



RETENTION



DEVELOPMENT



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THE NONPROFIT TALENT PIPELINE

Supporting the Nonprofit Talent Pipeline in Western NY

Research Summary

Executive Summary

- **The nonprofit sector has been through a shock**, including COVID, the latest racial reckoning, and the Great Resignation
- **There is significant opportunity to develop midlevel staff already in the sector**
 - 70% of WNY mid-level managers are not job searching, providing a strong base for further development to leadership
- **There are also opportunities to increase retention of mid-level nonprofit talent in Western New York**
 - Although most staff are not job searching, **about 30% of staff are**, with compensation as the biggest factor (81%)
 - **Compensation:** Less than half of midlevel leaders say they earn enough to support themselves or their families
 - **Burnout** is pervasive: 50% of midlevel leaders say they frequently experience burnout
 - **Work culture and development opportunities** are also important drivers of retention
 - About half of nonprofit staff of color, LGBTQ+ and disabled talent, some form of bias has negatively impacted their career
- **There is also an opportunity to attract new staff to the sector**
 - **Sector switchers** come to nonprofits for the mission, but hiring outside the sector can create tension with current staff
 - **Career starters** seek to create an impact, but may be sector agnostic or unaware of careers in nonprofits. Compensation and perception of long hours/burnout are attraction challenges as well
- **There are both existing assets and gaps in the landscape.** WNY funding community supports capacity building and wants to respond to talent issues; there are nonprofits that support talent development, but they are often localized and smaller scale. University courses are not nonprofit specific and may be cost prohibitive. There **are no initiatives solely focused on compensation and few targeting burnout and work culture** in WNY (that we are aware of)

Two Years of Challenges



COVID-19

- The nonprofit sector is still struggling to fill the **1.64 million jobs lost** at the onset of the pandemic.
- **40%** of nonprofit organizations reported losses in total revenue for 2020
- **Temporary financial strategies** were used to weather the crisis: (PPP) loans (66%), drawing on reserves (39%), and borrowing funds or increasing lines of credit (19%)



Racial Reckoning

- **Almost all foundations** reported placing new, or more, focus on supporting Black, Latino, and lower-income communities. Their leaders say they are reckoning with racism and paying greater attention to racial equity in their work.
- Multiple - primarily Black - leaders of nonprofit and youth-serving organizations shared that they faced **negative backlash from “supporters”** who found their statements around racism and social justice off-putting
- There has been an immeasurable psychological, physical, and emotional toll, especially on women of color leaders: **72% reported feeling overwhelmed**



The Great Resignation

- The Great Resignation is not slowing down: **45%** of nonprofit employees are planning to **seek new jobs** by 2025.
- In a survey of 85 national nonprofits, **77%** of employees said that feeling like they could be their **authentic self** was the most important factor to remaining engaged.
- Culture is a much more reliable predictor of industry-adjusted attrition than how employees assess their compensation: A toxic corporate culture is **10.4 times more powerful** than compensation in predicting a company's attrition rate compared with its industry.

Research Inputs



National Scan

12 Interviews

How are others addressing talent challenges?



Local Interviews

20 Interviews

What talent efforts are already in place in WNY?
What's missing?



Local Surveys

59 Executives/HR Staff

647 Nonprofit Staff

What trends are impacting current nonprofit staff?



Focus Groups

27 Participants

How do staff or prospects outside the sector view the nonprofit sector?

Research Inputs



Local Surveys

706 Participants

EDs/CEOs/HR (59)
Staff (647)

Staff Demographics

- 78% Female, 13% Male, 1% Non-binary, 3% No Answer
- 81% White, 13% Person of Color, 6% Other/No Answer
- 11% Identified as having a disability
- 11% Identified as LGBTQ+
- 68% Urban / 27% Rural
- Age
 - 14% - Under 30
 - 24% - 30-39
 - 24% - 40-49
 - 22% - 50-59
 - 14% - Over 60



Focus Groups

27 Participants

Career Starters (13)

- Undergraduate or graduate students
- Female 10, Male 3
- Racial identities: White, Asian, Middle Eastern, Biracial, African-American
- Ages: 20-35

