

UPDATED ANALYSIS

The Scope and Impact of Nonprofit Workforce Shortages in New York

December 16, 2021

Summary

Job Vacancies: Among nonprofits responding to the question “What is your nonprofit’s current job vacancy rate?,” one in ten respondents reported vacancies of between zero and 9 percent. One in three nonprofits (33%) shared job vacancy rates of between 10% and 19%, and a troubling 29% responded that they had job openings for 20% to 29% of their positions. Another 28% percent reported vacancies greater than 30 percent.

Causes of the job vacancies were clear to survey respondents. Three out of four nonprofits (75%) identified **salary competition** as a factor preventing them from filling job openings. Nearly one in five (21%) stated that the **inability to find child care** affected recruitment and retention. **Vaccination policies** affect one in four (25%) respondents. Comments from nonprofits identified seven more causes of workforce shortages, ranging from the ability to offer remote work and provide technology for such work, and exhaustion from staff.

Relief Programs: Nonprofits participating in the survey reported accessing various relief programs during the pandemic. The **Paycheck Protection Program** loans were nearly universally (86%) secured; followed by access to **state relief** funds and **American Rescue Plan Act** (ARPA) funds (21% each). Importantly for current public policy debates, 25% 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. Regarding challenges arising from government grants and contracts, nonprofits called for governments to **update reimbursement rates**, 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?” one in ten respondents reported vacancies of between zero and 9 percent. One in three nonprofits (33%) shared job vacancy rates of between 10% and 19%, and a troubling 29% responded that they had job openings for 20% to 29% of their positions. Another 28% 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. Seventeen 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 30 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. One in three respondents 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.

- Three out of four (75%) responding to the survey identified **salary competition** as a factor preventing them from filling job openings.
- Nearly one in five respondents (21%) stated that the **inability to find child care** affected recruitment and retention.
- About one in five respondents (21%) reported **not being sure** what was affecting recruitment and retention.
- **Vaccination policies** affect one in four (25%) respondents.

Insights from the Frontlines

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

“Stress” and “Burnout”

- “Diminishing financial support for administrative staff while simultaneously in increasing demands for administrative work including expenditure documentation, repeated requests for same info., ext. Cannot continue to offer same services to same number of people with same budget and expect that we can pay staff fairly or compete to any job market.”
- “Overburdened staff, many taking on several roles with a workload typical of 2-3 staff.”

Competitors for Qualified Applicants

- “For our community, the number of vacant positions and lack of applicants is multifold. Access to multiple sources of COVID financial support including unemployment supplement, lack of daycare options, uncertainty as to when parent must deal with school closures and remote

learning, options to go back to school with remote learning offering opportunity to stay home with young children. Grandparents choosing to retire early to provide the childcare needed. We can see lack of applicants to fill vacant positions, some vacant for months. We have hired and they quickly leave for higher paying jobs. Many employers paying \$15-\$20 for service workers now. Hard to compete with limited funds.”

- “Fringe benefits is also a huge concern due to our proximity to government jobs and the expansion of public school staffing over the last couple of years we can not match even close the benefits, not just the salaries.”
- “Overall, there are workforce challenges. In our Addiction Treatment Services programs there is difficulty finding qualified CASACs, LPNs and RNs. Within our mental health clinics, challenges continue in finding qualified Psychiatric Nurse Practitioners and Psychiatrists. While we are able to hire social worker's, it's challenging to retain them once they gain experience and obtain their LCSW. Direct Support Professionals within our OPWDD program are difficult to recruit for. As an agency, we do not received adequate funding to support our programs.”
- “Wages for teachers in our special needs children preschool are not on par with public school despite needing the same teaching qualifications. Therapy salaries can also not be funded on competitive levels due to funding. Direct care positions caring for the developmentally disabled are funded much lower for voluntary organizations than for state operated programs providing the same services. There are not enough people for the open positions. Potential mandates for vaccination or testing without a good way to accomplish the weekly testing option.”

Government Grantmaking and Contracting Policies and Practices

- “Flat funding of contracts doesn't allow for any salary increases. When other costs go up, we cut staff hours to make up for it. All grant contracts should have a clause in it for an annual cost of living increase.”
- “New York City agencies are refusing to permit us to increase the amount paid to maintenance workers and security guards in our contracts. Additionally, due to severe staff shortages, we must use contracted security firms to fill the gaps. NYC agencies, including HRA, refuse to allow us to increase contract payments to security guard firms when minimum wage increased. There is an obliviousness to the reality of providing a living wage and the labor shortage that we face. This also goes for human service positions, such as case managers and social workers, often filled by women of color. The city's buildings are in very bad condition and we fill out "new needs" requests needed to make urgent repairs for life safety reasons and to remove violations and orders. "New Needs" requests languish and these cover necessary repairs and upgrades to extremely old elevators, boilers, fire safety equipment/ panels, etc. These building conditions make it difficult to serve our clients and to attract staff to buildings that are severely deteriorating.”

