million to \$5 million. Another 37.8% of nonprofits have budgets greater than \$5 million.

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Figure 5: Nonprofits' Annual Operating Budget

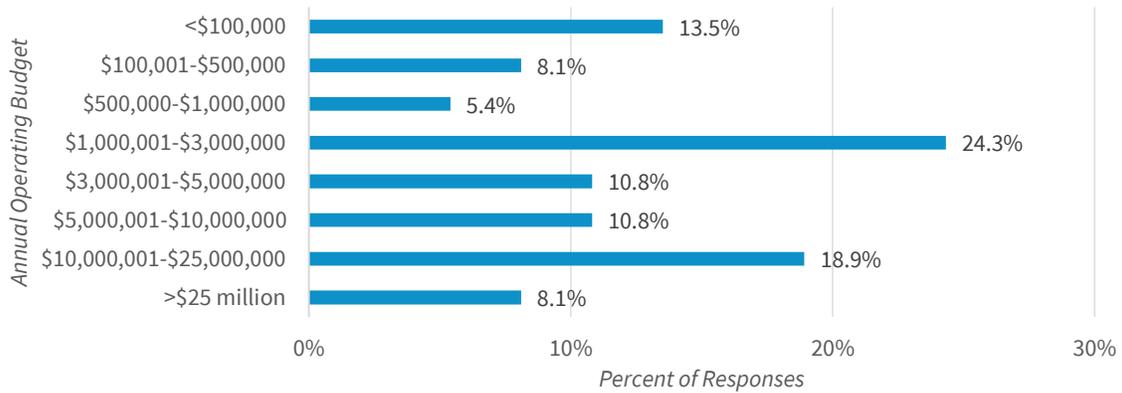


Table 5: Communities Served by Nonprofits

Communities Served	Number of Responses	Percent of Responses
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	15	40.5%
None of the above	13	35.1%
People with disabilities	9	24.3%

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

Subsector	Number of Responses	Percent of Responses
Human Services	16	43.2%
Other	6	16.2%
Mental Health	4	10.8%
Community/Civic Engagement	4	10.8%
Healthcare	3	8.1%
Multiple Subsectors	2	5.4%
Arts, Culture, and Humanities	1	2.7%
Education	1	2.7%