

Nonprofit Workforce Shortage Survey

In North Carolina

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. Nearly sixty North Carolina nonprofits provided insights that provide the substance of this report.

Key Findings

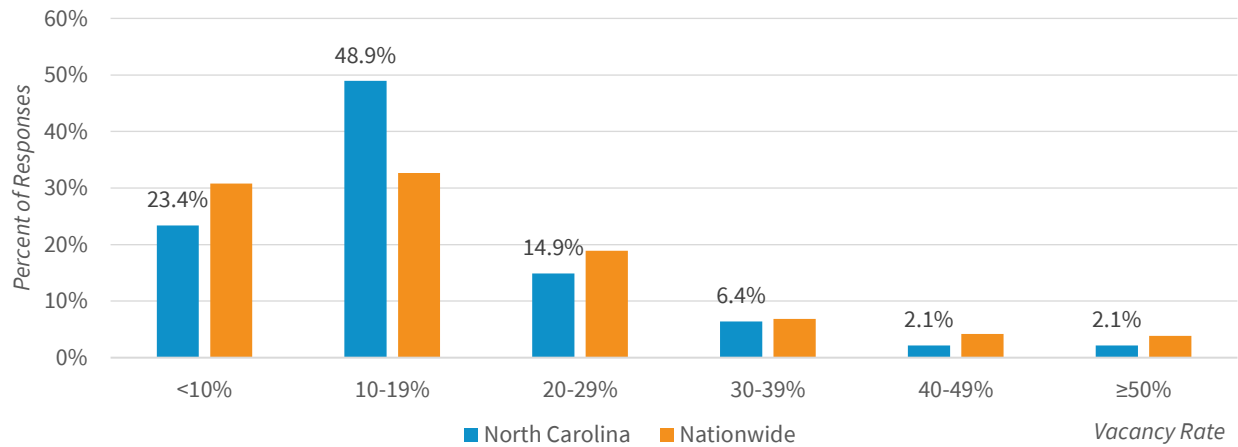
- Four out of five (81.0%) North Carolina nonprofits completing the survey reported experiencing job vacancies.
- Well more than half (58.6%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and a fifth (20.7%) have longer waiting lists for services than in March 2020.
- 74.5% of respondents with vacancies identified program and service delivery as a category with vacancies.
- Four-fifths (81.0%) of responding organizations said salary competition affects their ability to recruit and retain employees, followed by budget constraints/insufficient funds (65.5%) and stress/burnout (53.4%).
- More than three out of five (62.1%) respondents anticipate the amount of donations will decline or remain flat for 2023. A higher percentage (67.3%) 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?” Nearly a quarter of North Carolina nonprofits (23.4%) with vacancies shared rates fewer than 9%, while almost half (48.9%) responded that their vacancy rates ranged between 10% and 19%.

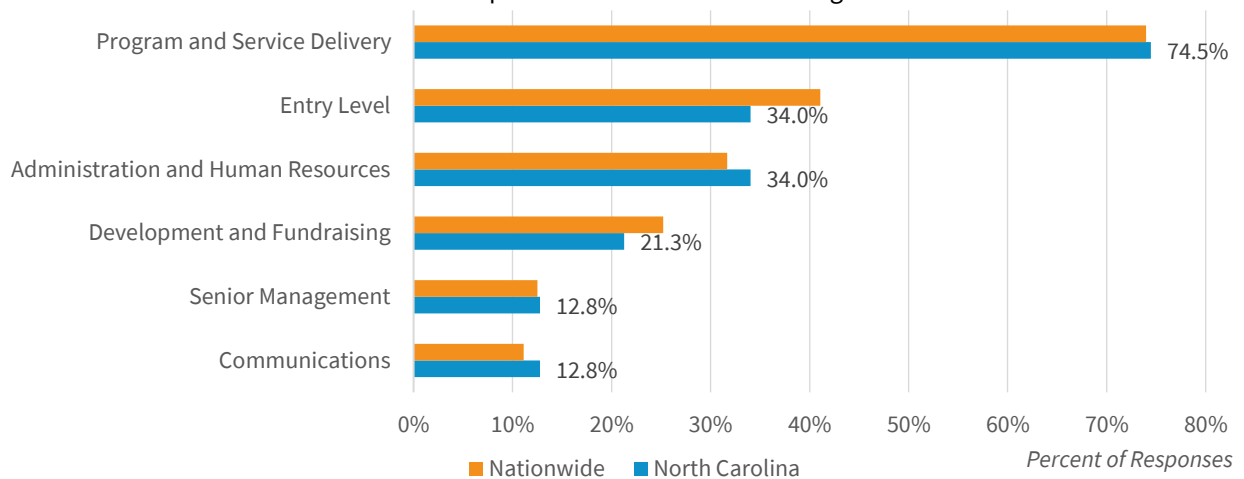
Disturbingly, more than one out of four (25.5%) nonprofits reported a job vacancy rate greater than 20%.

