



A joint project of the Center for Civil Society Studies at the Johns Hopkins Institute for Policy Studies in cooperation with the Alliance for Children and Families, Alliance for Nonprofit Management, American Association of Homes and Services for the Aging, American Association of Museums, Community Action Partnership, League of American Orchestras, Lutheran Services in America, Michigan Nonprofit Association, the National Council of Nonprofits, and United Neighborhood Centers of America

COMMUNIQUÉ No. 19

Recession Pressures on Nonprofit Jobs

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Introduction

Recent unemployment and jobs statistics reveal huge challenges for our nation: 15 million Americans are still out of work, and the number who have been jobless six months or more has reached a record high of 6.8 million. Moreover, the private sector created just 41,000 new positions in May, far short of expectations for 150,000 to 180,000 jobs.¹

But what does this mean for the nation's nonprofit sector, which is the fourth largest employer of all the nation's industries, behind only retail trade, manufacturing, and food services?² Anecdotal evidence suggests a steady loss

of nonprofit employment amid alarming predictions of the disappearance of 100,000 organizations.³ However, other available data suggest that nonprofit employment has grown or at least held steady during the current recession, with the notable exception of the arts and culture field.⁴ Could it be that the aggregate figures are driven by the performance of a relatively small number of large organizations? Or has the stimulus bill shielded nonprofits from the most severe effects of the recession, at least until recently? More generally, what impact is the recession having on the nonprofit workforce and on the ability of nonprofits to respond to

¹ See the Bureau of Labor Statistics' May 2010 Employment Situation Summary, available online: <http://www.bls.gov/news.release/empsit.nr0.htm>, and the *New York Times*' "Job Data Casts Pall over Economic Recovery," 6/4/10.

² Based on the most recent data available from the Federal Bureau of Labor Statistics through the Quarterly Census of Employment and Wages (QCEW) (2006).

³ For example, recent reports in the *Chronicle of Philanthropy* highlight layoffs at a wide range of nonprofit organizations including the Chicago Art Institute (see <http://philanthropy.com/blogPost/In-the-Arts-Chicago-Art-In/24298/>), the nonprofit hospital group, Pen Bay Healthcare (see <http://philanthropy.com/blogPost/Nonprofit-Health-Care-Organ/23342/>), and a charity focused on helping gang members, Homeboy Industries (see <http://philanthropy.com/blogPost/Group-That-Helps-Former-Gan/24055/>). For more on the prediction of the disappearance of 100,000 nonprofits, see Paula Wasley, *100,000 Nonprofit Groups Could Collapse in Next Two Years, Expert Predicts*, in the *Chronicle of Philanthropy*, 11/27/08 (Available online: <http://philanthropy.com/article/100000-Nonprofit-Groups-Could/56951/>).

⁴ See, for example, the two recent reports of the Johns Hopkins Nonprofit Economic Data Project, which are based on systematic data generated by state employment information agencies as part of the Bureau of Labor Statistics' Quarterly Census of Employment and Wages: Lester M. Salamon and Stephanie Geller, *Nonprofits and Recessions: New Data from Maryland* (January 2010) and Lester M. Salamon and Stephanie Geller, *Maine Nonprofit Employment Update* (March 2010), both available online at: <http://www.ccss.jhu.edu/index.php?section=content&view=16&sub=104&tri=99>. According to these reports, nonprofit employment in Maryland grew by 2.7 percent and in Maine grew by nearly 2.0 percent between the fourth quarters of 2007 and 2008. Other reports on the impact of the recession on nonprofits have tended to focus on finances rather than employment. See, for example, the Nonprofit Finance Fund's 2010 State of the Nonprofit Sector Survey, available online at <http://www.nonprofitfinancefund.org/docs/2010/2010SurveyResults.pdf>.

expanding needs? And what relief is the recently enacted HIRE Act likely to bring to nonprofit employment?⁵

To answer these questions, the Johns Hopkins Nonprofit Listening Post Project conducted a Sounding, or survey, of its nationwide sample of over 1,100 nonprofit organizations in four key fields (children and family services, elderly housing and services, community and economic development, and the arts) in early April 2010. Respondents were asked to report on their experience over the previous six months, i.e., from October 2009 through March 2010. Altogether, 526 organizations responded, producing a response rate of 46 percent, which is quite high for the nonprofit field, particularly at a time of economic hardship.⁶

Two key findings emerge from this Sounding:

1) The financial battering and increased demands nonprofits are experiencing in the current recession are taking a serious toll on both their crucial human resources and their ability to deliver vital programs and services; and yet,

2) Nonprofits have displayed enormous resilience and a strong commitment to their critical missions in the face of the lingering recession, with most organizations holding employment steady or actually adding staff in recent months, though even many of these are finding it difficult to maintain existing services.

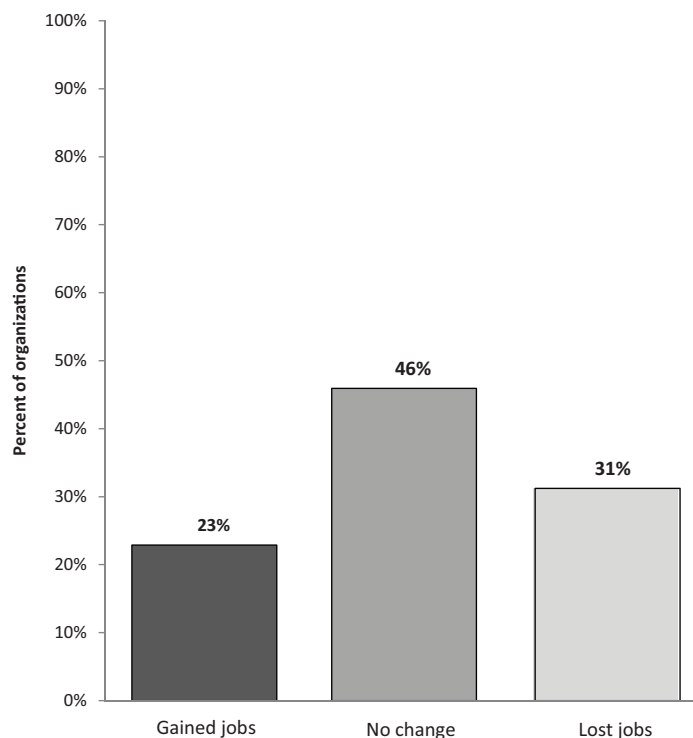
In the balance of this Communiqué, we review the evidence our Sounding provides in support of these twin conclusions.

Evidence of Significant Strain

Workforce reductions. From the data available to us, it is clear that nonprofit organizations are experiencing significant strains as a result of the sharp recession. In particular:

- As Figure 1 shows, a substantial 31 percent of the respondents reported reductions in their workforces between October 2009 and March 2010, while just 23 percent reported net gains.

Figure 1: Net changes in staffing between October 2009 and March 2010 (n=423)



Source: The Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010

⁵ Unlike other job promotion bills under consideration in recent months, the Hire Act provided assistance through relief from payroll taxes, rather than income taxes, from which nonprofits are exempt.

