

Nonprofit Workforce Shortage Snapshot

In Alaska

Preliminary Findings | May 2023

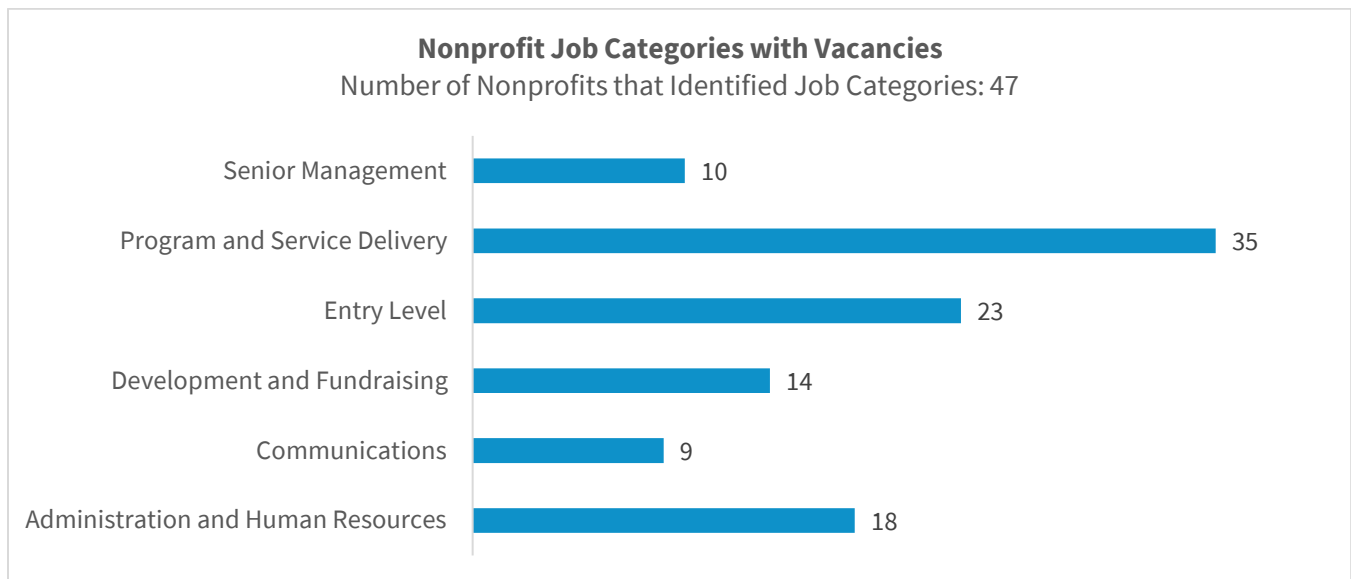
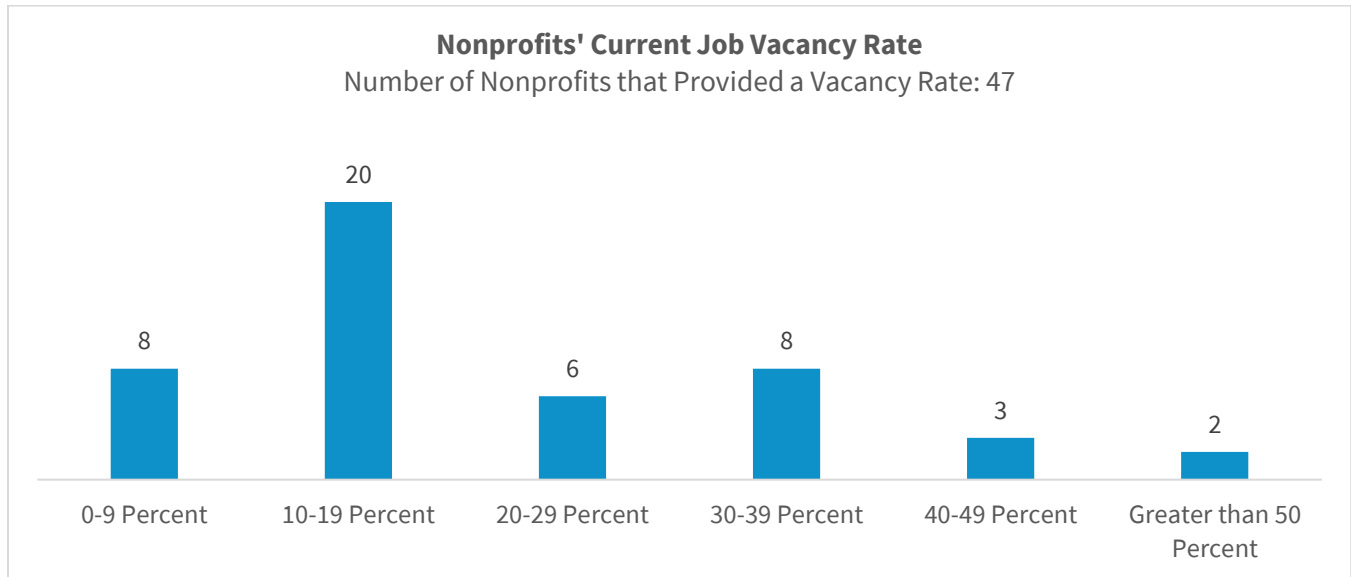
Key Findings