Sector Changers (14)

- Individuals who have moved from the for-profit sector into nonprofits
- Female 9, Male 5
- Racial identities: White, African American, Korean, Latino
- Ages: 29-64

Levers to Expand the Pipeline



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KEY ISSUES

Professional development opportunities
Advancement opportunities



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KEY ISSUES

Compensation
Exposure to nonprofit jobs
Perception of the sector



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KEY ISSUES

Compensation
Burnout / Work-life balance
Work Culture / Bias

A Base to Build On

70% of mid-level staff surveyed are planning to stay in their job

They largely feel **valued** and **respected**.

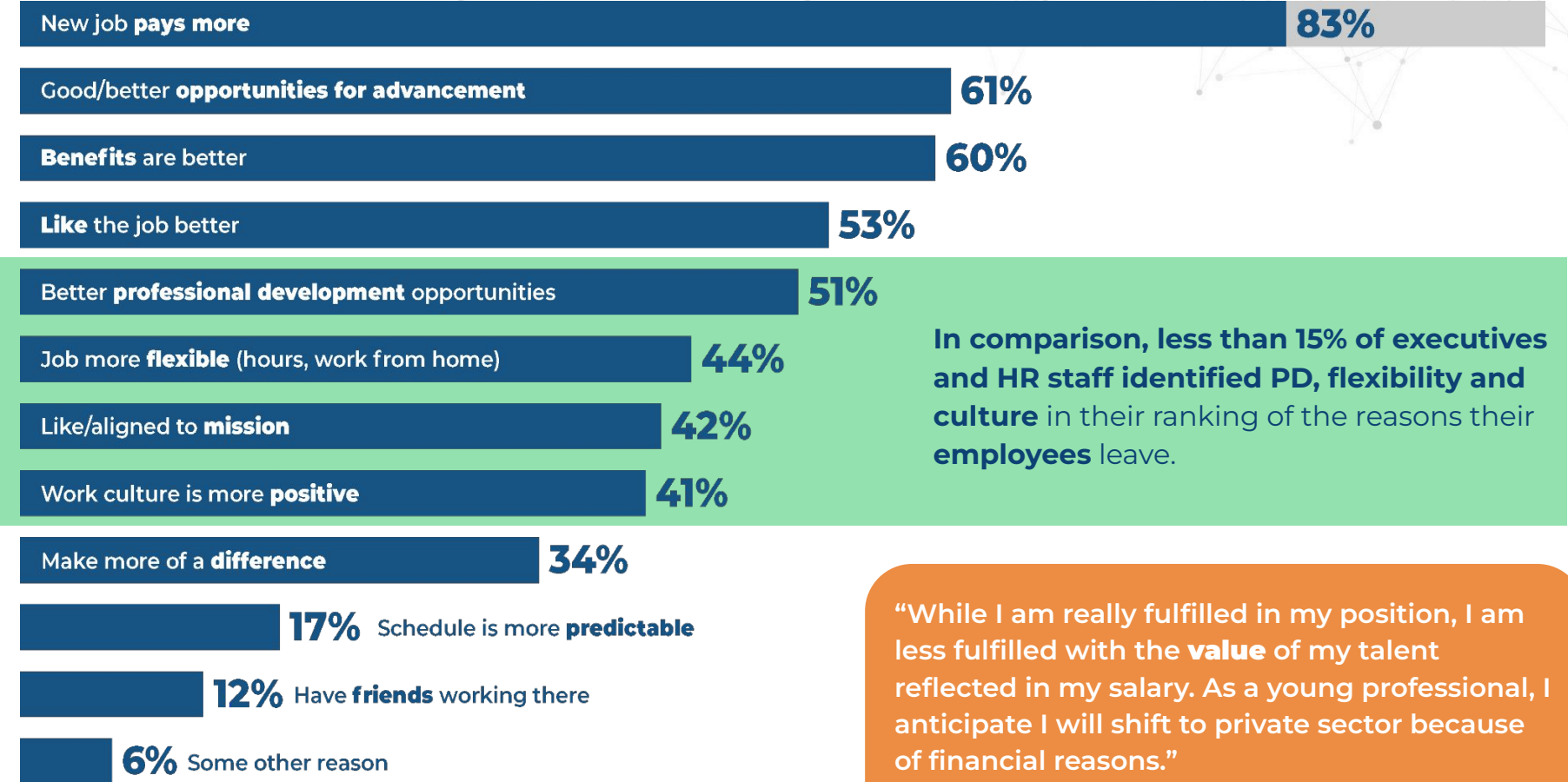


Most plan to stay because they **enjoy** the job, like the organization's **mission**, and are making a **difference** in their community

*N=280

Compensation: Key Driver of Departures

*Employees looking for other jobs:
What would cause them to take a job at another nonprofit?*



In comparison, less than 15% of executives and HR staff identified PD, flexibility and culture in their ranking of the reasons their employees leave.

“While I am really fulfilled in my position, I am less fulfilled with the **value** of my talent reflected in my salary. As a young professional, I anticipate I will shift to private sector because of financial reasons.”
