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UPDATED ANALYSIS

The Scope and Impact of Nonprofit Workforce Shortages in Oregon

December 15, 2021

As part of a national survey conducted in November 2021, the National Council of Nonprofits released [The Scope and Impact of Nonprofit Workforce Shortages](#), a study of the data collected. In Oregon, the Nonprofit Association of Oregon acted as promotional partner to ensure the state had a robust response to the survey. The below information is an analysis of the Oregon specific data captured in the survey.

Summary

Job Vacancies: Among nonprofits responding to the question “What is your nonprofit’s current job vacancy rate?,” nearly one quarter (26%) of respondents reported vacancies of between zero and 9 percent. One in three nonprofits shared job vacancy rates of between 10% and 19%, and a troubling 34% responded that they had job openings for 20% to 29% of their positions. Another nine percent reported vacancies greater than 30 percent.

Causes of the job vacancies were clear to survey respondents. Approximately three out of four nonprofits (76%) (79%) identified [salary competition](#) as a factor preventing them from filling job openings. Nearly three out of ten respondents (29%) stated that the [inability to find child care](#) affected recruitment and retention. [Vaccination policies](#) affect 27 percent of respondents. Comments from nonprofits identified seven more causes of workforce shortages, ranging from “[stress](#)” and “[burnout](#)” to [grants/contracting abuses](#).

Relief Programs: Nonprofits participating in the survey reported accessing various relief programs during the pandemic. The [Paycheck Protection Program](#) loans were nearly universally (78%) secured; followed by access to [state relief](#) funds (39%) and [American Rescue Plan Act](#) (ARPA) funds (24%) and [local relief](#) funds (26%). Importantly for current public policy debates, 21% of responding nonprofits reported having claimed the [Employee Retention Tax Credit](#) (ERTC).

Solutions: Some of the solutions to the job vacancy challenges identified by survey participants are relevant to all types of funders – public and private alike – such as adopting [equity from the outset](#) of reforms, [multi-year agreements](#), [investing ARPA funds](#) appropriately, restoring the [Employee Retention Tax Credit](#), and expanding [student loan forgiveness](#). Regarding challenges arising from government grants and contracts, nonprofits called for governments to [update reimbursement rates](#), for the Bureau of Labor Statistics to collect and publish [current nonprofit employment data](#), the provision of [cost-of-living adjustments](#), and recognition and payment of [indirect cost rates](#).

Key Findings

Scope of the Problem

The core question the survey sought to explore was, “What is your nonprofit’s current job vacancy rate?” Nearly one quarter (26%) of respondents reported vacancies of between zero and 9 percent. One in three nonprofits shared job vacancy rates of between 10% and 19%, and a troubling 34% responded that they had job openings for 20% to 29% of their positions. Another nine percent reported vacancies greater than 30 percent.

Impact on the People and Communities Served

Data points without context are merely statistics on a page. The survey asked several additional questions and sought comments from frontline practitioners to help explain whether and the nonprofit workforce shortages matter in the real world, and how this affects their communities. The responses were as illuminating as they were profound.

Waiting List and Reductions in Services:

The survey asked nonprofits to provide the impact of job vacancies as demonstrated by waiting lists for services. Twenty percent of responding organizations reported having a waiting list that is more than a month long, with some organizations highlighting that clients have to wait years to receive services. While 14 percent of respondents acknowledged that they do not have a wait list, they clarified that it is because they are no longer accepting new clients or referrals and have turned people away at some point. Four percent noted that the question does not apply to their operations.

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

The survey sought to identify why charitable nonprofits – organizations accustomed to attracting staff dedicated to the missions of the organizations – were having difficulty retaining and attracting employees. The factors survey respondents reported are telling.

- Approximately three out of four nonprofits (76%) responding to the survey identified **salary competition** as a factor preventing them from filling job openings.
- Nearly three out of ten respondents (29%) stated that the **inability to find child care** affected recruitment and retention.
- Seventeen percent reported **not being sure** what was affecting recruitment and retention.
- **Vaccination policies** affect 27% of respondents.

Insights from the Frontlines

In comments voluntarily submitted, Oregon nonprofits explained some of these challenges in the context of their missions and ongoing operations.

“Stress” and “Burnout”

- “As indicated above, the nonprofit I work for supports survivors of sexual violence, stalking, sexual harassment, dating violence, trafficking and other forms of interpersonal violence. The agency provides services 24/7, 365 days a year, even during a pandemic. The nature of the work we do in providing support to trauma survivors and the hours we operate, take a toll on staff, during the best of times. During a pandemic, where staff have to juggle personal

and professional challenges in new and wildly different ways, the rates of burnout are exponential. Burned out staff + 24/7 hours + working with trauma survivors + navigating a pandemic has impacted our ability to retain staff.”

