

# Nonprofit Workforce Shortage Survey

## In Kentucky

August 2023

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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. More than fifty Kentucky nonprofits shared insights that provide the substance of this report.

### Key Findings

- Nearly four out of five (78.2%) Kentucky nonprofits completing the survey reported experiencing job vacancies.
- More than half (52.7%) of nonprofits in the Commonwealth responded that they have more vacancies compared to before the COVID-19 pandemic, and two out of five (40.0%) have longer waiting lists for services than in March 2020.
- 79.1% of respondents with vacancies identified program and service delivery as a category with vacancies.
- More than three-quarters (78.2%) of responding organizations said salary competition affects their ability to recruit and retain employees, followed by budget constraints/insufficient funds (67.2%) and stress/burnout (58.2%).
- Nearly three out of four (74.5%) respondents anticipate the amount of donations will decline or remain flat for 2023. A higher percentage (78.2%) expects the number of donors to decline or remain the same this year.

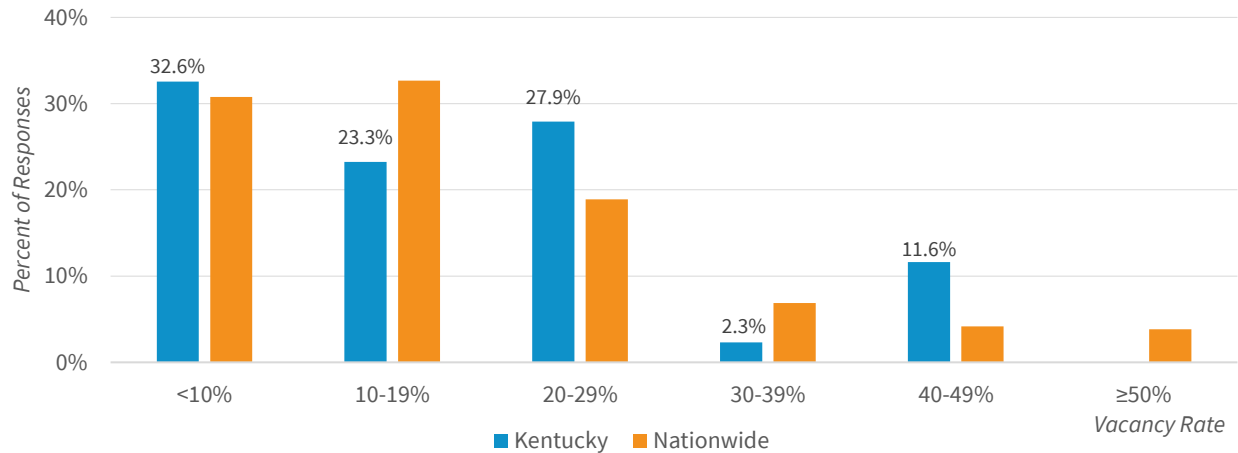
### The Scope of The Problem

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One of the key questions in the survey was, “What is your nonprofit’s current job vacancy rate?” Twelve percent of nonprofits in the Commonwealth said that they did not have vacancies in April 2023. Of the 78.2% Kentucky nonprofits that reported vacancies, nearly a third of nonprofits (32.6%)

