

Nonprofit Workforce Shortage Survey

In Maine

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 forty Maine nonprofits provided insights that provide the substance of this report.

Key Findings

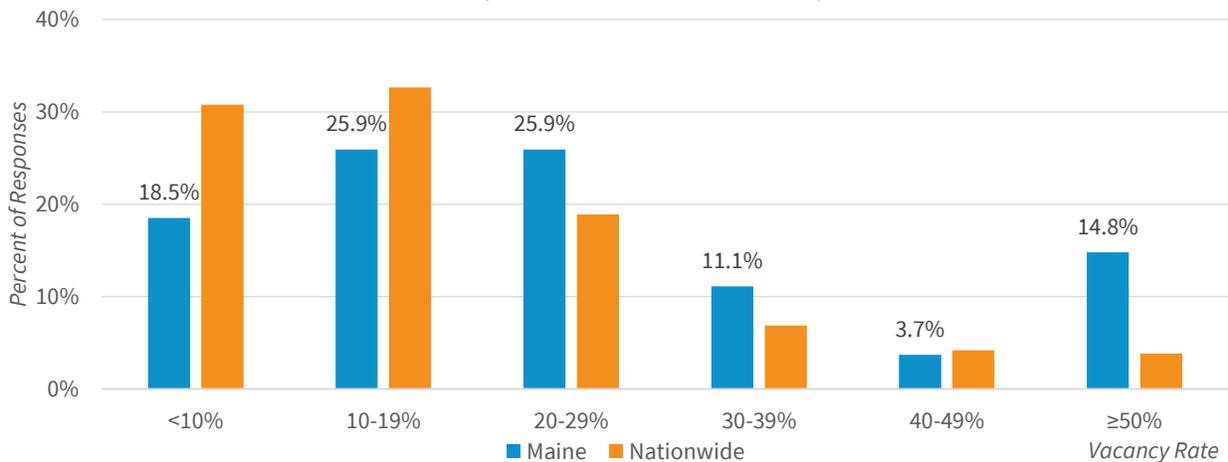
- Nearly two-thirds (65.9%) of Maine nonprofits completing the survey reported experiencing job vacancies.
- 70.4% of respondents with vacancies identified program and service delivery as a category with vacancies.
- More than half (53.7%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 46.3% have longer waiting lists for services.
- 68.3% of responding organizations said budget constraints/insufficient funds affects their ability to recruit and retain employees, followed by salary competition (61.0%) and stress/burnout (53.7%).
- Greater than two-thirds (68.3%) of respondents anticipate the amount of donations will decline or remain flat for 2023. A similar percentage (65.9%) 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?” Slightly fewer than a fifth (18.5%) of nonprofits with vacancies shared rates fewer than 9%, while another 25.9% responded that their vacancy rates ranged between 10% and 19%. A quarter (25.9%) of nonprofits reported that their vacancy rate is between 20 and 29 percent, while a troubling 29.6% shared rates greater than 30%.

Figure 1: Nonprofits' Job Vacancy Rate in April 2023

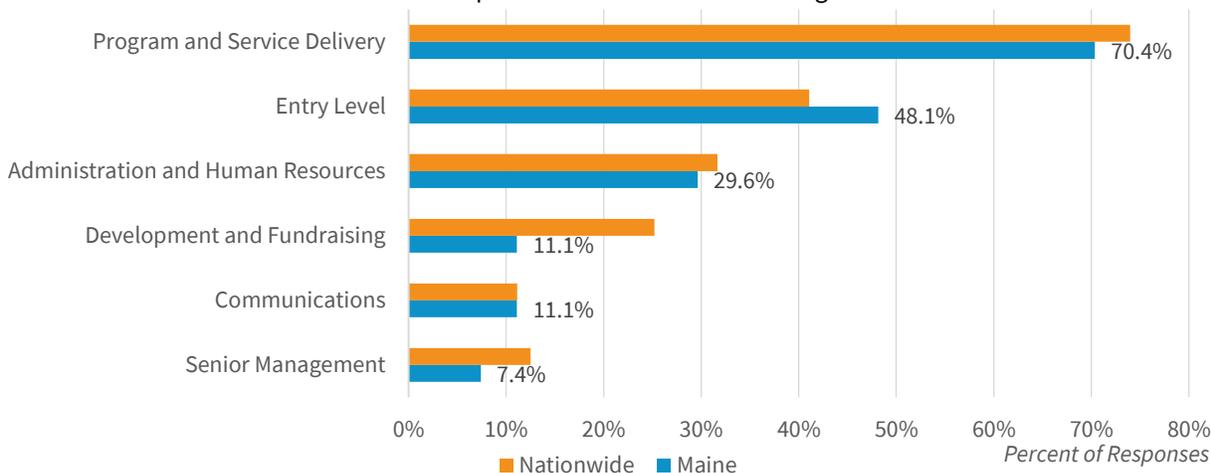
Number of Nonprofits that Provided a Vacancy Rate: 27