Remote Work and Technology

- “Many applicants are looking for remote work options; competitive salary market; specific licenses or credentials needed.”
- “Reduced revenue impacting our ability to raise pay and provide the proper technology to work remotely as many workers are interested in doing. Also, with a slim staff, every time there's a possible COVID exposure of a kid at school, 2-3 staff are pulled out to await timing, get tested and get results. This is extremely disruptive to delivering service and following up with clients.”

Fear of COVID-19 and Vaccinations

- “Vaccination requirements and requiring all staff to be in person full time may be affecting our ability to recruit. While we have implemented many safety measures in the building, multiple staff have expressed concern about crowded subway commutes.”
- “Vaccine mandate put in place, all staff must be vaccinated by 11/26 or lose their job. Looking like about 6 of the 14 childcare center staff will chose to not be vaccinated. The NYS regulations for operating childcare center will make it challenging to fill those 6 positions in any timely fashion.”
- “We run a lot of community classes. We have not felt comfortable running a lot of classes due to social distancing measures. Also, we have not been able to hold our annual gala for 500 people due to COVID. The ERC was a real help to make up the fundraising shortfalls”

Cumulative Challenges

- “People can make more money at a fast food restaurant than at a child care center.”

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 (86%) secured. Responding nonprofits also obtained **state relief funds** as well as **American Rescue Plan Act (ARPA) Funds** (21% each) and the **Employee Retention Tax Credit** (25%).

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. Prioritize Equity from the Outset: Intentionally listen to marginalized communities for solutions that overcome past and current barriers blocking access to services and to support for providing services.

- “Both Home care and facilities need additional funding to make direct care workers a profession as min wage has gone up it is making harder to find people to do this work. Our programs need to all offer clinical placement for nursing student to be a part of to learn about our field of work. The Federal government needs to create school loan forgiveness or scholarships for people working in our field.”
- “There is no easy way to get licensed clinicians to move to a remote area where it's cold half the year to do work that involves putting on barn boots and walking through manure, possibly inside a house. Most jobs in our area don't involve the barn boots and manure like our jobs do, but agency directors and planners have worked together to try to figure out solutions to the employment problem quite a few times over the 43 years I've been in my job. We haven't found any long-term solutions. I think the biggest help for rural areas like mine would be to ease up a bit on the mandates that were clearly created by city people for city agencies. I am all for standards that are truly about ensuring quality services, but governments should make staffing and service volume standards more

flexible so that rural people can meet them. Or governments should stop pretending that they care about serving rural communities.”

- “We are in the process of updating our Personnel Policies to add life insurance, add two additional holidays and two personal leave days in addition to the NY State sick and safe leave policy for full-time employees (whose salaries lag area averages). We are raising salaries annually to try to “true up,” however, we can barely keep up with NY State salary increases for salaried exempt workers, leaving several staff members at the minimum wage for these positions in our Southern Tier area of NY State. NYCON has been extremely helpful with these changes.”

2. 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.

- “Increase reimbursement rates. Reduce regulations. Provide student loan relief. Provide affordable child care.”
- “All grant contracts over 1 year should have a clause in it for an annual cost of living increase!”
- “Multi-year contracts should include cost of living adjustments on an annual basis.”

3. 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.

- “Please invest reasonable amount of funding with planned increases for salary. stop excluding or limiting administrative costs to less than 15%.”

APPENDIX

28 Responses

Survey Questions

1. What federal or state relief has your nonprofit utilized (select all that apply)
 - a. Employee Retention Tax Credit (ERTC): 7 responses
 - b. Paycheck Protection Program (PPP): 24 responses
 - c. Economic Injury Disaster Loan (EIDL): 3 responses
 - d. American Rescue Plan Act (ARPA) funds: 6 responses
 - e. State Relief Funds: 6 responses
 - f. Local Relief Funds: 8 responses
 - g. Other, Please Specify: 0 responses

2. What factors are affecting your nonprofit's ability to recruit/retain staff? (Select all that apply)
 - a. Ability to find child care: 6 responses
 - b. Salary competition: 21 responses
 - c. Vaccination policies: 7 responses
 - d. Not sure: 6 responses
 - e. Other, please specify: 9 responses

3. What is your nonprofit's current job vacancy rate?
21 responses
 - 0-9 Percent: 2 responses
 - 10 - 19 Percent: 7 responses
 - 20 - 29 Percent: 6 responses
 - 30 - 39 Percent: 3 responses
 - 40 - 49 Percent: 2 responses
 - Greater than 50%: 1 response

4. How long is the current waiting list for your nonprofit's services?
23 responses
 - No waiting list: 7 responses
 - Under a week: 2 responses
 - 1-4 weeks: 2 responses
 - More than a month: 4 responses
 - Varies by Program: 1 response
 - Not applicable: 7 responses

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

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



7. What subsector is your nonprofit a part of?
 - a. Arts, Culture and Humanities: 1 response
 - b. Education (excluding higher education): 3 responses
 - c. Environment and animals: 0 responses
 - d. Healthcare and mental health: 5 responses
 - e. Higher education: 0 responses
 - f. Hospitals: 0 responses
 - g. Human services: 14 responses
 - h. International: 1 response
 - i. Other: 3 responses
 - j. Public/societal benefit: 1 response
 - k. Religion: 0 responses
 - l. Research: 0 responses
 - m. Blank: 0 responses