



2012

Nonprofit Employment Trends Survey™

Nonprofit **HR Solutions**



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Nonprofit HR Symposia

presenting the **Nonprofit Employment Trends Survey**

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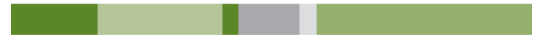


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ABOUT THE SURVEY

The nonprofit sector is an important economic driver with its 10.7 million employees making up just over 10 percent of the nation's private workforce.¹ The 2012 national Nonprofit Employment Trends Survey™ is intended to provide a snapshot of current employment practices and discuss the economic trends and implications of employment practices in the nonprofit sector. This report, which has been produced annually by Nonprofit HR Solutions since 2007, includes responses from more than 450 nonprofits nationwide.

In this year's survey, researchers collected information on nonprofit staffing, recruitment, and retention practices, focusing on four key areas:

- **Staff Size and Projected Growth**
- **Recruitment Strategies and Budgeting**
- **Staffing Challenges**
- **Staffing Resource Management**

In addition to the survey, a select group of Human Resources professionals that completed the survey participated in a short interview to gain context on their current practices and the employment trends they see in the nonprofit sector. The interviewees represented organizations of different sizes and from different sub-sectors. Findings from the interviews are incorporated throughout the report.

We thank all of the respondents for their participation in this study. A partial list of participating organizations, along with a demographic profile, can be found in Appendix B and C of this report.

SUMMARY OF KEY FINDINGS & IMPLICATIONS

1. **The nonprofit workforce is growing!** Forty-three percent of nonprofits surveyed indicated their staff size increased in 2011, compared with 34% of nonprofits surveyed in 2010. Additionally, 43% of nonprofit organizations plan to create new positions in 2012. Organizations from the health and human services sectors were most likely to report plans for job creation over the next year.
2. **Retirements and voluntary resignations are driving turnover again.** Most nonprofit organizations (87%) don't anticipate their overall turnover rate to increase this year when compared to last year. However, more organizations expect turnover through retirements and voluntary resignations to increase this year. Last year, only 1% of organizations anticipated turnover to increase due to retirements compared to 13% of organizations surveyed this year. Additionally, 14% of organizations anticipate an increase in voluntary resignations this year compared to 7% last year.
3. **Staff retention needs greater attention.** While many nonprofits face challenges with staff retention, three-quarters of nonprofits do not have a formal strategy for retaining staff. Direct services was identified most frequently (34%) as the functional area that is experiencing the greatest challenges with retention, and over a third of nonprofits surveyed plan to create more direct services jobs over the next year. In light of the growing need for direct services staff, efforts to retain these staff members may be especially good investments.

¹ Salamon, LM, SW Sokolowski and SL Geller. Holding the Fort: Nonprofit employment during a decade of turmoil. Nonprofit Employment Bulletin 39, Johns Hopkins University. January 2012.

4. **Social networking-based recruitment strategies are growing in popularity.** Networking and newspapers remain the most frequently used in nonprofits' recruitment efforts. Although a majority of organizations indicated they were satisfied with these recruitment advertising outlets, they were also satisfied with many of the popular job posting websites and social networking sites. Many respondents indicated that using social networking sites has had a positive impact on the number of candidates applying, the costs associated with recruiting and advertising, and the quality of applicants applying. Since only one-fifth of organizations reported having a formal recruitment budget, websites and social networking sites may be a low-cost option for advertising open positions. Due to the growing popularity and ease of access to these websites, this may be an area where nonprofits could grow their recruitment efforts in order to attract a more diverse candidate pool.
5. **Ensuring a diverse staff is increasingly important to nonprofits.** Compared to last year, a higher percentage of respondents indicated that ethnic and cultural, gender and age diversity is important to their organization. While the majority of nonprofit organizations rate these types of diversity as important, many still face challenges in ensuring a diverse workforce. The greatest diversity challenge that organizations faced was split almost equally between having their staff reflect the composition of the communities they serve, retaining younger staff under the age of 30, and balancing ethnic and cultural diversity.

STAFF SIZE AND PROJECTED GROWTH

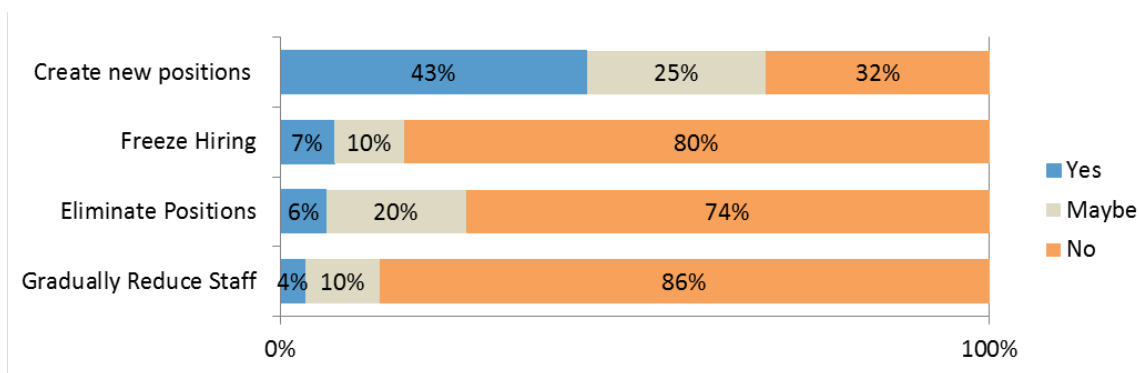
Staff Size and Growth Findings 2011

When asked about actual changes in staff size in 2011, 43% of nonprofits surveyed said the size of their staff increased. This is a 26.5% increase from last year where 34% of nonprofits surveyed said their staff increased. In addition, fewer nonprofits surveyed indicated that their staff size would stay the same (37%) or decrease (20%) when compared to last year (42% and 24%, respectively).

Staff Size and Growth Predictions 2012

Survey respondents were asked about their staffing predictions for 2012, more specifically their intentions to create, freeze, eliminate, and/or gradually reduce positions in 2012. As shown in Figure 1, 43% of nonprofits surveyed indicated that they plan to create new positions in the upcoming year while only a small percentage of nonprofits surveyed indicated they plan to freeze hiring (7%), eliminate positions (6%), or gradually reduce staff (4%).

Figure 1: Staffing Predictions for 2012



Nonprofits that plan to create positions in 2012 predict creating a median of two positions per organization. In contrast, nonprofits that plan to eliminate positions in 2012 predict eliminating a median of three positions per organization.

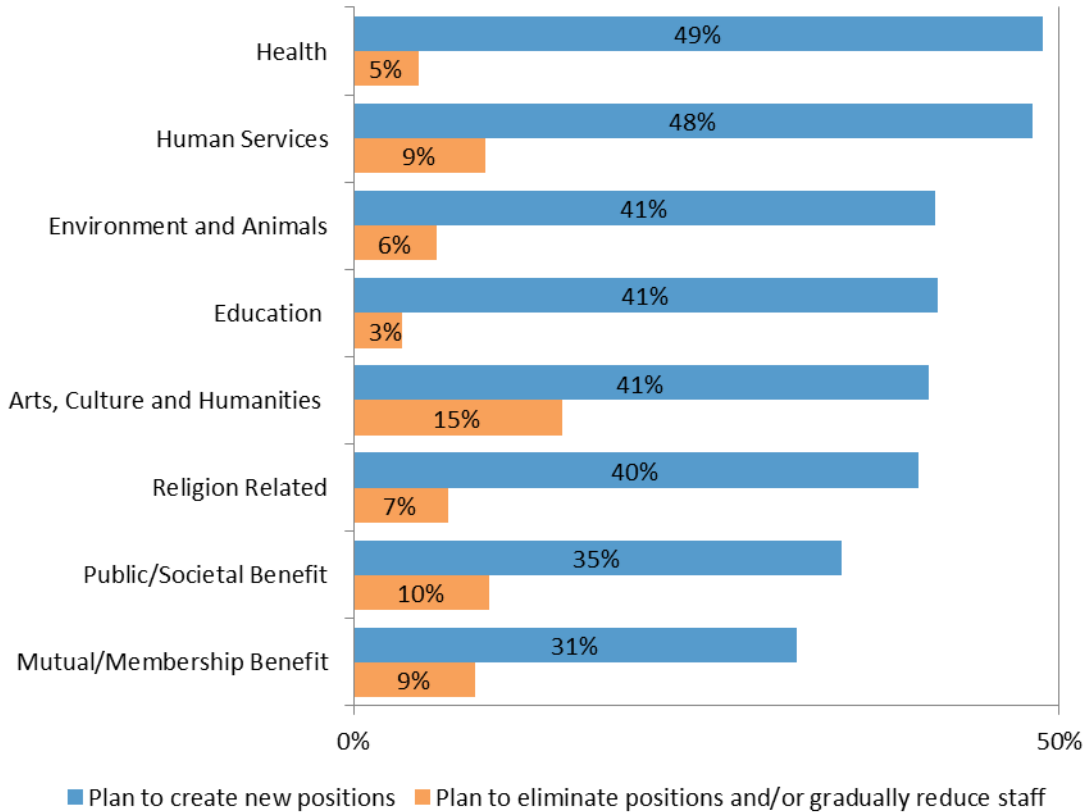
Further analysis of the data by organization type, shown in Figure 2, illustrates which fields anticipate the greatest increase in positions. Almost half of health (49%) and human services (48%) organizations surveyed indicated that they plan to create new positions this year. Across fields, there were more organizations that planned to create positions in 2012 than those that planned to eliminate positions and/or gradually reduce hiring. A recent report on nonprofit employment by John Hopkins University shows that nonprofit employment grew in all fields from 2000 to 2010, while the for-profit sector experienced an overall decline during this same time period.² The 2012 Nonprofit Employment Survey Trends findings indicate that trend of nonprofit sector growth is continuing in the current decade. This is an encouraging trend and suggests the potential for continued growth of the nonprofit sector workforce. This is also an important finding for the overall U.S. economy, because the nonprofit sector’s 10.7 million employees represents the third largest workforce of U.S. industry, with only manufacturing and retail trade employing more U.S. workers.³

² Salamon, LM, SW Sokolowski and SL Geller. Holding the Fort: Nonprofit employment during a decade of turmoil. Nonprofit Employment Bulletin 39, Johns Hopkins University. January 2012.

