

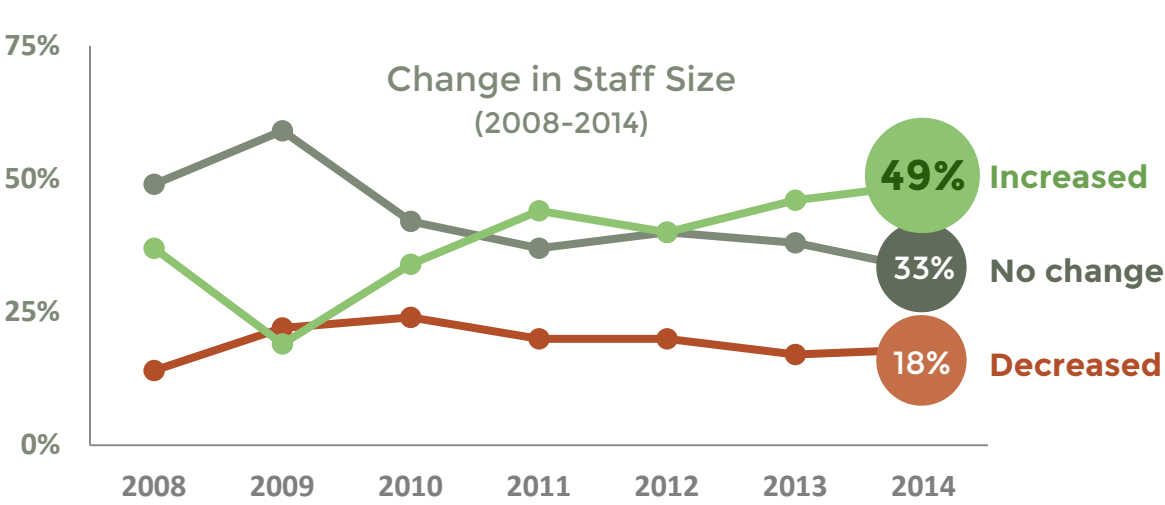
2015

NONPROFIT EMPLOYMENT PRACTICES SURVEY™

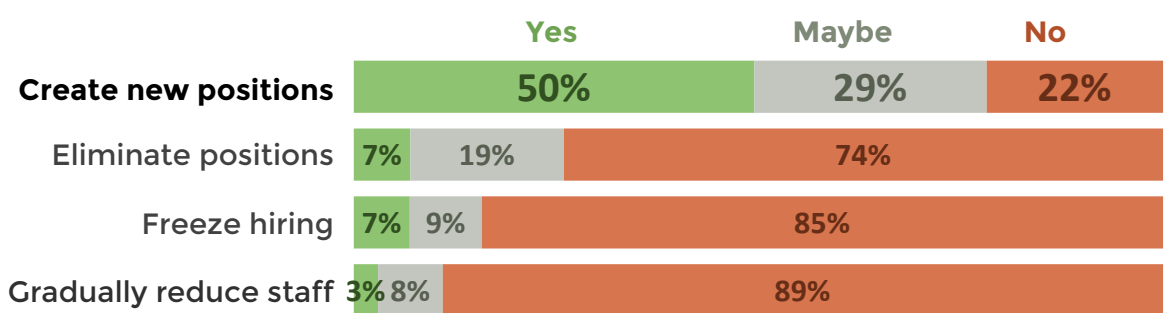
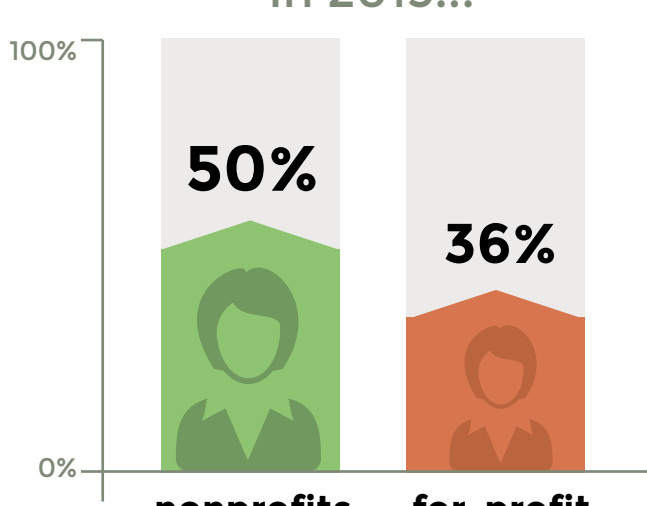
The national Nonprofit Employment Practices Survey has been conducted through a partnership between Nonprofit HR and the Improve Group.