⁶ The data reported here come from the latest Listening Post Project Sounding, which was fielded March 31-April 16, 2010 to the project's two national panels of nonprofit organizations on the front lines of nonprofit operation: (1) a "directed sample" of children and family service agencies, elderly housing and service organizations, community and economic development groups, museums, and orchestras recruited from among the members of major nonprofit intermediaries operating in these fields (i.e., the Alliance for Children and Families, American Association of Museums, American Association of Homes and Services for the Aging, Community Action Partnership, League of American Orchestras, Lutheran Services in America, the former National Congress for Community Economic Development, and United Neighborhood Centers of America); and (2) as a check on any possible distortion that this sampling strategy may have introduced, a "random sample" of organizations in these same basic fields selected from IRS listings of agencies or more complete listings suggested by our partner organizations where they were available. In addition to the two national samples, the project has started to build a set of state nonprofit Listening Post samples beginning with members of the Michigan Nonprofit Association and including a parallel sample of Michigan nonprofit organizations in the same fields chosen randomly from IRS listings. Because the Michigan respondents are over-represented in the overall sample, their results were weighted to offset this, and the weighted results are reported throughout. Altogether, 526 organizations, or 46 percent of those that received the Sounding, responded. It is also important to note that 25 percent of the respondents reported revenues of under \$500,000, which is far lower than the share of small organizations in the nonprofit sector overall. While the results may not be fully representative of the organizations in these fields, therefore, they are far more representative of the bulk of the activity, which tends to be concentrated in the larger organizations. In addition, the inclusion of a significant number of small organizations in the sample makes it possible to determine whether, and how much, their experience differs from that of larger nonprofits, and these size differences are reported throughout where they are substantial. For further detail on the sample composition, see Appendix A.

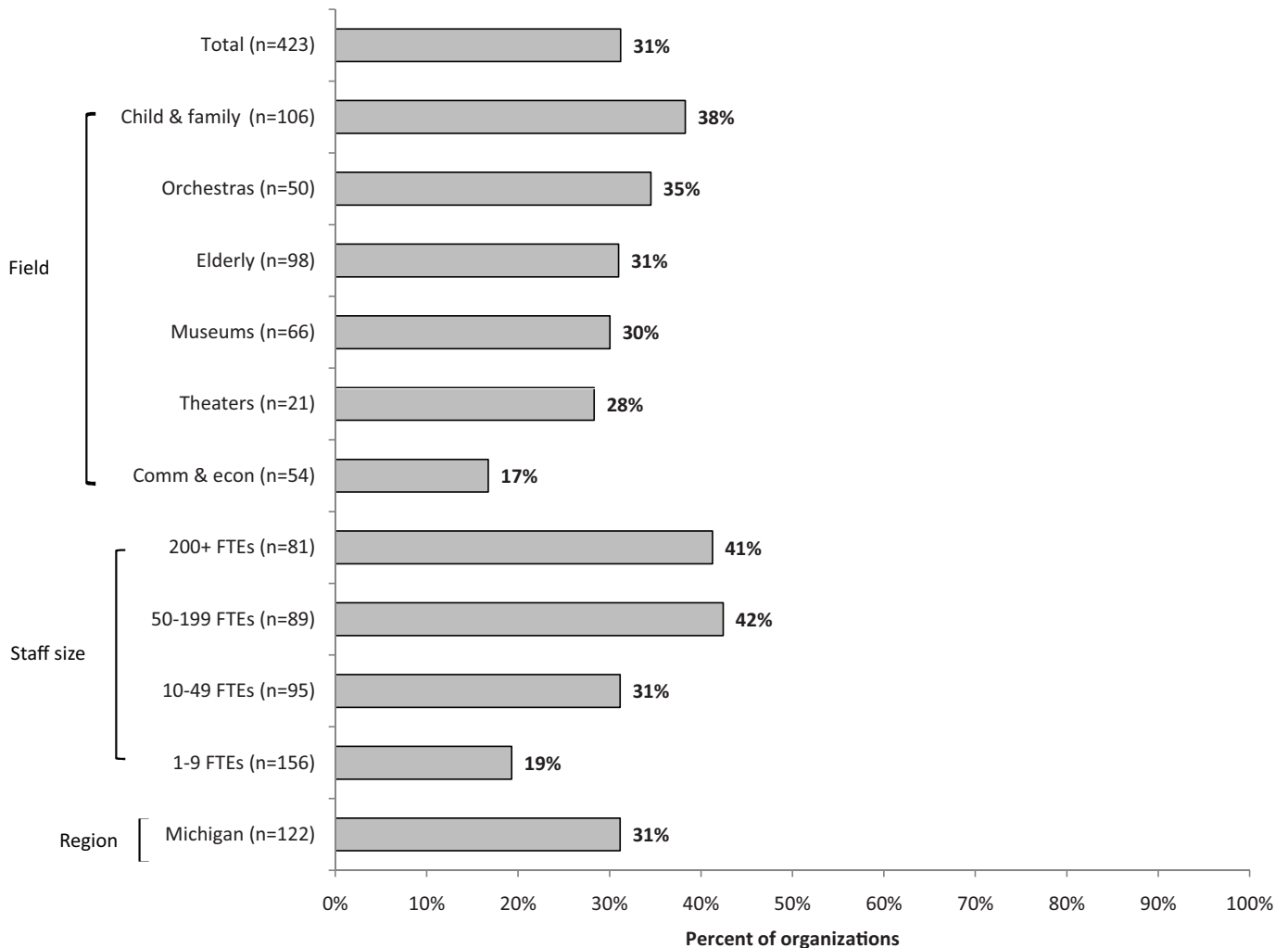
- The share of organizations experiencing such losses was even higher, however, in some fields and size classes, as shown in Figure 2. Thus:

- Orchestras and children and family service organizations were especially hard hit, with 35 and 38 percent of these organizations, respectively, reporting job losses during this period.
- Contrary to widespread assumptions, larger organizations were considerably more likely to experience job losses than smaller organizations. Thus, over 40 percent of the organizations with 50 or more employees suffered job losses during this October 2009 to March 2010 period compared to 31 percent of organizations

with 10 to 49 employees and 19 percent of organizations with 1 to 9 employees.

- Moreover, since the recession has increased the demand for critical nonprofit services among individuals, families, and communities, even the organizations that have avoided job losses are likely feeling significant strains as they are being called on to do more without additional resources. Demonstrating this, among the 46 percent of respondents that reported no net job losses or gains over the previous 6 months, nearly 40 percent indicated that they lack adequate staff to deliver their programs or services, and another 4 percent noted that they have only been able to deliver their programs or services through the assistance of new volunteers.

