

Nonprofit Workforce Shortage Survey

In Maryland

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 Maryland nonprofits shared insights that provide the substance of this report.

Key Findings

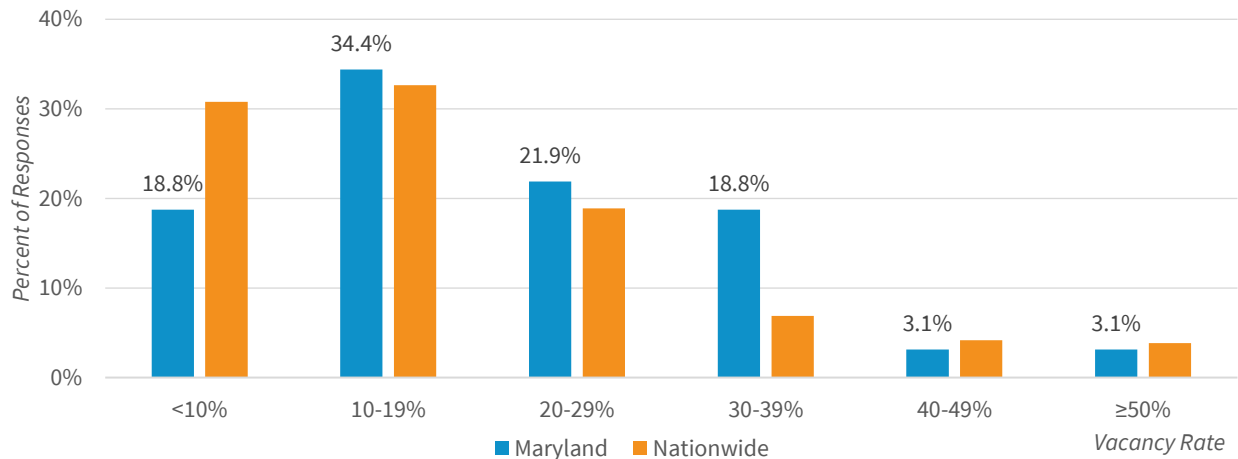
- More than two-thirds (69.6%) of Maryland nonprofits completing the survey reported experiencing job vacancies.
- Nearly half (47.8%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 19.6% have longer waiting lists for services than in March 2020.
- 75.0% of respondents with vacancies identified program and service delivery as a category with vacancies.
- Close to three-fourths (71.7%) of responding organizations said salary competition affects their ability to recruit and retain employees, followed by budget constraints/insufficient funds (69.6%) and stress/burnout (43.5%).
- More than seven out of ten (71.7%) respondents anticipate the amount of donations will decline or remain flat for 2023. Three out of five nonprofits (60.9%) 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 fifth (18.8%) of nonprofits with vacancies shared rates fewer than 9%, while another 34.4% responded that their vacancy rates ranged between 10% and 19%. Of great concern, nearly half (46.9%) of nonprofits reported job vacancy rates of 20% or greater.

Figure 1: Nonprofits' Job Vacancy Rate in April 2023

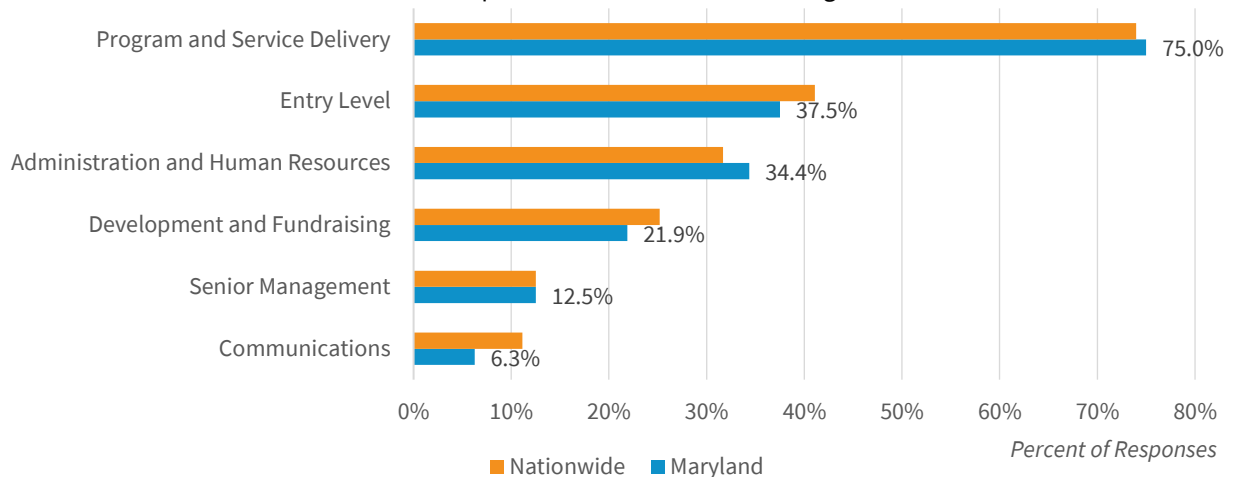
Number of Nonprofits that Provided a Vacancy Rate: 32