³ Ibid.

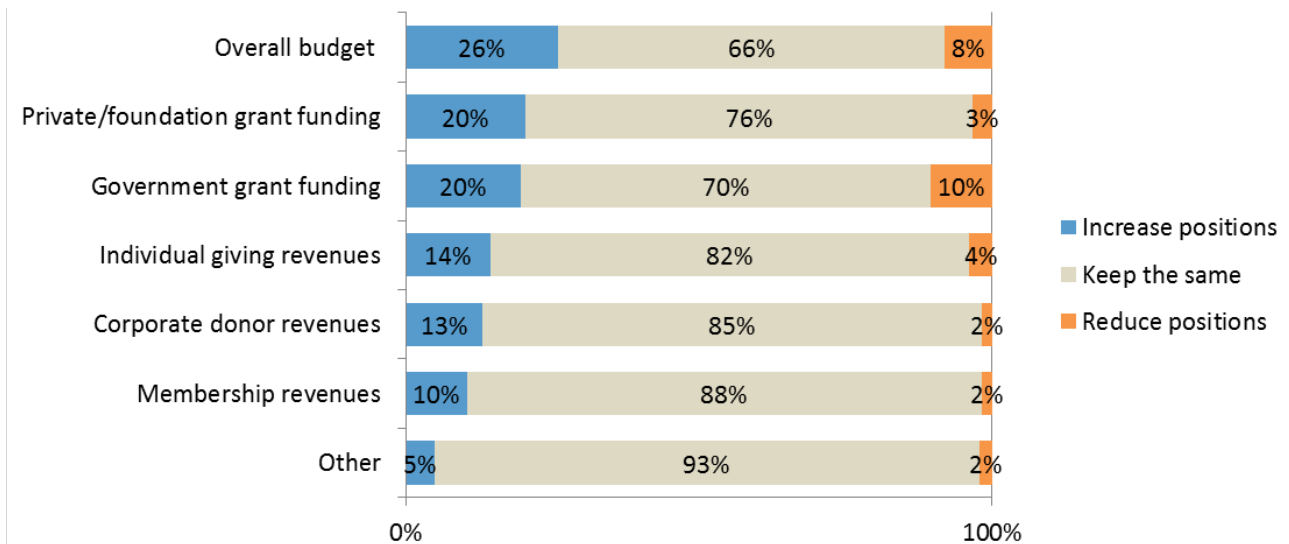


Figure 2: Plans to Create New Positions and Eliminate Positions and/or Gradually Reduce Staff in 2012 by Organization Type



Nonprofits were also asked how different funding and revenue streams would impact positions at their organization this year. As shown in Figure 3 below, more nonprofit organizations surveyed indicated that their organization’s overall budget and all types of funding sources would lead them to increase positions rather than reduce positions.

Figure 3: Funding and Revenue Impact on Positions in 2012



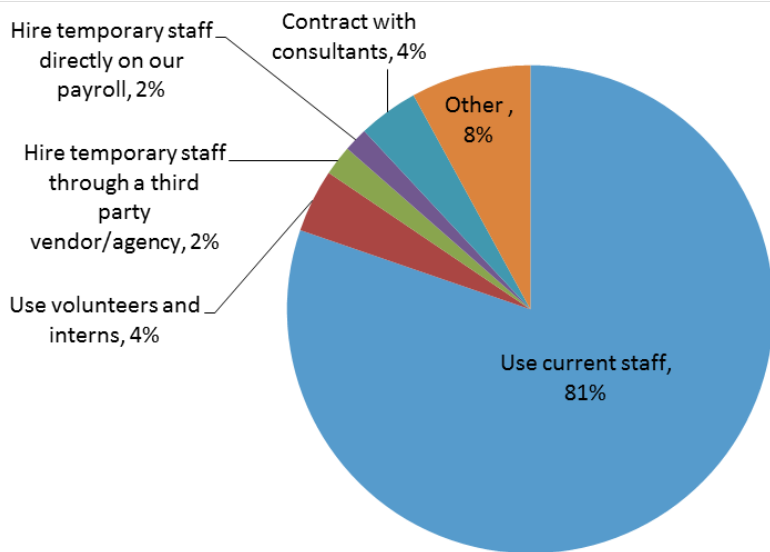
It should be noted that those organizations that are heavily dependent on foundation and government grant funding to maintain operations are also very often restricted in how such funding is used or allocated. More often than not, additional funding does not necessarily correspond with the additional HR related needs that come from a growing workforce.

When positions are eliminated,

respondents indicated how they re-assign job responsibilities. Figure 4 shows that a majority (81%) reported that they distribute responsibilities among their current staff while only a small percent contract with consultants (4%), use volunteers or interns (4%), or hire temporary staff directly (2%) or through a third party (2%). Organization size⁴ did not greatly affect the answer an organization gave for how they redistribute responsibilities. This practice continues to pose concerns for HR professionals nationwide. Increased work responsibilities without the addition of internal resources can create negative and unintended

consequences for organizations. A recent study from Opportunity Knocks⁵ found that half of the nonprofit employees they surveyed were burned out or are in danger of becoming burned out. Studies have shown that employees who are burned out are more likely to leave their positions prematurely. This finding points to the importance of nonprofits examining how they redistribute the job responsibilities of eliminated positions and how these practices can affect turnover and morale both in the present and in the future.

Figure 4: Distribution of Responsibilities of Eliminated Positions



Severance Practices

The organizations that planned to eliminate positions in 2012 were also asked about their intentions to offer any type of severance benefit to affected staff. Thirty-eight percent of these organizations indicated that they planned to provide severance benefits, while 41% indicated that they did not plan to provide any type of severance benefits, and 21% were unsure if they would offer severance benefits. These findings are slightly less positive than findings from the 2011 Nonprofit Employment Trends Survey in which 42% of organizations indicated they would offer some type of severance benefits.

Of those organizations surveyed that planned to eliminate positions and provide severance assistance, the top three assistance options included cash severance payments, outplacement assistance/career counseling, and references beyond employment verification. Most (73%) of respondent organizations indicated severance would be based on length of service.

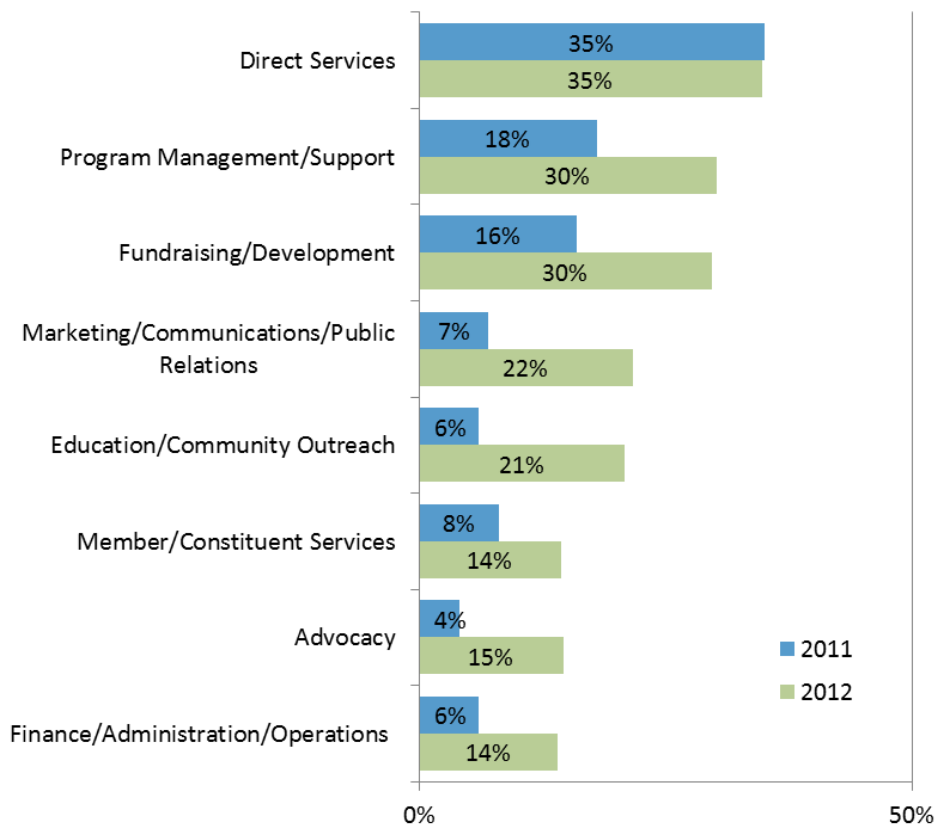
⁴ Organization size was determined by annual operating budget. Small organizations have a budget of \$1,000,000 or less, medium organizations have a budget between \$1,000,001 to \$10,000,000 dollars, and large organizations have a budget of \$10,000,001 or greater.