Figure 2: Nonprofit job losses over the past 6 months



Source: The Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010

• **Extent of employment changes by field and size.** Not surprisingly, the relative size of the employment shifts also varied:

- Since a one person reduction represents a 10 percent decline in employment in an organization with only 10 employees and a 1 percent decline in an organization with 100 employees, the percentage change in employment levels was naturally higher among the smaller organizations than the larger ones, as shown in Figure 3. Thus, while fewer small organizations reported employment declines, the overall percentage decline in employment among this group of organizations was considerably higher than for the sample as a whole (6 percent reduction vs. an 0.4 percent increase for all respondents).
- Children and family service organizations, museums, orchestras, and theaters also recorded overall reductions in employment during this period ranging from

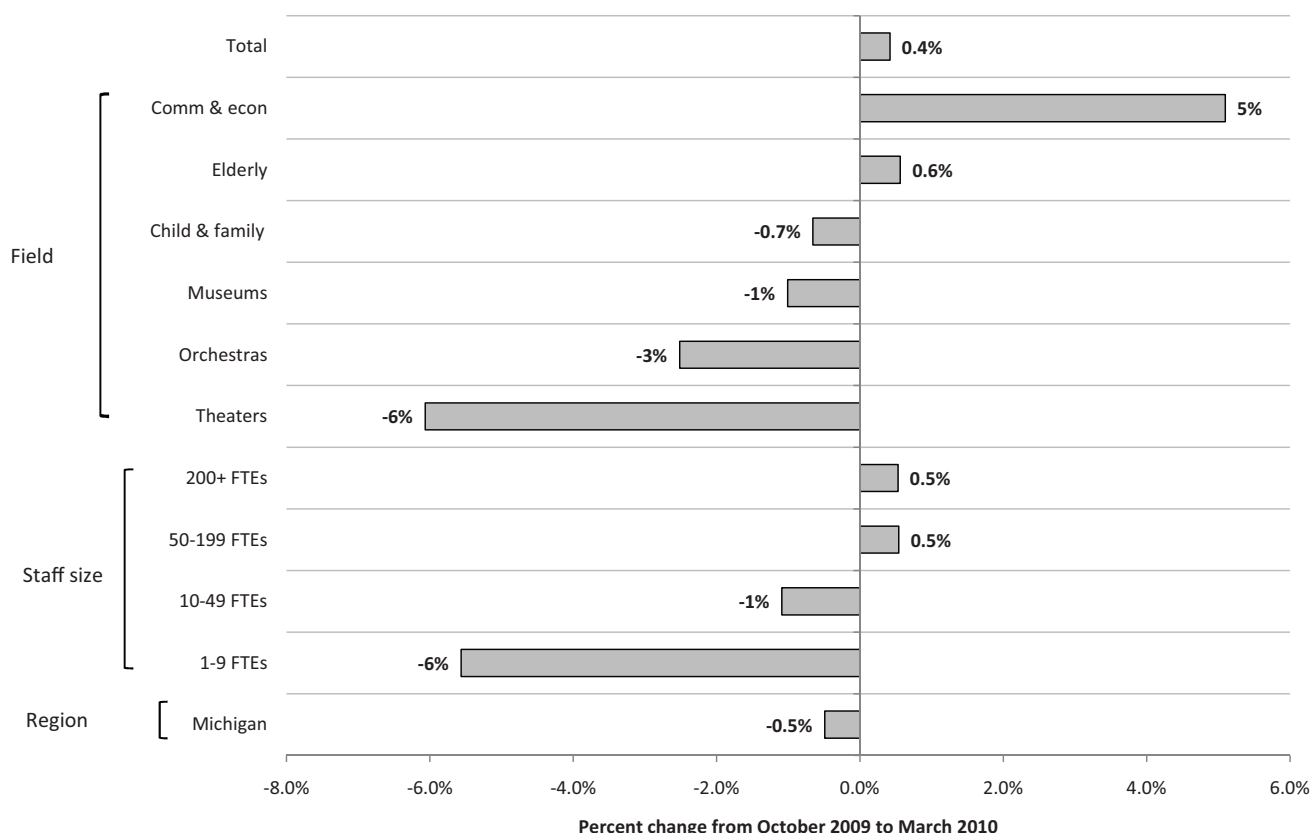
0.7 percent in the case of children and family agencies to a full 6 percent in the case of theaters.

- On the other hand, community and economic development organizations and elderly service organizations reported overall growth, the former by a robust 5 percent, in all likelihood the product of continued economic recovery program spending.

• **Other workforce strains.** Beyond reducing their workforces, even larger proportions of respondents have had to take other steps that are placing serious strains on their employees and, in many cases, on their ability to deliver their mission-critical programs and services. As evidence of this, over the previous six months alone:

- Nearly half of all respondents (49 percent) refined job descriptions, often a euphemism for increasing employee workloads and assigning the responsibilities of laid-off staff to the remaining employees.