The job category with the most vacancies is program and service delivery, which affects three-quarters (74.0%) of nonprofits that reported vacancies. More than one out of three (37.5%) nonprofits reported vacancies in entry level positions. Vacancies in administration and human resources impact 34.4% of nonprofits, while 21.9% of Maryland nonprofits cannot fill development and fundraising roles. More than one out of ten (12.5%) of nonprofits with vacancies are struggling to hire people for senior management positions, and 6.3% have vacancies in communications positions. Other categories reported are project management, community organizing, membership, and mental health clinicians.

Figure 2: Nonprofit Job Categories with Vacancies in April 2023

Number of Nonprofits that Identified Job Categories: 32

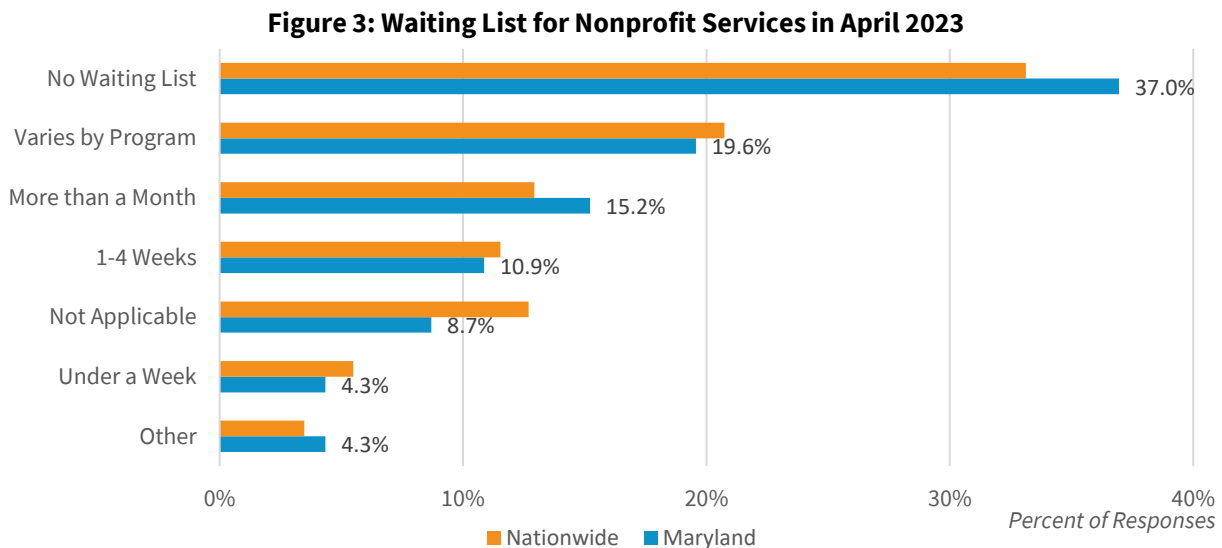


The impact of increased job vacancies is visible in Maryland’s communities, as demonstrated in comments provided by survey participants. One respondent shared that their organization cannot deliver services related to workforce development and housing counseling services. A nonprofit with vacancies shared that they are now a year behind in providing the staff support planned, which also impacts efforts for improving community health in their county. A mental health provider observed

that the length of time to access services has increased, and clients pointed out that they are having a harder time contacting staff since that staff is overworked and not as available.

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 a third (37.0%) of nonprofit respondents to the survey indicated that they had no waiting lists for their services. Another 19.6% 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, 15.2% said that their waiting lists are more than a month long while one out of ten (10.9%) reported waiting times of a few days or weeks. Another 8.7% said that the question is not applicable to their operations.



The survey also asked nonprofits to compare their current challenges to prior experiences. Nearly half (47.8%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 19.6% 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	47.8%
	Fewer vacancies	8.7%
	No change to vacancies	4.3%
Waiting List	Longer waiting list for services	19.6%
	Shorter waiting list for services	0
	No change to waiting list	13.0%
Other	Other	6.5%
	Did not select an option	30.4%

Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention in Maryland are salary competition, budget constraints/insufficient funds, and stress/burnout. Respondents also stated that the cost of providing health insurance is a challenge, and the applicant pool does not always match the qualifications needed for certain roles.