- Survey respondent

Compensation: Support Self & Family



56%

of midlevel staff said they **don't make enough** to support themselves and their family. This increases to **68%** in small nonprofits (<\$1M).



Retention

Better **compensation (100%)** and better **benefits (81%)** were the top two levers that executives and HR staff said would retain mid-level talent.

“There are long term, negative impacts of lower pay and little to no retirement benefits. In addition to making less than my for-profit colleagues during my working years, I will have to **retire later in life** and will have **less retirement income**. It seems that working in the non profit sector means a **lifetime of sacrifice.**”

-Survey Respondent

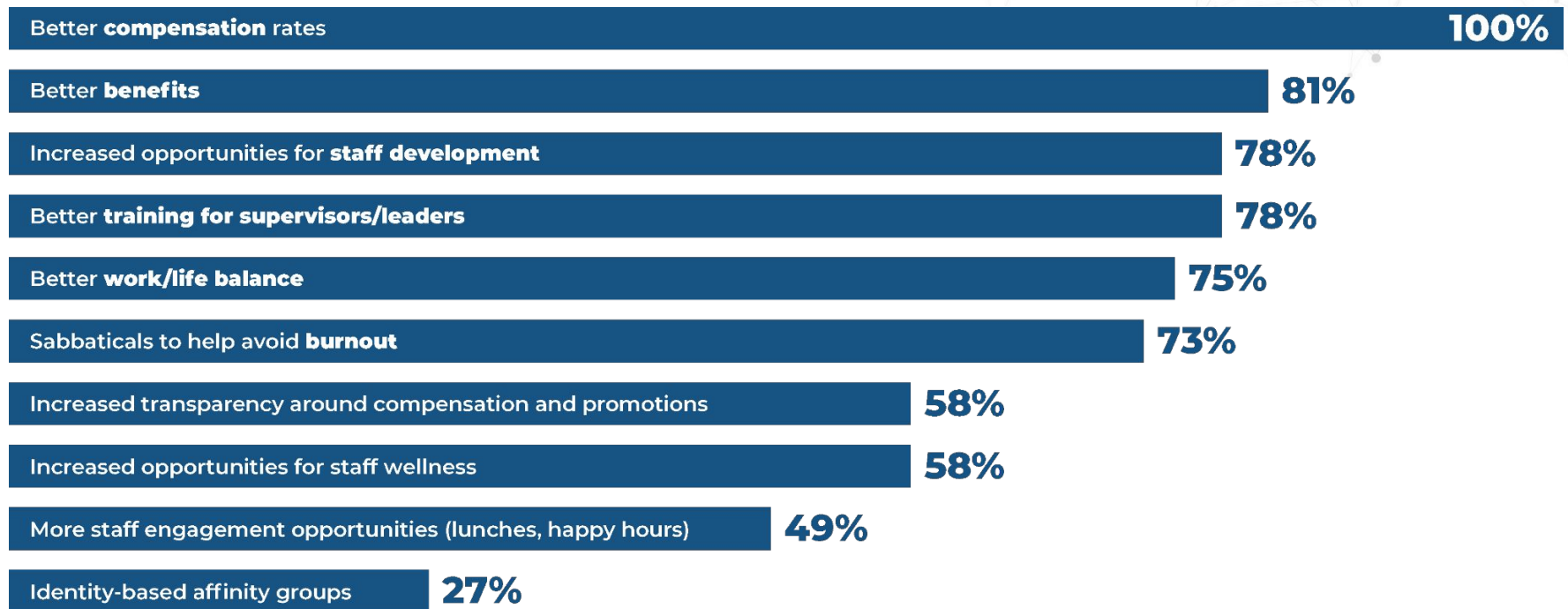
“While the private sector in general are taking steps to improve salaries and benefits across all industries, the nonprofit world is not. I've been in my nonprofit field for 15+ years and I have seen **no significant change** in base or management salaries, I've seen no significant increase or adjustment for cost of living. Over the years I've worked nonprofit jobs in three different states, and I have never, **NEVER**, had a job that provided health insurance. And almost across the board the reason given by management for the shitty salaries and benefits, is that **those large funding groups** that provide operating and salary funding won't give enough to pay a livable wage.”