**Figure 3: Employment growth from October 2009 to March 2010
by field, staff size, and region (n=516*)**

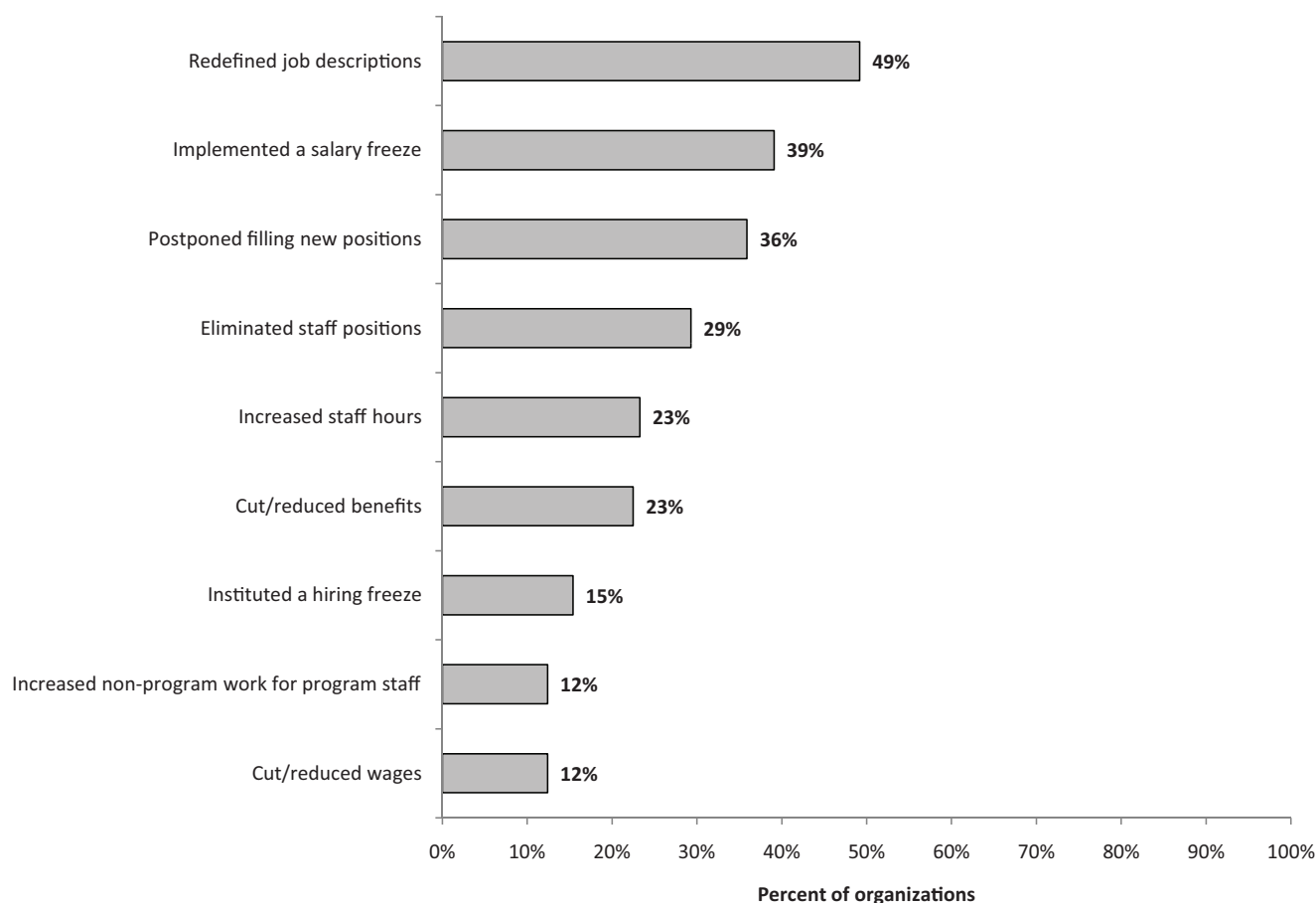


*The N reflects calculations performed on the unweighted sample

Source: The Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010

- Nearly 40 percent of all respondents implemented a salary freeze and 36 percent postponed filling new positions.
- Substantial numbers of organizations also took other types of action, including increasing staff hours (23 percent) and cutting or reducing benefits (23 percent).
- Comments such as the following capture the concern over staff burn-out that nonprofit executives are feeling as a result of these changes:
 - “Our state has one of the highest unemployment rates in the nation. Demand for our services—affordable housing—is exploding, but we’ve had to cut our staff by 25 percent in the last two years. Remaining staff is burning out trying to maintain services.”
 - “We can deliver our programs but our leaders are working 14 hours a day to accomplish it and our part time workers are volunteering many extra hours beyond those contracted. It’s a burnout situation.”
 - “Expectations of staff continue to increase. The work is more difficult: levels of acuity of client need increases; regulatory and contractual demands also always increase as dollars become more precious.”
 - “The staff feels demoralized as we were on furlough for a week last year, no raises for the last 2 years, increased work load without any comp time or compensation.”
- These findings are particularly troubling as they come on the heels of significant staff losses and other severe human resource-related cutbacks over the previous year. Thus, for example, a Listening Post Sounding conducted

Figure 4: Increased demands on nonprofit employees from October 2009 to March 2010 (n=423)



Source: The Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010

in the spring of 2009 found that a third or more of all respondents postponed filling new positions (41 percent), reduced or eliminated programs (39 percent), eliminated staff positions (34 percent), and redefined job descriptions (33 percent) between September 2008 and March 2009.⁷ Comments provided by respondents to the current survey reflected this:

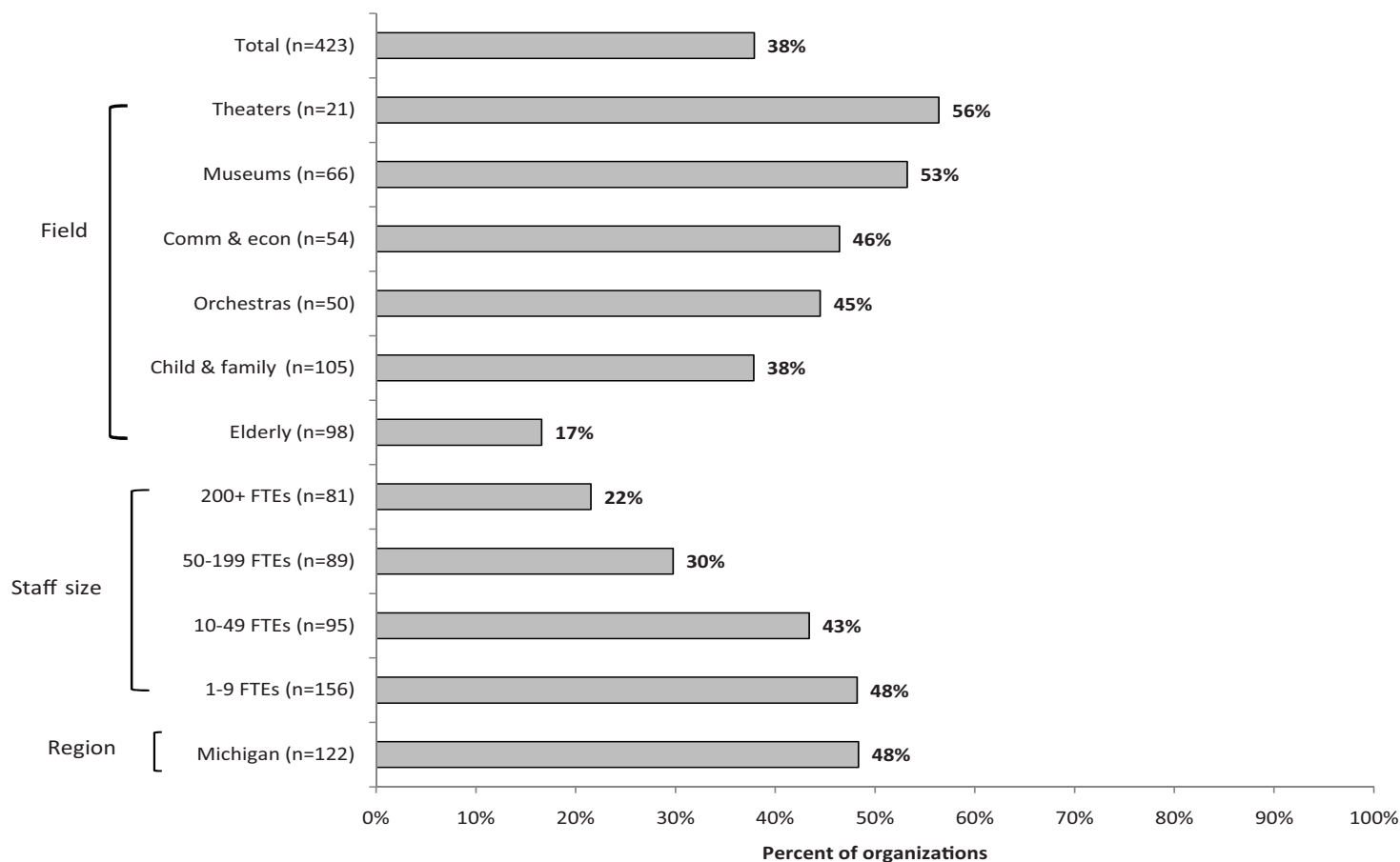
- “We took severe austerity measures over the past 2 1/2 years, but that all happened prior to 6 months ago,” noted one. “Our staff is greatly reduced: we’re down about 28 percent from 2 years ago.”
- “Our interventions occurred late in 2008 and early in 2009,” noted another. “We eliminated about 40 FTEs,

reduced hours, cut management and some worker salaries by 6 percent, and reduced hourly employees’ hours.”

- **Impact on programs and services.** Perhaps most significantly, these changes are beginning to affect the ability of organizations to carry out their functions. In particular, as noted in Figure 5:

- Nearly 40 percent of respondents indicated that they currently lack adequate staff to deliver their programs and services. This is particularly troubling news in light of the increased stress that families and communities are feeling as a result of the ongoing recession.

Figure 5: Share of nonprofits lacking adequate staff to deliver programs/services



Source: The Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010

⁷ Similarly, a recent Nonprofit Finance Fund survey found that sizeable proportions of nonprofit respondents froze hires and salaries (48 percent), reduced/eliminated programs (36 percent), and reduced staff or salaries (35 percent) in 2009. For additional details, see the Nonprofit Finance Fund’s 2010 State of the Nonprofit Sector Survey, available online at <http://www.nonprofitfinancefund.org/docs/2010/2010SurveyResults.pdf>.