The job category with the most vacancies is program and service delivery, which affects seven out of ten (70.4%) of nonprofits that reported vacancies. Nearly half (48.1%) of nonprofits also acknowledged vacancies in entry level positions. Nearly three out of ten (29.6%) nonprofits have vacancies in administration and human resources, while vacancies in the job categories of development and fundraising and communications each impact 11.1% of nonprofits. 7.4% of nonprofits reported vacancies for senior management roles, a percentage that is significantly lower than the national average. Other categories reported are in hospitality, maintenance, grant writing, and information technology.

Figure 2: Nonprofit Job Categories with Vacancies in April 2023

Number of Nonprofits that Identified Job Categories: 27



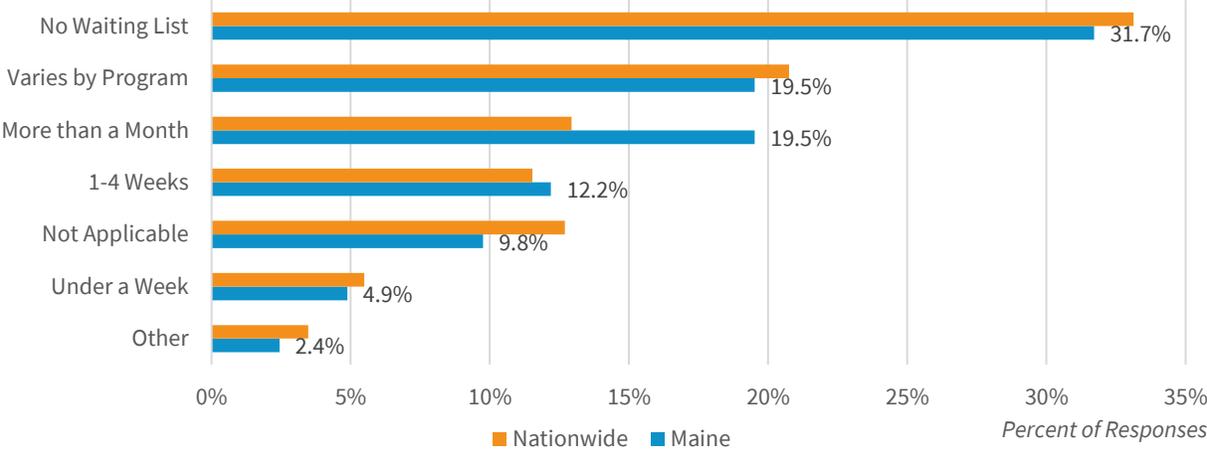
The impact of increased job vacancies is visible in Maine’s communities, as demonstrated in comments provided by survey participants. An arts nonprofit shared that “people are angry that the service is not there” because they are having fewer conferences. For a mental health provider, growing vacancies have left their community struggling to get services and are seeing “increased stress and mental health issues.” A respondent shared that their organizations has seen three program directors leave in the last two and a half years, which disrupts operational momentum by

extending start-up times for new programs and partnerships. A human services provider observed that fewer children and families are being served, and that without Head Start classes, more parents are losing access to child care. Another nonprofit acknowledged that their organization “loses credibility in the community when we cannot provide the number of volunteers needed,” and that, as a result, more people do not have equal access to education.

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 a third (31.7%) of nonprofit responding to the survey indicated that they had no waiting lists for their services. Another 19.5% 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, 19.5% said that their waiting lists are more than a month long, while 12.2% reported waiting times of a few days or weeks. Another 9.8% 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 (51.4%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 16.2% have longer waiting lists for services. Significantly, only one Maine respondent claimed to have fewer vacancies in April 2023 compared to March 2020, and none of the survey participants reported shorter waiting lists for services.

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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	53.7%
	Fewer vacancies	2.4%
	No change to vacancies	7.3%
Waiting List	Longer waiting list for services	46.3%
	Shorter waiting list for services	0
	No change to waiting list	4.9%
Other	Other	2.4%
	Did not select an option	34.1%

Vacancies in nonprofits can also impact a nonprofit’s waiting list. A nonprofit is having more turnover in their shelter program, resulting in “residents not getting as much help to get permanently housed.” The professional added that with “higher rents making affordable housing harder to find,” their shelters remain full without the staff needed. Habitat for Humanity of Greater Portland shared that they need a communications/marketing person, and not having one limits their ability to “get the word out when we are accepting applications for our new homes as well as our repair program.” They also need another construction staff member, which “dramatically impacts the speed at which we can build and repair homes.”

Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention for Maine charitable organizations are budget constraints/insufficient funds, salary competition, and stress/burnout. Respondents also stated that the lack of housing employees can afford is a challenge.

Table 2: Factors Affecting Nonprofit Recruitment and Retention

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Budget constraints/insufficient funds	28	68.3%
Salary competition	25	61.0%
Stress/burnout	22	53.7%
Other	10	24.4%
Lack of child care	9	22.0%
Challenges caused by government grants/contracts	9	22.0%
COVID-19 and vaccinations	6	14.6%
Not Sure	4	9.8%

A nonprofit observed that demand for services has increased, and people are “being asked to do more,” which may lead to “burnout of quality employees that we want to retain.” While pay rates

were ranked first in a nonprofit’s recent staff satisfaction survey, the nonprofit knows that salary competition is “significant,” and that it will not be able to increase salaries as quickly as they want to keep up with other sectors. Another nonprofit is concerned about volunteerism, noting that fewer people are volunteering and worries that there appears to be “less commitment to community service.”

Limited reimbursement rates from government grants and contracts, according to one respondent, impact the pay rate they can provide to direct support professionals, and acknowledges they are now competing with Walmart and McDonald’s in terms of pay. A public health nonprofit that primarily operates pursuant to grants continues to see “flat funding” and “short grant periods,” which make it challenging to offer competitive wages and retain employees. A human services provider shared they are being asked to provide more information by their grantors, but are not receiving additional funds for administrative costs. Without that financial support, they point out, the organization cannot keep up with the demand for information.

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.

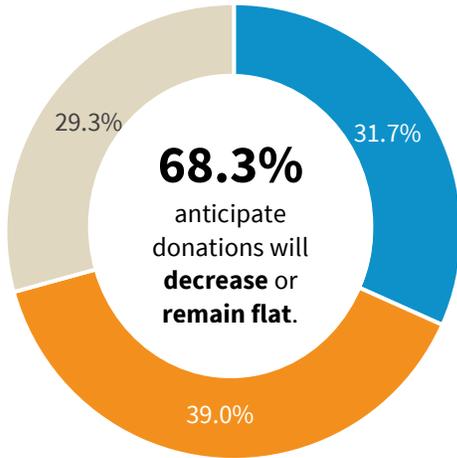
Charitable Giving

Greater than two-thirds (68.3%) of Maine survey respondents anticipate the amount of donations will decline or remain flat for 2023. A similar percentage (65.9%) expects the number of donors to decline or remain the same this year.

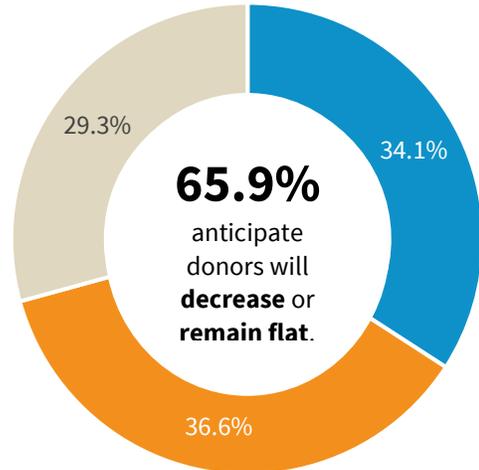
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Figure 4: Nonprofits' Anticipated Changes in Donations and Donors for 2023

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 Maine nonprofits that total giving and the number of donors will be either flat or declining in 2023 is troubling. Charitable giving declined by 1.7% in 2022 according to a recent report by the [Fundraising Effectiveness Project](#). 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 Maine they primarily led to increased costs of providing services, increased demand for services, and being unable to provide services.

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Table 3: Impact of Natural Disasters on Nonprofits

Impact of Natural Disasters	Number of Responses	Percent of Responses
Increased costs of providing services/unbudgeted costs	14	34.1%
Increased demand for services	10	24.4%
Unable to provide services	6	14.1%
Staff impacted by natural disasters	2	4.9%
Building/office damage	2	4.9%
Not applicable	25	61.0%

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 Maine expect this to impact their operations. For instance, a human services provider believes the impact will be “devastating” given that 40% of their participants are low-income seniors, and many have lost benefits, while program participation has increased by 50% since the announcement was made. Another human services provider is worried that it will be more difficult for people to get testing when they are sick. The recent cuts to SNAP have caused a “50% increase in program registration in less than two months,” a respondent wrote, but they do not have enough time or donations to replace the SNAP funds that Maine residents lost. A nonprofit professional expressed concern that when ARPA funds run out, they will no longer be able to maintain their increased output.

