

Nonprofit Workforce Shortage Survey

In Illinois

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 fifty Illinois nonprofits provided insights that provide the substance of this report.

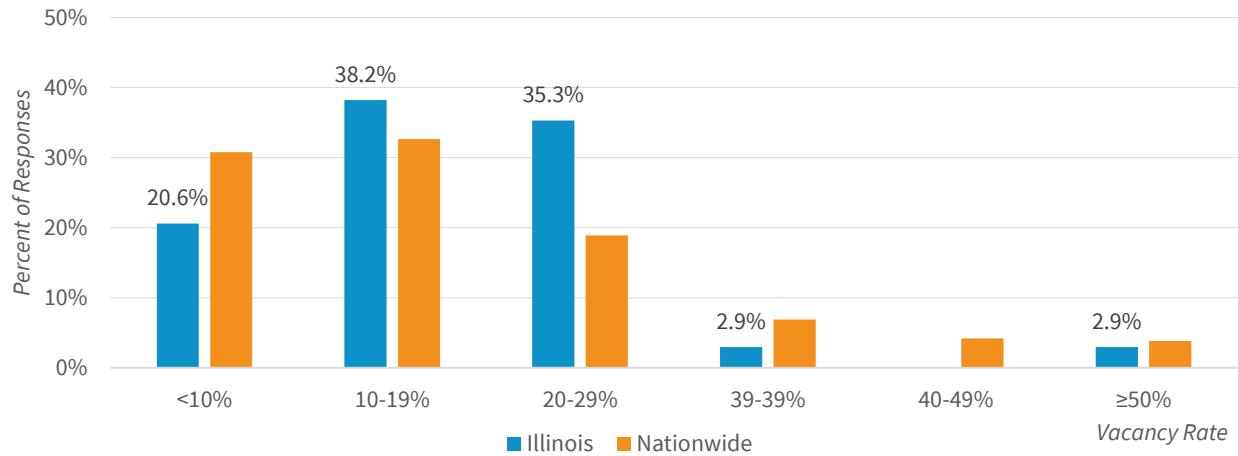
Key Findings

- Nearly three-quarters (73.9%) of Illinois nonprofits completing the survey reported experiencing job vacancies.
- Virtually all (97.1%) respondents with vacancies identified program and service delivery as a category with vacancies.
- About half (45.7%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 32.6% have longer waiting lists for services than in 2020.
- 80.4% of responding organizations said salary competition affects their ability to recruit and retain employees, followed by stress/burnout (63.0%) and budget constraints/insufficient funds (60.9%).
- More than three out of five (63.1%) respondents anticipate the amount of donations will decline or remain flat for 2023. A similar percentage (60.9%) expects the number of donors to decline or remain the same this year.
- In response to these challenges, respondents said public and private grants should cover the full cost of services including overhead to support competitive wages and benefits. Respondents also recommended a public awareness campaign to highlight the benefits of working for small community-based nonprofits.

The Scope of The Problem

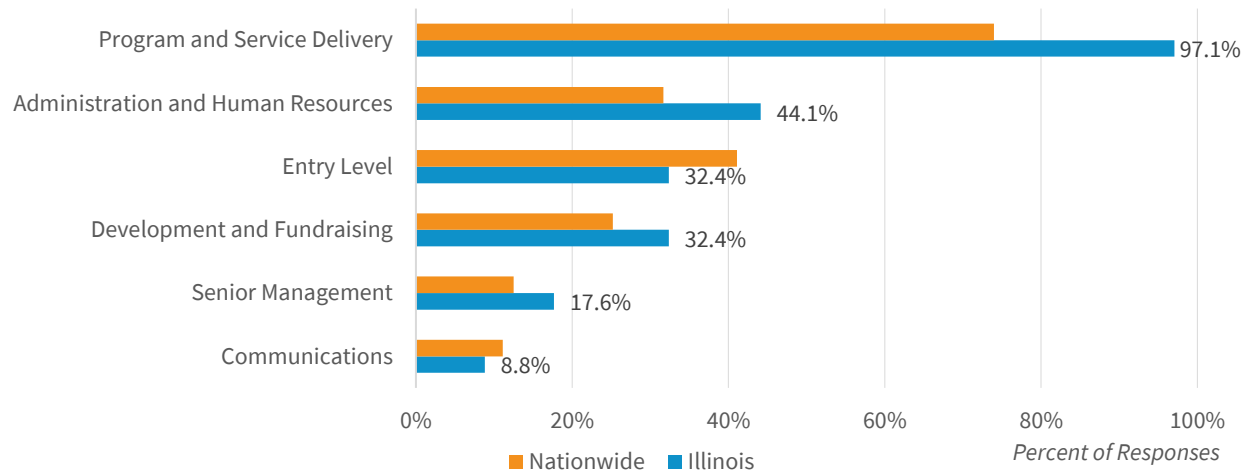
One of the key questions in the survey was, “What is your nonprofit’s current job vacancy rate?” A fifth of Illinois nonprofits (20.6%) with vacancies shared rates fewer than 9%, while another 38.2% responded that their vacancy rates ranged between 10% and 19%. More than two out of five (41.1%) nonprofits reported a job vacancy rate greater than 20%.

