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An Optimistic 2011

by Gayle A. Brandel, CEO

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It isn't too early in the year to identify a positive trend for the nonprofit sector in 2011. After widespread cutbacks and holding actions during the economic downturn, nonprofit organizations and institutions are hiring again.

As noted in soon-to-be-released annual salary surveys conducted by Professionals for NonProfits in three markets (metropolitan New York, New Jersey, and Washington, D.C.), not only are nonprofits beginning to hire, they're also raising salaries to compete for the talent they need.

For this year's surveys, close to fifteen hundred nonprofit organizations provided PNP with information on the salaries they paid in 2010 as well as their projections for hiring in 2011. The findings offer encouraging news for nonprofits, with more than one-third of survey respondents projecting budget growth in 2011. Most of this growth represents increases for additional staff.

The recent upward trajectory in nonprofit hiring is significant on several levels:

- 1) It attests to the overall resiliency, strength, and health of the nonprofit sector despite a severe and prolonged economic downturn.
- 2) It indicates the determination of mission-driven organizations to be certain they have a sufficient number of qualified employees in place to deliver programs and services to their constituents and communities.
- 3) It demonstrates that nonprofits tend to use new revenues to hire staff and provide more services. Unlike for-profit corporations that have emerged from the recession with their profitability intact or enhanced but which refuse to hire more employees, nonprofits in many parts of the country are seeking to bring staff back on board as quickly as their budgets allow. Because nonprofits in general do not sit on their "cash," the sector tends to be a reliable source of employment opportunities and an important engine of the economy.

Indeed, PNP's surveys found that more than 30 percent of the nonprofits polled plan to hire additional staff in 2011. More than 20 percent of those nonprofits plan to increase their fundraising capability by adding development staff, while roughly 20 percent plan to hire marketing staff, approximately 13 percent will seek to add support staff, and 10 percent will be looking for finance or IT staff.

Of course, organizational growth strategies must include a clear understanding on the part of management of what is needed to advance the organization's efforts and/or meet specific goals. And as managers deal with the challenges of finding and hiring the best talent, they need to be attentive to making sure that the right people are in place. Today, more than ever, boards, executives, and HR personnel must pay attention to recruiting and retaining people, at all levels in the organization, who can and will execute their responsibilities efficiently, effectively, and with desired results.

Interestingly, more than half the respondents to the surveys noted that, although the unemployment figure remains high, they anticipate that finding highly qualified talent will be difficult.

With a marketplace for talent that is becoming more competitive by the day, it's more important than ever for nonprofit boards and executives to understand how essential it is for their organization to be able to compete successfully for talent.

Similarly, job seekers must understand the importance of maintaining and upgrading their skills to remain competitive in a rapidly changing economy. Despite what we think will be a significant increase in nonprofit job openings during 2011, those with the best credentials, experience, and skills will be the ones who win out. The competition will be fierce, but the opportunities are golden.