Figure 1: Nonprofits' Current Job Vacancy Rate in April 2023
 Number of Nonprofits that Provided a Vacancy Rate: 47



The job category with the most vacancies is program and service delivery, which affects 74.5% of nonprofits that reported vacancies. More than one out of three (34.0%) nonprofits also reported vacancies in entry level positions and administration and human resources. Vacancies in development and fundraising impact a fifth (21.3%) of organizations. More than one out of ten (12.8%) nonprofits in North Carolina that reported vacancies cannot fill senior management or communications positions. Other categories reported are seasonal and part-time positions.

Figure 2: Nonprofit Job Categories with Vacancies in April 2023
 Number of Nonprofits that Identified Job Categories: 47

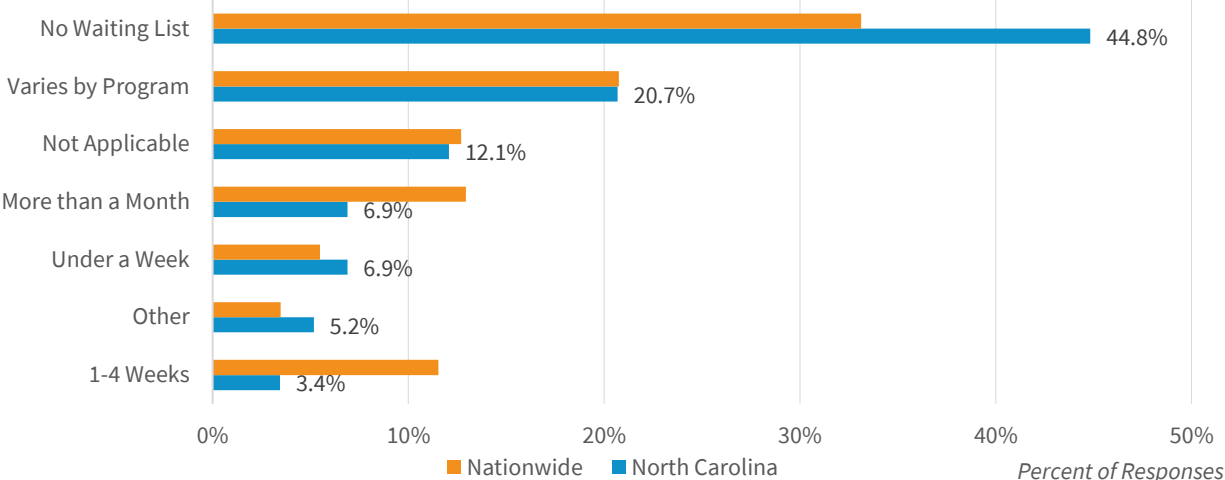


Why It Matters: The Consequences to People, Communities, and Missions

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 two out of five (44.8%)

nonprofit respondents to the survey indicated that they had no waiting lists for their services. Another fifth (20.7%) 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, 6.9% said that their waiting lists are more than a month long, or a few days long. Another 12.1% 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. More than half (58.6%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and one out of five (20.7%) 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	58.6%
	Fewer vacancies	6.9%
	No change to vacancies	10.3%
Waiting List	Longer waiting list for services	20.7%
	Shorter waiting list for services	1.7%
	No change to waiting list	24.1%
Other	Other	5.2%
	Did not select an option	19.0%

Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention for North Carolina charitable organizations are salary competition, budget constraints/insufficient funds, and stress/burnout

budget. Respondents also pointed to a housing shortage that was magnified in some areas because of the number of people that moved during the pandemic, impacting applicant pools.