-Survey Respondent

Impacting Retention: HR/Exec Perspective



HR/Execs: How likely do you think this would be to positively impact your retention of mid-career talent?



Burnout & Balance



51%

of mid-level staff said they **frequently** experience burnout. This increases to **65%** for staff with a disability.

45%

Could not maintain an appropriate **work/life balance**.

“The nonprofit sector is often underpaid and **overworked to the point of toxicity**. There is very little movement one can expect in the sector and I feel the job growth and expansion is quite slow.”

-Survey Respondent

“It's **hard work**, there's **compassion fatigue and burnout**, and the pay is not as good as most other fields.”

-Survey Respondent

Culture: Bias & Representation

Half

of those surveyed who identify as staff of color, LGBTQ+ and disabled staff reported they've experienced **some form of bias** in the workplace that has negatively impacted their career in the non-profit sector.

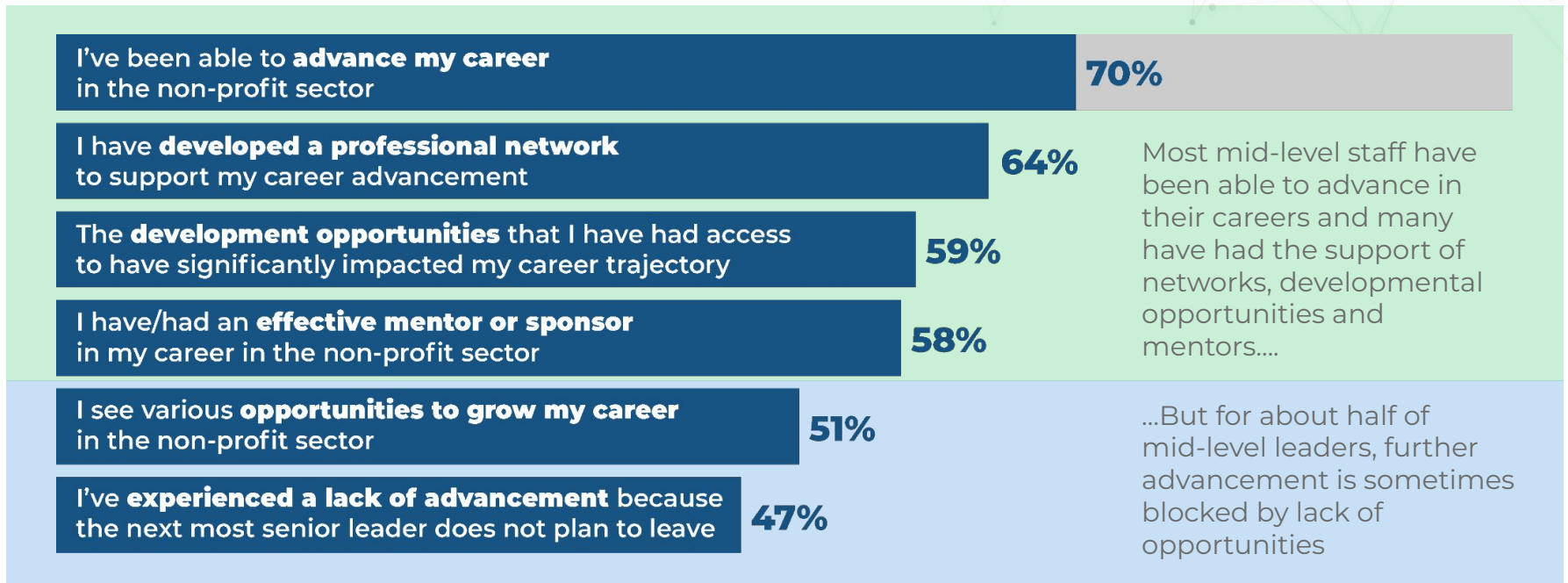
"I am an African American woman, and usually the youngest. My background is a challenge to me in most settings...I overall just feel the need to prove myself. **I feel like the representative of my race**, because I don't see other people in the office who look like me...I want less focus on me, and more focus on my work.