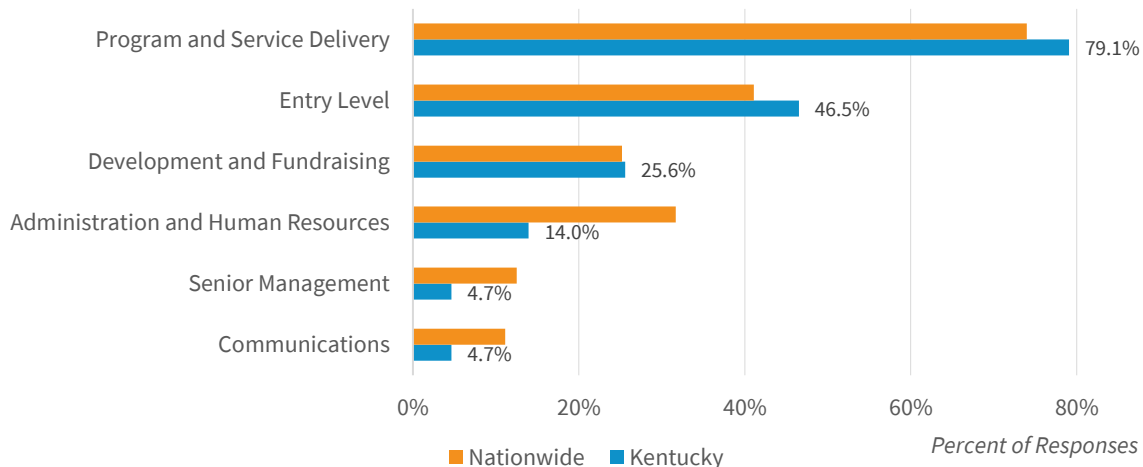
with vacancies shared rates fewer than 9%, while 23.3% responded that their vacancy rates ranged between 10% and 19%. Disturbingly, more than two out of five (41.8%) Kentucky nonprofits reported job vacancy rates of 20% or greater.

**Figure 1: Nonprofits' Job Vacancy Rate in April 2023**  
 Number of Nonprofits that Provided a Vacancy Rate: 43



The job category with the most vacancies is program and service delivery, which affects 79.1% of Kentucky nonprofits that reported vacancies. Nearly half (46.5%) of Kentucky nonprofits also reported vacancies in entry level positions. Vacancies in development and fundraising impact one-fourth (25.6%) of organizations, while 14.0% of nonprofits in Kentucky that reported vacancies cannot fill administration and human resources positions. Other categories reported are in child care, construction, AmeriCorps members, and maintenance.

**Figure 2: Nonprofit Job Categories with Vacancies in April 2023**  
 Number of Nonprofits that Identified Job Categories: 43



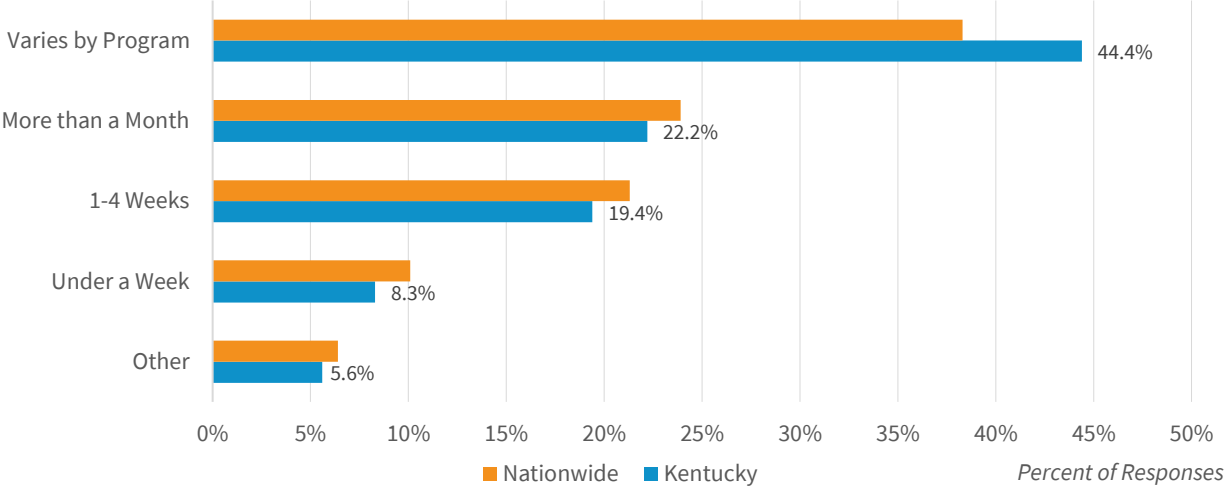
The impact of increased job vacancies is visible in Kentucky’s communities, as demonstrated in comments provided by survey participants. The Henry Clay Memorial Foundation now has limited hours of operation and types of programming that they can offer. A child care provider shared that parents are “not able to work or find quality child care,” and that some of their educators must work

longer days to meet the ratio requirement, which leads to burnout. Another provider observed that families are now trying to find alternative options for child care before and after school. A human services nonprofit shared that access to services has decreased, as well as the organization’s ability to respond to community trauma. A nonprofit that provides 24/7 residential services has been forced to combine homes and ask caregivers to work longer hours.