- “High stress of the work leads to burnout, both from volume/pace due to chronic understaffing/turnover, as well as from the high-needs population we serve. There is significant second-hand trauma to staff.”
- “Mental health workforce burnout. Clinicians are leaving community mental health completely.”
- “The demographic of our clients has changed and we are serving more chronically homeless and mentally ill people. It weighs heavily on all the staff and volunteers that our services are only a band aid to much larger societal problems. The pandemic has brought more people to us needing services. Our frontline workers are exhausted and under stress which is amplified by the fact that they don't earn a living wage.”

Competitors for Qualified Applicants

- “Before the pandemic, we were already working to try to bring up our salary ranges and benefits packages after experiencing very trying financial years in 2017 and 2018. While we have been able to give significant raises, we are not yet able to offer employees meaningful benefits packages. Even with wage increases that amounted to 5% of our total expenses, we have lost key team players. The healthcare vaccine mandate also meant we lost 2 more team members involved in direct mental health therapies. It has halved our ability to see mental health clients at a time when more people are in need of the services. It is even harder to attract new employees in this job market. We simply cannot pay new hires the wages they are requesting. Meanwhile, our current staff feels burned out and overworked.”
- “Our issue is that we do not have enough veterinary staff and have had to close our clinic. It is difficult to compete with the private sector paying on-call/relief vets up to \$2000/day. Yes per day. There are not enough veterinarians or CVTs graduating to fill the need. Other positions are open due to the physicality of work even though we have raised wages \$1-2 hr.”

Remote Work and Technology

- “Our nonprofit has traditionally provided in-person client services to Native Americans on a reservation in Oregon. Given the high rate of COVID-19 transmission on the reservation, we have opted to provide services via Zoom, telephone, and through other electronic means. This has made it difficult to serve the community as broadly and deeply as previously. Also, the success of some of our projects hinges on there being effective water infrastructure in place to commence building. We are opting, rather than delay capital projects, to pay to fix these problems ourselves, rather than depending on tribal or federal funding. This means that we are writing more grant proposals to private funders than we'd hoped.”

Fear of COVID-19 and Vaccinations

- “limited day care available for staff to access in the community. Fear of covid, clients not getting vaccinated. exposure of our staff to covid.”

Volunteer Engagement

- “Just finding willing volunteers to staff our museum is crucial. We would like to be open more than one day a week (or by appt) but just don't have the staff.”

Cumulative Challenges

- “2020 was a crisis year and we grew services by 30%. Our funding year ended with a \$ surplus. This year the funder ADHD kicked in and/or funders are pulled in more directions. We wiped out all financial gains in 2021 because of the more competitive funding.”
- “Delays in contract funding, unavailability of affordable and/or transitional housing, wait time for support services. Since COVID, wages and benefits are no longer competitive and due to funding, may not be able to retain benefits.”
- “Not enough funding for critical "administrative" jobs like accounting and communications. The continuing misperception that overhead is "bad" is damaging the nonprofit sector. We also struggle to secure enough funding to keep salaries and benefits competitive.”
- “we are a performing arts organization - our immediate challenge is around earned income - ticket sales - the willingness of our audiences to return to the concert venue with the restrictions currently in place around masking and vaccinations.”
- “We are not accepting referrals, we have 4 vacancies at 3 locations. We will not accept vacancies until all sites are fully staffed.”
- “We are turning down 2+ referrals each week due to lack of capacity to provide services. All of our current clients are not being served to the greatest extent possible due to lack of capacity to provide services. We are beginning to experience the direct impact of the hiring crisis.”

Accessing Pandemic-Related Relief

In order to determine whether nonprofits had accessed various relief programs during the pandemic, the survey asked, “What federal or state relief has your nonprofit utilized?,” instructing respondents to select all that apply. The Paycheck Protection Program was nearly universally (78%) secured. Responding nonprofits also obtained state relief funds (39%), as well as American Rescue Plan Act (ARPA) Funds (24%) and the **Employee Retention Tax Credit** (21%).

Solutions Identified by Frontline Nonprofits

As problem solvers in their communities, nonprofit professionals tend to innovate solutions and share their expertise freely with colleagues. Survey respondents provided a robust range of approaches to overcoming new and longstanding challenges that have restricted funding and abilities of organizations dedicated to the public good.

