

# Nonprofit Workforce Shortage Survey

## In Tennessee

Preliminary Findings | June 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, the impact on communities, and actions taken and proposed for alleviating the challenge. More than thirty Tennessee nonprofits provided insights that provide the substance of this report.

### Key Findings

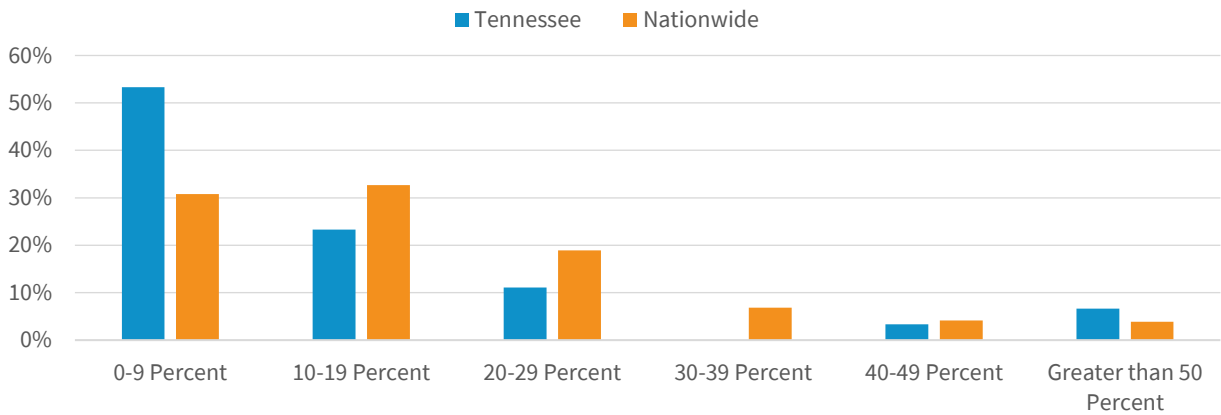
- More than four out of five (**83.3%**) Tennessee nonprofits completing the survey reported experiencing job vacancies.
- About three-quarters (**73.3%**) of respondents with vacancies identified **program and service delivery** as a category with vacancies.
- Nearly half (**47.2%**) of nonprofits in the state responded that they have **more vacancies** compared to before the COVID-19 pandemic, and about a tenth (**8.3%**) have **longer waiting lists** for services.
- **61.6%** of responding organizations said **salary competition** affects their ability to recruit and retain employees, followed by **budget constraints/insufficient funds** (**58.3%**)
- Nearly three out of five (**58.4%**) respondents anticipate the **amount of donations** will decline or remain flat for 2023. A similar percentage (**55.6%**) expects the **number of donors** to decline or remain the same this year.

## Survey Results

### Vacancies in Nonprofits

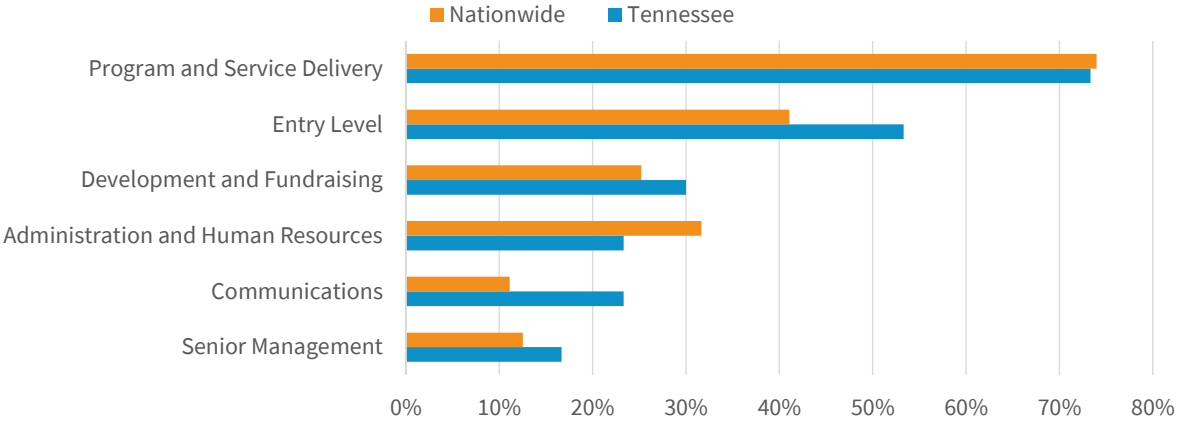
One of the key questions in the survey was, “What is your nonprofit’s current job vacancy rate?” More than half of nonprofits (**53.3%**) with vacancies shared rates fewer than 9% of staff positions, while another **23.3%** responded that their vacancy rates ranged between 10% and 19%. A troubling finding, more than one out of five (**21.1%**) nonprofits reported a job vacancy rate greater than 20%.