⁵ Opportunity Knocks (2011). Engaging the Nonprofit Workforce: Mission, Management and Emotion. <http://content.opportunityknocks.org/2011/06/14/opportunity-knocks-nonprofit-employee-engagement-survey>

Areas of Anticipated Job Growth

Approximately one-third of nonprofits surveyed anticipate growth in the area of direct services (35%), program management/support (30%), and fundraising/development (30%) in 2012. The percent of organizations anticipating growth in direct services is the same as last year, but across all other functional areas, more organizations anticipate growth in 2012 than they did in 2011 (Figure 5). This finding is encouraging and suggests that more nonprofits may be recognizing the need to balance frontline staff with those that support operations – a ratio often cited as unbalanced by nonprofit HR professionals nationwide. Overall, large nonprofit organizations were more likely than small nonprofit organizations to report anticipated job growth across all functional areas.

Figure 5: Anticipated Job Growth in Specific Areas by Year



Employee Turnover

Of the nonprofits surveyed, 67% anticipate their turnover rate will stay the same in 2012 as in 2011, while 13% anticipate it will increase and 21% anticipate it will decrease when compared to last year. Figure 6 below shows how organizations anticipate turnover to be affected in specific areas over the next year. Anticipated turnover did not vary by position type (entry-level, mid-level, experienced, and senior/executive-level)⁶; about 75% of organizations anticipate turnover for each position type to stay the same while approximately 10-15% think turnover will either increase or decrease in 2012.

⁶ Entry-level/support positions are those that require 0-2 years of experience, mid-level positions require 3-5 years of experience, experienced positions require 6-8 years of experience, and senior/executive positions require 9 or more years of experience.

Figure 6: Anticipated Change in Turnover for Specific Areas: 2011 to 2012

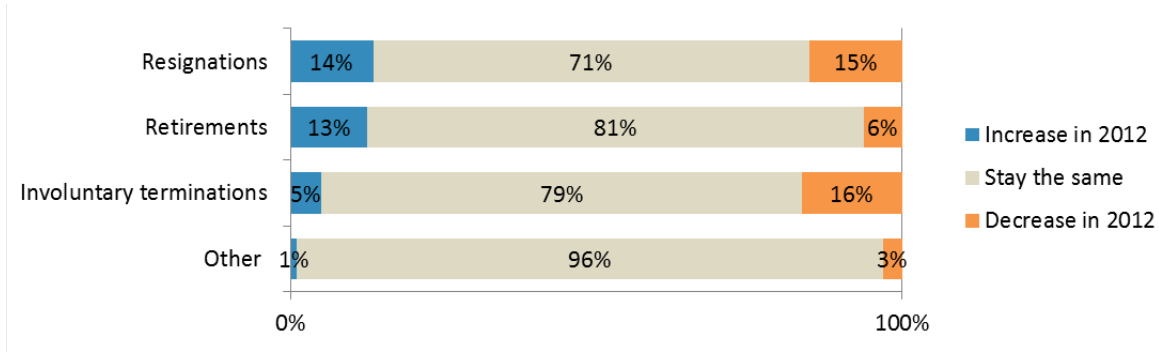
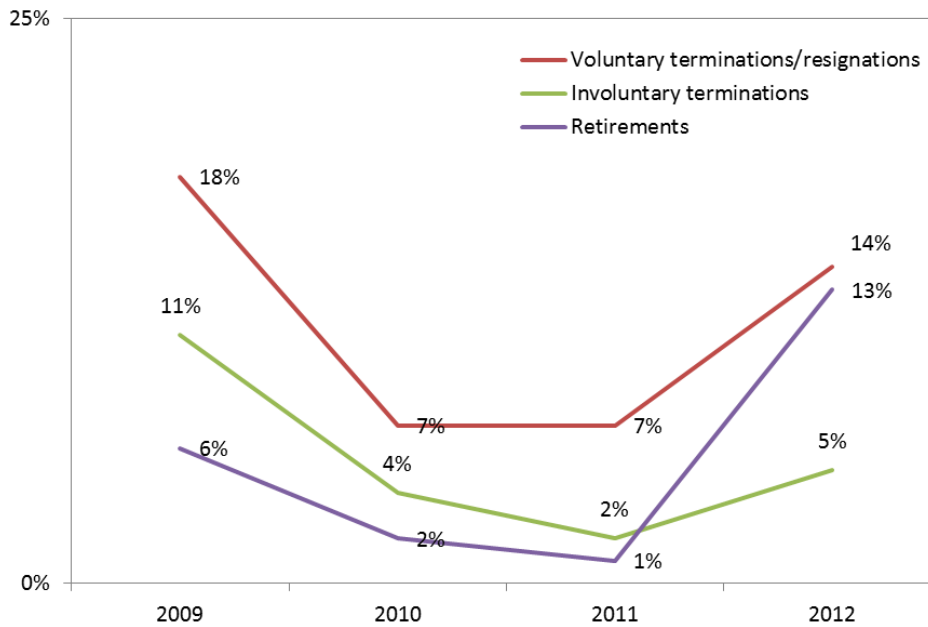


Figure 7 shows that more organizations expect turnover through retirements and voluntary resignations to increase this year. Last year, only 1% of organizations anticipated turnover to increase due to retirements compared to 13% of organizations surveyed this year. Additionally, 14% of organizations anticipate an increase in voluntary resignations this year compared to 7% last year. It is generally understood that there is a direct correlation between the nation’s economic health and turnover rates across all industries. The nonprofit sector, of course, is no exception. Organizations should continue to monitor their turnover rates with the understanding that as the U.S. economy continues to rebound, employees will more likely begin to seek new career opportunities outside of their current organizations.

Figure 7: Anticipated Increase in Turnover in Specific Areas Over Time



“It is going to become harder and harder to fill what I would call more technical positions. As a nonprofit you are often budget constrained, much more so than a for-profit entity might be, and so when you get people that may have really hot skills that can transfer between nonprofits and for-profits, nonprofits tend to be at a bit of a disadvantage. That’s going to continue, I think, as the economy ramps up. And that’s not only IT folks, it can also be accounting people, marketing people, basically anywhere the skills can easily transfer over.”

- Chief Administrative Officer, Mutual/Membership Benefit Nonprofit

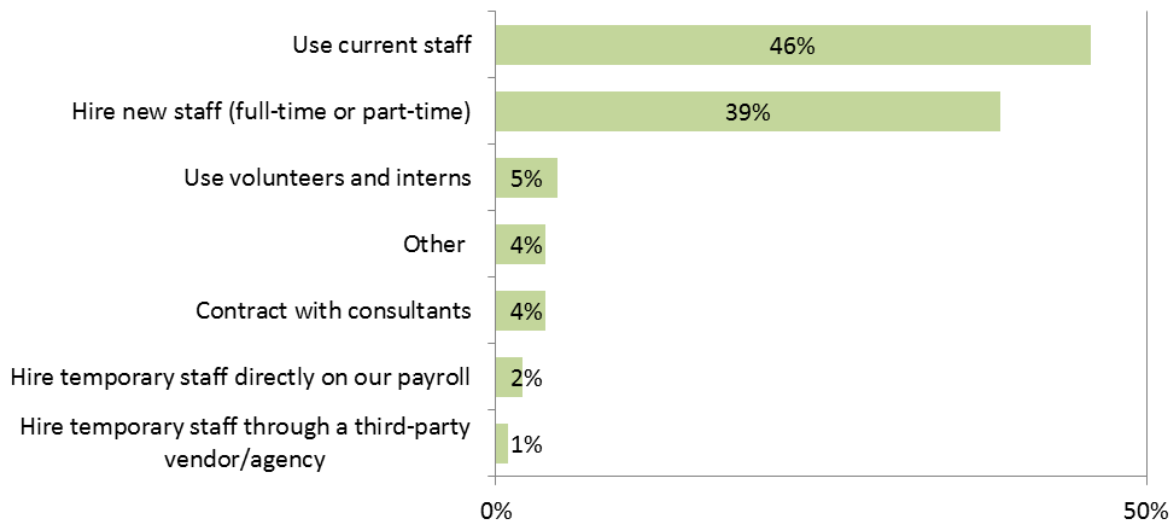
RECRUITMENT STRATEGIES AND BUDGETING

Recruitment/Staffing Strategies

Respondents were asked to indicate how they support new programs or initiatives. Figure 8 shows that almost half (46%) of organizations use current staff to support new programs and/or initiatives. Using current staff was also found to be the most popular staffing strategy in the 2010 and 2011 Nonprofit Employment Trends Survey (55% and 57%, respectively). Even though the use of this strategy by organizations has decreased since last year, it should still be noted that increasing staff workloads often results in employee burnout, employee dissatisfaction, and higher turnover. As such, the negative implications of stretching existing staff too thin should be carefully considered when making staffing decisions.

In contrast, the percent of respondents that indicated that they hire new staff to support new programs or initiatives has increased to 39% when compared to 2010 and 2011 Nonprofit Employment Trends Survey responses (29% and 36%, respectively). This may illustrate a trend towards hiring new staff to support new programs instead of using current staff.

Figure 8: Primary Staffing Strategy Used to Support a New Program or Initiative



When broken down by organization size, small organizations indicated their most common strategy for staffing a new program or initiative was to use their current staff (55%). Large and medium sized organizations were more likely to hire new staff to support new programs (47% and 40%, respectively) than small organizations (19%). Instead, small organizations were more likely to use volunteers or interns (13%).

It is important to note that the Nonprofit Employment Trends Survey continues to track what appears to be the under-use of consultants, skilled temporaries and volunteers/interns in supporting new programs and initiatives. Opportunities may exist for nonprofit organizations to seek expertise and talent outside of their organizations to address both short-term program and/or staffing needs or those requiring specific skills that do not currently exist within their organizations. Doing so has the potential to address two frequently cited workplace dynamics of staff burnout and premature employee turnover.

