

Nonprofit **HR Solutions**



Press Release

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FOR IMMEDIATE RELEASE
5 P.M. ET, March 2, 2009

Nonprofit employment expected to fall 20 percent in 2009

National survey shows staff cuts, increased demand for services ahead

WASHINGTON, March 2 -- In 2009, nonprofit organizations will have fewer employees and almost no disciplined function to manage them, according to the 3rd Annual Nonprofit Employment Trends Survey.

The Nonprofit HR Solutions 2009 survey reveals that 41.6 percent of nonprofits intend to create new full-time positions, down from 61.9 percent in 2008. In addition, 26.1 percent indicate that they intend to downsize or lay off staff in 2009 vs. 7.6 percent of nonprofits that planned reductions in 2008.

"While the economy might exert the same downward pressures on the nonprofit sector as many industries in America, mission-driven organizations face the added challenge of increased demands for their services," says Nonprofit HR Solutions' President and CEO Lisa Brown Morton. "This year's staffing cutbacks will demand even greater efficiencies to meet the needs of their many deserving communities."

The survey also revealed that hiring qualified staff within limited budget constraints and finding and retaining qualified candidates of color to be among nonprofits' greatest staffing challenges.

Despite the dim industry outlook, responses to the 30-question survey show that more than 50 percent of nonprofits have no formal staffing or recruiting budget. Of

organizations with formal recruiting budgets, almost 60 percent allocated \$5,000 or less per year and instead relied primarily on formal and informal networks of colleagues and friends to fill vacant positions.

Close to 30 percent of respondents have one staff person dedicated to managing the human resources function, an almost 8 percent increase from 2008; however, the majority of participating organizations said their human resources function is managed by someone with shared job responsibilities, outsourced to a third party, or simply too small to have any dedicated resources.

More than 250 nonprofit executives and human resources professionals responded to an online questionnaire that addressed issues around staff size and projected growth, recruitment strategies and budgeting, staffing challenges and resource management. Almost 40 percent of respondents have annual operating budgets up to \$5 million and 19.5 percent of participants have annual budgets of \$5 million to \$10 million.

Survey participants represented the full spectrum of the nonprofit sector, including health and human services, advocacy, education, faith-based organizations; environmental agencies, and associations. A majority operated from the nation's nonprofit hubs, which include Washington, D.C., Chicago, Philadelphia, New York City, San Francisco and Boston.

"With scarce data being available on nonprofit human resources practices and trends, the collection of staffing, recruitment and retention data is an important step in identifying the workforce issues, concerns and opportunities for nonprofit organizations," says Morton.

About Nonprofit HR Solutions

Nonprofit HR Solutions is a full-service human resources consulting firm based in Washington, DC. Founded in 2000, the firm has worked exclusively with the nonprofit sector, generating results for organizations of all sizes and missions. For more information on Nonprofit HR Solutions, visit www.nonprofithr.com.

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Note to Editor:

The full survey results are available at www.nonprofithr.com. A webinar taking place on Thursday, March 5, 2009, 2:00 pm will explore the implications of this data in more detail.