### 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. Of the 65.4% of Kentucky nonprofit respondents who indicated that they had a waiting list for their services, 44.4% explained that they could not give a time frame for waiting lists because the duration for wait times varied by program. 27.8% pointed to waits of up to a month and 22.2% said that their waiting lists are more than a month long. 19.4% pointed to waits of 1-4 weeks, 8.3% pointed to waits of under a week, and 5.6% pointed to other categories.

**Figure 3: Waiting List for Nonprofit Services in April 2023**



The survey also asked nonprofits to compare their current challenges to prior experiences. More than half (52.7%) of nonprofits in the Commonwealth responded that they have more vacancies compared to before the COVID-19 pandemic, and two out of five (40.0%) 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
<b>Vacancies</b>	More vacancies	52.7%
	Fewer vacancies	3.6%
	No change to vacancies	7.3%
<b>Waiting List</b>	Longer waiting list for services	40.0%
	Shorter waiting list for services	1.8%
	No change to waiting list	16.4%
<b>Other</b>	Other	5.5%
	Did not select an option	21.8%

Nonprofits in Kentucky with waiting lists also elaborated on how they are impacted by increased job vacancies or turnover. A child care provider is concerned about the families on their waitlist because they may not be able to receive services until their organization has more staff. A human services provider has been unable to fill their vacancies, so they have limited outreach efforts. While that has allowed them to avoid a waitlist, it also means there are people and communities not receiving services. A human services provider’s waitlist has increased to three months for most outpatient services when it used to be two weeks at most. Heart of Scottsville’s budget cuts have reduced their staff to one part-time director, which limits their ability to recruit and retain the staff needed to execute their programs.

## Barriers to Nonprofits Retaining and Recruiting Employees

The three leading factors affecting recruitment and retention for Kentucky charitable organizations are salary competition, budget constraints/insufficient funds, and stress/burnout. Respondents also pointed to the time it takes to go through the background check, which slows down hiring and can discourage applicants. Another factor nonprofits cited was the fact that many positions do not allow the option to work from home.

**Table 2: Factors Affecting Nonprofit Recruitment and Retention**

Factor Affecting Recruitment and Retention	Number of Responses	Percent of Responses
Salary competition	43	78.2%
Budget constraints/insufficient funds	37	67.2%
Stress/burnout	32	58.2%
Challenges caused by government grants/contracts	12	21.8%
Other	9	16.4%
Lack of child care	9	16.4%
Not Sure	5	9.1%
COVID-19 and vaccinations	2	3.6%

A human services provider also noted that they have relied on programs like AmeriCorps and Goodwill SCEP, but those programs are also struggling to find qualified applicants, which leaves them without additional support. For a nonprofit professional, their organization’s challenge is to secure stable funding for staff salaries. Another nonprofit had a similar challenge, adding that the lack of unrestricted funding to pay for positions for fundraising and program staff makes it difficult to meet their community’s needs.