Hiring and Advancement Opportunities

The 2012 Nonprofit Employment Trends Survey showed that entry-level vacancies were most often filled by people from outside of the nonprofit sector. Mid-level vacancies were most often filled by people promoted from within the organization, while experienced and senior/executive vacancies were commonly filled by people from other nonprofit organizations. This trend suggests that opportunities for upward mobility and professional growth continue to be available within the sector for individuals at all levels, but that executive-level staff may have to look outside their current organization for advancement opportunities. A recent study by Opportunity Knocks⁷ found that over one-third of the nonprofit employees they surveyed felt strongly that there were not future opportunities for them at their organization and that their organization does not take an interest in their career development. The same study also found that when meaningful recognition for achievements is lacking within organizations, many employees use their pay to assess their value to the organization. Not giving employees proper recognition and failing to pay competitively may lead to higher levels of dissatisfaction.

We haven't been able to give any sort of bonus in the past couple of years so I have been looking at different ways to reward staff and show appreciation without draining our bank account. Getting creative with some of those means of recognitions has been helpful.

*- Administration and Finance Director,
Arts, Culture and Humanities Nonprofit*

Recruitment/Advertising Budgeting

Just over one-fifth (21%) of the organizations surveyed reported having a formal annual recruitment budget; this is slightly less than in the 2011 Nonprofit Employment Trends Survey. Organizations with larger operating budgets were much more likely than those with smaller operating budgets to designate money for the recruitment of new employees.

Of the nonprofits with formal recruitment budgets, 66% predicted that their recruiting budgets would remain unchanged in 2012, which is similar to the percent that predicted their recruitment budget would remain unchanged in 2011 (64%). Over the last two years, recruitment budget predictions have become more optimistic with a smaller percentage of organizations anticipating a decrease in the budget and a larger percentage anticipating an increase in the budget. Among nonprofits that have a recruitment budget, the median amount budgeted was \$5,000.

Recruitment Advertising Sources

Various online, print, and in-person recruitment efforts are used by nonprofits, but some are reported to be more popular and effective than others. Respondents were asked to rate how much they used specific recruitment advertising sources. The most frequently used outlets were informal and formal networks (81% and 80%, respectively). This was followed by using local newspapers, both online (59%) and print (52%) editions. Some popular online job posting websites and social networking websites were also commonly used by respondents. Figure 9 shows that LinkedIn is the most commonly used social media strategy for nonprofit recruitment advertising, followed by Facebook and Twitter.

⁷ Opportunity Knocks (2011). Engaging the Nonprofit Workforce: Mission, Management and Emotion. <http://content.opportunityknocks.org/2011/06/14/opportunity-knocks-nonprofit-employee-engagement-survey>

Figure 9: Nonprofit use of social media strategies for recruitment advertising

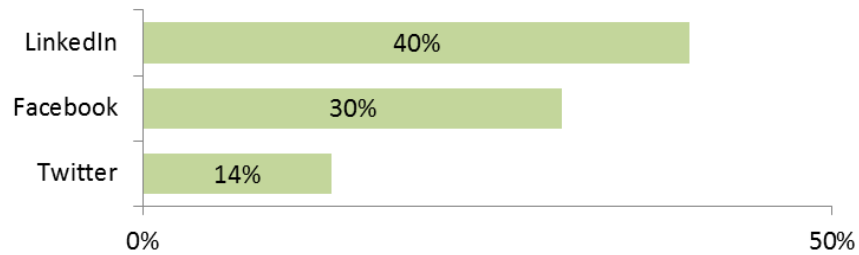


Table 1 shows nonprofit organizations’ most frequently used websites for recruitment advertising include job posting sites, social media, and, to a lesser extent, executive search sites.

Table 1: Top Ten Most Frequently Used Websites for Nonprofit Recruitment Advertising

Outlet	Percent Using Some or Every Time
Craigslist	52%
LinkedIn	40%
Idealist.org	39%
Monster.com	38%
CareerBuilder.com	33%
Facebook	30%
The Nonprofit Times/NPTimes.com	24%
Philanthropy Careers.org	17%
Opportunity NOCs	14%
CEO Update	9%

“The whole idea of online recruiting more with LinkedIn, Facebook, and those kinds of things are clearly going to become more and more important. You know, we don’t even do any kind of print advertising with recruitment anymore.... It is even going to move more towards Facebook, LinkedIn, other kinds of online groups and associations people are a part of, figure out ways to publicize jobs, get those jobs out there to people’s online networks.”

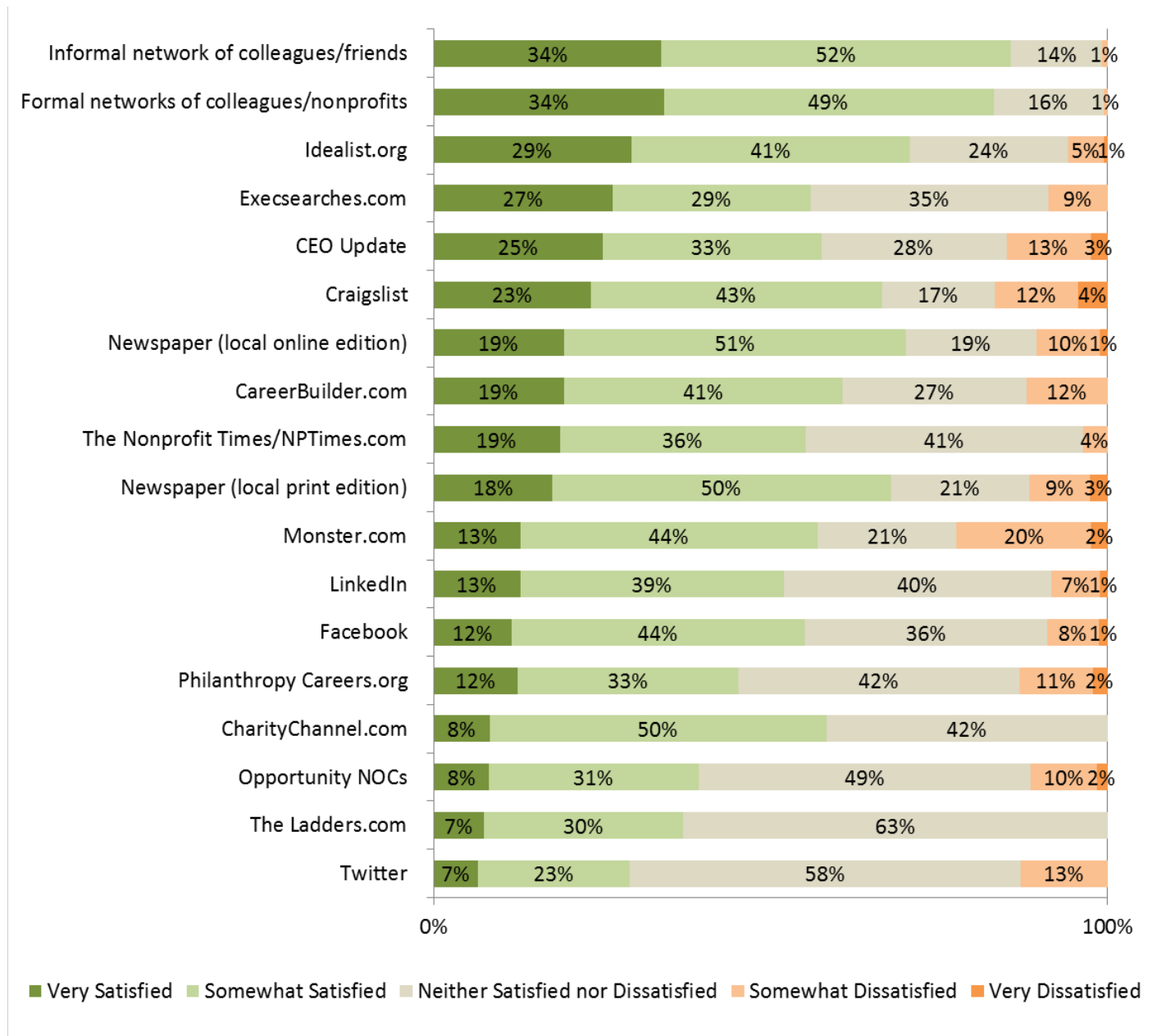
*- Vice President of Human Resources,
Public/Societal Benefit Nonprofit*

Respondents also indicated their level of satisfaction with various sources for recruitment advertising. Satisfaction ratings were only collected for sources organizations have used. Respondents remain most satisfied with their formal and informal networks. Interestingly, although nonprofits used job posting websites and social networking websites less frequently than their local newspaper, more respondents reported being very satisfied with some of these websites over their local newspaper.

While lagging behind the for-profit sector, the Employment Trends Survey contends that the integration of social media outlets in nonprofit recruiting practices will continue to emerge as a growing trend as more and more job seekers will rely on social media to alert them to career opportunities in and across the sector.

