The Heart of the Sector

Advancing Nonprofit Worker Well-being in California

Investing in nonprofit staff + Building thriving communities

Strategies for lasting impact

Nonprofit Finance Fund®

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The Heart of the Nonprofit Sector

Nonprofit workers are the heart of the nonprofit sector. When they thrive, organizations thrive, and communities ultimately benefit. Yet nonprofit workers often face economic insecurity, burnout, and structural challenges that undermine their well-being.

Drawing on prior research, survey data from over 500 organizations across California, and interviews with sector leaders, funders, and policymakers, this report examines the well-being of nonprofit workers in California, highlighting its critical link to organizational effectiveness and community resilience. We journey through the dual dimensions of worker well-being – economic security and personal/professional thriving – and the systemic barriers, such as inequitable funding models and damaging sector narratives, that challenge nonprofits in investing in the well-being of their teams.

Showcasing promising practices that nonprofits are adopting to improve well-being – equitable pay, robust benefits, flexible work arrangements, collaborative leadership, and unionization – we highlight the positive changes that can come with commitment, creativity, and flexible resources to invest in staff. Examples from foundation and government leaders further underscore the critical role of funders and policymakers in enabling systemic change. We offer actionable recommendations – both big and small – for supporting nonprofits in creating sustainable, healthy workplaces. The Appendix provides a compendium of additional data and resources related to the nonprofit workforce that can be used in organizational change and sector-wide research and advocacy efforts.

Ultimately, investing in nonprofit worker well-being is an investment in community well-being and resilience. Through this report, we share insights and ideas for nonprofits and funders alike and call for bold, collective action to ensure nonprofit workers can thrive, enabling organizations to fulfill their missions and communities to flourish.

Although our research focused on one state, we believe the learnings and insights in this report are widely applicable across the United States.

For more information and a funder guide to supporting nonprofit worker well-being, please visit nff.org/insights/worker-well-being.

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Introduction

"Worker well-being is community well-being: When our staff are taken care of then our community is taken care of."

These words from the executive director of a nonprofit capture a logic that seems obvious: workers who are stable and secure are positioned to meet the needs of the individuals and communities that their organization exists to serve. Further, these same workers can participate in their communities, are able to afford housing, shop locally, pay taxes, and make other important contributions socially and economically.

The reality is more complex. Nonprofit workers often occupy a precarious place. Imagine: An entry-level direct service worker who could benefit from the same training and job placement opportunities that they work to provide for their clients, or a worker who needs financial counseling to address the financial stress that affects their focus at work. They may take on a second job to make ends meet, commute farther in order to live somewhere affordable, and be unable to access resources in their community because of financial or time constraints. They suffer from burnout, which spills over into their personal lives and may drive them out of the nonprofit sector, or from job to job within it.

The ability of nonprofits to retain and support their workers is linked inextricably to their ability to fulfill their missions. Furthermore, the nonprofit workforce is often representative of the demographics, experiences, and diversity of the communities they serve. Thus, investing in the well-being of nonprofit workers can be a direct investment in the same communities that policymakers, philanthropy, and government seek to support, and is critical to the health of the nonprofit sector.

The nonprofit sector is a significant part of California's economy, accounting for 1.2 million jobs, or 7.8% of total private-sector employment across the state.[1] Changes that affect the nonprofit workforce have a sizable impact that ripples across the state.

This report focuses on efforts to support the well-being of workers in nonprofit organizations across the state of California, though the story of precarity in the nonprofit workforce plays out in every community across the country. The report comes at a time when the need to create stability in and for the nonprofit workforce is amplified by the social and economic challenges facing communities and the nonprofit sector as a whole.

First, the rising cost of living due to factors like inflation are perpetuating ongoing affordability challenges, particularly for housing: 87% of California organizations that responded to Nonprofit Finance Fund's 2025 State of the Nonprofit Sector Survey reported that higher costs due to inflation in 2024 were having an impact on their clients as well as on the organizations themselves.[2] Second, the makeup of the workforce is shifting, and with that, expectations of workplace norms and the nature of work are changing. This can be attributed to generational turnover as well as seminal events of the last decade including the COVID-19 pandemic and the racial reckoning in the wake of the murders of George Floyd and Breonna Taylor. Third, every segment of the nonprofit sector is experiencing unprecedented shifts in the federal policy and funding landscape, which will have lasting repercussions beyond the current presidential administration.

This report synthesizes data gathered through a literature review, the 506 California-based organizations that responded to Nonprofit Finance Fund's 2025 State of the Sector Survey, and 47 interviews the project team conducted with individuals from nonprofits, funders, researchers, and government entities that engage with the nonprofit sector.

The goal of this work is to illustrate a range of approaches and opportunities to improve nonprofit worker well-being across the state. It is intended to be a tool for sparking more action within and between the nonprofit, philanthropic, and government sectors for bolstering the health of a critical asset to the state and its many diverse communities: its nonprofit workforce.

[1] Independent Sector. 2025. Nonprofit Sector State Profiles. Accessed on October 1, 2025 from https://independentsector.org/nonprofit-state-profiles.

[2] Nonprofit Finance Fund. 2025. State of the Nonprofit Sector Survey. https://nff.org/state-of-the-nonprofit-sector-survey/2025-state-of-the-survey-nonprofit-sector-survey.

The Nonprofit Workforce and Well-being

How Do We Define Worker Well-being?

NFF asked all interviewees to name the three most important factors affecting worker well-being and what well-being means for their organization. The responses reinforced that there is no uniform definition of worker well-being but that there are common components, which themselves can be bucketed into two broad categories: **economic security, and the ability to thrive professionally and personally**. These responses generally echo definitions from other parts of the field, including the foundation world and government, which define well-being as multi-dimensional, including an individual's physical and mental health, basic needs and safety, social and emotional needs, work-life balance, and connections to the workplace and their broader communities.

Economic Security

There was general agreement that the ability to meet basic financial needs is foundational to well-being, but that it is a floor: True well-being goes beyond surviving to achieving economic security. The most common components of well-being related to economic security cited in interviews were **compensation** and **benefits**.

There are a variety of standards and benchmarks that are used to determine if compensation is adequate to achieve economic security (discussed more in the section, *What Dynamics Shape Worker Well-Being in the Nonprofit Sector?*). But our interviews showed that the values, missions, and types of work that nonprofits engage in also shape how they think about well-being, and what is necessary from a compensation and benefits package to achieve that.

For example, some organizations talked in very practical terms about compensation sufficient enough that employees do not need to get second jobs, while others talked about compensation as part of a larger project around economic power, liberation, and freedom. "The goal is [to] allow workers to access social and economic power, for workers to be able to move toward liberation from a place of being more well and whole," said one leader interviewed.

In terms of benefits, which we discuss in more detail in the section on *Promising Practices for Nonprofits*, the importance of access to health and mental health services and compensated time away from work were cited broadly as ways that organizations can address the emotional toll of nonprofit work, which is a major factor affecting worker well-being.

Thriving Personally and Professionally

The ability to thrive personally and professionally encompasses several components of well-being repeated across interviews. A worker's sense of well-being is tied to:

- Having a connection to the mission, and finding meaning and value in their work and contribution to the organization and/or community.
- Feeling agency and autonomy over their work.
- Being able to show up as their "full self" at work, unafraid of any negative treatment or judgement.
- Having a positive relationship with their colleagues and manager.