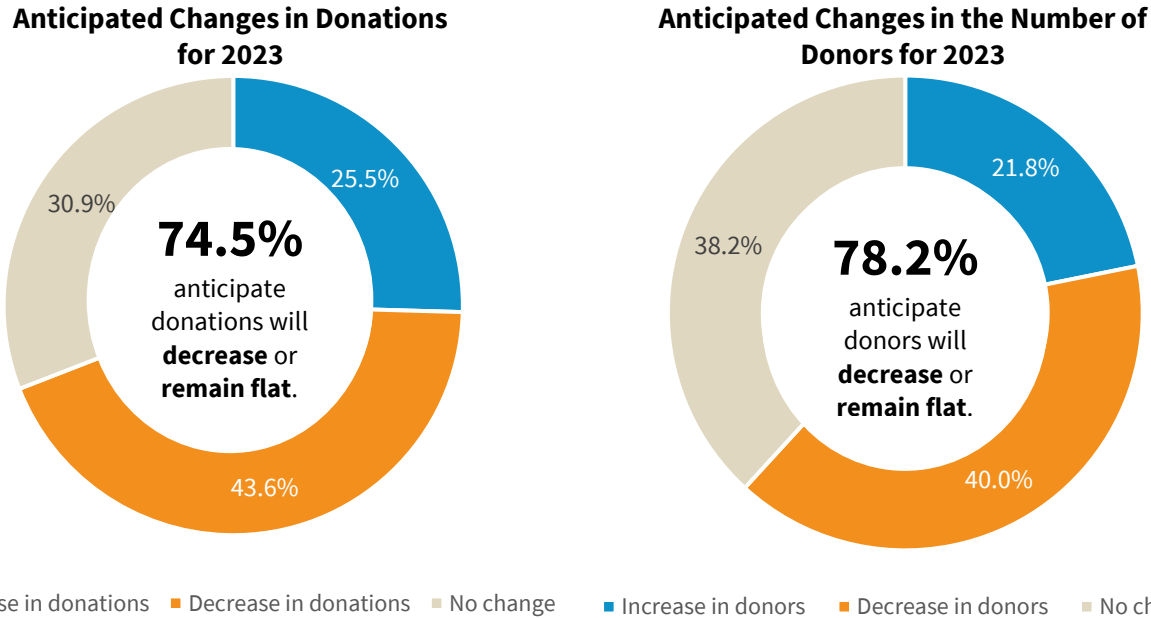
### External Factors Impacting Nonprofits

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

Nearly three out of four (74.5%) respondents anticipate the amount of donations will decline or remain flat for 2023. A higher percentage (78.2%) expects the number of donors to decline or remain the same this year.

**Figure 4: Nonprofits’ Anticipated Changes in Donations and Donors for 2023**



The anticipation by most Kentucky 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. Those Kentucky nonprofits experiencing natural disasters report they mainly led to increased demand for services and increased costs of providing services.

**Table 3: Impact of Natural Disasters on Nonprofits**

Impact of Natural Disasters	Number of Responses	Percent of Responses
Not applicable	35	63.6%
Increased demand for services	11	20.0%
Increased costs of providing services/unbudgeted costs	10	18.2%
Staff impacted by natural disasters	9	16.4%
Building/office damage	4	7.3%
Other	3	5.5%
Unable to provide services	0	0

### 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 expect this to impact their operations. A child care provider acknowledged that the pandemic let them know which systems needed to be upgraded and helped to set guidelines for staff when working with children. The organization is now is worried that once funds run out, they will be forced to rely on tuition because many donors and funding sources no longer offer financial support. An advocacy organization expects their clients to be impacted more than their nonprofits, and that nursing home residents who have not had to recertify their Medicaid eligibility may be at risk of being discharged, thus increasing the number of cases on which their organization works. A human services provider expects that many clients will lose Medicaid insurance, leaving them without services. For a mental health provider, the impact will result in patients losing insurance and being left without treatment for behavioral health issues.

# 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

Kentucky nonprofits have responded to the workforce shortages crisis by increasing salaries, providing remote work options, and offering one-time bonuses. Some provided Diversity, Equity, and Inclusion trainings and strategies, career advancement opportunities, and notified employees about their eligibility for Public Service Loan Forgiveness, among other options.