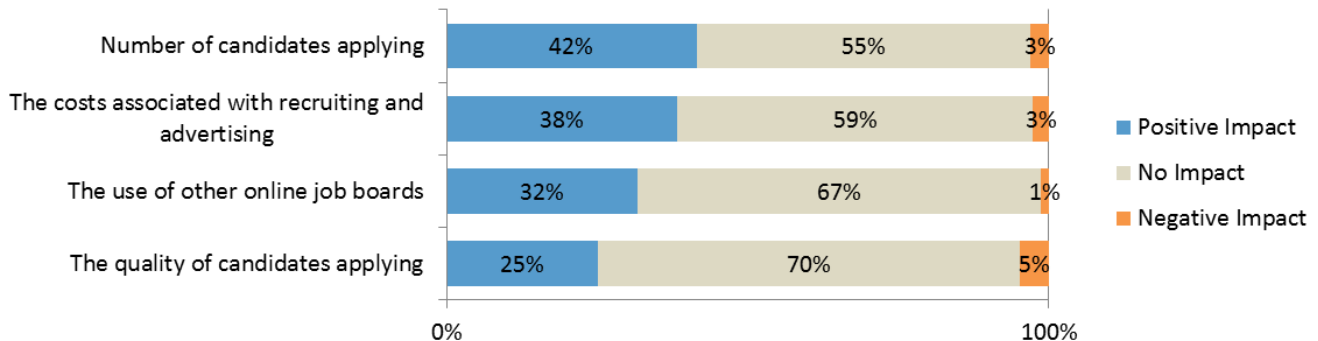


Figure 10: Satisfaction Ratings of Recruitment Advertising Outlets



Respondents were asked about the degree to which the use of social networking sites in recruitment advertising increased the quality of applicants, decreased advertising costs, and affected the use of other online job boards. As displayed in Figure 11, 42% responded that using social networking sites had a positive impact on candidate quality. In addition, about one-third of organizations indicated using social networking sites had a positive impact on the costs associated with recruitment advertising (38%) and the use of other online job boards (32%) and one-fourth indicated it had a positive impact on the quality of candidates applying (25%). Overall, few organizations indicated that the use of social networking sites had a negative impact on these areas.

Figure 11: Impact from Using Social Networking Sites in Recruitment Strategies



In that respondent organizations reported a median recruitment advertising budget of just \$5,000 per year and resources continue to be limited for most organizations, the use of social networking sites may create real opportunities for nonprofits to maximize their recruitment advertising budgets.

College Recruiting

The 2012 Nonprofit Employment Trends Survey found only 26% of nonprofits engage in on-campus recruiting. However, 80% of those that engage in on-campus recruiting said they were either somewhat or very satisfied with the quality of candidates found at on-campus job fairs. Few respondents reported being dissatisfied (6%) with the quality of candidates found on college campuses, suggesting that it may be worthwhile for nonprofits to spend time and resources recruiting potential employees from nearby universities. Nonprofits should take more steps to capitalize on the socially conscious characteristics of millennials. Studies have shown that upwards of two-thirds of college freshmen believe it's essential or very important to help others in difficulty. Volunteerism by college students is historically high while feelings of social and civic responsibility among students are at the highest levels in generations. Overlooking mission driven pools like colleges and universities is a failing of many in the sector considering some of these populations of motivated candidates are right in the backyards of nonprofits.⁸

Of the organizations that engage in on-campus college recruiting, the median amount of money spent annually was \$250, down slightly from last year, and ranged between \$0 and \$150,000 for large organizations, between \$0 and \$9,000 for medium organizations, and between \$0 and \$300 for small organizations. Compared to small organizations, large organizations were more likely to engage in and spend money on campus recruiting.

Hiring Bonuses

Only 6% of organizations surveyed offered hiring bonuses to new employees as part of their recruitment strategy. Of those organizations that do give hiring bonuses, a majority offer hiring bonuses to senior/executive (82%) or experienced positions (75%) while fewer offer hiring bonuses to mid-level (36%) or entry-level (32%) positions.

⁸ Jayson, Sharon. (2006, October 23). Generation Y Gets Involved. *USA Today* Retrieved from: http://www.usatoday.com/news/nation/2006-10-23-gen-next-cover_x.htm

STAFFING CHALLENGES

Staff Retention

Staff retention continues to be a major challenge among the nation’s nonprofits. Less than a quarter (23%) of the organizations surveyed indicated they have a formal retention strategy. When asked about their organization’s greatest retention challenge, respondents most frequently cited inability to pay competitively (34%), inability to promote/advance top performing staff (22%), and excessive workloads/insufficient staff resources (20%). Respondents were also asked about the staff level that they have the greatest challenge retaining. Overall, more organizations had the most difficulty retaining staff that were in mid-level (41%) or entry-level (39%) positions with fewer organizations indicating experienced-level (16%) and senior/executive level (4%) were the most difficult to retain. When asked about the functional area that their organization experienced the greatest challenge with retention was direct services (34%), program management/support (18%), and fundraising/development (12%). As noted earlier in this report, these are also the same functional areas expected to see the most growth in 2012.

“Our greatest retention challenge is at the lower levels of the organization - keeping the good people challenged and promoting them up. I have ambitious staff members who are very good at what they do and no place to move them up to. And that’s the main reason why people leave is that they get promotions to other organizations.”
 - Chief Administrative Officer, Mutual/Membership Benefit Nonprofit

Figure 12: Greatest Retention Challenge



“Retention has become a higher priority for us [so we can keep] the people we have that are really effective.... How do we keep the people we really want to keep here, how do we identify our high performers, how do we keep them satisfied, engaged, wanting to stay in our organization and not looking at other opportunities? Those are the people that tend to be high performers in other organizations too so they generally have more opportunities to leave and go other places.”

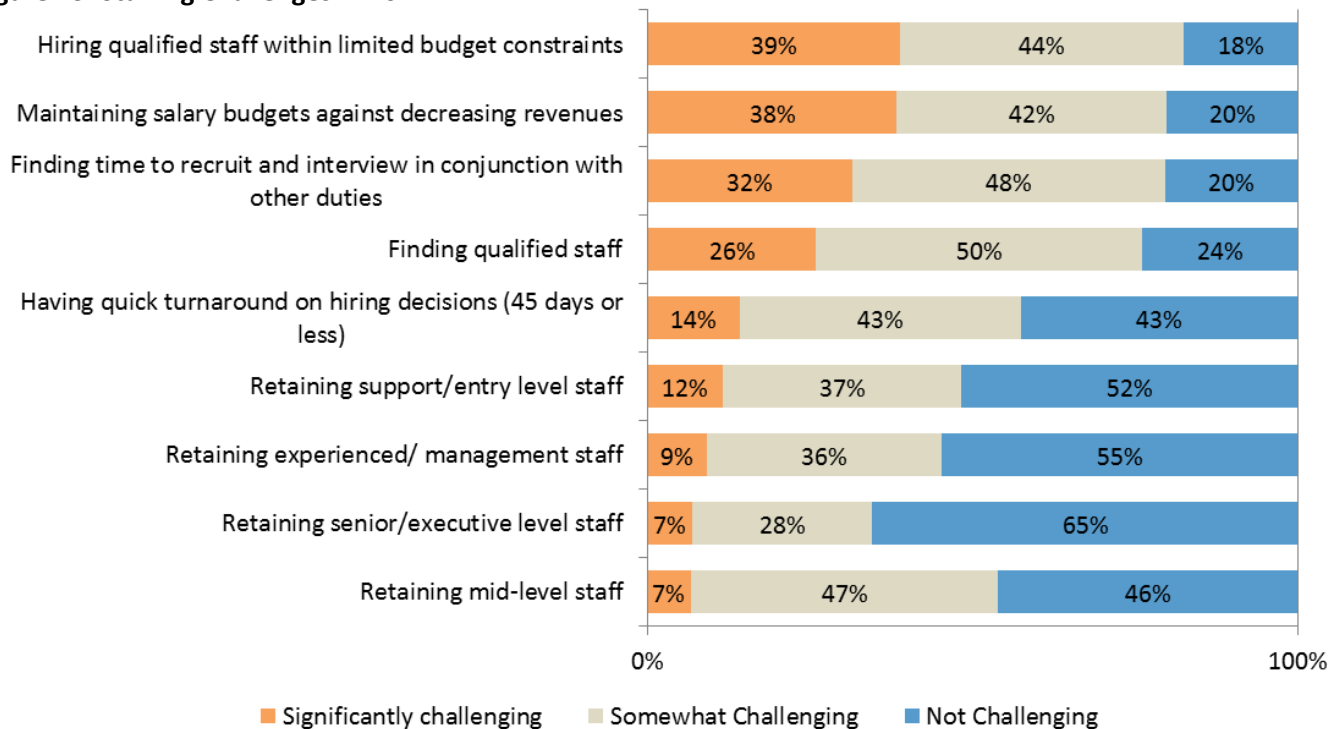
- Vice President of Human Resources, Public/Societal Benefit Nonprofit



Maintaining Salary/Payroll Budgets

We know that the recent economic crisis has taken its toll on the nonprofit sector. The greatest staffing challenges (Figure 13) indicated by survey respondents were hiring qualified staff within limited budget constraints, maintaining salary budgets in the face of decreased annual revenues, and finding time to recruit and interview in conjunction with other duties.

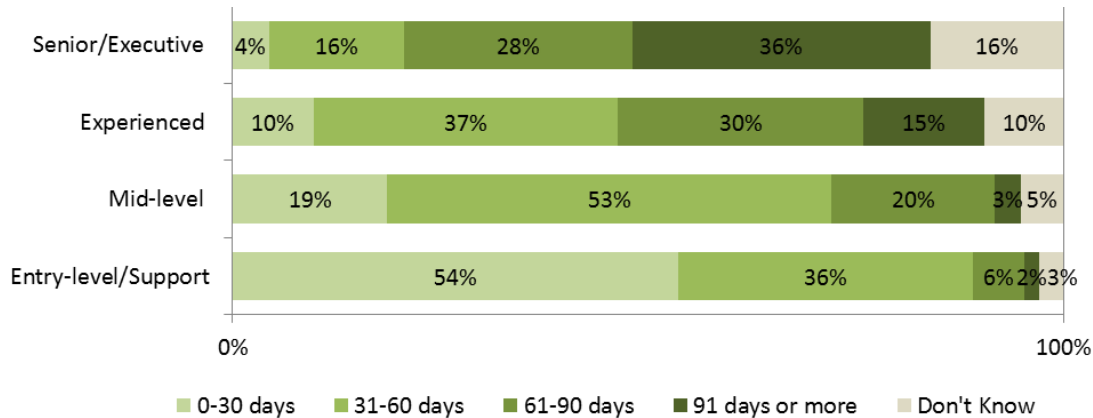
Figure 13: Staffing Challenges in 2011



Filling Positions

Similar to past Nonprofit Employment Trends survey findings, the more senior the position, the longer it takes to fill. For senior/executive level positions, 28% reported taking 61-90 days to fill the position and 36% reported taking more than 91 days to fill the position (Figure 14). Consistent with the previous year, size of the organization did not significantly impact the time it takes to fill the various levels of positions.