**Nonprofits' Current Job Vacancy Rate (April 2023)**  
 Number of Nonprofits that Provided a Vacancy Rate: 30



The job category with the most vacancies is **program and service delivery**, which affects **73.3%** of nonprofits that reported vacancies. More than half (**53.3%**) of nonprofits also shared vacancies in **entry level positions**. Three out of ten nonprofits (**30.0%**) reported that they cannot fill **development and fundraising** positions. Vacancies in both **communications** and **administration and human resources** impact **23.3%** of organizations, and **16.7%** have vacancies in **senior management** positions.

**Nonprofit Job Categories with Vacancies (April 2023)**  
 Number of Nonprofits that Identified Job Categories: 30



The impact of increased job vacancies is visible in Tennessee’s communities, as demonstrated in comments provided by survey participants. Shelby Literacy Center has many clients who are speakers of languages other than English, and without a bilingual person on staff, many of them cannot communicate with staff. Another nonprofit reported that it had received funding to expand services, but they cannot until they hire more people. A mental health provider sees a need for community-based supportive mental health recovery services, but it will take them longer to develop the program without the staff to lead it. A separate provider is having to make more referrals to government agencies because they cannot take on more clients. A nonprofit professional expanded on this challenge: “The current staff is stressed because everyone is stretched to cover

vacancies. This over-extension of current staff impacts the overall atmosphere and ability to take in more individuals for services.”

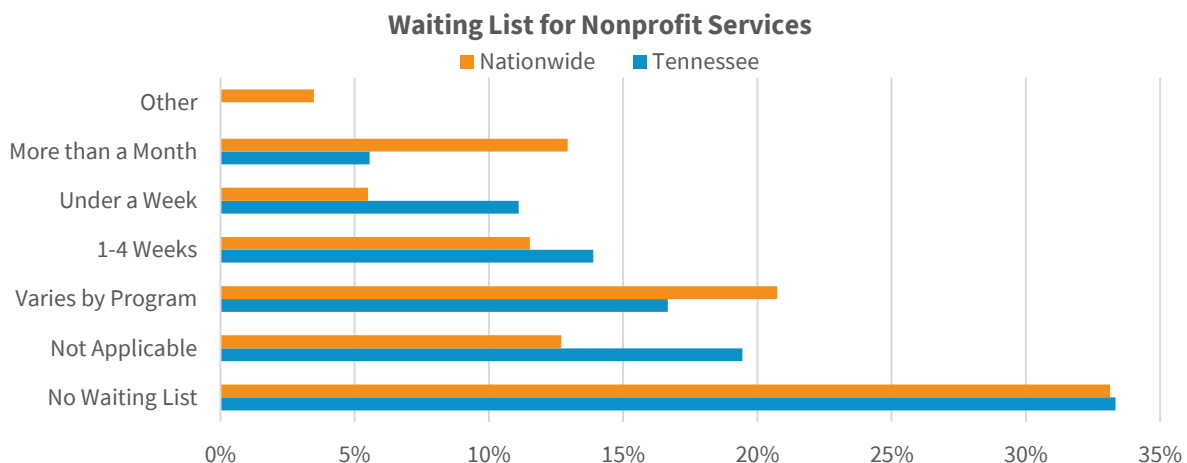
## Factors Affecting a Nonprofit’s Ability to Recruit and Retain Staff

The three leading factors affecting recruitment and retention for Tennessee charitable organizations are **salary competition**, **budget constraints/insufficient funds**, and **stress/burnout**. Respondents also stated that the applicant pool does not match the skills needed at an organization, and many people are not willing to relocate to Tennessee.

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Salary competition	22	61.1%
Budget constraints/insufficient funds	21	58.3%
Stress/burnout	17	47.2%
Other	8	22.2%
Not Sure	7	19.4%
Challenges caused by government grants/contracts	6	16.7%
Lack of child care	4	11.1%
COVID-19 and vaccinations	4	11.1%

## Waiting Lists and Accessing Services

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. One-third (**33.3%**) of nonprofit respondents to the survey indicated that they had no waiting lists for their services. Another **16.7%** 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, **13.9%** said that their waiting lists are a few days or weeks long, while **11.1%** reported waiting times under a week. Another **19.4%** said that the question is not applicable to their operations.