-Sector Changer Focus Group Participant

Advancement: Path for Growth

Nonprofit Managers & Directors

% who agreed or strongly agreed OR said yes



Impact is a Powerful Draw

Mid-level Nonprofit Staff

Top 3 Reasons for Joining the Sector

- 51%** Create positive impact in my community
- 41%** Felt alignment with an organization's mission
- 35%** An attractive job opportunity utilized my skill set

Career Starters & Sector Changers

100% of sector changers said they have **no regrets** with their decision to change careers

Priority for career starters' first job was centered on **fulfillment** of doing a good job, **helping others** and **learning**.

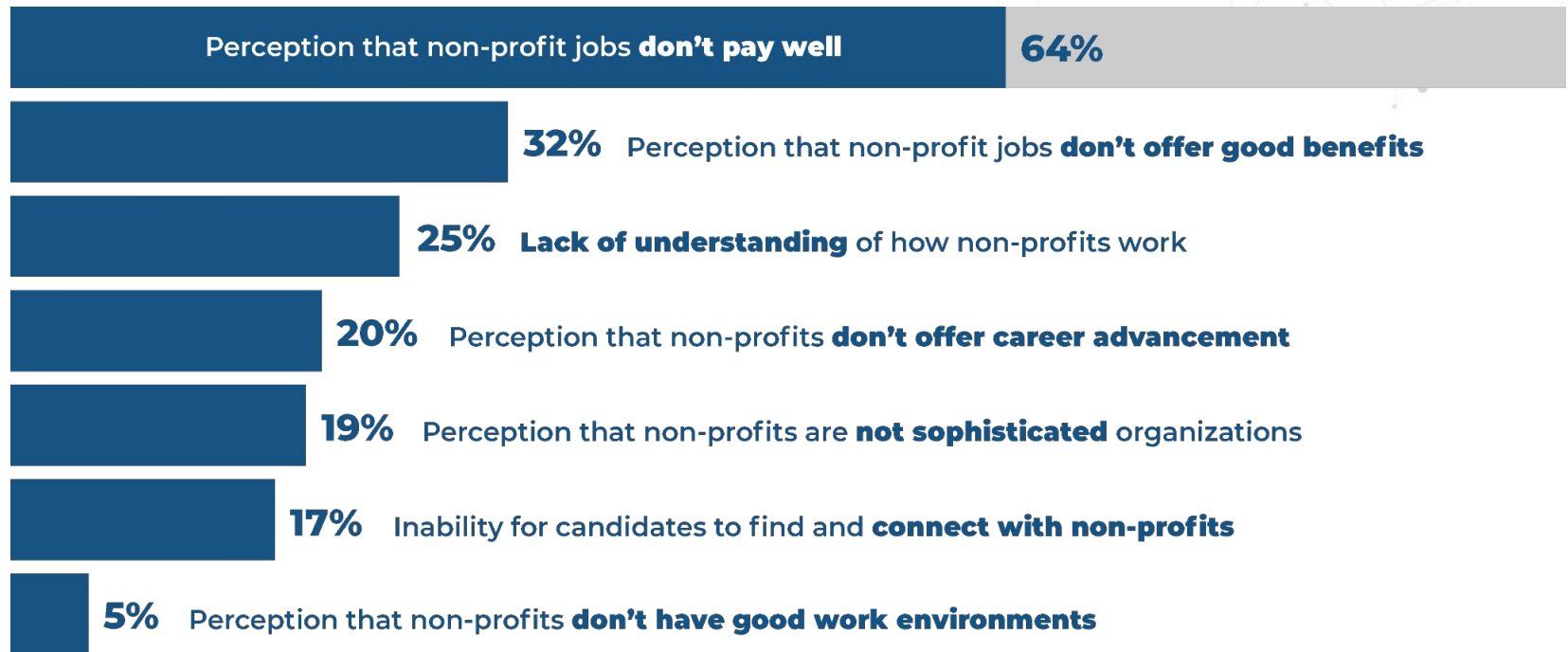
"[In the nonprofit sector,] you knew people were motivated by something more than career or money...but until you are there, you don't know what it feels like, **the personal element of actually meeting people you serve**, who aren't buying your product as customers but who are consuming your services as vital to their well-being...**just WOW.**"