Figure 14: Length of Time to Fill Position Types



As shown in Table 2, the percent of organizations that responded to this year’s survey reported filling entry-level positions within 30 days stayed the same as in 2011, while the percent of organizations filling mid-level positions within 30 days decreased slightly in this same timeframe. This is still an increase from past years and indicates organizations are filling entry-level and mid-level positions in less time than a couple of years ago. Fewer respondents reported that it takes over 91 days to fill experienced and senior/executive level positions, indicating that organizations are also taking less time to fill these types of positions than last year (Table 3).

Table 2: Percent of Entry/Support and Mid-level Positions Filled Within 30 Days Compared to Previous Years

Position Type	2009	2010	2011	2012	Difference from '11 to '12
Entry Level/Support	48%	53%	54%	54%	↔ 0%
Mid-Level	14%	12%	20%	19%	↓ -1%

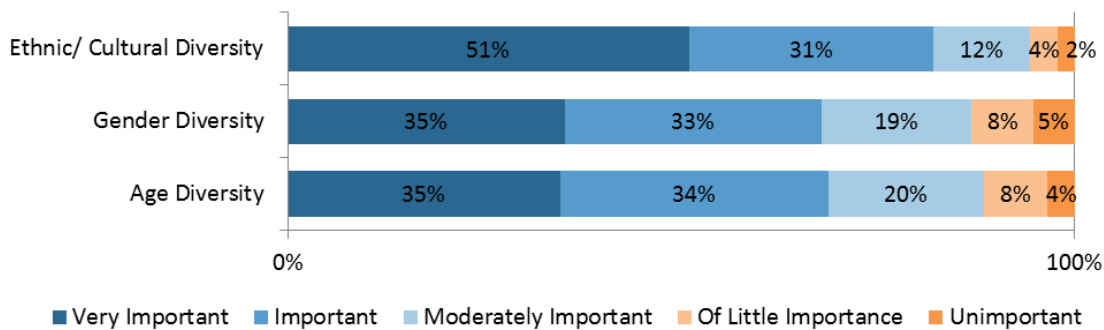
Table 3: Percent of Experienced and Senior/Executive Positions Filled After 91 days, Compared to Previous Years

Position Type	2009	2010	2011	2012	Difference from '11 to '12
Experienced	26%	13%	16%	15%	↓ -1%
Senior/Executive	55%	46%	50%	36%	↓ -14%

Hiring Qualified and Diverse Staff

Respondents were asked about the degree to which workforce diversity is important within their organization. A majority indicated that each component of diversity was of some importance to their organization (Figure 15). Despite the importance of diversity to many nonprofits, less than half (43%) reported that they have a formal workforce diversity strategy. Compared to last year, a higher percentage of respondents indicated that ethnic/cultural, gender and age diversity was important to their organization. While this is an encouraging finding, a recent study from Commongood Careers and the Level Playing Field Institute on the state of diversity in the nonprofit sector show that nonprofit organizations must go beyond simply valuing diversity. In a survey they commissioned, they found that while nearly 90% of nonprofit employees believe their organizations value diversity, over 70% of employees believe their nonprofit employer does not do enough to create a diverse and inclusive work environment.⁹

Figure 15: Degree of Importance to Organizations for Each Diversity Category



Respondents were also asked about the greatest diversity challenge their organization faced. A similar percentage of respondents indicated that having staff reflect the composition of the community served (35%), retaining staff under 30 (32%) or balancing ethnic/cultural diversity (30%) was their greatest challenge. A small percentage indicated that retaining older staff over 60 (4%) was their greatest challenge. The greatest diversity challenge an organization faced did not differ significantly among organizations of different sizes.

“We have a pretty good record of hiring diverse candidates. But, we hire good people, we train them well, and they leave - because we don’t necessarily have the space to move them up. And that in itself can be a problem because we tend to be less diverse the higher you go. We are trying hard as those openings on the higher level occur to make sure we have a diverse candidate group.”

- Chief Administrative Officer, Mutual/ Membership Benefit Nonprofit

⁹ Schwartz, Robert, James Weinberg, Dana Hagenbuch and Allison Scott. The Voice of Nonprofit Talent: Perceptions of Diversity in the Workplace. Commongood Careers and Level Playing Field Institute.

STAFFING RESOURCE MANAGEMENT

Resource Allocation – Staff

Most respondents indicated that the Director of Human Resources or Administration (32%) or the Executive Director (30%) oversees the hiring process. While Directors, Managers and Supervisors were not likely to oversee the hiring process, a majority of the organizations indicated that they participated in the process (79%).

Looking at organization size, a high percentage of respondents from small organizations (57%) said the Executive Director oversees their hiring process. Only 30% of medium organizations and 17% of large organizations said the Executive Director oversees hiring. Hiring staff is a critical function for most organizations and may be impacted by the Executive Director's ability to divide his or her time between other key functions such as fundraising, program development, and overall management.

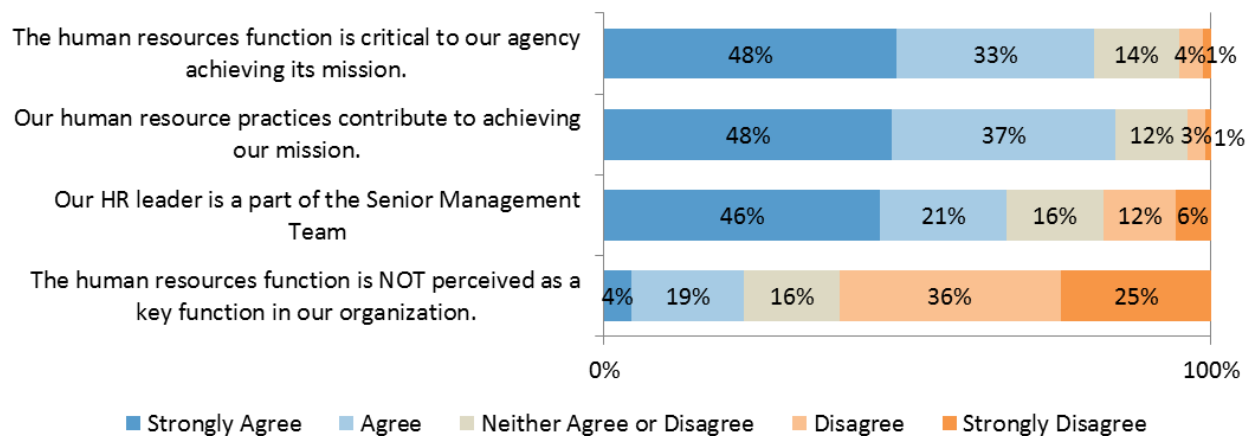
Resource Allocation – Time

Respondents were asked how much time the individual who oversees hiring at their organization spends on employment and recruitment issues on a weekly basis. Interestingly, the majority of people who oversee hiring (68%) spend less than 20% of their time on employment and recruitment issues. Another 20% of respondents spend 21-40% of their time on employment and recruiting issues, and the remaining 12% of respondents spending 41% or more of their time on these issues.

Importance of HR Function

Respondent organizations were also asked about the importance of the HR function. The majority of respondents (81%) agreed the HR function is critical to their organization's ability to achieve its mission and 85% of respondents noted that HR practices contribute to achieving their organization's mission. However, from 2011 to 2012, more respondents said the HR function is not perceived as a key function in their organizations (from 15% in 2011 to 23% in 2012). In particular, over a third of small organizations state that the HR function is not perceived as a key function in their organization. Small organizations were less likely than medium-sized and large organizations to report that the HR function is important to their organization for all other indicators.

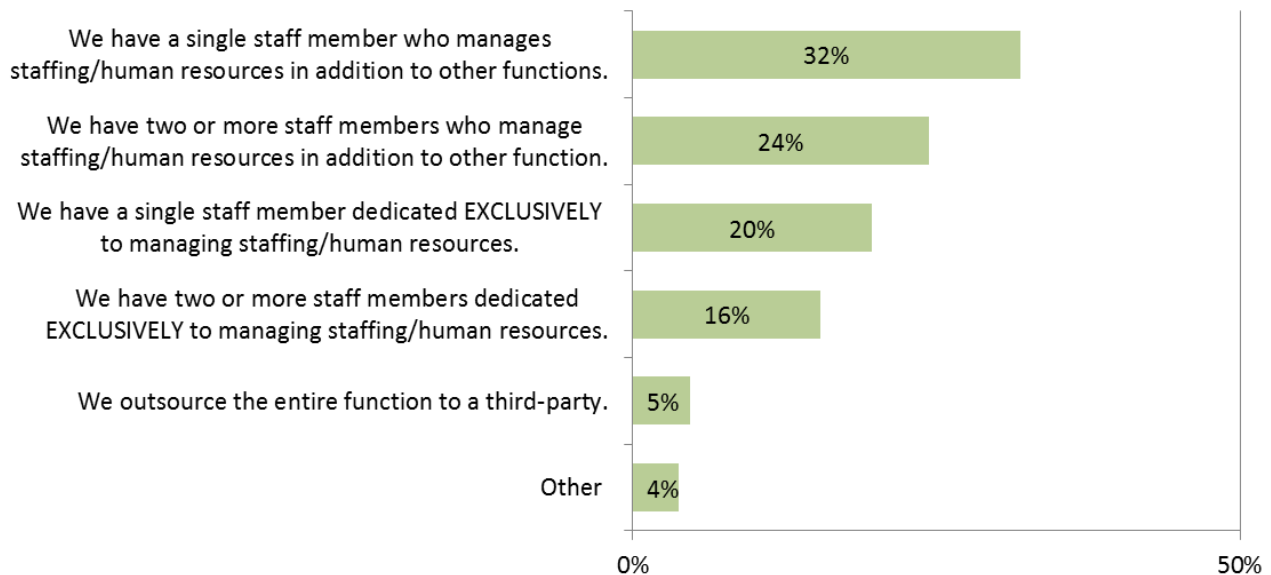
Figure 16: Agreement Level of How Organizations View Human Resources Management



Managing the HR Function

The 2012 survey indicates that the majority of respondents (64%) do not have at least one staff that exclusively manages staffing/ human resources. Instead, one or more staff members, in addition to their other duties, manage the HR function.