- **88.7%** of Alaska nonprofits report job vacancies.
- Nearly three out of four (**73.6%**) nonprofits in the state responded that they have **more vacancies** compared to before the COVID-19 pandemic, and nearly four out of ten (**39.6%**) have **longer waiting lists** for services.
- **74.5%** of respondents with vacancies identified **program and service delivery** as a category with vacancies.
- **67.9%** of responding organizations said **salary competition** affects their ability to recruit and retain employees, followed by **stress/burnout (66%)**

Survey Results

53 responses from Alaska

Vacancies in Nonprofits



Other job categories with vacancies included licensed healthcare workers, nurses, behavioral health, and early education.

Growing waiting lists for services is a significant concern to nonprofits responding to the survey. An Alaska child care provider said, “13 program locations remain closed and family waitlists can range from 1 month to over a year.” Another provider that was already seeing a waiting list for services stressed that “the need has always exceeded our funding/capacity to meet the need. Currently because we have staff shortages, we are serving even fewer children and families” meaning that “the waiting list is even greater.”

Factors Affecting a Nonprofit's Ability to Recruit and Retain Staff

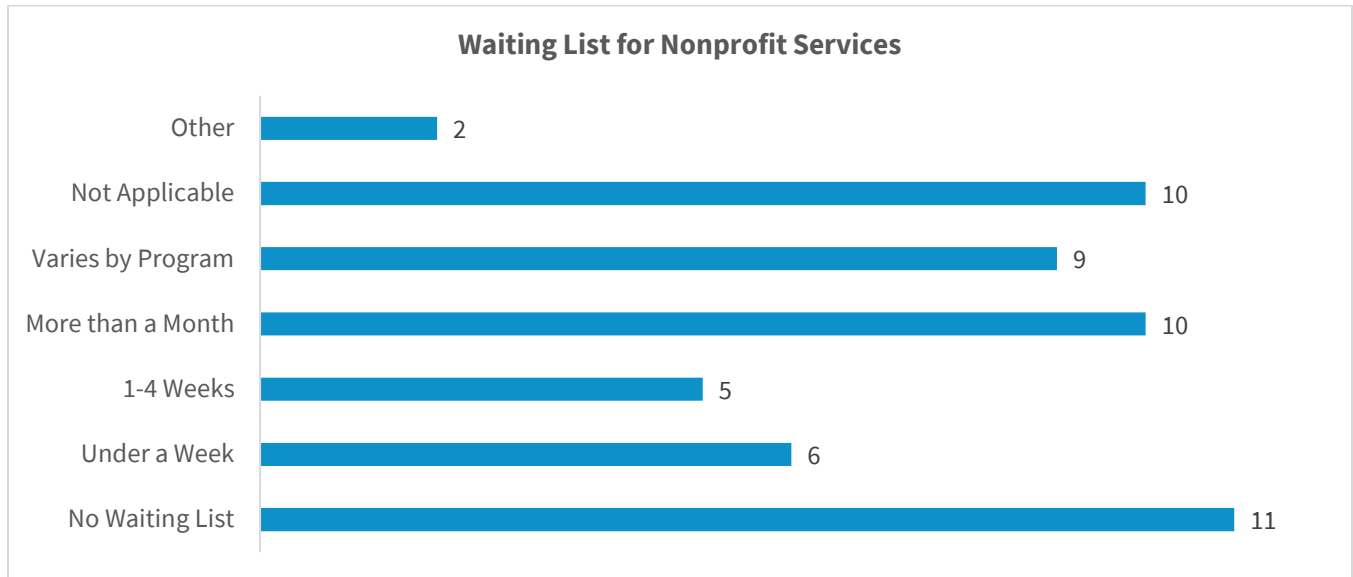
| Factor Affecting Recruitment and Retention | Number of Responses | Percent of Responses |
|--|---------------------|----------------------|
| Salary competition | 36 | 67.9% |
| Stress/burnout | 35 | 66.0% |
| Budget constraints/insufficient funds | 29 | 54.7% |
| Lack of child care | 19 | 35.8% |
| Other | 16 | 30.2% |
| Challenges caused by government grants/contracts | 11 | 20.8% |
| Not Sure | 7 | 13.2% |
| COVID-19 and vaccinations | 5 | 9.4% |

Respondents also stated that there are shortages of affordable housing, especially in remote areas, which leads to recruitment and retention challenges. As one human services provider said, affordable housing is “non-existent. It affects the people we serve, but it has progressed to affect our ability to find employees.” They continued, “Our entry-level wages, despite