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

Maine nonprofits have responded to the workforce shortages crisis by providing salary increases, remote work options, and benefit increases. Other strategies have included offering one-time bonuses, and providing training in diversity, equity, and inclusion and in career advancement. A respondent shared that their organization offered monthly bonuses for its child care staff. 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	30	73.2%
Remote work options (hybrid, full-time, etc.)	30	73.2%
Benefits increased (health insurance, transportation, etc.)	20	48.8%
One-time bonuses	18	43.9%
Diversity, Equity, and Inclusion trainings and strategies	18	43.9%
Career advancement opportunities (training, mentorship, etc.)	16	39.0%
Notified employees about their eligibility for Public Service Loan Forgiveness	13	31.7%
Signing bonus	11	26.8%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	8	19.5%
Mental health (expanded benefits, counseling, etc.)	6	14.6%
Not applicable	2	4.9%
Other	2	4.9%

Solutions Proposed by Nonprofits

Nonprofits on the frontlines in Maine shared solutions they think lawmakers, philanthropy, and others should consider. A nonprofit professional highlighted that families need support to be able to work. Given that child care is expensive and child care workers are not paid well, they believe more resources are needed to strengthen that sector. Another respondent suggests that clear salary expectations/standards are needed for individuals to know what specific positions earn in a year, and how Maine compares to other states. For another nonprofit employee, health insurance policies need to be changed to enable more people to be able to afford health care.

When it comes to funding, a respondent suggested the following: “Grant funders (federal, state, and philanthropic) need to build in year-over-year increases in their grant programs - not just offer more awards, but increase the dollar amount of the awards.” A human services provider observed that much of their federal funding will not allow them to include administrative costs in their grants and believes that ought to change. Another nonprofit shared that more state and federal investments can advance many solutions.

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 36.6% of respondents to the workforce shortages survey. Those with budgets of between \$500,000 and \$1 million make up 14.6% of respondents, and 22.0% of nonprofits have annual operating budgets that range from \$1 million to \$3 million. Another 26.9% of nonprofits have budgets greater than \$3 million.

Figure 5: Nonprofits' Annual Operating Budget

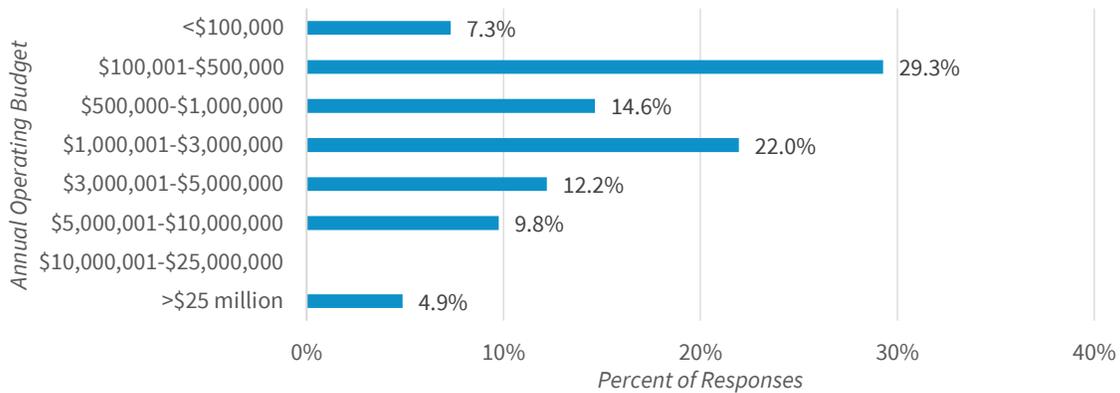


Table 5: Communities Served by Nonprofits

Communities Served	Number of Responses	Percent of Responses
People living in rural communities	19	46.3%
People with disabilities	7	17.1%
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	4	9.8%
People who identify as LGBTQ+	1	2.4%
None of the above	14	34.1%

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

Subsector	Number of Responses	Percent of Responses
Human Services	7	17.1%
Arts, Culture, and Humanities	6	14.6%
Other	5	12.2%
Housing	5	12.2%
Education	4	9.8%
Community/Civic Engagement	4	9.8%
Public/Societal Benefit	4	9.8%
Environment and Animal Welfare	2	4.9%
Healthcare	2	4.9%
Multiple Subsectors	1	2.4%
Mental Health	1	2.4%