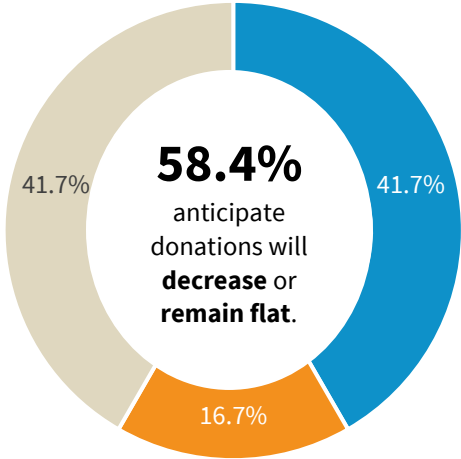
Growing waiting lists for services because of job vacancies is a significant concern to nonprofits responding to the survey. Nearly half (**47.2%**) of nonprofits in Tennessee responded that they have **more vacancies** compared to before the COVID-19 pandemic, and **8.3%** have **longer waiting lists** for services than in March 2020.

Vacancies and Waiting Lists Compared to March 2020	Number of Responses	Percent of Responses
More vacancies	17	47.2%
Fewer vacancies	4	11.1%
Longer waiting list for services	3	8.3%
Shorter waiting list for services	2	5.6%
No change to waiting list	8	22.2%
No change to vacancies	4	11.1%
Other	7	19.4%

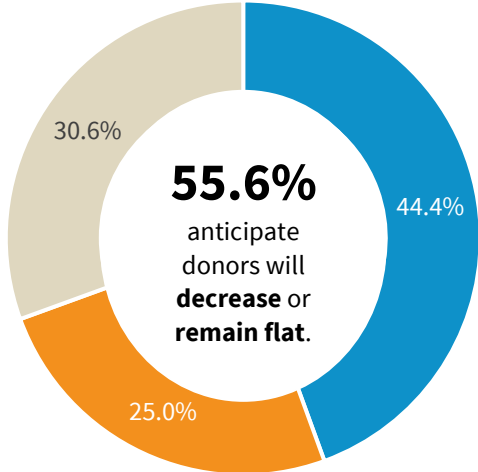
### Charitable Giving

More than half (**58.4%**) of Tennessee respondents anticipate the **amount of donations** will decline or remain flat for 2023. A similar percentage (**55.6%**) expects the **number of donors** to decline or remain the same this year.

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 Tennessee nonprofits that total giving and the number of donors will be either flat or declining in 2023 is troubling. Charitable giving declined by 1.7% in 2022 according to a recent report by the [Fundraising Effectiveness Project](#). 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.

## Policies and Events Impacting Nonprofits

### 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 Tennessee they mainly lead to **increased costs of providing services, increased demand for services, and staff impacted by natural disasters.**

Impact of Natural Disasters	Number of Responses	Percent of Responses
Not applicable	16	44.4%
Increased costs of providing services/unbudgeted costs	10	27.8%
Increased demand for services	8	22.2%
Staff impacted by natural disasters	8	22.2%
Building/office damage	6	16.7%
Unable to provide services	3	8.3%
Other	3	8.3%

### The American Rescue Plan Act and Nonprofits

The American Rescue Plan Act (ARPA) funded programs like the \$350 billion in [Coronavirus State and Local Fiscal Recovery Funds](#), and nonprofits in Tennessee were eligible for funding as beneficiaries and providers of services. A mental health provider received over \$100,000 in an ARPA grant to hire more individuals to target mental health needs for youth and individuals in recovery. A separate provider was able to meet the increased demand for mental health support and awareness services by hiring more staff with funds from an ARPA grant. An arts organization received over \$1 million that will be spent over the next few years to give them time to build their audience back up.

### 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 Tennessee expect this to impact their operations. For instance, a mental health provider is concerned about individuals’ eligibility for Medicare. A human services provider pointed out that the nature of the COVID-19 funds allowed organizations to receive and use their funds quickly, but going back to the normal process means it will take longer and a more conservative approach will be used.