a 25% increase, do not allow an individual to find housing. It is affecting not just entry level, but other levels of employment as housing costs continue to rise.” According to survey responses, one nonprofit experiences “delays caused by state requirements such as background checks,” and in the end the applicant decides to move on. For some nonprofits, providing remote work options is also a challenge, especially for positions that require in-person services.

Government grantmaking and contracting practices are also imposing strains on nonprofits. A survey respondent wrote: “We received a very large government grant and have hired multiple staff for this program. This increase in staff put an extra burden on our administrative staff who were already overburdened after the departure of one FTE that we did not replace. The admin staffer has since quit, and we have not been able to replace him.”

A child care provider summed up a common response that the workforce shortage crisis has been years in the making due to “low wages, inadequate benefits and challenging work conditions, especially during and after the pandemic.”

Waiting Lists and Accessing Services

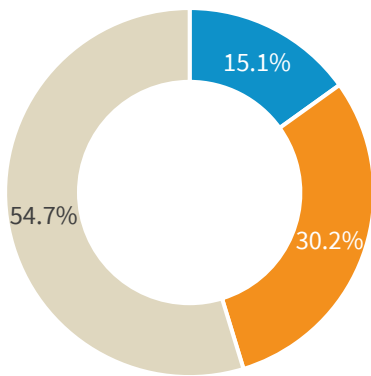


Longer waiting lists and decreases in services that Alaska nonprofits can provide have a visible effect in communities. One human services provider stated that they must reduce the “number of clients we can take on so that training new personnel can be effectively completed.” As a result, they wrote, “it is increasingly difficult for people in remote communities to find services from other Medicaid providers as the number of those other providers has declined.” Another survey participant summed up the challenge this way: “people are going without services or just getting by with the minimum or less than ideal staff support.” The negative impact is also distributed unevenly, as one nonprofit shared: “It has really impacted the equitable service delivery for those communities off the road system.” They explained, “The staffing resources, and increased travel costs it takes to get to these families means they do not receive the same services as children on the road system.”