Table 2: Factors Affecting Nonprofit Recruitment and Retention

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Salary competition	33	71.7%
Budget constraints/insufficient funds	32	69.6%
Stress/burnout	20	43.5%
Challenges caused by government grants/contracts	11	23.9%
Other	6	13.0%
Not Sure	5	10.9%
Lack of child care	4	8.7%
COVID-19 and vaccinations	2	4.3%

According to a mental health provider, budget constraints attributed to Medicaid reimbursement rates make it difficult to raise wages “significantly” to recruit and retain qualified staff. One respondent shared that slow payment from grant makers is a challenge for their organization’s operations. Another nonprofit professional pointed out that there isn’t enough funding to support the appropriate level of staffing to carry out reporting requirements. A human services provider observed that staff are still struggling to find proper child care, and they prefer to work remotely while they find a provider. EveryMind, a human services nonprofit in Maryland, acknowledges that it does not have proper professional development for their workforce due to time and resources.

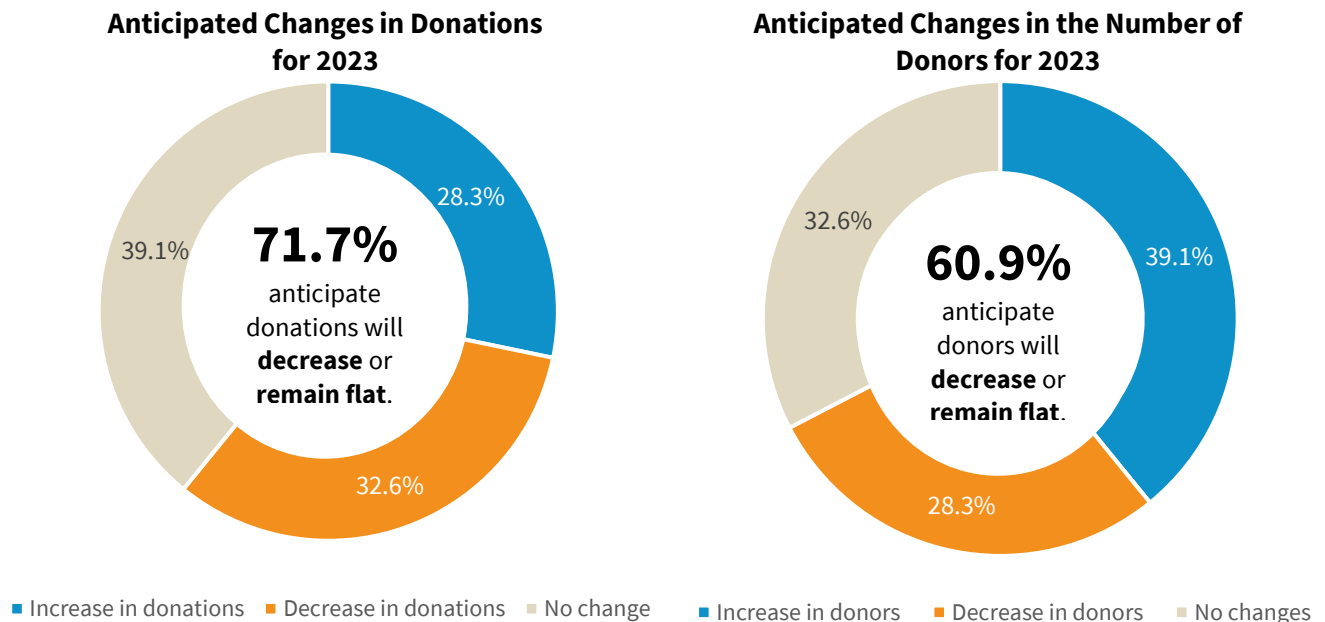
External Factors Impacting Nonprofits

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 seven out of ten (71.7%) respondents anticipate the amount of donations will decline or remain flat for 2023. Three out of five nonprofits (60.9%) expect 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 Maryland 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 Maryland 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	34	73.9%
Increased costs of providing services/unbudgeted costs	7	15.2%
Increased demand for services	7	15.2%
Staff impacted by natural disasters	2	4.3%
Unable to provide services	2	4.3%
Building/office damage	2	4.3%
Other	2	4.3%

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 Maryland expect this to impact their operations. For an arts nonprofit, the end of the health emergency means that their employees will lose coverage, and the end of free testing will have an impact on individuals already struggling. A human services provider anticipates that more people will require food assistance, but the organization will not be able to keep up with demand without increased resources from governments. A nonprofit professional does not expect a direct impact on their work, but they are concerned that housing challenges will lead to “increased negative health outcomes and introduce additional challenges for our community health work to overcome.”