Table 2: Factors Affecting Nonprofit Recruitment and Retention

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Salary competition	47	81.0%
Budget constraints/insufficient funds	38	65.5%
Stress/burnout	31	53.4%
Lack of child care	9	15.5%
Challenges caused by government grants/contracts	8	13.8%
Other	7	12.1%
Not Sure	5	8.6%
COVID-19 and vaccinations	3	5.7%

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.

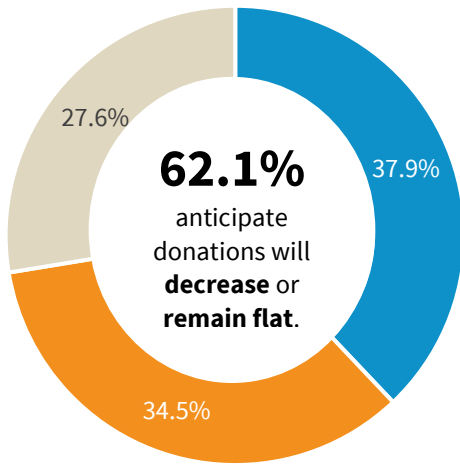
Charitable Giving

More than three out of five (62.1%) respondents anticipate the amount of donations will decline or remain flat for 2023. A higher percentage (67.3%) expects the number of donors to decline or remain the same this year.

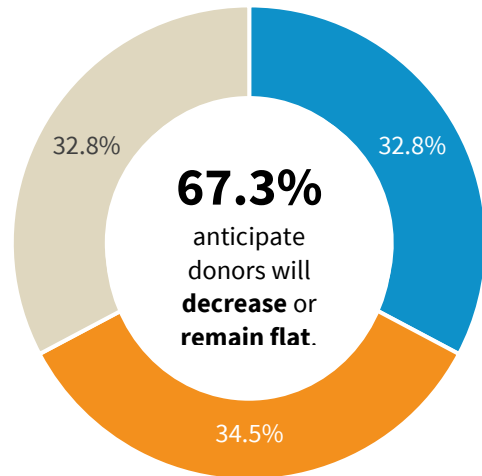
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Figure 4: Nonprofits' Anticipated Changes in Donations and Donors for 2023

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 North Carolina 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 North Carolina they mainly lead to increased costs of providing services, increased demand for 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	42	72.4%
Increased costs of providing services/unbudgeted costs	11	19.0%
Increased demand for services	8	13.8%
Staff impacted by natural disasters	3	5.2%

Impact of Natural Disasters	Number of Responses	Percent of Responses
Building/office damage	3	5.2%
Unable to provide services	2	3.4%
Other	2	3.4%

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 expect this to impact their operations. For instance, a human services provider anticipates that many of their clients will lose their health insurance. Another human services provider is concerned about the decreases in SNAP funding as prices have gone up, which affects their clients and staff.

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

North Carolina nonprofits have responded to the workforce shortages crisis by increasing salaries, providing remote work options, distributing one-time bonuses, and implementing diversity, equity, and inclusion trainings and strategies. Some have increased benefits and provided career advancement opportunities, among other options.

One nonprofit began to offer free child care for their staff, while another reported implementing family-forward work policies. A human services provider runs a large internship program from which most of their new therapists come. 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	42	72.4%

Implemented Practices	Number of Responses	Percent of Responses
Remote work options (hybrid, full-time, etc.)	31	53.4%
One-time bonuses	30	51.7%
Diversity, Equity, and Inclusion trainings and strategies	30	51.7%
Benefits increased (health insurance, transportation, etc.)	29	50.0%
Career advancement opportunities (training, mentorship, etc.)	22	37.9%
Notified employees about their eligibility for Public Service Loan Forgiveness	15	25.9%
Mental health (expanded benefits, counseling, etc.)	15	25.9%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	7	12.1%
Signing bonus	6	10.3%
Other	4	6.9%
Not applicable	3	5.2%

Solutions Proposed by Nonprofits

Nonprofits on the frontlines shared solutions they think lawmakers, philanthropy, and other nonprofit professionals should consider. One respondent suggested that more board development is needed for how to properly compensate staff for retention, and more investment in nonprofit staff in general. A nonprofit professional noted that retention cannot be controlled, and organizations can instead focus on “supporting staff now and getting your people ready for the next job,” adding that this culture will “better attract their replacements in the years ahead.”

