RECESSION TAKING A TOLL ON NONPROFIT WORKERS AND PROGRAMS

Nearly 40 percent of nonprofit organizations currently lack adequate staff to deliver their programs and services, according to results of a national survey released today by the Johns Hopkins University Center for Civil Society Studies. Almost a third of organizations reported net reductions in their workforces over the six months preceding the survey (October 2009-March 2010). In contrast, 23 percent reported employment gains during the same period and another 46 percent reported no change, despite facing expanded needs.

This comes on the heels of earlier cutbacks. In a previous Johns Hopkins survey, 34 percent of organizations reported eliminating staff positions and 41 percent postponed filling new positions during the six months between September 2008 and March 2009.

“The pressures on nonprofits have accelerated and are clearly taking their toll,” noted Lester Salamon, report author and director of the Johns Hopkins Center for Civil Society Studies, which conducted this survey as part of its Listening Post Project. “Organizations have shown enormous resilience and commitment to their critical missions, but this has come at a price.”

Workforce reductions are only part of the story. Nonprofits have been forced to take additional actions that impact workers and the ability to deliver critical programs and services. Among responding organizations, over the recent six-month period covered by this survey:

- 49 percent “refined job descriptions,” often a euphemism for increasing employee workloads and assigning the responsibilities of laid-off staff to remaining employees.
- 39 percent implemented a salary freeze, and 36 percent postponed filling new positions.
• Other actions included increasing staff hours (23 percent), cutting or reducing benefits (23 percent), increasing non-program work for program staff (12 percent), and reducing wages (12 percent).

Changes in employment varied significantly by field. Organizations in two of the six fields covered in the survey (elderly services and community and economic development) reported overall employment growth, the former by 0.6 percent and the latter by 5 percent. This was likely a result of continued economic recovery program spending. In contrast, theaters reported job reductions of 6 percent. The remaining three fields also recorded reductions including orchestras (-3 percent), museums (-1 percent), and children and family service organizations (-0.7 percent).

Arts and culture organizations have been particularly hard hit with 56 percent of the theaters and 53 percent of museums reporting inadequate staff to maintain their existing activities.

Survey respondents were also asked about the impact of the recently enacted Federal HIRE Act, which provides exemptions from the employers’ portion of payroll taxes (amounting to 6.2 percent of salaries). Just 15 percent of respondents agreed that the Act would encourage their organization to hire new workers in 2010, while 42 percent doubted that it would encourage their organizations to do so. Many of these felt that the Act simply did not provide enough relief over enough time to affect their ability to take on new workers.

"Nonprofits have been stretched to the breaking point," noted Peter Goldberg, chair of the Listening Post Project Steering Committee and president and CEO of the Alliance for Children and Families. "It is crucial to take steps now to help sustain the vital work of America’s nonprofit organizations."

The 526 nonprofit organizations responding to the Listening Post survey included children and family service agencies, elderly housing and service organizations, community and economic development organizations, museums, theaters, and orchestras.

The full report “Recession Pressures on Nonprofit Jobs” is available online at http://ccss.jhu.edu.
About the project:

The Listening Post Project is a collaborative undertaking of the Center for Civil Society Studies at the Johns Hopkins University Institute for Policy Studies, the Alliance for Children and Families, the Alliance for Nonprofit Management, the American Association of Homes and Services for the Aging, the American Association of Museums, Community Action Partnership, the League of American Orchestras, Lutheran Services in America, Michigan Nonprofit Association, the National Council of Nonprofits, and United Neighborhood Centers of America. Its goal is to monitor the health of the nation's nonprofit organizations and assess how nonprofits are responding to important economic and policy changes. Support for the Listening Post Project has been provided by the Corporation for National and Community Service, the Bill and Melinda Gates Foundation, the Kresge Foundation, the Charles Stewart Mott Foundation, the Rockefeller Brothers Fund, and the Surdna Foundation.