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

Maryland nonprofits responded to the workforce shortages crisis by providing remote work options, increasing salaries, and distributing one-time bonuses. Other strategies and practices utilized to attract and retain staff included providing trainings in diversity, equity, and inclusion, and in career advancement, as well as 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
Remote work options (hybrid, full-time, etc.)	30	65.2%
Salary increases	28	60.9%
One-time bonuses	25	54.3%
Diversity, Equity, and Inclusion trainings and strategies	19	41.3%
Career advancement opportunities (training, mentorship, etc.)	18	39.1%
Benefits increased (health insurance, transportation, etc.)	12	26.1%
Notified employees about their eligibility for Public Service Loan Forgiveness	11	23.9%
Mental health (expanded benefits, counseling, etc.)	10	21.7%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	9	19.6%
Signing bonus	8	17.4%
Not applicable	4	8.7%
Other	1	2.2%

Solutions Proposed by Nonprofits

Maryland nonprofits on the frontlines shared solutions they think lawmakers, philanthropy, and others should consider. One respondent called for internship opportunities to create a pipeline into the nonprofit sector. Another nonprofit professional believes there needs to be more investment towards professional development so employees are “trained and educated properly.” A nonprofit facing funding challenges believes more unrestricted funding from private and government grants can help ease workforce shortages. For a mental health nonprofit, fully funding nonprofits in the area of operations and general support could address overlapping issues.

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 nearly two out of five (39.1%) of Maryland respondents to the workforce shortages survey. Those with budgets of between \$1 million and \$3 million comprise a fifth (19.6%) of respondents, and 6.5% of

nonprofits had annual operating budgets that range from \$3 million to \$5 million. Another 34.8% of nonprofits had budgets greater than \$5 million.

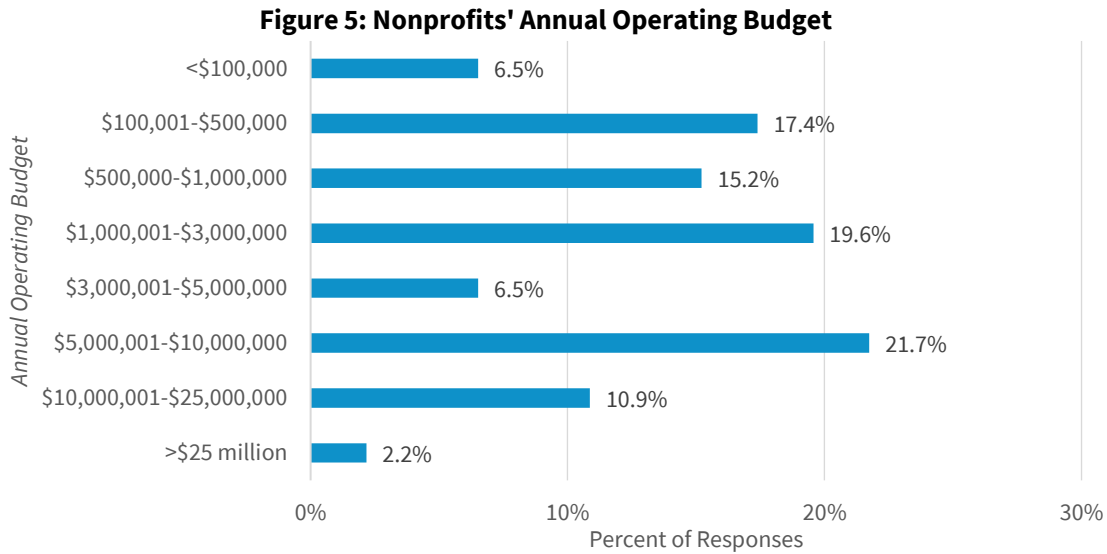


Table 5: Communities Served by Nonprofits

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	18	39.1%
People with disabilities	15	32.6%
None of the above	14	30.4%
People living in rural communities	10	21.7%
People who identify as LGBTQ+	5	10.9%

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

Subsector	Number of Responses	Percent of Responses
Human Services	14	30.4%
Other	10	21.7%
Mental Health	5	10.9%
Public/Societal Benefit	5	10.9%
Community/Civic Engagement	4	8.7%
Environment and Animal Welfare	2	4.3%
Arts, Culture, and Humanities	1	2.2%
Education	1	2.2%
Healthcare	1	2.2%
Housing	1	2.2%
Multiple Subsectors	1	2.2%
Higher Education	1	2.2%