These components of worker well-being may seem more abstract and subjective than the more easily quantified facets of economic security, but they are closely aligned with the growing body of empirical research on job quality. For example, The Good Jobs Institute defines a good job as one that provides **fair pay**, **dignity**, and **opportunities for growth**.[3] Gallup's American Job Quality Survey identifies five dimensions of job quality: **financial well-being**; **workplace culture and safety**; **growth and development opportunities**; **worker agency and voice**; and **work structure and autonomy**.[4]

[3] Ton, Zeynep. 2023. The Case for Good Jobs: How Great Companies Bring Dignity, Pay, and Meaning to Everyone's Work. Good Jobs Institute. Accessed on September 19, 2025 from https://goodjobsinstitute.org/resources.

[4] Gallup. 2025. The American Job Quality Study: 2025 State of the U.S. Labor Force. Accessed on September 19, 2025 from https://www.gallup.com/analytics/691241/american-job-quality-study.aspx.

While there is not a complete overlap between worker well-being and job quality, both fields share a vision that is holistic and takes into account both basic and higher-order needs of individuals in the workplace. For this reason, research from the job quality field has a lot to offer the more nascent worker well-being field. Most notably, this body of research shows that workers at all points of the income distribution value the non-economic aspects of a job: enjoying day-to-day work and having a sense of purpose were rated as more important than level of pay as a measure of job quality for U.S. workers in all income quintiles.[5] This finding is critical to the worker well-being conversation, because it underscores that **well-being is not a "nice to have," optional, or only for certain types of workers or industries, nor can efforts to improve nonprofit worker well-being end at improving pay and benefits**.

The State of the Nonprofit Workforce

Nationally, the nonprofit workforce is predominantly composed of women and people of color, who are overrepresented relative to their share of the general population and labor force.[6] California's nonprofit workforce generally replicates these patterns and is representative of the diversity of the state's population, where no single racial or ethnic group has more than 50% of the share of the populace.

The nonprofit workforce in California is significant, both as a share of the total workforce and in its economic contribution and assets. According to CalNonprofits, nonprofits account for 1 in 14 jobs in the state and 15% of the gross state product. They pay more than $74 billion in wages to California workers each year and generate nearly $300 billion in annual revenue. While the sector as a whole has sizable economic impact, the majority of organizations do not operate from a place of economic power: two-thirds of California nonprofits have budget sizes of $50,000, and less than 2% of nonprofits across the state account for 73% of total revenues.[7] **More information about the nonprofit workforce, including demographics and leadership information, can be found in Appendix B and Appendix C.**

What Is the Cost to Employers of Poor Well-Being?

The World Health Organization estimates the mental health toll of depression and anxiety costs employers across the globe $1 trillion annually in lost productivity.[8] Gallup estimates that turnover and lost productivity as a result of burnout costs employers $322 billion globally, and 15-20% of an organization's payroll on average.[9]

Financial Health

The scenario described in the first section of this report – a nonprofit worker low on the economic ladder – is borne out by data as well as anecdotes shared in this study. A recent study of the national nonprofit workforce by the Financial Health Network found that 13% of nonprofit workers (excluding hospitals and higher education) were "financially vulnerable", 54% were "coping" and 33% were "healthy" according to Financial Health Network's index.[10] Financially vulnerable workers face severe financial strains, including difficulty paying bills, unmanageable levels of debt, little-to-

[5] Rothwell, Jonathan and Crabtree, Steve. 2020. Not Just a Job: New Evidence on the Quality of Work in the United States. Gallup. Accessed on September 19, 2025 from https://www.gallup.com/education/267650/great-jobs-lumina-gates-omidyar-gallup-qualitydownload-report-2019.aspx.

[6] Clerkin, Cathleen, Diomande, Mantin, and Koob, Anna. 2024. The State of Diversity in the U.S. Nonprofit Sector. Candid. Accessed October 1, 2025 from doi.org/10.15868/socialsector.43685.

[7] CalNonprofits. 2019. Causes Count: The Economic Power of California's Nonprofit Sector. Accessed on December 8, 2025 from: https://calnonprofits.org/wp-content/uploads/2022/11/CausesCount-NewFindings-2019.pdf.

[8] World Health Organization. 2024. Mental health at work (fact sheet). Accessed on October 1, 2025 from https://www.who.int/news-room/fact-sheets/detail/mental-health-at-work.

[9] Gallup. "How to Prevent Employee Burnout." Accessed on October 1, 2025 from https://www.gallup.com/workplace/313160/preventing-and-dealing-with-employee-burnout.aspx.

[10] Berdie, Lisa, Jackson, Amber, and Patil, Riya. 2025. The Financial Health of Nonprofit Workers: Understanding their Financial Lives and Workplace Benefits. Financial Health Network. Accessed on October 1, 2025 from https://finhealthnetwork.org/wp-content/uploads/2025/09/The-Financial-Health-of-Nonprofit-Workers-FHN.pdf.

no emergency savings, while financially coping workers are doing well in some aspects of their financial lives – spending, saving, borrowing and planning – but struggling in others.

On the whole, nonprofit workers – especially those not in leadership positions – often struggle financially: Of the 13.9 million nonprofit employees in the United States in 2022, 5% lived below the federal poverty level, while another 17% were classified as Asset Limited Income Constrained, Employed (ALICE),[11] meaning they earned above the poverty line but not enough to cover basic needs in the communities in which they lived. Workers in social assistance, arts, entertainment and recreation organizations had the highest levels of financial insecurity. 37% of nonprofit workers under the age of 25, 34% of Hispanic nonprofit workers, and 35% of Black nonprofit workers had incomes that fell below the ALICE threshold.[12]

The same dynamics of wage inequality based on gender and race in the broader labor market are largely replicated in the nonprofit sector. Women earn less than men, and Black and Hispanic people regardless of gender earn less than white, non-Hispanic men, with deeper disparities for Black and Hispanic women, Native Americans, and LGBTQ+ individuals. One promising trend is that the gender pay gap for leaders is smaller in the nonprofit sector than in the workforce at large: Female nonprofit executives earn only 9% less than male leaders, on average, versus 25% less as leaders in the broader workforce.[13]

Living Wages & Benefits

In California, 54% of nonprofits reported that they are unable to pay all of their full-time workers a living wage.[14] Living wage is a measure of ability to afford basic needs – housing, transportation, food, childcare, and utilities – in one's own community or city. **For a compilation of additional measures of poverty, living wages, and self-sufficiency, see Appendix H.**

Inability to meet basic needs has many consequences for individuals and their families, including adverse effects on physical health, mental health, and educational outcomes. It can also lead to housing instability, which is a particular risk in a state where affordable housing supply is extremely constrained: Nationally, California has the third-lowest rate of affordable housing availability for extremely low-income renters,[15] and nearly 55% of renters are burdened or severely rent-burdened, with housing costs exceeding 30% of household income.[16]

While the ability of California-based organizations to pay all staff a living wage is uniformly low, organizations that counted foundations as one of their top revenue sources were more likely to pay all staff living wages compared to those whose primary funding sources were federal, state, or local/county government. This suggests that foundation funding may allow for more wage flexibility than government contracts, which can include restrictions or standards on compensation. On the other hand, organizations that rely on public funding had higher rates of offering paid sick time; vacation time; and health, dental, and vision insurance.[17] See Appendix D for more information.

[11] United for ALICE. https://www.unitedforalice.org.