Figure 17: Management of Staffing/Human Resource Function



Budget size appears to be related to the way in which staffing/HR functions are managed within nonprofits. Small and medium organizations were much more likely to have one or more staff members managing the HR function in addition to their other duties (51% and 37%, respectively). Large organizations were much more likely to have two or more dedicated staff members to manage HR functions (38%) when compared to medium and small organizations (5% and 1%, respectively). Overall, few organizations (5%) outsourced their entire staffing/HR function to a third-party.

It is important to note that nonprofits continue to appear to be conflicted on the importance of the HR function and the inclusion of the HR leader on the senior management team with some 54% of respondent organizations

indicating that their HR leader is not a part of the senior management team. Despite salaries and benefits representing the majority of most nonprofit organizations' budgets, it continues to be the practice of the majority to not view the HR leader, where there is one, as a key business leader within the organization. This practice continues to speak to the trend of the HR function not being fully recognized within their organizations. An organization's investment in human resources is a key indicator of the importance an organization places on the HR function. The 2012 Nonprofit Employment Trends Survey findings show that securing adequate investment in human resources remains a challenge for small and medium-sized nonprofit organizations in particular.

Conclusion

A recent study released by Johns Hopkins University shows that nonprofit employment grew during the recession, while for-profit employment declined during that same time period.¹⁰ This study illustrates that nonprofit services remain in demand even during difficult economic times. Compared to previous years, more nonprofits are forecasting employment growth in 2012. The 2012 Nonprofit Employment Trends Survey shows that while nonprofit organizations have continued to grow in recent years, they will also face challenges ahead with the sector predicting a change in turnover rates in the coming year. While most nonprofits expect overall turnover to remain constant in the coming year, more organizations expect turnover through retirements and voluntary resignations to increase in 2012. This indicates that individual nonprofit organizations, and the sector as a whole, may begin to lose highly skilled and experienced employees in the years ahead. It will be particularly important for nonprofit organizations to invest adequate resources in appropriate levels of HR talent, recruitment efforts, and to develop strategies to retain diverse, high performing employees that may increasingly face appealing offers within the nonprofit and for-profit sectors.

¹⁰ Ibid.

APPENDIX A. METHODOLOGY

The Nonprofit Employment Trends Survey consisted of 58 questions consisting of multiple choice, rating scale, and open-ended questions. Respondents were asked to provide their organization's demographic information and answer employment trends questions covering the following content areas:

- **Staff Size and Projected Growth**
- **Recruitment Strategies and Budgeting**
- **Staffing Challenges**
- **Staffing Resource Management**

From December 2011 to January 2012, the Improve Group electronically administered the survey through SNAP Surveys to organizations in Nonprofit HR Solutions' mailing list, which consists of 16,000 nonprofits nationwide. The survey was also distributed through other relevant online communities, the Improve Group e-newsletter, Americans for the Arts Network listserv, the Nonprofit Marketing Guide's blog and through social networks such as Facebook and Twitter.

Data Cleaning & Analysis

Prior to analysis, the data were cleaned by the Improve Group. Multiple responses originating from a single organization (as indicated by the organization names and contact information) were closely examined to determine which survey response should be included in the analysis. After data cleaning, a total of 451 responses remained. The statistical software SPSS was used to analyze survey responses. Descriptive analyses were conducted using the complete dataset and also using the dataset split by budget size and nonprofit subsector. In addition, this year's data was compared to Nonprofit Employment Trends Survey data from previous years to examine trends over time.

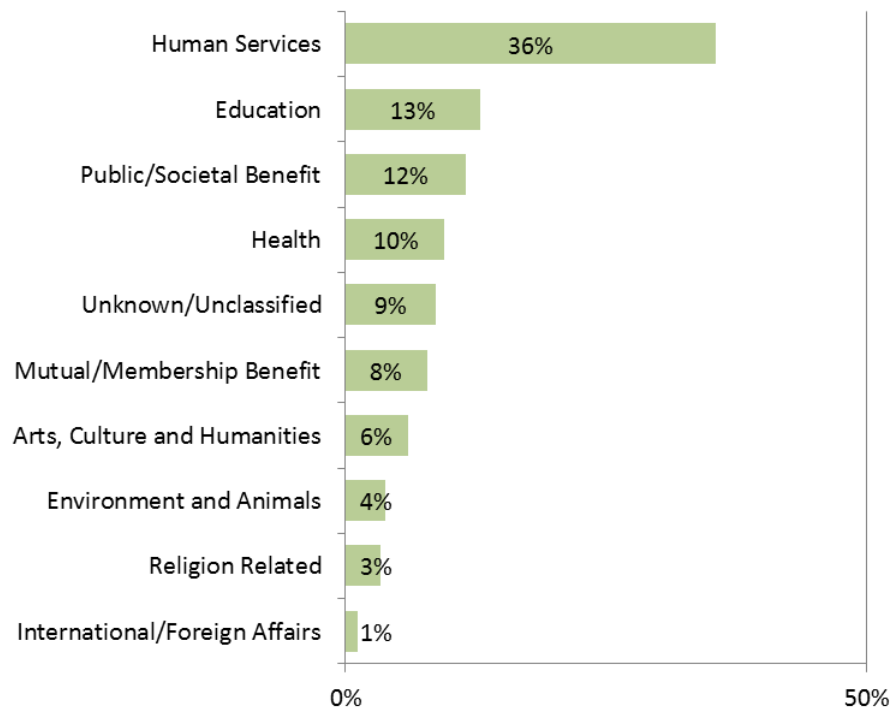


APPENDIX B. ORGANIZATIONAL DEMOGRAPHICS

Organization Type

The organizations that completed the survey represented a variety of nonprofit sectors.

Figure 18: Percent of Respondents in Each Sector



Operating Budget Size

All organizations surveyed provided budget size information. For analysis purposes, organizations were grouped into one of three budget categories: small, medium, or large. Small organizations were defined as those with budgets of \$1 million or less, medium organizations were those with budgets of \$1,000,001 to \$10 million, and large organizations were those with budgets over \$10 million. Small nonprofits were underrepresented in the sample; 17% of respondents came from small nonprofits, about half (49%) came from medium-sized organizations and about one third (34%) came from large nonprofit organizations.

Staff Size

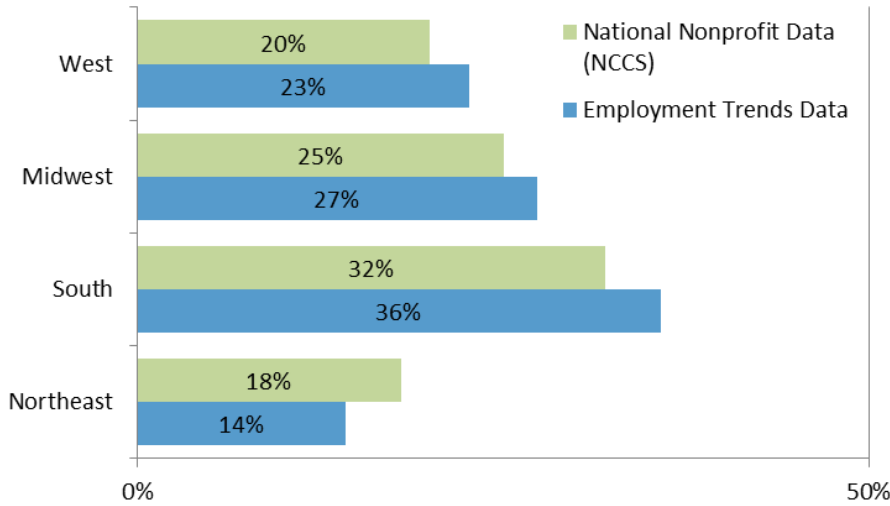
The average staff size of responding organizations was 193 people (49 median). When looking at staff size by organizational budget size, the average number of people employed by small, medium, and large organizations was approximately 26, 60, and 496, respectively.



Organization Location

Organizations responding to this survey were representative of the national nonprofit sector by number of nonprofit organizations in each region.¹¹ The figure below shows that the percent of nonprofit organizations in the nation by region is similar to the percentage represented in the employment trends data.