**Table 4: Practical Solutions Implemented by Nonprofits**

Implemented Practices	Number of Responses	Percent of Responses
Salary increases	37	67.3%
Remote work options (hybrid, full-time, etc.)	28	50.9%
One-time bonuses	23	41.8%
Diversity, Equity, and Inclusion trainings and strategies	19	34.5%
Career advancement opportunities (training, mentorship, etc.)	17	30.9%
Notified employees about their eligibility for Public Service Loan Forgiveness	16	29.1%
Benefits increased (health insurance, transportation, etc.)	15	27.3%
Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.)	13	23.6%
Mental health (expanded benefits, counseling, etc.)	12	21.8%
Signing bonus	10	18.2%
Other	6	10.9%
Not applicable	4	7.3%

## Solutions Proposed by Nonprofits

Kentucky’s frontline nonprofits are utilizing every tool and resource available to assist them in addressing workforce shortages that are impacting their ability to deliver programs and services.

Over 1100 organizations accessed a \$75 million appropriation of Kentucky’s American Rescue Plan Act (ARPA) funds for relief grants. One respondent recommends that any remaining state and/or local ARPA funds be used for hiring purposes. Other Kentucky respondents think lawmakers, philanthropy, and other nonprofit professionals should consider including more unrestricted grant funding to cover “administrative/development staff salaries,” as well as “staff investments/benefits – professional development, etc.” CHNK Behavioral Health suggested increasing “per diem” for state contracts for residential services, continuing federal student loan forgiveness initiatives, and government funding to assist child care facilities and meet affordability needs of families. A human services provider called for more programs that incentivize people to enter fields like social work, especially for positions that require licensing or master’s degrees, given that there aren’t enough people entering the field.

For a nonprofit professional, it is important to elevate the importance of nonprofits and their staff within communities to challenge the misconception that people who work at nonprofits are “less trained and less sophisticated at their role.”

## Top 4 Policy Solutions



Reform Government Grants and Contracts



Adopt Charitable Giving Incentives



Strengthen the Public Service Loan Forgiveness Program



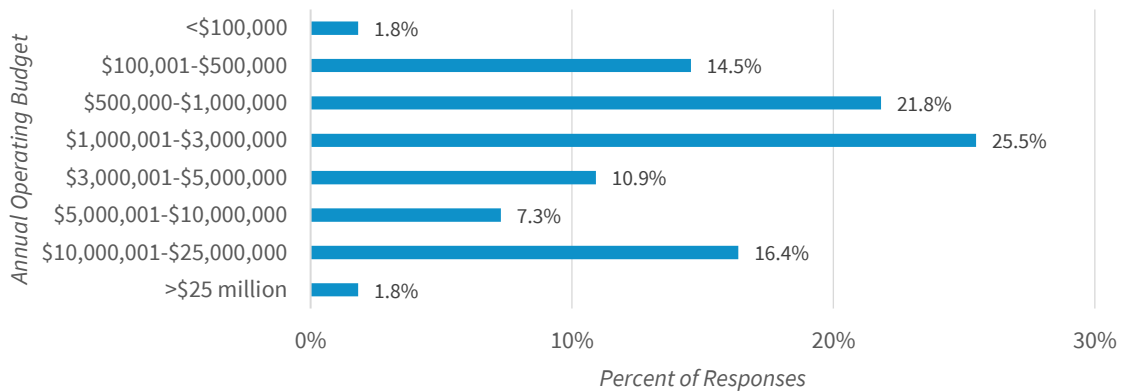
Increase Access & Supports for Affordable Child Care

## 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 made up nearly two-fifths (38.1%) of respondents to the workforce shortages survey. Those with budgets of between \$1 million and \$3 million comprise 25.5% of respondents, and 10.9% of respondents had annual operating budgets that range from \$3 million to \$5 million. Another 25.5% of nonprofits had 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
None of the above	23	41.8%
People with disabilities	17	30.9%
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	14	25.5%
People living in rural communities	12	21.8%
People who identify as LGBTQ+	8	14.5%

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

Subsector	Number of Responses	Percent of Responses
Human Services	13	23.6%
Other	8	14.5%
Mental Health	6	10.9%
Public/Societal Benefit	5	9.1%
Education	4	7.3%
Housing	4	7.3%
Multiple Subsectors	3	5.5%
Child Care	3	5.5%
Arts, Culture, and Humanities	3	5.5%
Community/Civic Engagement	2	3.6%
Healthcare	2	3.6%