[12] Independent Sector and United for ALICE. 2024. ALICE in the Nonprofit Workforce: A Study of Financial Hardship. Accessed on September 28, 2025 from https://independentsector.org/wp-content/uploads/2024/09/24UW-ALICE-in-Nonprofit-Sector-final-9-4-24.pdf.

[13] Mendieta, Jessica and O'Leary, Amy Silver. February 17, 2022. Can New Laws and Practices Address Pay Disparities? National Council of Nonprofits. Accessed on September 23, 2025 from https://www.councilofnonprofits.org/articles/can-new-laws-and-practices-address-pay-disparities.

[14] Nonprofit Finance Fund. 2025. State of the Nonprofit Sector Survey. https://nff.org/state-of-the-nonprofit-sector-survey/2025-state-of-the-survey-nonprofit-sector-survey.

[15] National Low Income Housing Coalition. 2025. The Gap: A shortage of affordable homes. Accessed on December 17, 2025 from https://nlihc.org/gap.

[16] U.S. Census Bureau, 2019-2023 American Community Survey 5-Year Estimates. Accessed on December 17, 2025 from https://data.census.gov/table/ACSDP5Y2023.DP04?g=040XX00US06&tid=ACSDP5Y2023.DP04.

[17] Nonprofit Finance Fund. 2025. State of the Nonprofit Sector Survey. https://nff.org/state-of-the-nonprofit-sector-survey/2025-state-of-the-survey-nonprofit-sector-survey.

A majority of California nonprofits do provide staff benefits, including obvious contributors to well-being, like health insurance and paid time off, as well as things like professional development and flexible work schedules. While the rates at which employers provided paid sick time, paid vacation time, and health insurance were uniformly high (~80% and above), the provision of benefits like wellness programs, sabbaticals, and paid family leave beyond state requirement were uniformly low. While most measures of well-being focus on a worker's current conditions, long-term financial security is an important piece of well-being, so it is noteworthy that only 54% of California survey respondents offered retirement fund contributions.[18]

Retention

Retention is not just about filling positions; it is about sustaining impact. Across the nonprofit sector, retaining talent has become one of the most pressing workforce challenges, with many organizations struggling to keep staff engaged and committed. In fact, a majority of nonprofit employees plan to look for or consider a new job this year.[19]

Nationally, organizations identified employees aged 30 and below and entry level staff as the hardest to retain, a trend that reflects a broader reality: Nonprofits often serve as entry points for passionate professionals, but limited career pathways and compensation gaps make it difficult to keep them long-term. Nonprofits also named program staff, Black of African American employees, and women as most difficult to retain.[20] California data from NFF's 2025 State of the Nonprofit Sector Survey shows that youth-serving and human services organizations experienced staffing volatility compared to arts or social justice groups.[21]

Underlying these patterns are systemic factors that nonprofits have long grappled with: constrained budgets, salary competition, and burnout. Candid's 2025 Social Impact Staff Retention Project found that the most common reasons nonprofit staff are leaving are too much responsibility without support, unclear growth opportunities, and unsupportive leadership. On the other hand, flexibility, mission alignment, and positive work environments were cited as top reasons for staying.[22] Nearly all nonprofit leaders express some level of concern about burnout, and a majority say it impacts their organization's ability to fulfill its mission.[23]

[18] Nonprofit Finance Fund. 2025. State of the Nonprofit Sector Survey. https://nff.org/state-of-the-nonprofit-sector-survey/2025-state-of-the-survey-nonprofit-sector-survey.

[19] Candid. 2025. Social Impact Staff Retention Project Survey. Accessed on December 17, 2025 from https://www.thenonprofiteers.com/sisr.

[20] NonprofitHR. 2023. Social Impact Talent Retention Practices Survey. Accessed on December 17, 2025 from https://www.nonprofithr.com/wp-content/uploads/2023/11/Retention-Survey-Results_Final.pdf.

[21] Nonprofit Finance Fund. 2025. State of the Nonprofit Sector Survey. https://nff.org/state-of-the-nonprofit-sector-survey/2025-state-of-the-survey-nonprofit-sector-survey.

[22] Candid. 2025. Social Impact Staff Retention Project Survey. Accessed on December 17, 2025 from https://www.thenonprofiteers.com/sisr.

[23] Arrillaga, Elisha Smith, Yang, Emily, and Im, Christine. 2025. State of Nonprofit 2025: What Funders Need to Know. Center for Effective Philanthropy. Accessed on October 1, 2025 from https://cep.org/report/state-of-nonprofits-2025-what-funders-need-to-know.

What Dynamics Shape Worker Well-being in the Nonprofit Sector?

The experiences of nonprofit workers are shaped by beliefs, practices, and norms that shape the nonprofit sector as a whole. Some of these factors are well documented and have been the focus of Nonprofit Finance Fund's work for 45 years – particularly funder expectations and practices. Others are emerging as areas of inquiry in the nonprofit sector – for example, generational differences in attitudes about work and the impact of having workers with lived experience. While there may be less "hard data" on these emerging issues, we highlight them here because they frequently came up in our interviews for this project, and in our work with funders and hundreds of nonprofit organizations each year.

An Inequitable System of Nonprofit Funding

Nonprofit Finance Fund has long said that nonprofits operate within a system in which the private sector rules and norms around exchange of money are inverted.[24] In the private sector, it is expected that the price of a good or service covers the full cost of providing it, including profits, and a company can do whatever it wants with its revenue. For-profit companies that don't turn a reliable profit go out of business.

In the nonprofit sector, funders typically place restrictions and impose their own standards on how their money can be spent. Further, grants and contracts often do not cover the full cost for nonprofits providing services, and nonprofits competing for limited resources feel pressure to show budgets that do not seem too high to funders. However, unlike in the private sector, nonprofit organizations that aren't able to cover the full cost of their services through fundraising and contracts usually do not go out of business. Their communities rely on them. Instead, they respond in a variety of ways to keep their doors open: paying low wages, having fewer staff provide the same level of service by working longer hours without adequate compensation, and foregoing critical investments in organizational infrastructure. Currently, less than 1% of foundation grant dollars are invested in developing the nonprofit workforce.[25]

Much longer treatises have been written on whether the system of nonprofit funding is by design – a reflection of larger policy and economic dynamics that marginalize the same communities that nonprofits often exist to serve – or is the unintended, but still harmful, by-product of a world in which government and philanthropic resources are constrained and under competing pressures. Regardless, the impact on the nonprofit sector is the same: The funding models that most organizations are built on act as barriers to investing in worker well-being.

What is Full Cost?

Full cost is framework that helps address resource disparities in the social sector by taking a holistic view of finances to understand long-term needs and outcomes. Learn more about full cost funding and find resources for nonprofits and funders on nff.org.

[24] Nonprofit Finance Fund. 2025. Equitable Funding Starts with Understanding Full Cost. https://nff.org/our-work/consulting/full-cost-framework.

[25] Fund the People. 2017. Investment Deficits by the Numbers. https://fundthepeople.org/toolkit/wp-content/uploads/2017/03/Investment-Deficit-by-the-Numbers.pdf

Damaging Narratives around Nonprofit Sector Work

Beyond the funding dynamics, there are less quantifiable forces at play in the nonprofit sector that strongly shape the experience of workers and the challenges of improving worker well-being. For example, there is a deeply rooted narrative that nonprofit workers accept low wages and unsustainable work practices in return for the satisfaction of doing meaningful work. This is a tricky message to parse, because it simultaneously extols the value of doing good work while also assigning a lower monetary value to doing good work.