| Vacancies and Waiting Lists Compared to March 2020 | Number of Responses | Percent of Responses |
|--|---------------------|----------------------|
| More vacancies | 39 | 73.6% |
| Fewer vacancies | 2 | 3.8% |
| Longer waiting list for services | 21 | 39.6% |
| Shorter waiting list for services | 1 | 1.9% |
| No change to waiting list | 7 | 13.2% |
| No change to vacancies | 2 | 3.8% |
| Other | 2 | 3.8% |

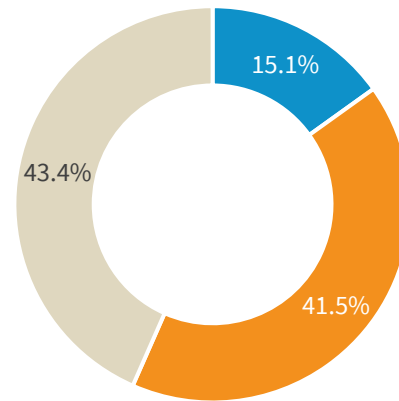
Charitable Giving

Anticipated Changes in the Number of Donors



- Increase in number of donors
- Decrease in number of donors
- No changes

Anticipated Changes in Donations



- Increase in donations
- Decrease in donations
- No change

The anticipation by Alaska nonprofits that total giving and the number of donors will be either flat or declining in 2023 is disturbing. Charitable giving declined by 1.7% in 2022 according to a recent report by the [Fundraising Effectiveness Project](#). 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.

Policies and Events Impacting Nonprofits

Impact of Natural Disasters on Nonprofits

| Impact of Natural Disasters | Number of Responses | Percent of Responses |
|--|---------------------|----------------------|
| Building/office damage | 3 | 5.7% |
| Increased costs of providing services/unbudgeted costs | 10 | 18.9% |
| Increased demand for services | 11 | 20.8% |
| Staff impacted by natural disasters | 5 | 9.4% |
| Unable to provide services | 5 | 9.4% |
| Not applicable | 31 | 58.5% |
| Other | 3 | 5.7% |

The American Rescue Plan Act and Nonprofits

The American Rescue Plan Act (ARPA) funded programs like the \$350 billion in [Coronavirus State and Local Fiscal Recovery Funds](#), and nonprofits in Alaska were eligible for funding as beneficiaries and providers of services. An arts, culture, and humanities nonprofit said the funds helped them “maintain most of our staff while the venues were used a warming shelter and quarantine and Isolation units during the pandemic.” Another nonprofit reported receiving \$500,000 in ARPA-related funding that helped retain staff.

For a human services provider, the impact of ARPA funds was mixed: “They were used by the state to shore up funding for victim services throughout the state. They did not add to our overall pot of money, they just funded shortfalls. We have been flat-funded by the state for five years.” Because most of these funds are one-time allocations, a nonprofit expressed concern that their funds will “run out in the next fiscal year” and “force us to reduce staffing and/or services.”

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. One survey participant shared that the expiration of “flexibilities under Medicaid waivers will require either more successful recruitment for care coordinators who will return to in-person face-to-face visits monthly, or reducing the number of clients we currently serve.” They reported that the “potential exists for closing one of our four offices.” Another provider expressed concern that families will “lose their Medicaid coverage which is the primary insurance for almost 90% of our clients. We also will have changes to our billing that will now support only one Targeted Case Management per month instead of two that we could bill during the emergency.”