NONPROFITS ARE PROJECTING GROWTH IN 2015 THAT COULD OUTPACE THE CORPORATE SECTOR.

Nonprofits are reporting a growing trend of increasing in staff size



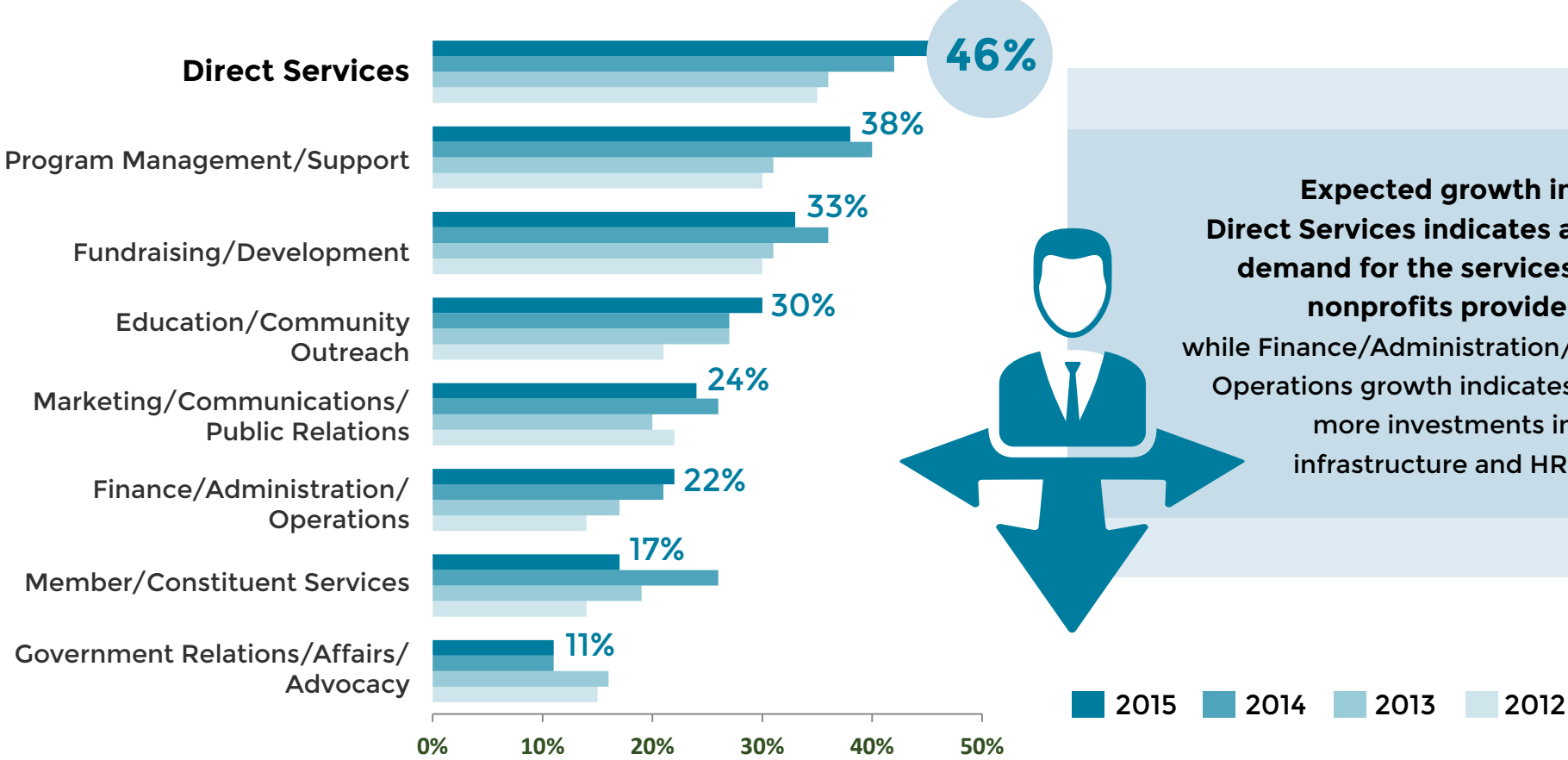
In 2015...