This may seem contradictory, but it is the product of the nonprofit sector's origins and development. The roots of the nonprofit sector are in volunteer, religiously affiliated charitable efforts, which linked reward to spiritual, rather than monetary, benefits. In recent decades, the sector's growth has been driven in part by activist movements, where individuals came together as volunteers to organize for equal rights. There remain widely held misconceptions that nonprofit work is all volunteer work, rather than the professionalized industry it has grown into. Other false and damaging narratives persist, too: that charitable and care work is gendered; that women have less value in the labor market than men, and people of color even less; and that the people whom many organizations exist to serve are also less valuable or worthy.

These narratives are imposed on the sector from outside, hindering efforts to improve pay and benefits**. Better pay and working conditions are often viewed as superfluous, while nonprofits are subject to heightened scrutiny about compensation** and use of funding by their funders, the media, and often the general public.

And these same narratives operate within the sector as well. As one leader we interviewed said, "The way that people see themselves in the work can hinder well-being. … Because we've operated in these systems for so long, we have been conditioned to work in unhealthy ways. One of the reasons there's a lack of well-being is because people don't think they deserve it."

It is important to recognize that for many nonprofit workers, it is the mission and the value of the work that draws them to the sector. But mission alignment alone does not compensate for the negative impacts of low pay and unrealistic workloads on all areas of a worker's life. On the contrary, as one leader said:

> *"We need to revise the model that is required of all of us to thrive. This investment [in the nonprofit workforce] is going to show dividends 10-15 years down the line as our work continues to flourish, as opposed to having workers be burnt out and never wanting to return to the sector."*

Many of the leaders we spoke to noted that the model is already being revised as generational shifts change the narrative around nonprofit work. One leader of a community organizing nonprofit said: "My generation: You make no money, you work all the time, and that is how you prove your commitment to the cause. Martyrdom is expected, encouraged, and rewarded – gives you credibility. Organizers now have such a different relationship to work and labor. They don't see that as something to aspire to and not something that is indicative of a good organizer. They are seeing elders not be able to retire, and struggle."

Lived Experience Reflected in the Workforce

Within the sector, there is increasing value placed on hiring workers who have lived experiences related to the organization's mission – for example, housing organizations employing people with histories of experiencing homelessness. Nonprofits uniformly highlight this representation and connection to community as essential to their impact. At the same time, leaders we spoke with shared the ways in which **employing a workforce with these life experiences calls on them to think creatively about and invest in worker well-being in different ways.**

For example, a leader for an organization that provides services for transgender people shared that their employees – 80% of whom identify as transgender – often do not have a connection or safety with their families, so they are looking for their job to provide them with that. This leader said, "I see it as my obligation to the workers to

create an organization that supports survival. Wellness comes into that because we need [it] to provide the best care, and be … grounded with each other in a very harsh world."

Another noted that providing benefits is one piece of addressing worker health. Most of their employees – women of color and gender-expansive people with histories of interaction with the carceral system – have never had access to health insurance nor visited a dentist, and rely on emergency rooms for care. For this leader, having the organization cover 100% of the costs of health and dental coverage is critical, as is providing staff with additional education and support about healthcare, and helping them with "unlearning the ways they had to survive." Further, they saw investing in retirement savings as an important way to disrupt the intergenerational cycle of poverty that is connected to incarceration, and noted the need to match employees' contributions to incentivize saving.

Comments like these highlight the ways in which organizations are being pushed – or pushing themselves – to think about investments in well-being that go beyond the standard benefits package, workplace culture, and wellness initiatives. The challenge is that **addressing diverse, expansive, or intensive needs of workers is also resource intensive. Even organizations that are fully committed may struggle to find the money, time, and right set of supports to address the needs of their staff**. One leader said, "There is now an expectation for an organization to support well-being needs related to individual identity – and it becomes more difficult the more diverse an organization becomes. Organizations don't necessarily have the resources to support the identities and individual experiences of their employees. This also puts a ton of pressure on the executive director. Their emotional capacity to deal with these tensions is minimal, leading to burnout."

The Inherently Difficult Nature of Nonprofit Work

The nature of nonprofit work itself can be a barrier to well-being. Many nonprofits are engaged in very difficult work. Direct service organizations often serve people and communities facing compounding issues around health, addiction, housing instability, and unstable employment. They do so within larger systems that are resource-constrained, uncertain, and outside of their control. And the stakes can be quite high. As one interviewee from an organization serving youth involved in the criminal justice system said,

> *"We don't [only] have deliverables like a bottom line. The outcome is a child's life."*

For advocacy and organizing organizations, workers are often engaged in long-term efforts, in which victories can be incremental, hard-won, or never realized.

Working with vulnerable, marginalized, or traumatized people can create vicarious – or secondary – trauma for workers. And for workers with shared lived experience of the issues they are focused on, the work can trigger past traumas. Showing up for this type of challenging work takes a toll on workers; at the same time, many interviewees pointed out that the connection to the mission makes it harder for workers to set boundaries between their personal and professional lives.

All of this makes investments in worker well-being even more imperative. "It's not just 'nice.' What we're asking people to do in this political climate is so demoralizing, exhausting, and traumatizing. … The only way we're going to make progress is to take care of people properly," said one leader.

The toll of this work forces leaders to think more expansively about ways to address worker well-being. This may take the form of time off policies – sabbaticals, or individual or group retreats – or close monitoring of whether employees are using their paid time off. This behavior must be modelled from the top down to engender a workplace culture where rest is supported and encouraged.

Where Do We Go from Here: Promising Practices for Nonprofits

Just as there is no single definition of worker well-being, there is no one formula for how organizations can support worker well-being. While there are some concrete benchmarks to work toward – particularly when it comes to wages and benefits coverage – how an organization invests in and supports worker well-being must be tailored to meet the needs of their workforce, and the path to get there will be different for each nonprofit.

We consistently heard from leaders that **any effort to improve worker well-being must be articulated as an organizational commitment and understood as essential to the organization's ability to meet its mission**. Without this commitment and recognition, it can be hard for organizations to prioritize investments in worker well-being. Incremental changes that move organizations and their workers toward improved well-being should be celebrated and shared within organizations and more broadly within the sector and with funders. This is especially important because deeper and more **sustainable improvements to worker well-being require structural and systemic changes to the funding and policy environment in which nonprofits operate, and these changes are outside of the control of any one organization**.

In this section, we highlight five promising practices nonprofits are implementing that emerged in our research:

1. Equitable pay initiatives.
2. Robust and tailored benefits.
3. Schedule and location flexibility.
4. Collaborative leadership and decision-making.
5. Unionization.

For each of these promising practices, we offer definitions and examples, as well as a summary of what it takes to implement these practices – from the leaders and organizations who have already done so.

1. Prioritizing Equitable Pay

Increasing pay is foundational for any effort to address worker well-being in the nonprofit sector. Pay is largely prioritized by nonprofit leaders as the key lever they can use to address the interrelated issues of worker well-being and burnout, and staff attraction and retention. A 2025 study found that not being able to match salary expectations was cited as the top challenge in hiring by nonprofit leaders, and this challenge is more acute for small nonprofits who are in competition with better-resourced organizations for talent.[26] For this reason, leaders often prioritize raising salaries: 57% of California respondents to NFF's 2025 State of the Nonprofit Sector Survey were able to do so in 2024. But, as discussed in the section on *The Nonprofit Workforce and Well-Being*, the majority of organizations still fall short in their ability to pay all staff a living wage. Foundation and government funding and inflation were cited as the biggest barriers to paying a living wage in NFF's survey.