- Arts and culture organizations and the smallest organizations report the most severe strains in maintaining their activities, with over 50 percent of the theaters and museums reporting lack of staff to maintain their existing activities.
- Community and economic development groups, orchestras, and family and children service agencies are not far behind, however, with anywhere from 38 to 46 percent of these organizations also reporting difficulties maintaining their existing services.
- Michigan respondents were more likely than their counterparts operating in other parts of the nation to indicate that they lack adequate staff to deliver their programs and services (48 percent vs. 38 percent). This variation may be related to organizational size (as illustrated in Appendixes A-2 and A-3, the Michigan sample included a higher proportion of small organizations than our national sample) and the severity of economic conditions in the state (see Appendix B-1 for further details by field, size, and region).
- As highlighted above, some of these differences are likely due to governmental programs that have buffered certain nonprofit fields from the full impacts of the recession. Thus, for example, while billions of recovery fund dollars were directed to human service fields, arts and culture organizations received just \$50 million.⁸
- This was not, moreover, the result of increases in only a handful of the largest organizations. To the contrary, nearly one-fourth (23 percent) of all respondents managed to add jobs, and nearly half (46 percent) were able to maintain their current level of employment over the previous six months, compared to the 31 percent of all respondents that experienced net job losses.
- What is more, the vast majority of respondents (78 percent) expect to keep employment levels constant (50 percent) or to add workers (28 percent) over the next six months, though, as noted earlier, this needs to be interpreted in light of the expanding need for nonprofit services.
- As noted in Table 1, these results confirm earlier findings of the Johns Hopkins Center for Civil Society Studies suggesting that nonprofit organizations are a counter-cyclical force in the economy, actually adding workers in times of economic downturn.¹⁰ Arts and culture organizations are an important exception to this trend, however.

Table 1: Nonprofit vs. for-profit employment trends in recession and non-recession years			
	Recession Years (1990-1991) (2001-2002)	Non-Recession Years	All Years (1990-2006)
Nonprofits	2.38%	2.37%	2.37%
Educational services	2.10%	2.97%	2.86%
Health	3.24%	2.08%	2.22%
Social services	3.66%	4.41%	4.32%
Arts, entertainment, and recreation	-1.27%	0.62%	0.39%
Other, except government	-0.06%	1.67%	1.45%
For-profits	-2.22%	1.78%	1.07%
Source: Nonprofit Almanac 2008 and Bureau of Labor Statistics Quarterly Census of Employment and Wages.			

A Picture of Resilience

Despite the pressures they are under, the nonprofit respondents nevertheless exhibited striking resilience, a testament to their strong commitment and passion for their missions. As evidence of this:

- First, far from declining, overall employment among our responding organizations actually increased by 0.4 percent between October 2009 and March 2010. This contrasts with the overall 0.4 percent decline in all private jobs in the country and the 0.1 percent decline of jobs in service-sector firms.⁹

⁸ Among other things, nonprofits benefited from the \$87 billion in extra spending the Recovery Act contributed to the Medicaid Program and the funding it provided for weatherization initiatives. For further details on the availability of stimulus funds by field, see the National Council of Nonprofit's *Economic Stimulus & Recovery Special Report, Number 1* (2009). Available online: <http://www.councilofnonprofits.org/sites/default/files/Special%20Report%201%20-%20Overview%20%28Feb%2023%20FINAL%29.pdf>.

⁹ Employment figures were constructed from payroll data provided by Automatic Data Processing, Inc. (ADP), Macroeconomic Advisers, LLC, and the Bureau of Labor Statistics as represented in the ADP *March 2010 National Employment Report*.

¹⁰ Proving additional evidence of this, recent Johns Hopkins Center for Civil Society Studies' employment reports focused on the states of Maryland, Maine, and Texas all reveal that the nonprofit sector experienced employment growth despite the ongoing recession. For additional details, see <http://www.ccss.jhu.edu/index.php?section=content&view=16&sub=104&tri=99>.

Confronting the Future

More generally, despite the pressures they are under, nonprofit executives remain cautiously optimistic about the future and determined not to succumb to the current difficulties. To the contrary, they continue to innovate, finding creative ways to cope with the challenges they are confronting.

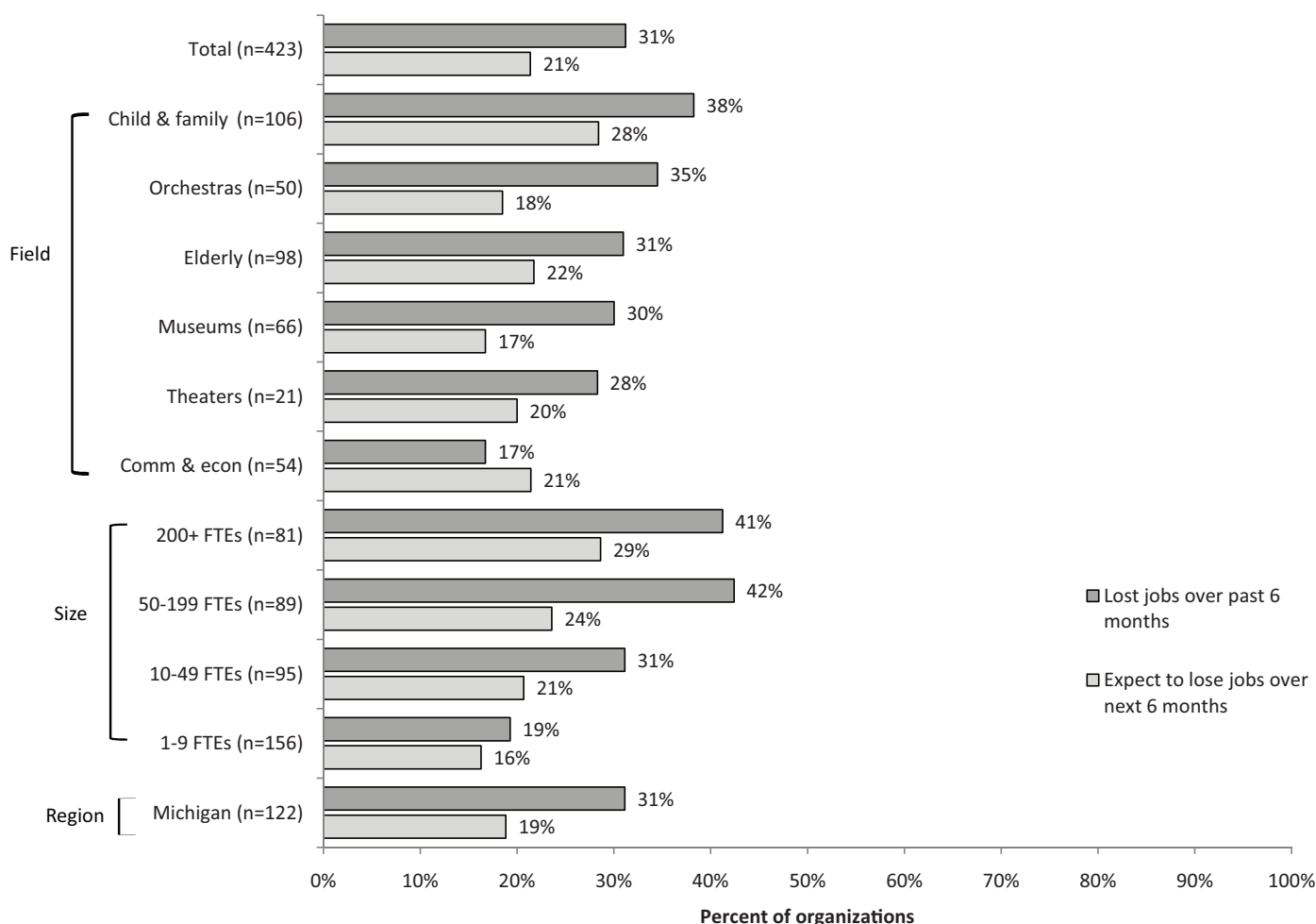
• **Future expectations.** Evidence of this can be seen in nonprofit leaders' expectations about the future. In the face of predictions of continued economic stress and state budget shortfalls, a considerably smaller proportion of respondents are expecting to lose workers over the next six months than they did over the past six months (21 percent vs. 31 percent), and this holds for almost all fields and size classes.