1. Engage Directly with Funders: Embrace the need for a cultural and systemic shift in attitudes about the value of the services charitable nonprofits provide.

- “Long-term thinking on the part of funders with equitable funding to pay staff and do the project during these more severe times (as well as other times). Recruitment and training for social services among BIPOC/disparity communities.”
- “Higher funding for direct service agencies would enable us to recruit and retain staff. Also, better/more realistic expectations from funders and the communities we serve would greatly benefit direct service workers. We are all trying to do the best we can, and there's not enough acknowledgment of what we can do and too much focus on what we can't do.”
- “We must stop talking about nonprofits as charities and instead as a critical service sector. Additionally, nonprofits must collectively advocate for changes to donor expectations- individual and foundation donors.”

2. Invest ARPA State and Local Funds: Look to charitable nonprofits as partners in investing ARPA funds to secure relief, recovery, and greater impact for the public good.

- “Stabilized grants for crisis work. Increases in funding grants can give to meet today’s challenging salary market. I need trained individuals to staff, but at the low wages that the grants can allow, I cannot attract trained applicants.”

3. Out-of-Date Rates: Update reimbursement rates for vital services performed on behalf of governments and regularly evaluate and update the rates to maintain quality, promote employment stability, and secure desired outcomes.

- “As a non-profit with a majority of cost reimbursement funding from Federal, State and local government, our contracts does not have built-in escalators to allow for inflationary or cost of living increases. These static contracts are placing a significant strain on our organization as we try to meet the challenges of not just market salary increases but cost increases across the board. Having contracts with inflationary adjustments or moving to outcomes based contracts will be helpful.”
- “Higher Medicaid reimbursement rates and more aggressive student loan forgiveness programs for community health organizations. We need help competing with private practices.”
- “In mental health, better reimbursement rates. A focus on pipeline with an eye toward BIPOC and historically marginalized communities; we can't find clinicians who look like our clients.”

4. Payment of Indirect Costs: Reimburse charitable nonprofits their actual indirect cost rates, as required under federal regulations, which state and local governments should adopt to provide efficiencies and consistency across governmental agencies.

- “Contracts to be able to pay better wages and cover administrative costs (some of our grants only allow 5% admin).”

APPENDIX

90 Responses

Survey Questions

1. What federal or state relief has your nonprofit utilized (select all that apply)
 - a. Employee Retention Tax Credit (ERTC): 19 responses
 - b. Paycheck Protection Program (PPP): 70 responses
 - c. Economic Injury Disaster Loan (EIDL): 11 responses
 - d. American Rescue Plan Act (ARPA) funds: 22 responses
 - e. State Relief Funds: 35 responses
 - f. Local Relief Funds: 23 responses
 - g. Other, Please Specify: 7 responses
 - i. Tribal relief funds, small foundation grants, SVOG, PRF, CARES, other grant (2)

2. What factors are affecting your nonprofit's ability to recruit/retain staff? (Select all that apply)
 - a. Ability to find child care: 26 responses
 - b. Salary competition: 68 responses
 - c. Vaccination policies: 24 responses
 - d. Not sure: 15 responses
 - e. Other, please specify: 35 responses

3. What is your nonprofit's current job vacancy rate?
53 responses
 - 0-9 Percent: 14 responses
 - 10 – 19 Percent: 16 responses
 - 20 – 29 Percent: 18 responses
 - 30 – 39 Percent: 2 responses
 - 40 – 49 Percent: 0 responses
 - Greater than 50%: 3 responses

4. How long is the current waiting list for your nonprofit's services?
52 responses
 - No waiting list: 13 responses
 - Under a week: 3 responses
 - 1-2 weeks: 0 responses
 - 2-4 weeks: 0 responses
 - More than a month: 18 responses
 - Varies by Program: 5 responses
 - Not applicable: 13 responses

5. Please share any additional detail on the challenges your nonprofit is facing.
61 responses

6. Please share any suggestions you have for solutions to these workforce challenges.
50 responses

7. What subsector is your nonprofit a part of?
 - a. Arts, Culture and Humanities: 6 responses
 - b. Education (excluding higher education): 8 responses

- c. Environment and animals: 7 responses
- d. Healthcare and mental health: 10 responses
- e. Higher education: 0 responses
- f. Hospitals: 0 responses
- g. Human services: 38 responses
- h. International: 0 responses
- i. Other: 10 responses
- j. Public/societal benefit: 7 responses
- k. Religion: 2 responses
- l. Research: 0 responses
- m. Blank: 2 responses