[26] PNP Staffing Group. 2025. Nonprofit Salary Guide & Hiring Trends. Accessed January 6, 2026 from https://pnpstaffinggroup.com/2025-nonprofit-salary-guide-hiring-trends-download-your-free-executive-compensation-report-today/.

Defining Equitable Pay

There are numerous standards and definitions of equitable pay, including different ways of defining a living wage, which is itself sensitive to factors like household size and geography. See Appendix H for a compilation of various measures of poverty, living wages, and self-sufficiency. Based on our discussions, we use the term **equitable pay to mean**:

1. **Pay that ensures employees at all levels of the organization are, at a minimum, at a living wage with a path to moving beyond that.**
2. **Compensation practices that reflect a clear and transparent pay structure that values all worker roles.**

Examples of equitable pay strategies from our research include:

- **Benchmarking:** Instituting across-the-board raises after benchmarking to industry standards, or setting the goal of all staff earning at or above industry median wage.
- **Internal Pay Equity:** Prioritizing raises for lower-paid employees; setting salary ratios (e.g., the highest salary in an organization is no more than 4x the lowest salary).
- **Salary Floors:** Establishing a minimum salary for any role in the organization, at or near a living wage.
- **Tenure Pay:** Automatic salary increases with each year of tenure, to recognize and reward employees' ongoing service to the organization.

Getting to Equitable Pay

Getting to equitable pay starts with a commitment, but the journey requires interim benchmarks, incremental changes, ongoing prioritization, and managing and shifting the expectations of staff, funders, and partners.

It may also require difficult trade-offs. Leaders may have to forgo raises or decide to scale down programs. While this may cause short-term challenge, it can also be an opportunity for organizations to refocus themselves on what they do best – in contrast to the default mode of continuing to do more and more in response to partner needs or funder demand, often without any additional funding. One organization we spoke with talked about the pain of having to scale down what they were offering a school partner when they committed to increasing salaries. They described the shift from "I am going to fulfill every single need of school partners" to "We're going to have an amazing after-school program and not a bunch of other services."

There are costs to equitable pay beyond an increased salaries line item. Benchmarking to industry and conducting pay studies are not free; they can be time-consuming for staff, require outside expertise, and need to be done on a regular, recurring basis. Costs like these must be built into an organization's budget as part of its budgeting and projections, along with direct salary expenses like merit increases, cost of living adjustments, and inflation.

Strategy: Full Cost Budgeting

Engaging in full cost budgeting, and the financial storytelling that accompanies it, are critical for organizations to make the case to funders for funding at levels that enable them to institute equitable pay. Not all funder relationships offer the opportunity for the open and honest conversations that this requires, but they can be cultivated over time.

Nonprofit leaders should also remember that funders are accustomed to seeing what nonprofits have been conditioned to provide: budgets that show incomplete costs, low salaries, and artificially low administrative costs to align with funder-imposed caps. **"We've experienced asking for more and getting more when we've asked for it in most cases," said one leader, whose budgets have gone up by 30 to 60% now that they include projections of increased salary costs.**

In doing full cost budgeting, some organizations may be surprised when they see that the costs of moving toward pay equity are not as high as they initially thought. One executive director said, "We had this whole fight around 2.5% annual increases – it was $20K a year – why are we fighting about this? ... These are small buckets of money in the overall budget that make a huge difference." What constitutes a small bucket of money is, of course, relative to organizational size, but the point is an important one: **Costs should be weighed in the context of the full budget picture, against their impact on worker well-being and retention, and with consideration of the benefit of moving toward greater values alignment.**

Case Study: Filipino Advocates for Justice

Filipino Advocates for Justice (FAJ)'s journey toward equitable pay started with the COVID-19 pandemic and the rise in anti-Asian violence. The organization was focused on supporting the wellness and mental health of their communities in light of these external stressors and traumas, which affected their clients as well as their organizers – all of whom were representative of FAJ's constituents.

At the same time, the organization was in a strategic planning process through which they committed to focus on well-being for clients and staff, and recognized that there had to be "actual shifts in people's material conditions."

This kicked off 2.5 years of phased work for a compensation task force. Phases included: a regional scan to see where FAJ staff stood; board and staff participation in training to develop a values-driven, equitable compensation structure; and the task force's creation of a transparent compensation structure based on salary bands. In 2022, all salaries went up 15.5% in order for the organization to raise its salary floor from $40,000 to $64,000. The organization has also enhanced its benefits to include a $1,200/year wellness stipend, flexible spending accounts, and a 401(k) program.

Board support was critical to FAJ's success in making these changes. The board encouraged the executive director to include cost of living adjustments in budgeting, and would pass deficit budgets in some years so as not to sacrifice staff salaries in service of a balanced budget. Executive Director Geraldine Alcid says, "My biggest advice: Start anywhere. If it seems like it's so much, focus on one or two things and just do it."[27]

Strategy: Raising Unrestricted and Multi-Year Funds

Securing unrestricted and multi-year funding has been key for organizations working toward pay equity, with foundations and individual giving offering the most potential. This may require diversification of funding sources, particularly for organizations that traditionally rely on government funding. It requires conversations and sector-wide advocacy to move existing funders from restricted or program grants to unrestricted, general operating support. And part of this may require nonprofits to say "no" to funding that doesn't help them achieve their pay equity goals, whether because of restrictions, time limits, or because it would require continued programmatic focus in an area that the organization is moving away from.

As one nonprofit leader shared:

> *"Unrestricted funding is the best strategy – it allows us to maximize funds, to have the most impact, and to take care of our workforce who is moving the work forward. I was able to build relationships and have direct conversations with funders about having a more trust-based approach, including the need to move toward multi-year, unrestricted funding. I was able to get some funders to transition program restricted funds to unrestricted funds. This allows us to be nimble and pivot when the time calls for it."*

Unrestricted funding contributes to organizational health in a way that parallels the definitions of worker well-being – it helps organizations move from surviving to thriving. One organization said having multiyear, unrestricted funding "allows us to operate from a place of being resourced … it allows us to move and operate from a place of abundance and more creatively."

[27] Filipino Advocates for Justice. 2025. People Power Movements: Lessons from FAJ's Deep Wellness Project. Accessed October 6, 2025 from https://mailchi.mp/b58010e6c3dd/fajwellnessreport.

Challenges

Beyond the formidable work of understanding and advocating for full costs and accessing unrestricted, multi-year funding, there may be unforeseen challenges or unintended consequences on the path to pay equity. Specifically, some workers may become ineligible for public benefits when their salaries go up. This can be a thorny issue to address, particularly for organizations with missions tied to economic liberation, and another reminder of the ways in which workers and the organizations they work for are conditioned by the systems in which they operate.

There may also be internal conflicts that arise with the necessary stepwise approach to pay equity. Even if the goal is greater internal equity, changes along the way may be experienced as unfair. "When one population's salary goes up, what about the rest of the staff?" noted one leader. Here, communication and transparency from leadership can go a long way. If there is a goal and a roadmap to achieving that goal, it should be shared with staff so they can buy into the vision and understand its impact on them.

2. Beyond Pay: Additional Investments in Staff

Benefits are a significant part of total employee compensation, and also are essential to supporting fundamental elements of well-being, like physical and mental health. Benefits are a way in which employers can prevent or address the stresses – financial, health, caregiving, or otherwise – that are common in workers' lives, and can have a negative impact on well-being and productivity, particularly if they reach a crisis point.