- Thus, for example, while 28-35 percent of theaters, museums, and orchestras lost workers over the past six months, just 17-20 percent expect to do the same over the next six months.

- The one exception is the community and economic development field, where 21 percent of responding agencies expect to lose workers over the next 6 months, compared to just 17 percent that lost workers between October 2009 and March 2010. This likely reflects the exhaustion of the additional resources pumped into this field through the 2009 American Recovery and Reinvestment Act.

• **Coping strategies.** In addition to the staff readjustments identified earlier, organizations have also developed a variety of additional coping strategies to make sure the

Figure 6: Nonprofit job losses compared to expectations for the next 6 months



Source: The Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010

current economic pressures do not impede their ability to deliver their programs/services or respond to growing needs.

- Two key strategies being employed by significant proportions of respondents include increasing reliance on volunteers (34 percent) and increasing reliance on contract or part-time workers (29 percent). These strategies were especially common within the arts fields. Thus, well over half of all museum, orchestra, and theater respondents increased their reliance on volunteers, compared to just 17-32 percent of their human service and community development counterparts. In addition, 42-51 percent of arts respondents increased their reliance on contract and part-time workers, compared to just 15-28 percent of those in other fields.¹¹
- Moreover, five percent of all respondents noted that they lost staff but managed to add enough volunteers to deliver their full programs/services.
- Opinions differed, however, about how effective increasing reliance on volunteers really has been.
 - According to one respondent: “While we struggle to meet the growing demands of clients and their increased needs, our staff and volunteers work together to accomplish the tasks at hand. This is an opportunity to engage in team work or not. As the Director, I am thankful that we have learned to appreciate the various gifts and talents of staff and volunteers.”
 - Other respondents, however, emphasized that volunteers were imperfect substitutes for full-time staff. As these respondents explained:
 - “The majority of our work cannot be performed by volunteers. While we have engaged more contractual individuals there is not the same level of dedication to the mission or deep understanding of our work.”
 - “In our organization the use of volunteers is limited. We do use student interns but they require extensive oversight.”
 - “We have added volunteers to support services and staff, but they do not have the capacity (e.g., skills, time) to replace professional staff.”

- **Other innovations.** Sizable proportions of organizations pursued a variety of other approaches, including new programs and new funding streams. Thus, over the six months covered by our survey:

- Nearly a third of all respondents (31 percent) managed to add or expand programs to meet increased need, far more than the proportion that reduced or eliminated programs (18 percent);
 - More than a quarter of all respondents created new positions (27 percent); and
 - Eighteen percent of all respondents managed to increase staff benefits or wages.
- While our survey did not directly examine other successful coping strategies, some respondents’ open-ended comments shed some light on this topic. In particular, respondents attributed their ability to maintain and/or grow their programs and services to a wide range of factors, including their increased reliance on technology, cross-agency collaborations, accessing funds through the American Recovery and Reinvestment Act, and promoting revenue-generating activities. As these respondents explained:
 - “We are a small, but rapidly growing nonprofit, and are able to deliver a wide array of programs through a combination of dedicated (over-achieving) staff, volunteers, and adoption of technology to improve efficiency and measure outcomes.”
 - “We have reduced administrative costs by sharing financial personnel with another organization.”
 - “One of our programs is consumer credit counseling and most of our clients need foreclosure prevention help. We have a grant to be able to do that. We have also been concentrating on revenue producing services over the last few years.”

The HIRE Act

The federal government has enacted at least one piece of legislation during the current recession to encourage hiring in the private sector for certain new hires through the end of 2010. Unlike some approaches to this challenge, moreover, this piece of legislation, the HIRE Act, utilizes a mechanism

¹¹ As illustrated in Appendix B-2, the use of volunteers, contract workers, and part-time employees was also more common among the smallest organizations compared to the largest groups. (See Appendix B-2 for additional details).

that can benefit nonprofit employers as well as for-profit ones: namely, exemptions from the employers' portion of payroll taxes, which amount to 6.2 percent of salaries.¹²

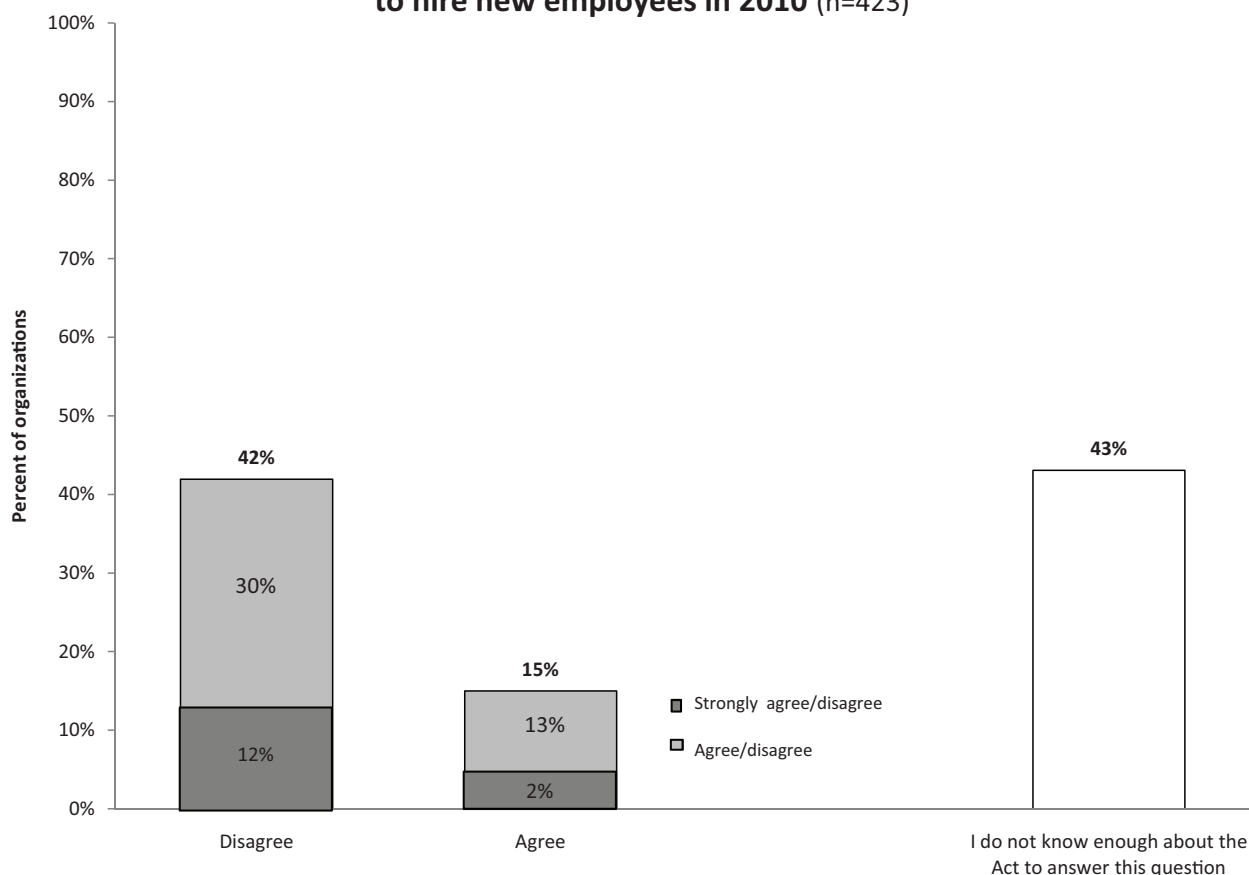
Based on the results of our Sounding, nonprofit responses to this legislation have not been overwhelming. In particular:

- Just 15 percent of all respondents agreed that this Act would encourage their organization to hire new workers in 2010. This figure is especially striking when compared to the results of a recent survey of small for-profit businesses, in which 25 percent of all respondents noted that they would be hiring new employees because of the Act, and another 31 percent noted that they were considering it.¹³

- By contrast, 42 percent of all respondents doubted that the Act would encourage their organizations to hire additional workers. Such respondents seemed divided into two camps: those who emphasized that their organizations are under such significant stress that no type of incentive could spur them to hire additional workers, and those who were open to hiring workers this year, but noted that the Act would not provide enough relief to influence their hiring decisions. Reflecting these reactions are these typical respondent comments:

- "The primary issue for our organization is funding. If we don't have government or philanthropic support to cover staff costs, a break in payroll taxes does nothing for us. Federal stimulus money is not reaching the grassroots."

Figure 7: The HIRE Act will encourage my organization to hire new employees in 2010 (n=423)



Source: The Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010

¹² Thus, when a nonprofit hires an eligible worker, it can record its Social Security payroll taxes for this new worker as 0 percent from the current date through the end of 2010. For more information on the HIRE Act and how it affects nonprofits, see <http://www.councilofnonprofits.org/node/6162>.

¹³ For additional details on how the HIRE Act is affecting for-profits, see: Manta's Pulse of Small Business Survey released in March 2010. Available online at: http://www.manta.com/small-business/tax_survey_0310.

- “There isn’t funding to do any hiring under any circumstances. It’s a nice concept but with funders reducing grant amounts or eliminating programs, who can hire staff?”
 - “We are so cash strapped that we cannot afford to hire new employees regardless of the tax incentive.”
 - “Hiring decisions are based on long term needs and our capacity to sustain new positions. The tax incentive is appreciated, but doesn’t provide enough incentive on its own to allow or disallow creating new jobs.”
 - “The payroll tax is a welcome savings, but since it is for a limited time, we still have to have the hard money to sustain that position at full cost. This would only be useful if we used temporary staff, and we don’t.”
 - “Our salary freeze and decrease in benefits has been in effect for two years. The HIRE Act will help us financially but not enough to hire new, unbudgeted staff.”
 - “It doesn’t seem like enough to enable the new hire. If a new hire was already planned, it would simply keep the costs slightly lower.”
- One possible explanation of the lukewarm nonprofit reaction to the HIRE Act is the limited knowledge of the Act among nonprofit executives. As Figure 7 shows, a sizable 43 percent of all respondents indicated that they did not know enough about the Act to determine whether it would affect their hiring. This compares with just three percent of the respondents to the recent small business survey who were unaware of the Act. Since the Act was passed only weeks before our Sounding was fielded, this may not be that surprising. But it could suggest that nonprofit intermediaries may need to do more to alert their constituents about this legislation. As one respondent explained, “I had no knowledge of this Act before reading this page. It would be really good if someone would take it upon themselves to explain this to the nonprofits.”

Conclusion

Although America’s nonprofit organizations continue to display remarkable resilience in the face of withering economic circumstances, the pressures on nonprofit organizations have accelerated and are clearly taking their toll. Even organizations reporting no reductions in staff are feeling squeezed due to increased needs on the part of those they serve. Signs of staff burn-out are therefore increasingly in evidence and sizable proportions of organizations are

finding it difficult or impossible to maintain their existing levels of operations in the face of escalating demands.

In this climate, renewed attention needs to be given to policy measures that can help sustain the critical safety net that nonprofits provide in many communities. The HIRE Act is a step in the right direction, but many nonprofits are unaware of it, and those that are aware are finding its incentives too limited to have much effect. Nonprofits have been stretched to the breaking point in the current recession and have shown impressive adaptability in the process. Now it may be time to reward them for their perseverance and reinforce the foundation they have struggled to maintain.

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The views and interpretations expressed here are those of the authors and do not necessarily reflect those of any organizations with which they are affiliated or that support their work.

APPENDIX A: PROJECT BACKGROUND AND SAMPLE INFORMATION

1) Project Background

The Listening Post Project is a collaborative undertaking of the Johns Hopkins Center for Civil Society Studies and eleven partner organizations—Alliance for Children and Families, Alliance for Nonprofit Management, American Association of Homes and Services for the Aging, American Association of Museums, Community Action Partnership, League of American Orchestras, Lutheran Services in America, Michigan Nonprofit Association, National Council of Nonprofits, the former National Congress for Community Economic Development, and United Neighborhood Centers of America. The Listening Post Project was launched in 2002 to provide more reliable and timely information on the major challenges facing U.S. nonprofit organizations and the promising approaches nonprofit managers are applying to cope with them.

2) Sampling Strategy

The project includes two national panels of grassroots nonprofit organizations on the front lines of nonprofit operation. The first is a “directed sample” of children and family service agencies, elderly housing and service organizations, community and economic development groups, museums, theaters, and orchestras recruited from the memberships of our partner organizations. The second is a “random sample” of organizations in these same basic fields selected from IRS listings of agencies or more complete listings suggested by our partner organizations where they were available. The random sample thus makes it possible to check on any possible distortion introduced by relying on the directed sample. In addition to the national samples noted above, the Listening Post Project has been developing a cross-section of state Listening Post samples. The first of these state samples, covering Michigan, has participated in the past seven Soundings, since September 2008. The state sample includes organizations selected from among members of the Michigan Nonprofit Association as well as a parallel sample selected randomly from IRS listings of Michigan nonprofits in similar fields.

