



Published on National Council of Nonprofits (<https://www.councilofnonprofits.org>)

Original URL: <https://www.councilofnonprofits.org/nonprofit-essentials-november-2022>

## Nonprofit Essentials | November 2022

Yesterday was Election Day. Let's give a collective shout-out of thanks to all the volunteers and nonprofits who worked steadfastly to educate voters about the candidates, get out the vote, run the polls, and count the votes – quietly, calmly, and unsung. They're the backbone of democracy. Without those countless thousands in local communities across America, our great experiment in self-governance would fail. We salute you!

The nonprofit workforce shortage has not abated, according to a new report that will be published soon by the Federal Reserve. Nonprofits are still losing staff to employers offering higher pay. We published [a series of articles](#) this year about how nonprofits can create a work environment that helps make staff members want to stick around and do their best work. Our first feature article today focuses on one way to attract talented staff, sometimes called “values-based recruitment,” using our own experience to illustrate.

Our second feature article dives into the forthcoming Federal Reserve survey results. For communities and the organizations serving them, the top challenges continue to be inflation, labor shortages, and lack of childcare options. We also summarize the new report from the Fundraising Effectiveness Project as we head into Giving Tuesday and annual appeal season. After that, you'll see a call for your help: we need your assistance in shaping our coverage of nonprofit operations. It's a VERY brief survey where you can let us know what topics you find most important, with

free space to share any additional ideas.

---

## Hire With Your Values

For nearly a year, we've been publishing a [series of articles on the workforce shortage crisis](#). How can nonprofits attract, retain, and support talented staff members?

Last spring, Atokatha Ashmond Brew of Nonprofit HR wrote a guest article for the series, on [employer branding](#). After publishing Atokatha's terrific article, the leadership at the National Council of Nonprofits took her advice to heart. As we developed the job postings for new positions, we included aspects of our [Core Values](#). We were pleasantly surprised by the number and quality of job applicants who responded and told us they were attracted by those aspects. Read the full article to find out more about "[hiring with your values](#)."

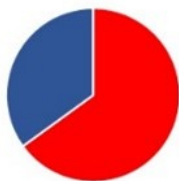
[Read more](#)

---

## Federal Reserve's Latest Data Show Continuing Disruption Among Organizations and Communities from COVID-10 Pandemic

For the second year, the Federal Reserve conducted a survey on the impact of the COVID-19 pandemic on organizations serving low- and moderate-income communities, and on the communities they serve. If you filled out the survey, thank you! While the news is not great, the data are extremely helpful as we and our networks advocate for more resources for nonprofits to support people in need. Among the striking findings: **70 percent of respondents reported an increase in demand for services over the past year, while only 45 percent said they can meet most of their demand.** The situation is daunting given the probability of a recession.

### Disruption to Entities

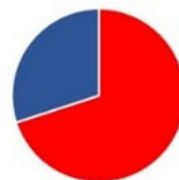


65% of entities still face some disruption from COVID-19. Recruiting staff and volunteers, as well as raising funds, were cited as primary challenges.

Summary of Results  
**Federal Reserve Survey**  
entities serving  
low- to moderate-income communities

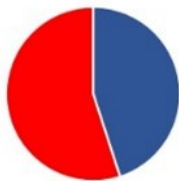
Conducted August 2022  
1,743 responses  
1,202 (69%) were nonprofits

### Demand for Services



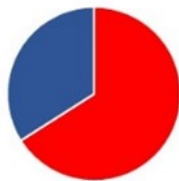
70% indicated an increase in demand for their services compared with 2021, with 43% noting a **significant** increase.

### Ability to Meet Demand



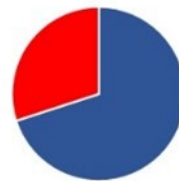
Only forty five percent said they can meet most of their demand.

### Organizational Resilience



Only 34% said that they were "well prepared" to face disruptions in the coming year.

### Financial Health



30% of respondents reported being unable to operate for more than six months in the current environment before exhibiting financial distress.

[Read more](#)

---

## FEP Report: Donor Numbers Drop for Fourth Straight Quarter

The Fundraising Effectiveness Project (FEP) released its [report for the second quarter of 2022](#). Again, the news is not great, especially given the strong [possibility of a recession](#). While overall giving increased by 6.2 percent, that doesn't keep up with inflation. Meanwhile, the number of donors dropped by 7 percent over the first two quarters of 2021, after a decline in 2021. New and newly retained donors have now dropped for the fourth quarter in a row.