Benefits that Address Worker Well-Being

Interviewees consistently described a subset of benefits as core and essential for all organizations: health insurance, disability insurance, and paid sick and vacation time. Beyond these core benefits, our research elevated numerous other benefits that further worker well-being, yet may support workers differently, for example, based on life phase and situation, household composition and support, and lived experience.

Rather than prescribing a standard menu of benefits that all employers should offer, our research suggests that organizational decisions around benefits implementation be guided by two related principles: alignment with staff priorities and needs, and choice. Benefits that do not feel relevant to staff will be underutilized, which can send employers the message that benefits aren't important to staff and signal to workers that employers don't actually care about their well-being. Options and choice in benefits are important because they give workers agency and the ability to tailor their use of benefits to support their individual well-being goals.

Example of benefits shared by interviewees that go beyond a core benefits package include:

- **Full coverage of insurance premiums**.
- **Multiple healthcare plans to choose from**.
- **Caregiver assistance**, including stipends to cover costs of care, adoption assistance, and paid caregiver leave.
- **Mental health services**, availability of on-site therapy, insurance that covers mental health services, and/or private rooms for therapy or other self-care activities.
- **Time off for wellness**, including regular "wellness" days that everyone takes.
- **Sabbaticals**.
- **Transportation stipends**.
- **Professional development and coaching**, with plans developed by staff and flexibility in spending professional development budgets.
- **Employee hardship funds for emergencies**.

Getting to Comprehensive Benefits

More comprehensive benefits cost more money and require more staff time to administer. For this reason, organizations looking to bolster their benefits will likely have to use the same strategies detailed in the previous section on equitable pay: full cost budgeting and unrestricted and multi-year fundraising. In addition to those, we highlight below several ways organizations are managing the cost of benefits.

Case Study: The Richmond Neighborhood Center

The Richmond Neighborhood Center (TRNC) has been on a journey to improve compensation and benefits since 2021, when the organization brought in a new chief financial officer and changed its budgeting practices.

Over the course of three years, TRNC has increased pay such that all workers earn a living wage. When the new CFO came on board, the organization was making the minimum contribution for employee health care costs as required by the City of San Francisco under the Health Care Security Ordinance. Their contribution cost was for a medical benefit card for employees, which was underutilized. The new CFO asked what might happen if they paid more on employee benefits, but people actually used them, and it benefited the organization. In tandem with this change, the organization set the threshold for benefits eligibility at 20 hours, and began to offer full medical, dental, and life insurance coverage. TRNC also makes an automatic 4% retirement saving contribution, regardless of what the employee contributes. Now, 60% of the staff use the benefits TRNC offers.

These investments have yielded clear operational returns. TRNC has experienced increased employee retention and reduced recruiting and onboarding costs, allowing it to maintain stable staffing levels. As a result, programs are launched on time, enrollment remains strong, and services are delivered as planned.

TRNC shared that its journey is not unique: these outcomes are achievable for any nonprofit willing to rethink its approach to financial management and align organizational values with financial decisions. By ensuring that commitments to principles like equity and community impact are reflected in budgets and by challenging outdated conventions that treat underinvestment in staff as fiscally responsible, TRNC says all organizations can adopt a more strategic, values-aligned approach to financial management. This ultimately strengthens workforce stability, improves programs, and better serves communities.

Strategy: Group Purchasing

Small organizations are at a disadvantage when it comes to the cost of insurance, because premiums are higher when there are fewer insured parties. They also are less likely to have the staff to navigate complicated insurance marketplaces. To overcome these challenges, nonprofits may choose to work through a professional employment organization (PEO), like JustWorks or TriNet, or partner with other organizations to get to a scale where benefits are more affordable. There are also resources specifically for nonprofits, like CalNonprofits' Insurance Services, which is an insurance brokerage exclusively serving nonprofits.

Strategy: Low-Cost Changes

Some benefits are low- to no-cost and mostly require organizations to think differently about how they allocate their resources. For example, if an organization is already budgeting for professional development or training for its staff, there is no added cost to giving them choice in what training they pursue, within a given budget.

Similarly, strategies like closing the office for a half-day a month for self-care may have limited to no impact on an organization's bottom line or productivity, and the benefit to staff could eclipse financial costs incurred.

Challenges

For many individuals, having comprehensive benefits and choice in offerings may be a new experience, particularly for those who have never been insured or have relied on social safety net programs. Understanding what is available to them and how to use insurance for preventative health and not just emergencies requires education and behavioral change, and may call for additional support from organizational staff and leaders to help staff navigate enrollment and finding care. Still, these shifts can be transformative, and in some cases, lifesaving: one organization shared how an employee who never had a primary care physician discovered cancer through a routine wellness visit.

3. Flexible Work Schedules and Locations

The COVID-19 pandemic changed the world in many ways, including how and where people work. These adaptations started as a necessary response to health and safety restrictions, but have quickly come to be seen as a way in which employers can affect the day-to-day experience of work that contributes to well-being. Discussion of flexible work schedules bleeds naturally into discussion of work-life balance. Individuals may have different thresholds or definitions of this, but there is general agreement that addressing work-life balance can help prevent burnout and employee turnover. In fact, according to one study, remote work/flexibility is the top reason social impact employees stay in their jobs - cited even more frequently than mission alignment, a supportive work environment, and adequate pay and benefits.[28]

Increasing Flexibility in the Workplace

Strategy: Hybrid and Remote Work

Hybrid and/or remote work arrangements, which had some traction in the nonprofit sector before the pandemic, were adopted widely and quickly during the pandemic to accommodate health and safety mandates and caregiving responsibilities. Since then, many organizations have maintained these policies, finding that their staff value the added flexibility, ability to better manage personal responsibilities, and reduced commute times that hybrid and fully remote work arrangements allow. Further, there may be financial benefits for them from reduced spending on transportation or childcare. Organizations also may find themselves rethinking their office space needs with a hybrid workforce, which can result in cost savings on real estate and occupancy.

Hybrid and remote work schedules may seem most desirable to caregivers, but nonprofits who have maintained hybrid work have found that their staff value these work arrangements regardless of whether or not they have caregiving responsibilities. One organization that originally adopted hybrid work to better support parents during the COVID-19 pandemic said that "all policies that are family-friendly are worker friendly. ... Our hybrid work policy has been a game changer for retention and flexibility."

Having remote and hybrid work policies may increasingly be key to employee attraction. As flexible work persists and becomes more of the norm in the nonprofit sector, organizations that do not have these policies in place may struggle to attract applicants, highlighting the connection between worker well-being and organizational health.

Strategy: Four-day Work Week

The four-day work week – in which employees work four days a week instead of the conventional five for the same pay and with the same workload – is a model that organizations are adopting in an effort to improve work-life balance.

Implementing a four-day work week is an organizational transformation. As such, it is not a policy that can be implemented on a whim. It requires support from executive and board leadership. It needs to be planned for, with clear communications about expectations around performance and goals, and training for staff on practical tactics for managing work on a more compressed schedule. It also needs to be modeled by leadership and managers, so that staff do not feel like the policy is fake or they will be viewed negatively if they take the fifth day off. There also needs to be ongoing monitoring, to see how it is affecting workers as well as the organization's performance and ability to deliver on its mission. As one nonprofit leader shared:

> *"We eased into a four-day work week over six months' time. We asked [ourselves], 'What makes this possible and successful for our team?' We started by having no meetings Mondays and Fridays for a few months, got used to that. And then we dropped one of the days entirely (Friday) but kept Monday as a quiet day where you don't have a lot of meetings ... We were constantly checking in on how it's going as we were implementing: What is working? What is challenging?"*

[28] Social Impact Staff Retentional Project. 2025. Findings from the second survey on nonprofit staff satisfaction. https://static1.squarespace.com/static/638d02351c54f66542fa944f/t/680854abb2ea3a007b6fd842/1745376428187/SISR+2025+Final.pdf.