-Sector Changer Focus Group Participant

Compensation Biggest Recruitment Hurdle

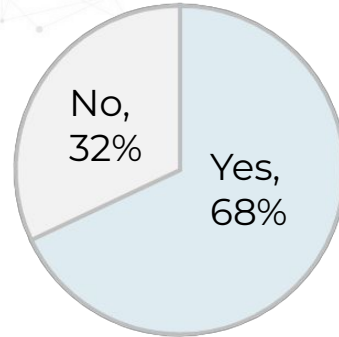
HR/Executives

% who strongly agreed (N=59)



Hiring Outside the Sector

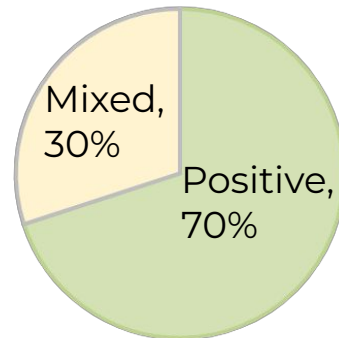
In the past 5 years, has your organization hired mid-career talent from **OUTSIDE** the nonprofit sector?



"They bring a **perspective of the importance of the financial bottom line and goals** and objectives, and they bring new connections and partnerships."
-Employer Survey Respondent

"The hire brought **new insights, ideas and perceptions**. They were welcoming and mission oriented."
-Employer Survey Respondent

How would you describe the experience of hiring mid-career talent from outside your organization?



"**Understanding the nonprofit world took a bit of time** for the staff person. They were switching from pushing business sales to marketing services for the organization"
-Employer Survey Respondent

*No one reported solely negative experiences

Exposure a Key to Attraction

Career Starters

Current Undergrad/Grad

- Influence on career choice **starts in teen years**; many are inspired by parental role models, volunteering, or college classes.
- **Internships** – whether in for-profit or non-profit –are especially powerful in exposing students to the broader community and business needs. Those who did not do internships feel it would have been **beneficial in their career choices**.

Sector Changers

Gov't/For-Profit to Nonprofit

- Most discovered nonprofits was where “I am supposed to work, it just took me awhile”; some wished they hadn’t waited so long.
- Many cited that they had greater satisfaction with being able to see the impact of their work.
- Those who switched later in their careers did not have financial pressure and felt they could pursue a role with purpose. When they were approached by a recruiter or pursued by an organization, they were ready.

“Through the volunteer work that I have done, I have **gained an appreciation and respect for others that have different or shared living experiences**, backgrounds, and interests than me. I have been given the opportunity to be in a position where I can serve, and If I can, I must.”