Figure 1: Nonprofits' Job Vacancy Rate in April 2023
 Number of Nonprofits that Provided a Vacancy Rate: 34



The job category with the most vacancies at Illinois nonprofits is program and service delivery, which affects 97.1% of organizations that reported vacancies. More than two out of five (44.1%) nonprofits also pointed to vacancies in administration and human resources. Vacancies in development and fundraising and entry level positions impact nearly a third (32.4%) of responding organizations, while 17.6% reported that they cannot fill senior management positions. Nearly one out of ten (8.8%) nonprofits have vacancies in communications positions.

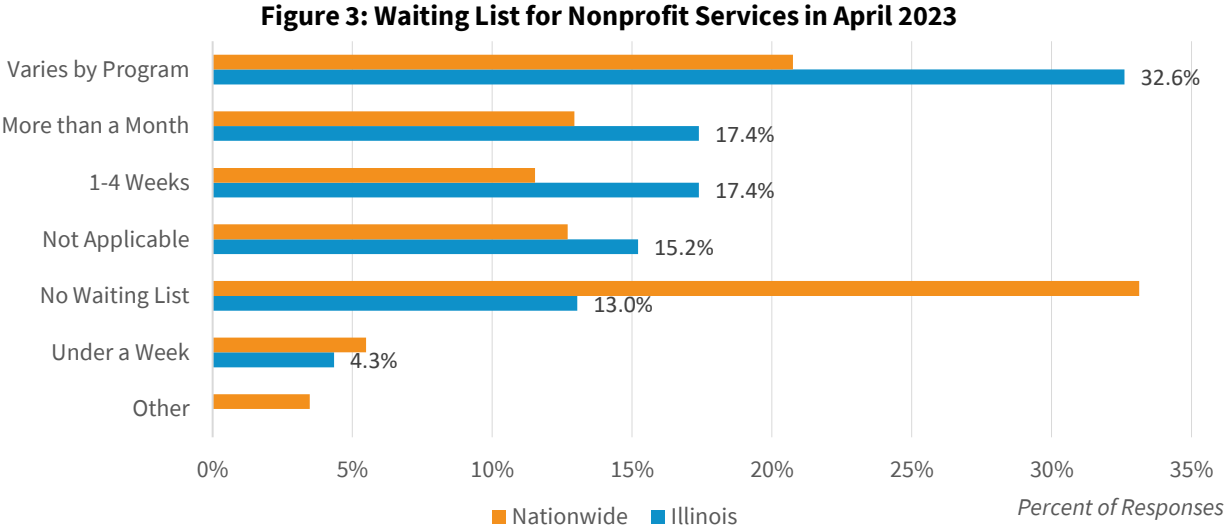
Figure 2: Nonprofit Job Categories with Vacancies in April 2023
 Number of Nonprofits that Identified Job Categories: 34



The impact of increased job vacancies is visible in Illinois communities, as demonstrated in comments provided by survey participants. An arts nonprofit pointed out that it cannot provide as much operational and direct support, nor can the organization fundraise at their usual level. AIDS Foundation Chicago shared that it takes longer to link clients to appropriate services without the staff to coordinate referrals. A human services nonprofit provides fewer services now, and they pointed out that this harms the individuals they cannot serve, as well as the “families and workplaces and communities they are embedded in.” A nonprofit professional shared their nonprofit’s experience with increased vacancies: “Our hotline had to be combined with another agency and their service is not as specific to our community. Our referrals have fallen off significantly and we lack staff doing community outreach and relationship building to make sure people know we are here.”

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. Only about one in eight (13.0%) nonprofit respondents to the survey indicated that they had no waiting lists for their services. Nearly a third (32.2%) 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 for waiting lists, nearly a fifth (17.4%) said that their waiting lists are more than a month long while the same percentage (17.4%) reported waiting times of a few days or weeks. Another 15.2% said that the question is not applicable to their operations.



