The State of Nonprofit Recruitment

Understanding — and Addressing — the Sector's Talent Challenges

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Nonprofits accounted for 12.8 million jobs in the US in 2022 (the most recent year of available data). That represents a significant portion (9.9 percent) of the country's private workforce. And because they are mission-driven organizations, it does not make them immune to many of the same issues their for-profit brethren face when it comes to human capital.

According to the National Survey of Nonprofit Trends and Impacts—which includes many nonprofits but excludes organizations such as universities and hospitals—has national data that shine a light on these challenges. In 2025, the survey found that 46 percent of staffed nonprofits (with at least one full- or part-time paid employee) had employee vacancies. And while not a true apple-to-apple comparison, 58% of Fortune 500 companies reported new headcount or vacancies in FY24.

Compounding the challenges facing the sector is the increased demand for many of their vital services, which drives longer wait times, reduced services and, in the most drastic cases, elimination of services. These challenges are limited to the program side of the business, development and operations face their own hills to climb. In development, finding alternate sources of funding when the federal government determines your programs to be on the wrong side of a randomly chosen line, businesses are not giving at the same rate given macro-economic uncertainties and even your largest donors are getting squeezed and they are asked to give more and more. If major research institutions like Harvard and Columbia cannot withstand a lack of federal funding, how do you think your local nonprofit will fare?

All of these forces impact human capital. The entire organization is operating at a higher level of stress given funding constraints and increased demand for services. Additionally, according to the National Council of Nonprofits, staffing shortages are often the result of three barriers nonprofits commonly face when trying to recruit and retain employees.

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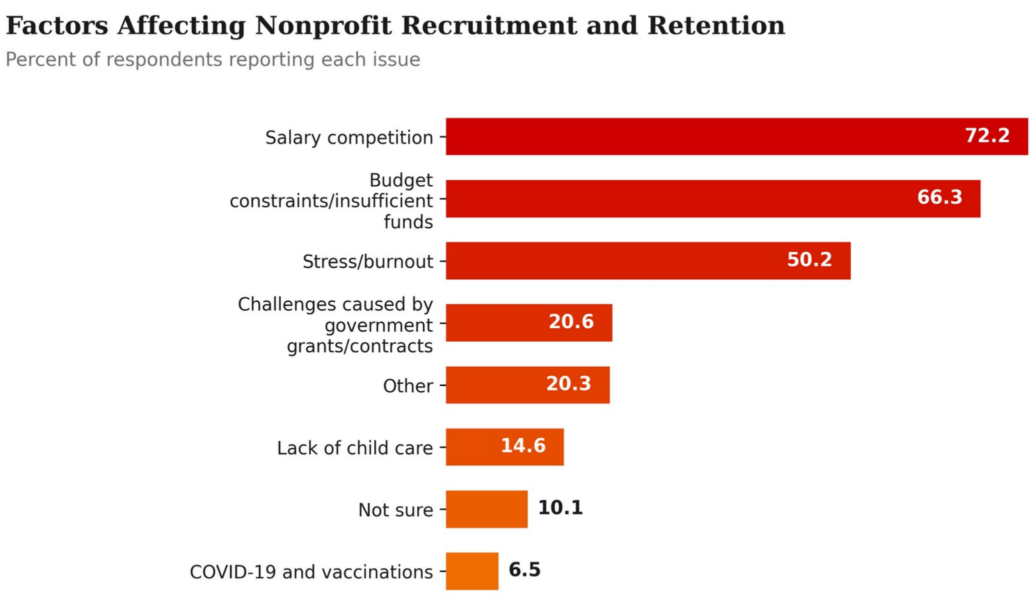
Compensation	**Budget Constraints**	**Stress / Burnout**

While compensation is atop the Fortune 500 recruiting challenges as well, budget constraints and stress are not in the top-10. It is hard to overstate those two factors and their combined impact on our ability to attract and retain talent. When you layer on the fact that nonprofits have never paid particularly well and you have a recipe for human capital challenges. And these challenges are not just impacting client-facing roles, though they have been hard hit, their ripples are felt throughout the organization. According to the Nonprofit Finance Fund, more than half of nonprofits reported having three months or less of cash on hand in 2024, and more than one-third ended 2024 with an operating deficit. These financial pressures can make it hard or impossible for nonprofits to invest in staff compensation and capacity. Additionally, the share of nonprofit leaders who reported in the National Survey of Nonprofit Trends and Impacts that staff burnout was their top concern for their organization doubled from 2024 to 2025, and deeper analysis shows that funding challenges and increasing demand for services drive leaders' concerns.



Source: National Council of Nonprofits, 2023 Nonprofit Workforce Survey Results

What Can We Do?

First, know you are not alone. This question is being asked across the US, in both for-profit and nonprofit organizations and they have some similar solutions.

1. Compensation

Compensation will always be a factor for recruitment and retention. In the past nonprofits have banked on employees being aligned with the mission to make up for any shortfalls in pure compensation, this is proving to be increasingly untrue. With increased pay transparency and increased workload at resource-stretched nonprofits the turnover has increased over the past four years and shows no sign of slowing. Rather than assume they cannot compete on compensation and not try, nonprofit leaders and Boards need to understand the pay gap, acknowledge it and close the gap as realistically as possible so underpayment does not become the norm.

2. Leadership & Employee Development

This is an area where nonprofits can compete on close to equal footing. While you may not have the technology-based online learning platforms, what you can have is a dedicated leadership team leaning into personalized development plans for managers, who, in turn do it for their direct reports. If you are facing a skills gap, this is a great place to leverage your existing Board members or recruit additional Board members with specific skills who will donate sweat-equity to organization. Managers should receive formal management training with structure and a built-in feedback loop which includes accountability on retention, employee satisfaction, hiring quality and development. Invest in your team of managers and you will receive the return in human capital throughout the organization. *There is an old saying in HR that people do not leave companies, they leave managers.*

3. Culture Over Burnout

Create a culture of collaboration and sustainability as opposed to a burnout culture. We have all worked late nights, over weekends and missed personal engagements for our jobs, it is a part of the commitment. But when that becomes a regular occurrence, rather than the infrequent sacrifice, leadership is betting that dedication will overcome the burnout. It will not. In this age of increased transparency, which includes compensation, benefits, work-life balance and social media posts (some of which are disingenuous and designed to increase your FOMO), you are fighting an uphill battle to retain employees who are asked to continually sacrifice in the name of the mission. Building a culture of sustainability and collaboration is not about lower your standards or working less, it is about setting up guardrails which prevent unnecessary burnout. The late night or weekend emails. Any limits on vacation days. Extraordinary demands on your time. These should all be communicated as soon as possible. Tell your employee you will be working late tonight to catch up on emails, so they will see some after-hour messages but assure them they do not have to reply as soon as they receive it. Predict when the heaviest workload will be on the horizon and raffle vacation days during that time so you are covered. The same for seasonally heavy workload. We all have it, be open about it and prepare yourself and your team to better adjust to it.

These are things which can be done with little budget adjustment but show that you are invested in the well-being of your team and will help with recruitment and retention.