* Career Builder (2014), 2015 U.S. Jobs forecast. <http://careerbuildercommunications.com/pdf/careerbuilder-q1-2015-forecast.pdf>

Nonprofit Sector is the **3rd largest employer in U.S.** with **~2 million nonprofit organizations** employing **10.7 million people** to produce revenue in excess of **\$1.9 trillion**.

Greatest growth expected in the area of Direct Services.



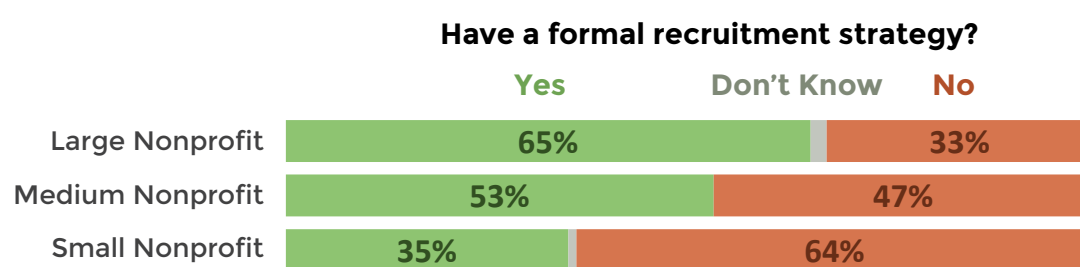
Expected growth in Direct Services indicates a demand for the services nonprofits provide, while Finance/Administration/Operations growth indicates more investments in infrastructure and HR.

AS NONPROFITS CONTINUE TO PROJECT GROWTH, THEY LACK FORMAL STRATEGIES TO ATTRACT TALENT.

1 in 3 Nonprofits report that "hiring" is the biggest staffing challenge.

A majority of nonprofits do not invest the necessary time and effort to ensure that they are recruiting the best talent possible.

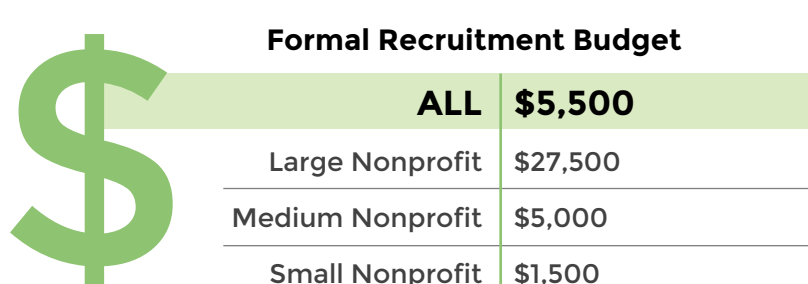
52% do NOT have a formal recruitment STRATEGY



Although it is a common practice in many industries, an overreliance on one's network when searching for prospective talent can negatively impact diversity within an organization

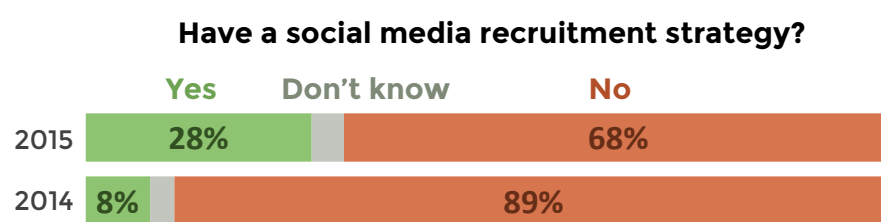
91% of nonprofits reported "using a network of friends and colleagues as one of their primary recruiting sources."