Strategy: Other Practices

There are other practices that may create less wholesale transformation within an organization, but still have a lot of value to individual workers while also contributing to an organizational culture that is supportive of flexibility and rest. These are all relatively low cost and have minimal impact on an organization's productivity. Examples include:

- "Time for rest," including organization-wide closures (for example, closing between Christmas and New Year, or half-days on summer Fridays).
- Floating holidays.
- Flex-time work schedules, which allow workers to set their schedules to include time outside of conventional business hours, starting their workday earlier or later to accommodate personal needs.
- Ability to swap hours or schedules with co-workers.
- Creating redundancies or overlaps in schedules so that if a staff person is out, there is no impact on services.

Challenges and Considerations

The ability to offer flexible work schedules varies within the sector. Organizations that offer public programming and direct services, for example, may not be able to offer remote work options. And many organizations and workers see the value of time in-person with colleagues and clients. Here, it can be valuable for nonprofits to look to peer organizations for ideas about how they can offer flexibility that is suited to the type of work they do. Leaders can also solicit ideas from their own employees about what type of flexibility would be most useful and valuable to them, without compromising mission delivery.

Case Study: Canal Alliance

Canal Alliance is a nonprofit organization serving the Latino immigrant population in Marin County. The organization has roughly 110 full- and part-time staff, and provides direct services in the areas of immigration, education, behavioral health, workforce development, education, community planning, and housing, and also engages in policy advocacy and civic engagement efforts to change systems that contribute to inequity for immigrants.

Canal Alliance implemented a four-day work week as the result of a strategic planning process through which worker well-being was prioritized. The four-day work week was identified as a tactic for decreasing turnover and improving overall worker well-being. The path toward a four-day work week started years prior to implementation though, involving building strong teams rooted in trust and streamlining processes.

The four-day work week pilot started in February 2024 and was made permanent after four months because of the demonstrable impact across the metrics Canal Alliance decided to track. During the pilot phase:

- 87% of staff reported improvement in their work-life balance.
- 78% of staff reported improved mental health.
- 73% of staff reported improved physical health.

And the positive outcomes from this transition have continued. From the beginning of the pilot to June 2025, Canal Alliance had:

- 0 resignations as a result of burnout.
- 70% increase in applications for open positions, and a 40% increase in qualified applicants.
- 50% reduction in staff turnover, which translated into more than 5,500 hours of staff time saved (or almost 3 full-time equivalent positions) that would otherwise have been spent interviewing, onboarding or covering for open positions.

While there was certainly a learning curve, the outcomes for the organization and its staff have been undeniably positive.

4. Collaborative Leadership and Decision-Making

No matter where they work or how much they earn, workers want to feel that they can effect change in their workplace and their job.[29] In nonprofits, this may be even more pronounced: Workers who are drawn to an organization's mission may be more likely to want to influence the organization's strategy. Calls for change in how organizations are led and governed, and movement away from traditional hierarchical workplaces and top-down decision making, have become more visible in the past 5-10 years. These changes can be tied to generational shifts in attitudes toward work as well as larger events that have dominated the political and social landscape, including the upswell of focus on racial equity after the murders of George Floyd and Breonna Taylor, growing political polarization, and high-profile unionization efforts.

Increasing Worker Voice in Decision-Making

Strategy: Distributed Decision-making

One strategy for increasing worker involvement in decision-making is the **creation of formal internal structures that distribute decision-making power across a broad, representative swath of staff.** From what we saw, these types of structures are typically focused on a particular aspect of organizational operations, for example, budgeting. The involvement of staff from all levels is key, as is the inclusion of staff from all functional areas of the organization – not just those whose job roles are connected to the committee's focus.

Internal committees can be valuable for professional development and career advancement and enforce the connection to the work and mission. One worker said, "Being granted opportunities as a young adult to foster leadership … helped me grasp the work's impact locally, on a county level, and nationally."

Case Study: YO! Cali

Youth Organize! California, or YO! Cali, is a field-building, network-based organization with the goal of supporting youth in building power and achieving long-term change in their communities through organizing. While they have always had co-executive directors guiding the organization, two years ago the organization implemented a shared leadership model with two internal groups: the culture stewardship team and the resource leadership team. All staff must join one of the groups and everyone received a $5,000 raise to reflect their new leadership responsibilities.

Since launching, the resource team has trained staff on fiscal management, including procurement and how to estimate expenses and develop budgets. The team reviews budgets developed by program teams and then presents them to the co-executive directors for approval. The culture stewardship team oversees staff practices and organizational culture. For example, they revamped the staff evaluation process after seeing a big discrepancy in how team members were doing evaluations and the friction that this was creating internally. At times, the two teams work together to resolve issues related to allocating resources. Part of what has allowed YO! Cali to build a successful model is having clarity around what decisions are owned by each team and by the co-executive directors – "it's a fine balance and requires being very clear about where people have agency and where they don't."

Strategy: Broad Staff Involvement

Another strategy is **broader involvement of staff in key organizational processes,** namely budgeting and strategic planning. While strategic planning may only happen every few years, one organization we spoke with has staff retreats three times a year to discuss tactical and strategic items, including specific policies, workplace norms and agreements, and sustainability strategies. Similar to participating in specific committees, exposure to

[29] Gallup. 2025. The American Job Quality Study: 2025 State of the U.S. Labor Force. Accessed on September 19, 2025 from https://www.gallup.com/analytics/691241/american-job-quality-study.aspx.

organizational management processes can be valuable professional development experience for staff by introducing them to issues and content outside of their day-to-day work.

One leader shared: "We have a commitment that all of our decisions are made by the people who are impacted by them. So all staff-impacting decisions are discussed with the full team." The organization has job descriptions that it revisits on an annual basis to ensure that they align with employees' strengths, proclivities and capacity, as well as a set of team agreements on which the team reflects at the close of every meeting and that are adapted each time a new person is brought onboard. It has also transformed traditional performance review and feedback practices by prioritizing mutual accountability and by replacing the standard annual performance reviews with real time feedback, a practice of conflict resolution across the team, and a celebration of each employee's "workiversary" during which tangible accomplishments, contributions, and learnings are named.

Implementing Collaborative Leadership and Decision-Making

Psychological Safety

Implementing collaborative leadership models and shared decision-making requires that staff have a feeling of psychological safety – itself a contributor to worker well-being. One interviewee remarked:

> *"It's sometimes hard to get information and feedback on what staff need. You can have open forums, office hours, employee surveys, but if you don't have a psychologically safe environment, it's going to be hard to get that information."*

Psychological safety is an outcome of organizational policies, values, and norms that support well-being, solicit feedback from staff in a genuine way, and honor the identities and experiences of workers. Having leaders with lived experience of their organization's work can make a difference in this regard, because it reinforces the message to other staff that their life experiences are valuable to the organization and their work.