The survey also asked nonprofits to compare their current challenges to prior experiences. Compared to the entire county, Illinois nonprofits were more likely to: have job vacancies in program

& service delivery positions, have service wait lists, and longer wait times for services. Nearly half (45.7%) of nonprofits in the state responded that they have more vacancies compared to before the COVID-19 pandemic, and 32.6% 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	45.7%
	Fewer vacancies	6.5%
	No change to vacancies	13.0%
Waiting List	Longer waiting list for services	32.6%
	Shorter waiting list for services	0
	No change to waiting list	10.9%
Other	Other	2.2%
	Did not select an option	26.1%

Waiting lists are greatly impacted by vacancies at Illinois charitable nonprofits. A provider acknowledged that they’ve always had waiting lists, but with the increase in demand for services, they cannot grow their program to serve more young people. Another nonprofit is taking longer to accept people into some programs, and the level of service decreased due to “higher caseloads/lack of time because of fewer staff.” A mental health provider noted that turnover in entry level positions isn’t an anomaly, but the increase in vacancies in supervisory roles is concerning.

Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention in Illinois are salary competition, stress/burnout, and budget constraints/insufficient funds. Survey participants also pointed to challenges caused by government grants and contracts and a lack of child care as reasons they cannot operate at full capacity.

Table 2: Factors Affecting Nonprofit Recruitment and Retention

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Salary competition	37	80.4%
Stress/burnout	29	63.0%
Budget constraints/insufficient funds	28	60.9%
Challenges caused by government grants/contracts	11	23.9%
Lack of child care	8	17.4%
Other	6	13.0%
Not Sure	5	10.9%
COVID-19 and vaccinations	1	2.2%

On government grants and contracting challenges, one nonprofit shared that government grants are becoming “ever more administratively burdensome.” Another nonprofit seemingly agreed, stating that there are “tedious and complex documentation requirements.” A nonprofit professional observed that government funding is not “keeping pace with cost increases – this even before our current inflationary landscape.”

A human services provider finds that the lack of general operating funds and government restrictions on the use of funds is a significant challenge, in addition to the increased reporting demands from funders. One respondent’s factor complained about a 10% *de minimus* cap on administrative costs imposed by some government grants. A separate respondent has a concern when it comes to federal funding: “much of the growth in the work of nonprofits were a result of federal stimulus dollars and pandemic relief, all that will be going away.” Finally, a provider shared that while turnover has slowed down, they are facing many challenges when it comes to attracting staff who speak Spanish, adding that it has been “nearly impossible.”

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.

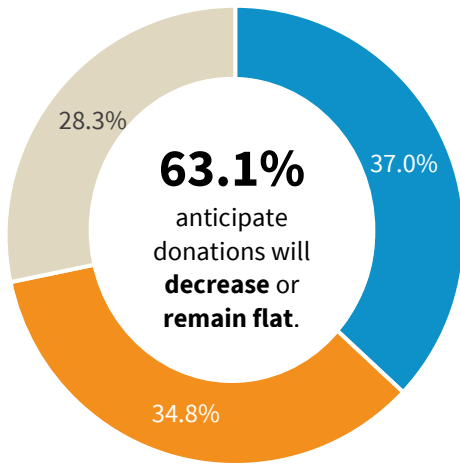
Charitable Giving

More than three out of five (63.1%) respondents anticipate the amount of donations will decline or remain flat for 2023. A similar percentage (60.9%) expects the number of donors to decline or remain the same this year.

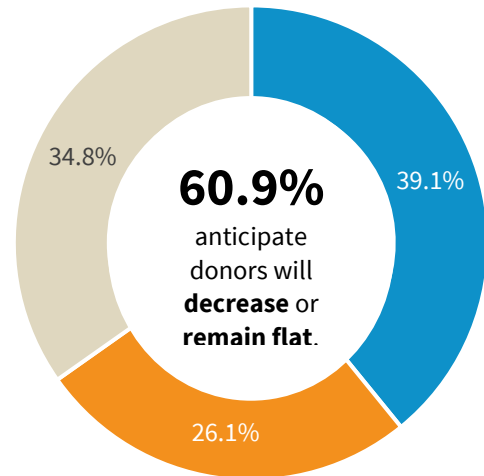
Chart on next page

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 Illinois 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 [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 Illinois they mainly led to increased costs of providing services, increased demand for services, and building/office damage.

Table 3: Impact of Natural Disasters on Nonprofits

Impact of Natural Disasters	Number of Responses	Percent of Responses
Not applicable	23	50.0%
Increased demand for services	14	30.4%
Increased costs of providing services/unbudgeted costs	13	28.3%
Building/office damage	6	13.0%
Unable to provide services	3	6.5%

Impact of Natural Disasters	Number of Responses	Percent of Responses
Other	3	6.5%
Staff impacted by natural disasters	1	2.2%

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 in Illinois expect this to impact their operations. For instance, a respondent wrote that with the end of certain benefits, the request for food, housing, and other direct client assistance such as covering COVID-19 testing will increase. A nonprofit shared that they will no longer be guaranteed Medicaid reimbursements for telehealth therapy. A human services provider observed that “any decrease in prioritizing funding support for nonprofits could have devastating ripple effects in vulnerable communities.” Another concern shared by a mental health provider is that there will be a return to strict funding requirements. They observed that the loss of emergency funds that have been “essential to keeping operations going and paying for services” will leave nonprofits without other funding sources to cover costs.