67% do NOT have a formal recruitment BUDGET



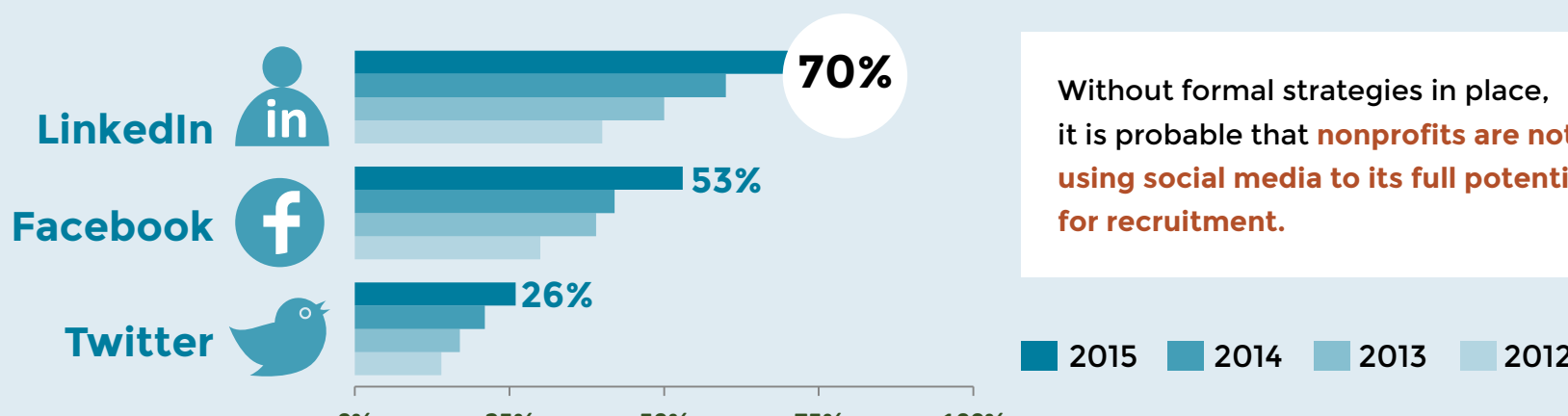
The noticeable lack of key elements - strategy and budget- for recruiting talent remains as 59% of nonprofits report having no plans to change their strategy.

68% of nonprofits do NOT have a social media recruitment strategy



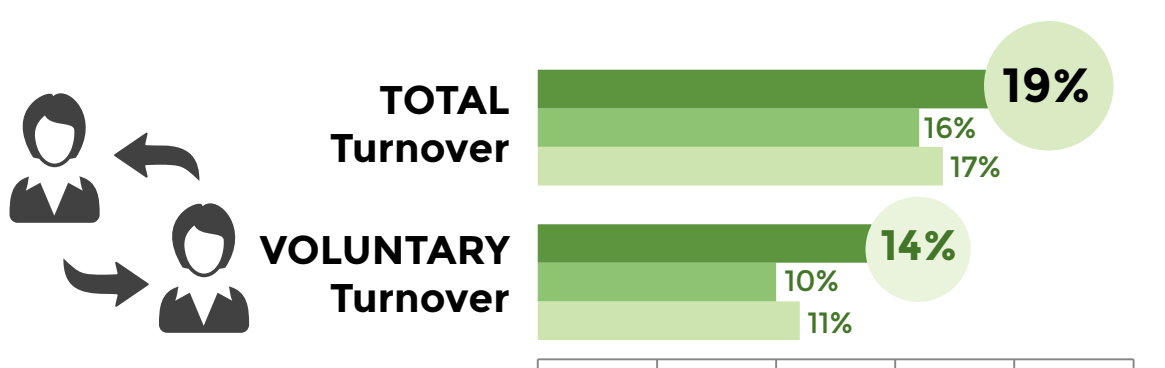
While formal social recruitment strategy is still emerging practice, 2015 saw more than triple the rate of use from 2014, indicating that trend is moving quickly toward formalized strategic use.