Career Starter Focus Group
Participant

“**I would have made the move sooner** had I known how enriching it would have been.”

Sector Changer Focus Group
Participant

Perception is Reality For Career Starters

Nonprofit

Perceived Benefits

- Gets at roots, work is high impact
- Invested in clients interests
- You are there for “you” / Emotional rewards
- Culture is welcoming / value is on relationships
- Experience and growth opportunities
- Ability to directly influence purpose/ outcomes

Perceived Challenges

- Rigorous, long hours, poor pay
- High burn-out
- Greater % of volunteers or low paid employees
- Less than average or low salary
- Little room to move up the “ladder”

For profit

- Decent pay, less rigorous hours
- Team and support toward common \$\$ goal
- Financial rewards, competitive pay

- Motivated by money
- Pressure on employees, competitive
- No emotional attachment to company
- Puts a bandage on problems
- Lose sight of what you really like
- Subject to pressure to perform
- Competition among employees

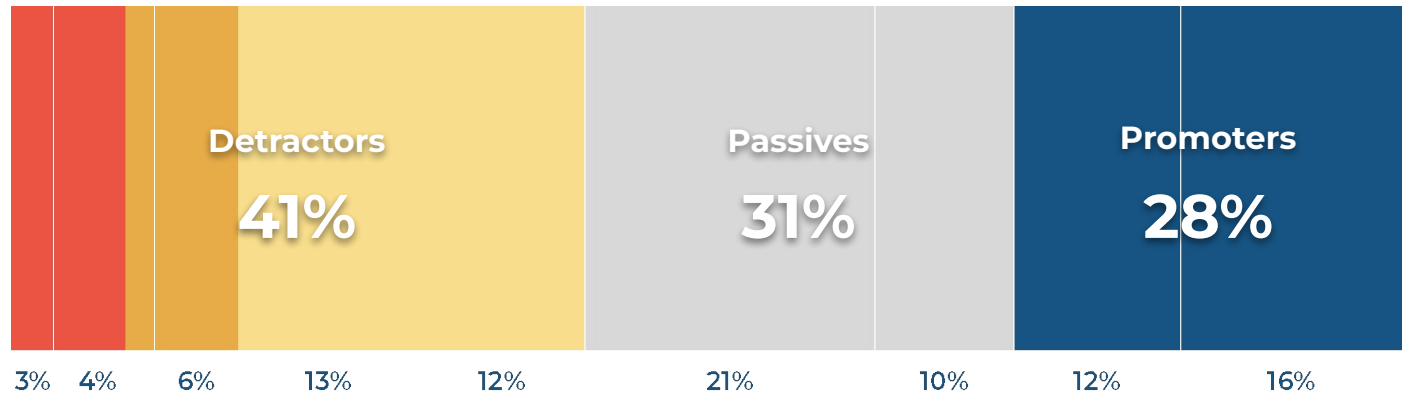
64%

of HR staff and executives **strongly agree** with the perception that nonprofit jobs are **not well paid**.

Current Staff Don't Recommend Sector

Managers and Directors: How likely are you to recommend your family or friends to work with the nonprofit sector?

Net Promoter Score
-13%



If current staff don't speak highly of the sector, it creates an attraction challenge.

For more info, visit www.netpromoter.com

Insights We Heard

Insights and questions from local talent leaders:



Appreciate the existing talent in the sector

Ensure that recruiting new talent is balanced with investments in retention and development for existing talent, to avoid resentment.



Redefine who is seen as a “leader”

Challenge idea of “charismatic leader” and the idea that certain credentials / experience are required for nonprofit leadership.



Take a sector-wide view

Considering the size of Western NY, can the nonprofit sector look at losing talent to another nonprofit as a sector gain, not just an organizational loss? How can we support nonprofits so staff transitions are not so daunting?



Be intentional in our asks

When asking for feedback around employee experience, consider how results are shared. Respondents are eager to see if and how results are tied to decision making and change efforts.



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Thank You!

SURVEY RESEARCH PARTNER



RESEARCH PARTNER



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