FEP described this sharp decrease as a "collapse" in the number of donors giving less than \$500 and one-time donors, the largest segments of donors, accounting for almost 98 percent of donors.

*The Chronicle of Philanthropy's* [article covering the report states](#), "The report is the latest evidence that weakening support for charities — [a trend for more than a decade](#) — continues." In [Giving Tuesday's coverage of the report](#), Woodrow Rosenbaum, Chief Data Officer at Giving Tuesday, wrote, "With so much volatility in

donor acquisition and retention, now would be an excellent time to invest in broad grassroots engagement.... This is an important way to create resilience within the sector – and within individual organizations – in order to weather economic storms.”

The Fundraising Effectiveness Project offers [resources](#) for analyzing and improving donor retention. See our [Fundraising Tools and Resources](#) pages for more ideas.

---

## Help Us Help You!

It's been a year since I was named Managing Editor of this newsletter. Since then, our 36,000 subscribers have continued to open and read the publication at high rates. (Thank you!) During that time, we've been working through a “brandraising process” here at the National Council of Nonprofits. We'll be rolling out a new website in 2023, and soon this newsletter will have a new name (Nonprofit Essentials) and a new look, too. But the look isn't the most important part, the content is. To help us focus on the content that our readers want and need the most, we want to hear from you.

Would you help us make sure we're writing about things that you find valuable? Please fill out [this short survey](#). The survey asks how useful the newsletter is to you and what topics you'd most like to read about in the coming year. It should take you only a few minutes to complete – it's a rating scale and two short questions, plus the option to share any additional comments with us.

Thank you for reading, thank you for your help with this, and thank you for all you do to serve your community through a nonprofit!

Amy Silver O'Leary, Managing Editor

---

### ***Post-Election Webinar***

## **Federal Mid-Term Elections: Impact on Charitable Nonprofits**

**Mon. Nov 14 @ 2:00 pm Eastern**

Join nonprofits from across the U.S. to discuss the impact of the federal elections on nonprofits, their missions, and our communities. This webinar will focus on the election results, how they affect the lame-duck session of Congress starting next month, and what nonprofits can expect from the 118th Congress.

[\*\*Register for the Post-Election Webinar Now!\*\*](#)

---

## New Resources

- If your nonprofit is a federal contractor or subcontractor, or has 15 or more employees, it's time to **update your Equal Employment Opportunity posters**. [See this update from the law firm Cozen O'Connor](#) for details and links to the new posters.
- **Final Rules on Public Service Loan Forgiveness Program are Friendly to Nonprofit Employees.** The U.S. Department of Education released [final regulations](#) on debt relief programs, including the Public Service Loan Forgiveness (PSLF) program, that will go into effect July 1, 2023. As a result of the revisions to the rules governing the PSLF, nonprofit and other public service workers will be able to count additional previous payments toward loan forgiveness, request reconsideration for denied applications or previous payments that were not counted, and be deemed eligible for the program when they work at least 30 hours per workweek even if it's at multiple public service jobs. For more information, see our updated [Nonprofit Perspective on Student Loan Relief](#) and the detailed [Comparison of Key Provisions in Final Regulations](#).
- The Internal Revenue Service announced that **the amount individuals can contribute to their 401(k) or 403(b) plans in 2023 will increase to \$22,500**, and the "catch-up" contribution limit for employees over 50 will be \$7,500. The limit on annual contributions to an IRA is increasing to \$6,500. [See the IRS notice](#) for more details.
- **Employee Retention Tax Credit:** The Internal Revenue Service recently issued an urgent [news release](#) warning employers to "be wary of third parties who are advising them to claim the Employee Retention Credit (ERTC) when they may not qualify." It states, "Businesses are encouraged to be cautious of advertised schemes and direct solicitations promising tax savings that are too good to be true." The release goes on to provide helpful background information about the ERTC and additional resources to discern if your nonprofit does, in fact, qualify.

# Nonprofit Job Openings from Our [Career Center](#)

We encourage you to [visit our Career Center](#), where you'll find thousands of nonprofit jobs across the country like those displayed in this sampling:



## CLASSIFIEDS

 Executive Director 	 Senior Staff Accountant 	 Chief Executive Officer 	 Fundraising Accountant 
 VP of Learning Experiences 		 Washington Regional Policy Manager 	 Strategic Comms Specialist 
 Director of Development 	 Chief Executive Officer	<b>Find more nonprofit job openings on our job board:</b> <a href="https://bit.ly/ncnjobs">bit.ly/ncnjobs</a>	