Nonprofits are continuing their use of social media for recruitment.



Without formal strategies in place, it is probable that nonprofits are not using social media to its full potential for recruitment.

RETENTION CHALLENGES ARE EXACERBATED AS THE NONPROFIT SECTOR REBOUNDS FROM THE RECESSION.



An increase in the voluntary turnover rate signals employees' increased confidence in the job market.

Inability to pay competitively, inability to promote staff, and excessive workloads are the greatest retention challenges faced by nonprofits.



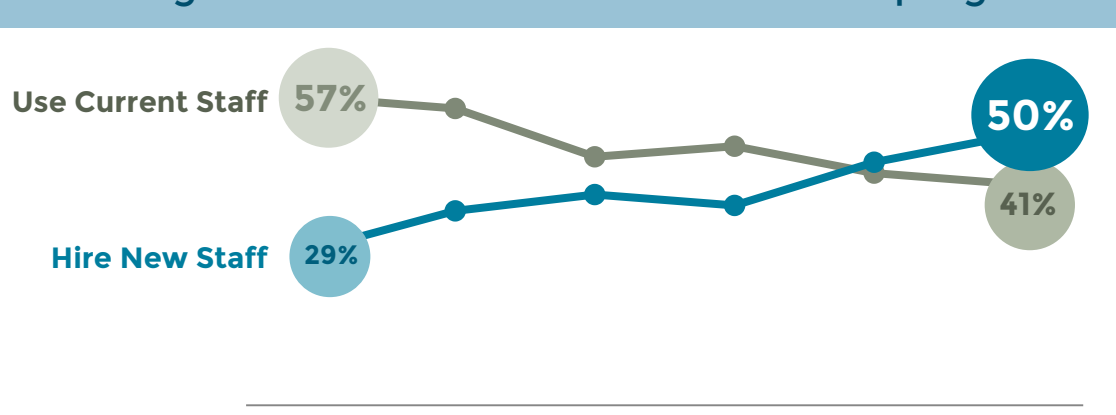
Functional Areas Hardest to Retain
 38% Direct Services
 18% Program Management/Support
 11% Finance/Admin/Operations
 10% Fundraising/Development
 7% Other

Most candidates for senior/executive level positions come from other nonprofits



Employees who see no opportunity for advancement are less likely to stay with the organization. Many nonprofits miss good opportunities to promote their own staff.

Growing trend to hire new staff when new programs and/or initiatives are created.



Large- and medium-sized organizations more frequently find staff for new programs compared to small organizations.

ABOUT THE SURVEY

The nonprofit sector is an often overlooked and important economic driver with its 10.7 million employees making up just over 10% of the nation's private workforce. The 2015 national Nonprofit Employment Practices Survey™ is intended to provide a snapshot of current employment practices and discuss the economic trends of employment practices in the nonprofit sector. This report, which has been produced annually by Nonprofit HR since 2007, includes responses from 362 nonprofits nationwide.

In this year's survey, as in years past, researchers collected information on nonprofit staffing, recruitment, and retention practices, focusing on three key areas: Staff Size and Projected Growth, Recruitment Strategies and Budgeting, and Staffing Challenges

The survey included a mix of multiple choice, rating scale, and short-answer questions to gain context on their current practices and the employment trends they see in the nonprofit sector.

We thank all of the respondents for their participation in this study.

Nonprofit HR is the nation's only human resources firm that works exclusively with nonprofit organizations. Since 2000, the firm has provided human resources consulting and talent acquisition services for organizations supporting advocacy, health and human services, arts and culture, education, the environment, the faith community and more. Nonprofit HR has offices in Washington D.C. and Chicago.