Many nonprofits believe a reform in grants and contracting practices is necessary. One nonprofit called for an increase in funding rates to support competitive wages because their organization, like many others, is currently operating at a deficit because those rates do not cover the actual cost of providing services. A housing nonprofit believes non-restrictive funding can help organizations cover operating needs that do not pressure nonprofits to find more funding sources.

According to a human services provider, funding should cover salaries for many reasons: “If state/federal grants are going to impose strict education requirements, including severely limiting the subjects/fields that acceptable degrees can be in, then they should provide an appropriate amount of funding for salaries for those positions so that we can afford to hire some people who have those degrees AND actual work experience in the field.” Their experience over the last few months consisted of “reviewing and denying applicants due to a lack of specific degree,” because of

new requirements for case management positions. The professional also raised a point about the pipeline to human services, and whether curriculums for human services degrees are instilling a “good sense of professional boundaries and the inevitable limitations of the scope of work/services that any one organization is able to do/provide.”

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 more than one-third (36.2%) of respondents to the workforce shortages survey. Those with budgets of between \$1 million and \$3 million comprise 31.0% of respondents, and 13.8% of respondents had annual operating budgets that range from \$3 million to \$5 million. Another 19.0% of nonprofits had budgets greater than \$5 million.

Figure 5: Nonprofits' Annual Operating Budget

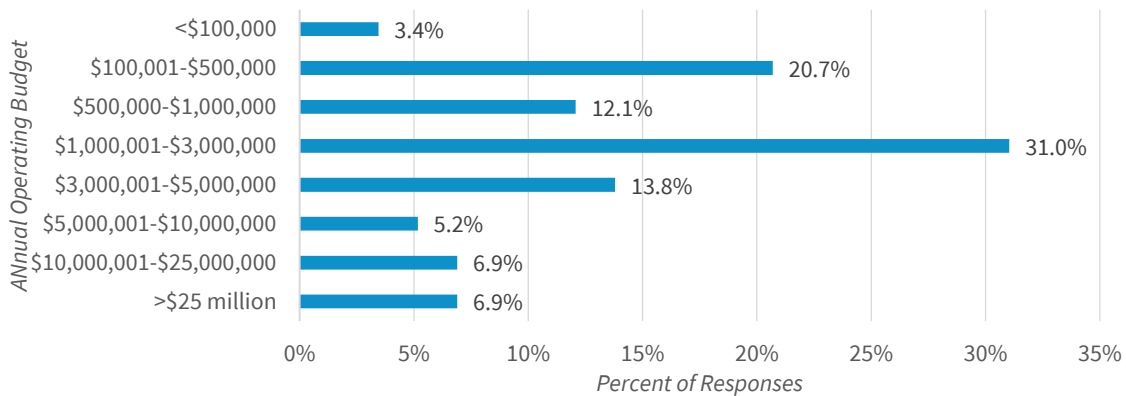


Table 5: Communities Served by Nonprofits

Communities Served	Number of Responses	Percent of Responses
People living in rural communities	21	36.2%
None of the above	20	34.5%
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	16	27.6%
People with disabilities	15	25.9%
People who identify as LGBTQ+	7	12.1%

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

Subsector	Number of Responses	Percent of Responses
Human Services	25	43.1%
Other	5	8.6%
Arts, Culture, and Humanities	4	6.9%
Education	4	6.9%
Healthcare	4	6.9%
Environment and Animal Welfare	4	6.9%
Housing	3	5.2%
Community/Civic Engagement	3	5.2%
Multiple Subsectors	2	3.4%
Public/Societal Benefit	2	3.4%
Child Care	1	1.7%
Mental Health	1	1.7%