## Solutions and Recommendations

### Practices Implemented by Nonprofits

Tennessee’s nonprofits responded to the workforce shortages crisis by **increasing salaries**, **providing remote work options**, and **increasing benefits**. Other strategies and practices utilized to attract and retain staff included providing trainings in **diversity, equity, and inclusion**, and in **career advancement**, as well as supporting **mental health** benefits. As part of their mental health support, a nonprofit responding to the survey shared that it has regular mindfulness and stress relieving sessions. Yet, even with these policies, they are struggling to hire and retain staff.

Implemented Practices	Number of Responses	Percent of Responses
Salary increases	23	63.9%
Remote work options (hybrid, full-time, etc.)	22	61.1%
Benefits increased (health insurance, transportation, etc.)	16	44.4%
Diversity, Equity, and Inclusion trainings and strategies	15	41.7%
Career advancement opportunities (training, mentorship, etc.)	12	33.3%
Mental health (expanded benefits, counseling, etc.)	11	30.6%
One-time bonuses	9	25.0%
Notified employees about their eligibility for Public Service Loan Forgiveness	7	19.4%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	5	13.9%
Not applicable	5	13.9%
Other	2	5.6%
Signing bonus	1	2.8%

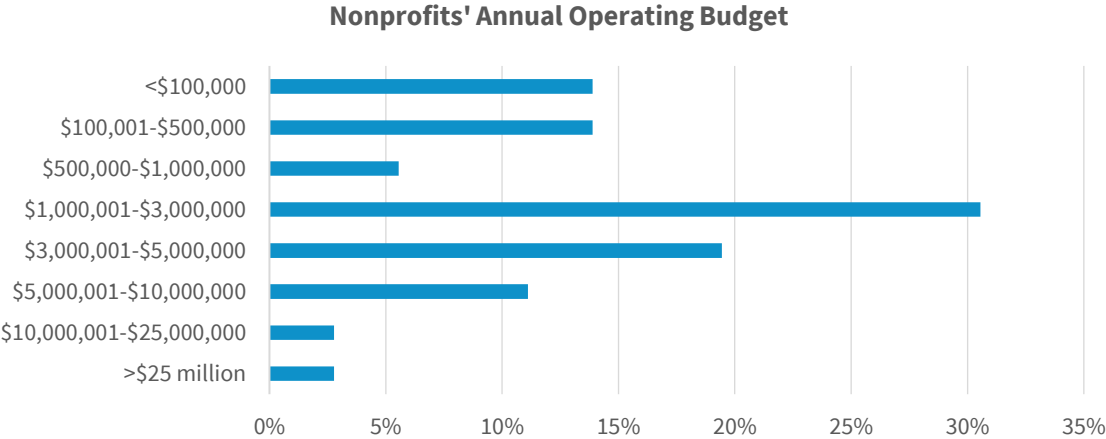
### Solutions Proposed by Nonprofits

Tennessee nonprofits on the frontlines shared solutions they think lawmakers, philanthropy, and others should consider. One respondent highlighted that large grants that tend to go towards larger nonprofits shrink the funding pool for smaller organizations, creating a need for more capacity building grants, not just programming. A separate respondent agreed with this solution, noting that “programs don’t manage themselves,” and organizations need people to “lead, manage, report, and

oversee those programs.” A healthcare nonprofit called for an expansion of student loan forgiveness programs, with a greater preference to those working in “nonprofits, rural areas, public health.” They also recommended that governments provide more incentive funding for nonprofits to recruit and retain talent.

## Nonprofit Profiles

Although workforce shortages impact nonprofits from all sectors and budgets, smaller nonprofits feel the impact more. Tennessee nonprofits with annual operating budgets below \$500,000 made up **27.8%** of respondents to the workforce shortages survey. Those with budgets of between \$500,000 and \$1 million comprised **5.6%** of respondents, and **30.6%** of nonprofits had annual operating budgets that range from \$1 million to \$3 million. Another **36.1%** of nonprofits had budgets greater than \$3 million.



Communities Served	Number of Responses	Percent of Responses
None of the above	18	50.0%
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	13	36.1%
People living in rural communities	7	19.4%
People with disabilities	5	13.9%
People who identify as LGBTQ+	3	8.3%

Subsector	Number of Responses	Percent of Responses
Other	11	30.6%
Human Services	6	16.7%
Arts, Culture, and Humanities	6	16.7%
Public/Societal Benefit	3	8.3%
Healthcare	3	8.3%
Mental Health	3	8.3%
Education	1	2.8%
Community/Civic Engagement	1	2.8%
Housing	1	2.8%
Multiple Subsectors	1	2.8%