3) Sounding Distribution

The current Sounding was distributed to these panels on March 31, 2010 and closed on April 16, 2010. As Appendix Table A-1 demonstrates, the Sounding was distributed to

1,148 organizations (694 “directed” and 454 “random” groups), and 523 responded. The overall response rate was 46 percent, which is considered respectable for surveys of this magnitude in this sector. Because agencies self-selected into our sample from among member agencies of national umbrella organizations in their respective fields, we do not present the results as necessarily representative of the entire nonprofit sector. However, the sample agencies are distributed broadly across the nation and reflect reasonably well the known characteristics of the organizations representing the vast bulk of the resources, if not the vast bulk of the individual organizations, in their respective fields.

Appendix Table A-1: Jobs sounding response rate

	Total sample	Directed sample	Random sample
Sample	1148	694	454
Respondents	523	347	176
Response rate	46	50	39

Source: Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010

4) The Michigan Effect

A total of 239 surveys (to 116 “directed” and 123 “random” groups) were sent to the Michigan nonprofit organizations. Although the overall Michigan response rate was 52 percent, which is higher than the response rate of the overall sample, the response rate from the directed group reached 67 percent (see Appendix Table A-2 for details on the Michigan sample). As Michigan respondents made up 23 percent of the overall sample and their actual representation in the overall population of organizations is just 3 percent, the sample was weighted to more accurately reflect the actual representation of Michigan nonprofits within the nation as a whole. Appendix Table A-3 illustrates the difference between the original sample and the weighted sample.

The analysis contained within this report uses the weighted sample as shown in Appendix Table A-3, as it provides a more accurate representation of the nonprofit sector in the nation.

Appendix Table A-2: Michigan sample, by field, size, and staff size		
By field	Total	
	N	%
Child & family services	50	40%
Community & economic development	19	15%
Elderly housing & services	12	10%
Museums	7	6%
Orchestras	4	3%
Theaters	6	5%
Other	27	22%
Total	125	100%
By size*		
<500,000	44	39%
500,000-3 million	44	39%
>3 million	26	23%
Total	114	100%
By staff size*		
1-9 FTEs	62	51%
10-49 FTEs	35	29%
50-199 FTEs	16	13%
200+ FTEs	9	7%
Total	122	100%
*Size and staff size figures not available for all organizations		
Source: Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010		

Appendix Table A-3: Jobs sounding sample, organization characteristics								
Type of organization	Unweighted		Weighted					
	Total sample		Total sample		Directed sample		Random sample	
By field	N	%	N	%	N	%	N	%
Child & family services	144	27%	106	25%	70	24%	36	25%
Community & economic development	69	13%	55	13%	32	11%	22	16%
Elderly housing & services	107	20%	98	23%	77	26%	21	15%
Museums	74	14%	69	16%	39	14%	30	21%
Orchestras	55	11%	52	12%	40	14%	11	8%
Theaters	27	5%	22	5%	2	1%	21	15%
Other	50	10%	29	7%	28	10%	2	1%
Total	526	100%	431	100%	288	100%	142	100%
By size*								
<500,000	116	28%	83	25%	33	15%	50	44%
500,000-3million	139	33%	106	32%	68	31%	37	33%
> 3million	166	39%	146	44%	120	54%	26	24%
Total	421	100%	334	100%	220	100%	113	100%
By staff size*								
1-9 FTEs	205	40%	158	37%	76	27%	81	59%
10-49 FTEs	122	24%	95	23%	64	23%	31	23%
50-199 FTEs	101	20%	89	21%	69	24%	20	15%
200+ FTEs	88	17%	81	19%	76	27%	5	3%
Total	516	100%	423	100%	286	100%	137	100%
By region*								
Michigan	125	24%	30	7%	18	6%	11	8%
Rest of the nation	401	76%	401	93%	270	94%	131	92%
Total	526	100%	431	100%	288	100%	142	100%
*Revenue and staff size are not available for all organizations								
Source: Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010								

APPENDIX B

Appendix Table B-1: Share of organizations reporting on their job circumstances by field, staff size, and region

	Total	Field							Staff size				Region
		Child & family	Comm & econ	Elderly	Museums	Orchestras	Theaters	Other	1-9 FTEs	10-49 FTEs	50-199 FTEs	200+ FTEs	Michigan sample
n=	422	105	54	98	66	50	21	29	156	95	89	81	122
We have adequate staff to deliver our programs/ services	57%	58%	52%	82%	41%	45%	25%	60%	45%	50%	67%	77%	46%
We have lost staff but have added enough volunteers to deliver our programs/ services	5%	4%	2%	1%	6%	10%	19%	5%	6%	7%	3%	1%	6%
We lack adequate staff to deliver our programs/ services	38%	38%	46%	17%	53%	45%	56%	35%	48%	43%	30%	22%	48%
Source: Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010													

Appendix Table B-2: Organizations using different strategies to cope with employment conditions by field, staff size, and region

	Total	Field							Staff size				Region
		Child & family	Comm & econ	Elderly	Museums	Orchestras	Theaters	Other	1-9 FTEs	10-49 FTEs	50-199 FTEs	200+ FTEs	Michigan sample
n=	423	106	54	98	66	50	21	29	156	95	89	81	122
Redefined job descriptions	49%	53%	41%	50%	47%	49%	46%	58%	38%	52%	58%	57%	56%
Implemented a salary freeze	39%	42%	26%	41%	37%	49%	46%	27%	36%	42%	43%	37%	39%
Postponed filling new positions	36%	44%	24%	39%	35%	37%	28%	22%	26%	36%	36%	54%	37%
Increased reliance on volunteers	34%	22%	32%	17%	59%	60%	56%	24%	47%	38%	26%	14%	49%
Added or expanded programs to meet increased need	31%	39%	41%	31%	23%	6%	21%	53%	22%	32%	35%	45%	37%
Eliminated staff positions	29%	42%	23%	29%	28%	22%	24%	14%	17%	25%	34%	51%	28%
Increased reliance on contract or part-time workers	29%	28%	19%	15%	42%	45%	51%	26%	33%	42%	25%	12%	34%
Created new positions	27%	33%	32%	31%	14%	10%	5%	52%	9%	26%	42%	44%	21%
Increased staff hours	23%	21%	23%	20%	21%	30%	35%	30%	27%	27%	18%	18%	23%
Cut/reduced benefits	23%	27%	14%	28%	21%	16%	24%	19%	14%	32%	24%	25%	25%
Eliminated vacant positions	22%	25%	14%	24%	25%	20%	14%	20%	10%	21%	26%	41%	12%
Decreased staff hours	20%	19%	15%	30%	25%	15%	5%	3%	15%	14%	22%	33%	24%
Reduced or eliminated programs to match a reduced staff size	18%	22%	16%	9%	24%	23%	25%	14%	15%	22%	20%	20%	21%
Increased benefits or wages	18%	16%	20%	24%	19%	4%	9%	24%	15%	16%	12%	31%	14%
Shifted tasks to less skilled staff	16%	14%	14%	14%	17%	15%	39%	17%	17%	17%	13%	16%	21%
Instituted a hiring freeze	15%	16%	9%	13%	24%	18%	15%	9%	14%	15%	17%	18%	14%
Cut/reduced wages	12%	11%	10%	5%	21%	31%	5%	2%	15%	13%	10%	10%	12%
Increased non-program work for program staff	12%	11%	15%	6%	17%	18%	15%	12%	20%	16%	4%	3%	18%

Source: Johns Hopkins Nonprofit Listening Post Project Jobs Sounding, 2010

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