Solutions and Recommendations

Practices Implemented by Nonprofits

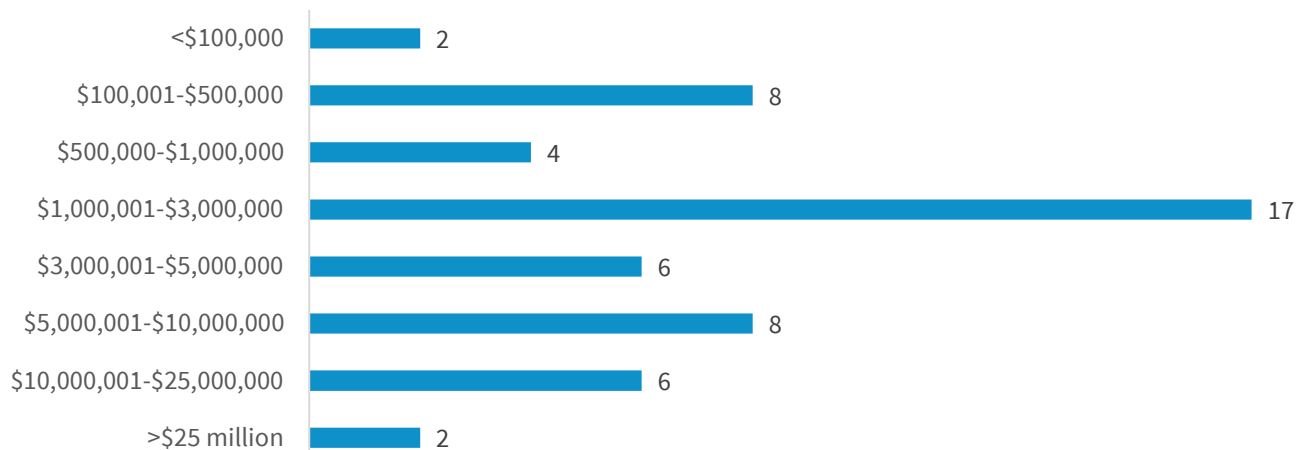
| Implemented Practices | Number of Responses | Percent of Responses |
|--|---------------------|----------------------|
| Salary increases | 38 | 71.7% |
| Remote work options (hybrid, full-time, etc.) | 29 | 54.7% |
| One-time bonuses | 26 | 49.1% |
| Benefits increased (health insurance, transportation, etc.) | 22 | 41.5% |
| Career advancement opportunities (training, mentorship, etc.) | 18 | 34.0% |
| Wellness programs (4-day workweek, additional time off, retreats, sabbaticals, etc.) | 18 | 34.0% |
| Mental health (expanded benefits, counseling, etc.) | 16 | 30.2% |
| Signing bonus | 16 | 30.2% |
| Diversity, Equity, and Inclusion trainings and strategies | 12 | 22.6% |
| Notified employees about their eligibility for Public Service Loan Forgiveness | 6 | 11.3% |
| Not applicable | 5 | 9.4% |
| Other | 2 | 3.8% |

Solutions Proposed by Nonprofits

Nonprofits on the frontlines shared solutions lawmakers and others can consider. For instance, one nonprofit believes there is a need for a “wider discussion of needs, habits, and what the post-COVID world will look like for service organizations, for low wage earners, and for society.” Child care also needs to be seen as “critical infrastructure rather than a social service,” making access to affordable child care a priority for nonprofits.

Nonprofit Profiles

Nonprofits' Annual Operating Budget



| Communities Served | Number of Responses | Percent of Responses |
|---|---------------------|----------------------|
| 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 | 21 | 39.6% |
| People with disabilities | 12 | 22.6% |
| People who identify as LGBTQ+ | 3 | 5.7% |
| People living in rural communities | 14 | 26.4% |
| None of the above | 17 | 32.1% |

| Subsector | Number of Responses | Percent of Responses |
|-------------------------------|---------------------|----------------------|
| Human Services | 13 | 24.5% |
| Healthcare | 8 | 15.1% |
| Education | 7 | 13.2% |
| Other | 7 | 13.2% |
| Public/Societal Benefit | 3 | 5.7% |
| Arts, Culture, and Humanities | 3 | 5.7% |
| Child Care | 3 | 5.7% |

| Subsector | Number of Responses | Percent of Responses |
|-------------------------|----------------------------|-----------------------------|
| Environment and Animals | 3 | 5.7% |
| Housing | 2 | 3.8% |
| Multiple Subsectors | 2 | 3.8% |
| Mental Health | 1 | 1.9% |
| Research | 1 | 1.9% |