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

Illinois nonprofits have responded to the workforce shortages crisis by providing remote work options, implementing diversity, equity, and inclusion trainings, and increasing salaries. Other strategies or practices have included increasing employee benefits, offering one-time bonuses, and providing career advancement opportunities. Even with these policies, many nonprofits are struggling to hire and retain staff.

Table 4: Practical Solutions Implemented by Nonprofits

Implemented Practices	Number of Responses	Percent of Responses
Remote work options (hybrid, full-time, etc.)	35	76.1%
Salary increases	26	56.5%

Implemented Practices	Number of Responses	Percent of Responses
Diversity, Equity, and Inclusion trainings and strategies	24	52.2%
Benefits increased (health insurance, transportation, etc.)	23	50.0%
One-time bonuses	22	47.8%
Career advancement opportunities (training, mentorship, etc.)	20	43.5%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	14	30.4%
Mental health (expanded benefits, counseling, etc.)	12	26.1%
Notified employees about their eligibility for Public Service Loan Forgiveness	12	26.1%
Signing bonus	9	19.6%
Not applicable	3	6.5%
Other	1	2.2%

Solutions Proposed by Nonprofits

Illinois nonprofits on the frontlines shared solutions they think lawmakers, philanthropy, and others should consider. One respondent suggested that government and philanthropic grants need to cover the full cost of services, including overhead, so nonprofits can pay a competitive wage. Another nonprofit called for advocacy to reform “government contracts (city and State) in particular to factor in the increased cost of doing business - higher salaries and such to recruit and retain workers.” A human services provider not only suggested that there be increases in “general operating funds so we can continue to increase wages at a higher than usual rate and build a plan to bolster benefits,” but also that a campaign to highlight the benefits of working for small community-based nonprofits could help with recruitment.

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 make up 28.2% of Illinois respondents to the workforce shortages survey. Those with budgets of between \$1 million and \$3 million make up 21.7% of respondents, and 10.9% of nonprofits have annual operating budgets that range from \$3 million to \$5 million. Another 39.1% of nonprofits have budgets greater than \$5 million.

Figure 5: Nonprofits' Annual Operating Budget

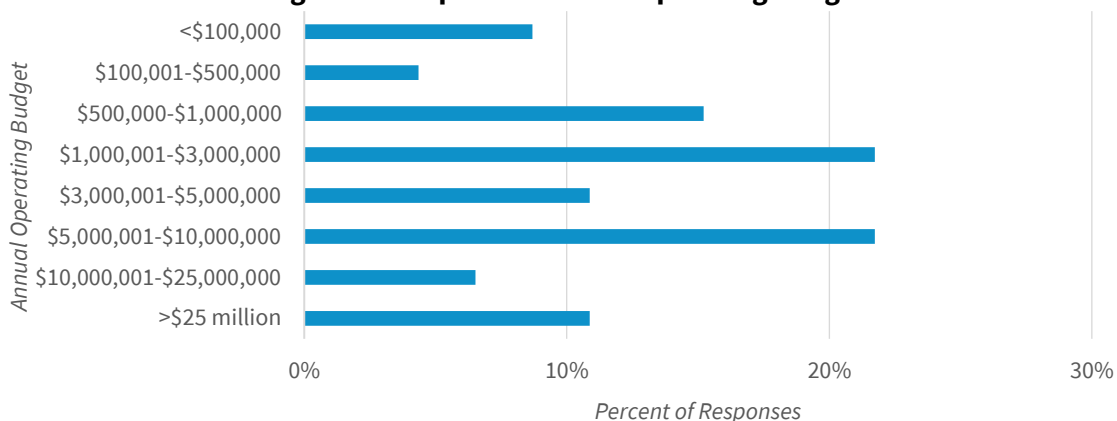


Table 5: Communities Served by Nonprofits

Communities Served	Number of Responses	Percent of Responses
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	25	54.3%
None of the above	13	28.3%
People living in rural communities	8	17.4%
People with disabilities	8	17.4%
People who identify as LGBTQ+	3	6.5%

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

Subsector	Number of Responses	Percent of Responses
Human Services	11	23.9%
Other	9	19.6%
Arts, Culture, and Humanities	5	10.9%
Community/Civic Engagement	5	10.9%
Multiple Subsectors	5	10.9%
Education	4	8.7%
Environment and Animal Welfare	3	6.5%
Public/Societal Benefit	2	4.3%
Healthcare	2	4.3%