



SUMMARY SHEET

Wage Suppression in Oregon's Social Service Nonprofits

The Nonprofit Association of Oregon (NAO) is examining if and how wages in nonprofits are suppressed through government contracts and grants for services provided. The first in a series of studies, NAO sought to establish the baseline questions of whether nonprofit wages are lower than for-profit and public sector wages for the same work. To accomplish this, NAO contracted ECONorthwest to study this topic in Spring 2024. The research reviewed recent data from the American Community Survey, the Current Population Survey, and the U.S. Bureau of Labor Statistics Occupational Employment and Wage Statistics. Multivariate regression analyses were conducted to identify factors that affect nonprofit wage levels for the sector as a whole and for the specific fields of human services, mental health services, and child/youth services (loosely described as Social Services in the study).

The research shows that a pronounced wage gap exists between the nonprofit sector as a whole and the for-profit and public sectors, validating that wages are suppressed in Oregon's social service nonprofits. Further research will be necessary to study the causes of this wage gap. Still, it is well documented that most Social Service nonprofits rely on government contracts and grants to fund the work they implement.

FULL REPORT AT WWW.NONPROFITOREGON.ORG

Thank you to the following organizations for their support: Meyer Memorial Trust, Multnomah County, Northwest Health Foundation, and the Oregon Department of Human Services.

WHO ARE OREGON'S NONPROFIT WORKERS?



1 in 10

wage-and-salary workers across all sectors (private, public and nonprofit) work in Oregon's nonprofit sector.

Oregon's nonprofit sector has a higher proportion of female, older, and people with higher levels of formal education compared with those who work in the for-profit sector. Females and non-Hispanic Blacks make up a larger portion of the nonprofit workforce than for-profit or public sectors.



66.6%
of workers in the
nonprofit sector
are females.

Compared to the 44.8% of females the for-profit sector.

Bachelor's degree or higher:



50.2%
Nonprofit sector



25.5%
For-profit sector

50.2%
of Oregon's Nonprofit
Workforce come from
**Community and
Social Service.**



COUNSELORS, THERAPISTS; REHABILITATION
COUNSELORS; EDUCATIONAL, GUIDANCE, AND CAREER
COUNSELORS AND ADVISORS; SUBSTANCE
ABUSE, BEHAVIORAL DISORDER, AND
MENTAL HEALTH COUNSELORS;
SOCIAL WORKERS, MENTAL
HEALTH AND ABUSE SOCIAL WORKERS;
HEALTHCARE WORKERS; SOCIAL
FAMILY, AND COMMUNITY AND CHILD,
SCHOOL SOCIAL SERVICE WORKERS;
SOCIAL SERVICE SPECIALISTS;
HEALTH EDUCATION SPECIALISTS; COMMUNITY HEALTH
WORKERS; SOCIAL AND HUMAN SERVICE ASSISTANTS.

KEY FINDINGS

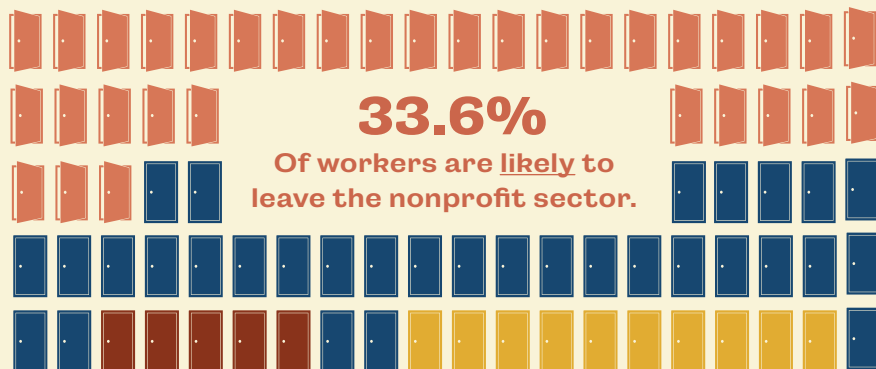
Workforce Retention

Turnover is higher and wages are more stagnant in the nonprofit sector than the for-profit and public sectors.



8 out of 10

Nonprofit workers left for the for-profit sector.



33.6%

Of workers are likely to leave the nonprofit sector.

Compared to the

5.1%

in the for-profit sector

Compared to the

11.5%

in the public sector

KEY FINDINGS

Wage Gap

When age, gender, educational attainment, race, ethnicity, and hours worked are taken into account...



up to

15%

lower than their counterparts in the for-profit sector.



up to

11%

lower than the public sector.

Nonprofit wages were:

Human services nonprofit wages were:

55%

of the for-profit sector wage.

77%

of the public sector wage.

Workers in human services earned

\$4.33/hr less

than those in the public sector (median hourly wage of \$21.60 compared with \$25.93; median annual wage of \$41,692 compared with \$50,507)*

*For complete comparative data sets see the full report.

POSSIBLE SOLUTIONS

Ideas to Reduce the Nonprofit Wage Gap



Add a cost-of-living adjustment to government grants and contracts with nonprofits.



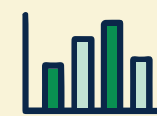
Create a nonprofit wage board.



Create a nonprofit wage advocate position.



Establish a prevailing wage for nonprofits.



Publish a nonprofit employment dashboard.