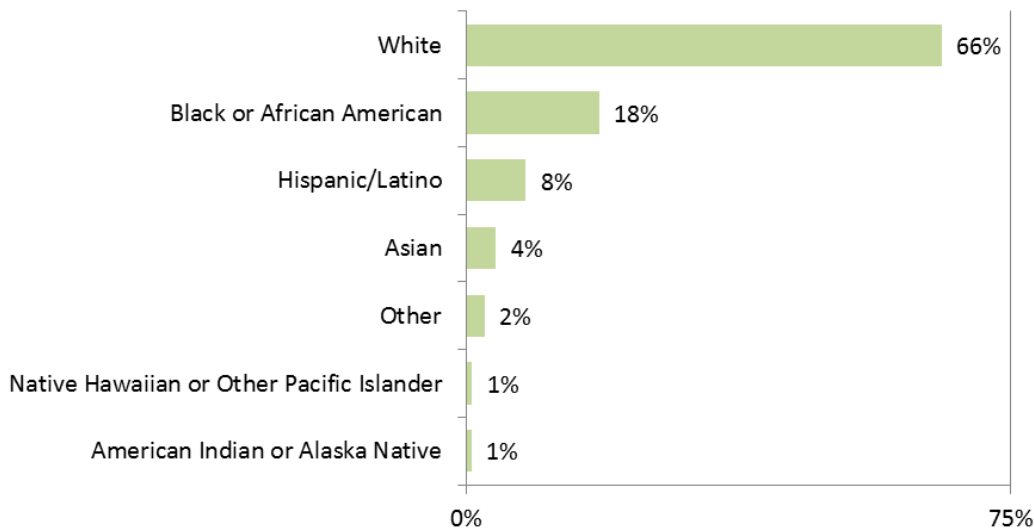
Figure 19: Percent of Nonprofits by Region



Race and Ethnicity

Respondents were asked to provide the approximate ethnic/racial composition of their staff. The composition of respondents' organizations was predominately white (66%), as shown in Figure 20 below.

Figure 20: Ethnic and racial composition of staff



¹¹ National Center for Charitable Statistics (2008). Number of Registered Nonprofit Organizations by State, 2008. <http://nccsdataweb.urban.org/PubApps/reports.php?rid=2>

APPENDIX C. PARTIAL LIST OF PARTICIPATING ORGANIZATIONS

Academy for Urban School Leadership (AUSL)	CaringBridge
ACCESS	CASPAR Inc.
Advocacy Services for Kids	CASSS
Aeon	Catawba Lands Conservancy
AIDS Foundation of Chicago	Catholic Charities Health & Human Services
Air Conditioning Contractors of America	Catholic Charities of Louisville, Inc.
Alliance for Community Media	Catholic Youth Organization of the Archdiocese of Detroit
Alliance for Telecommunications Industry Solutions	Center for Nonprofit Management
Allied Arts Council of St. Joseph, MO Inc.	Center for Veterans Issues, Ltd
Alpha Sigma Tau Sorority	Center for Women in Transition
American Academy of Dermatology	Chapin Hall at University of Chicago
American Association of Nurse Assessment Coordination	Chicago Youth Centers
American Heart Association	Children's Health Council, Inc.
American Public Transportation Association	Chinese American Service League
American Society of Civil Engineers	Christian Reformed World Missions
American Society of Hematology	Christopher House
American Water Works Association	Clay Center for the Arts & Sciences of WV
Animal Welfare League of Arlington	Clean Ocean Action
Appalshop, Inc.	College Houses
ARC Community Support Systems	Community Action Opportunities
Arizona Aerospace Foundation	Community Action Organization
Arts-Kids, Inc.	Community Action Partnership of Lancaster and Saunders Counties
ASAE: The Center for Association Leadership	Community Child Care Council of Sonoma County, Inc.
Ashland Area Chamber of Commerce	Community Dispute Resolution Center, Inc.
ASIS International	Community Prevention Partnership of Berks County
Association of Children's Museums	Community Spay Neuter Initiative Partnership (C-SNIP)
Association of Texas Professional Educators	Community Youth Center
Atlanta Historical Society, Inc	Congress for the New Urbanism
AVANCE Houston, Inc.	Consortium for Ocean Leadership
Better Way of Miami, Inc.	Coronado Schools Foundation
Blessings International	Council on Social Work Education
BloodCenter of Wisconsin	Cunningham Children's Home
Boat People SOS	Danforth Museum of Art
Boston Cares	Dare to Care Food Bank
Boy Scouts of America	Dental Lifeline Network
Boys & Girls Clubs of America	Developmental Services of Nebraska
Boys Town	DIA
Boysville, Inc	Early Learning Coalition of Orange County-Florida
California Primary Care Association	Eliot Community Human Services
Camp Fire USA Sunshine Council	Emotional Health Association/ SHARE!
Capital Area Community Action Agency, Inc.	Envision Schools
CareLink Community Support Services	

Executive Service Corps of Chicago
Families & Friends of Violent Crime Victims
FareStart
Feeding America
Food Bank of Yolo County
Foundations, Inc.
Frank Lloyd Wright Foundation
Frederik Meijer Gardens & Sculpture Park
Georgia Chamber of Commerce
Georgia Public Broadcasting
Girl Scout Council of the Florida Panhandle
Girl Scouts of Alaska
Girl Scouts of Colorado
Girl Scouts of NE Kansas & NW Missouri
Girl Scouts Western Oklahoma, Inc.
Girls Inc. of Metro Denver
GMHC
Goodwill of Southern Nevada, Inc.
Greater Madison Chamber of Commerce
Habitat for Humanity of Jacksonville
Harlem Commonwealth Council, Inc.
Help Hospitalized Veterans
Homeward Bound, Inc.
Hospice of Santa Cruz County
Imua Family Services
Indianhead Community Action Agency, Inc.
InsideNGO
Insurance Council of Texas
Inter-Tribal Council of California, Inc.
Interim, Inc.
International Association of Movers
International Society for the Performing Arts
International Society on Thrombosis and Haemostasis
IREX
Japan America Society of Southern California
Japanese American National Museum
Ka Hale Pomaika'i
Kaleidoscope Inc.
Kansas Coalition Against Sexual and Domestic Violence
LA Gay & Lesbian Center
Lanakila Pacific
LeadingAge
Liberty Lutheran
Lifeblood
Lifeblood / Mid-South Regional Blood Center
Lifeworks Services, Inc
Lighthouse Central Florida, Inc.
Literacy Advance of Houston
Local Search Association
Lupus Foundation of America, Inc.
Lutheran Chaplaincy Service
Lutheran Metropolitan Ministry
Lutheran Ministries Media, Inc.
Lutheran Social Services of Illinois
Lutheran Social Services of the National Capital Area
Manito Inc.
MARVA Workshop, Inc.
Masonic Home of Virginia
Maternity Care Coalition
Matrix human Resources
Maui Economic Opportunity, Inc.
Maui Humane Society
Medical Students for Choice
Mental Health America
Monroeville Area Chamber of Commerce
Montefiore
Morrison Hospital Association
MSAE
Museum of South Texas History
NACS
NACUSO
National Association for College Admission Counseling
National Audubon Society
National Guard Association of Texas
National Guard Youth Foundation
National Industries for the Blind
National Multiple Sclerosis Society
New Hope Housing
New York Council of Nonprofits, Inc.
New York Women in Film & Television
NewBridge Services, Inc.
NewView Oklahoma, Inc.
Nokomis East Neighborhood Association
Nonnie Hood Parent Resource Center
Nonprofit Leadership Alliance
North County Lifeline, Inc.
Northwest Food Processors Association
Northwest Leadership Foundation
Ohio Nurses Association
Oncology Nursing Society

ONE Campaign
Optimist Youth Homes and Family Services
Ozone House, Inc.
PANO
Parent to Parent of Miami, Inc.
Pathways -VA
People Serving People
Pima Council on Aging, Inc.
Prince of Peace Lutheran Church Burnsville
PROJECT HOSPITALITY, INC
Rancho Santa Fe Foundation
Rapid City Arts Council
RBC Ministries
Recovery Resource Council
Research Foundation of The City University of New York
Residential Care Services, Inc.
Richie McFarland Children's Center
Richmond Volleyball Club
RivierTree Christian Church & School
Rockford MELD
Ronald McDonald House Charities of Greater Chattanooga
Safe Harbor Boys Home & Maritime Academy
SafeHouse Denver
San Diego Blood Bank
Shangri-La Corporation
SightLife
SMC Business Councils
SMILES
SOS Children's Villages Illinois
Southside Community Health Services
SouthSTAR Services
Special Libraries Association
St. Michael's School
Sunnyside Community Services
Texas Association of School Boards
The Adoption Exchange, Inc.
The Arc of Orange County, Inc.
The Campagna Center
The Center for Rural Development
The Clay Center for the Arts & Sciences of West Virginia
The Dayton Foundation
The Delta Institute
The Estates at Carpenters
The Gifford Pinchot Task Force
The San Diego Museum of Art
The Shakespeare Theatre of New Jersey
The SHARE Food Program, Inc.
The Verge Group
Triumph Treatment Services
TSE, Inc.
Turning Point Community Programs
Twin Cities RISE!
U.S. Education Delivery Institute
Ukiah Valley Association for Habilitation
Unitarian Universalist Association
United Way of the Greater Dayton Area
University Commons
Venice Arts
Vera Institute of Justice
Veterans Consortium Pro Bono Program
VISIONS/Services for the Blind and Visually Impaired
Visiting Nurse Association
Vita-Living, Inc.
Voices for America's Children
VSA Texas
WAGS, Inc.
Westerville Area Chamber of Commerce
Women's Voices for the Earth
Women's Foundation of Minnesota
Women's Voices for the Earth
YMCA of Greater Rochester
YMCA of Greater Seattle
YMCA of Metro Atlanta
YMCA of the Greater Twin Cities
YMCA of the USA
Youth Progress Association

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