Visible, Incremental Change

In order for these new structures to be effective in improving worker well-being, workers need to be able to see the impact of their contributions. Perhaps counter to expectations, even seeing small or incremental changes that are the result of these new models can have a positive effect on worker well-being. "Where workers have a collaborative relationship with the leadership of their organization ... as long as they are seeing some kind of change from their work, it contributes to well-being," said one interviewee.

Clear and Transparent Communications

Implementing shared leadership and decision-making requires an investment in two-way communications and feedback. Gathering input, reflecting on it, and sharing back what was heard and how that feedback will be used takes time, and can easily be eclipsed by the urgency of day-to-day work. This time should be taken into account when considering staff workloads as well as their compensation, with additional compensation (where possible) for taking on leadership roles or making additional contributions to the organization.

Challenges

For most organizations, there will be some limits to what staff can impact. This may be because of human resources practices, employment law, or risk management. This is a tension that organizations will have to grapple with individually: how to cultivate transparency while also managing compliance. One organization we spoke with was "very consensus and collective decision-making driven. It was by all-staff vote. But this was unrealistic for some decisions. ... Now it's a collaborative effort but it's not total consensus or always full collective decision-making." While this may fall short of some workers' vision – or even the vision of leaders themselves – it is another tension that organizations will have to navigate, and another area where transparent communications is critical. Leaders need to be clear about what staff can and cannot affect, and the relationship between staff voice and final decision-making.

5. Nonprofit Unionization

Unions are formal models for shared decision-making and workplace democratic governance, as well as a way for workers to ensure wages, benefits, rights, and protections. As such, the link between unionization and worker well-being is well-established through research. Unionized workers have higher wages; more employer-sponsored benefits, paid leave, and control over their schedules; and use fewer public benefits than their non-unionized peers. Unionized workplaces have less occupational fatalities than non-unionized ones, and smaller internal gender and racial wealth gaps.[30] While the overall unionization rate has continued to decline in the United States, there has been an uptick in unionization efforts and public support for unions in the past five years.

The issue of unionization in nonprofits is increasingly visible, and drawing interest from workers, leaders, and funders, even while only a small number of nonprofits are unionized. Even so, we chose to highlight unionization here because even unionization of a small number of organizations may have a spillover effect, influencing workers' expectations and demands, particularly if it becomes more normalized and visible in certain segments of the sector. Also, the union model may offer practices and ideas for affecting worker well-being that leaders and organizations can adopt, even if they do not unionize.

The Unionization Journey

We spoke to several organizations that have unionized, each with a different impetus, including: a wish to preserve the culture and rights of a small organization as it merged with a larger organization; an effort to protect a certain category of worker that was at odds with leadership; and a call for more worker influence on organizational policy and workplace democracy. One organization noted that the impetus for unionization came from front-line and younger staff, and others observed that early unionization efforts in the nonprofit sector have been in organizations that work closely with organizers and unions.

We summarize here what they shared about the experience of unionizing and what it has meant for their organizations:

- Improved salaries/wages and increased visibility into pay increases.
- Consistent and improved policies around paid time off and benefits.
- Clarity on shared processes for policy changes and decision-making.
- Formalized and consistent supervision, staff evaluation, and leadership development pathways.
- Reduced burden on leadership for decision-making.

Of these, the reduced burden on leadership is the most surprising, as it goes against common characterizations of the relationship between union members and leadership as antagonistic and the assumption that unions add a layer of bureaucracy. On the contrary, one leader we spoke with talked about how the contract helps her:

> ***"The burden of having to make all the decisions is now shared across the organization. Having a contract is so helpful – I can turn people to that and if they don't like things, it can be addressed via the next bargaining period. It provides a very clear process."***

Challenges and Success Factors

The unionization process is not always smooth. Staff and leaders need to be prepared for discomfort and fallout, especially if there are differences in priorities between different groups of staff. One leader said, "Contract negotiations, given what they are, are like holding conflict in a container. It takes a toll to be in conflict for a while. We had to make agreements with each other about how we were going to do this as humans together. What's good is that it creates the container that encouraged us to be clearer, and provided opportunities for feedback and input." This is one example of how unionization can actually make organizations stronger, to the benefit of workers and the communities they serve.

[30] Banerjee, A., Poydock, M., McNicholas, C., Mangundaydayao, I. and Sait. A. 2021. "Unions are not only good for workers, they're good for communities and democracy. "Economic Policy Institute. Accessed on October 6, 2025 from https://www.epi.org/publication/unions-and-well-being/.

There is a steep learning curve for leaders and staff on the processes of unionization and collective bargaining; for worker-members, there may also be a need for increased capacity and understanding of nonprofit finance and budgeting. The process of unionization and contract negotiation is lengthy – at least a year in most cases – and requires legal expertise and support on both the management and worker sides. **As with most organizational change management, there are additional financial resources that must be in place to support this prolonged period of learning and negotiating**, and organizations with general operating support and fewer restrictions in their budgets are better positioned.

Because nonprofit unionization is relatively new and rare, organizations that pursue it will need to look beyond themselves for resources and information and learn from the experience of other organizations and leaders. Our desk research, and recommendations from other leaders, point to the Resource Hub maintained by Beyond Neutrality, a collection of resources that is uniquely focused on unionization in the nonprofit sector.

Promising Practices and Recommendations for Funders

An organization's ability to improve worker well-being is inextricably linked to its funding. Just as nonprofit leaders must recognize the critical link between worker well-being and mission delivery, funders must recognize that the ability to meet their philanthropic goals is tied to the health of their grantees, which is directly linked to grantees' ability to support the well-being of their staff.

Drawing on examples from funders we interviewed during our research, here we outline ways in which philanthropic and public funders can support worker well-being through their support of the nonprofit sector.

Philanthropy

Grantmaking Strategy

Full Cost Funding

The primary tools that philanthropies have for investing in worker well-being are their grants and the frameworks that guide their grantmaking. The baseline for philanthropies to increase their investment in worker well-being is to provide **full cost funding** – funding that enables organizations to cover all of their current funded and unfunded costs, build organizational reserves, and plan for future growth and change in cost structure. This may require funders to give bigger grants, adjust their expectations of what organizations can achieve, or both. As one funder shared, "this work is expensive. It's 10x more than we're currently investing."

Funders must recognize the power imbalance that exists between them and nonprofits and be the ones to open the door to conversations about worker well-being and the full cost of running their organizations – including supporting a holistic vision of well-being. Nonprofits have been conditioned by individual funders as well as the larger systems in which they operate to undervalue their work and their staff and fit in with arbitrary and outdated standards about what is acceptable in terms of compensation and administrative costs. **Funders have the power to break these cycles and set a new standard for transparency and honesty in conversations with nonprofits.**

Unrestricted and Multiyear Funding

The default for funders should be to give nonprofits choice in how they spend grants, through unrestricted, or general operating support, grants. Multiyear and unrestricted commitments give leaders the flexibility to choose and prioritize how they invest in their staff, and also reduce some of the burden of the annual fundraising cycle.

Even with these practices in place, **funders have a role to play in encouraging leaders to invest in their staff**. They can reinforce that it is okay for nonprofits to use funding on staff needs. One foundation leader said:

> *"We've made it a point to ask, what is the organization doing to advance wellness and sustainability? People appreciate that we ask about it. The general operating support that we provide doesn't have to be used on wellness, but the conversation allows them to think about and be more intentional about how they use unrestricted dollars at their organization."*

Simply emphasizing that funding does not always have to be used to do more can go a long way too – and at no-cost. As one nonprofit leader shared, "Program officers can say 'I can't give you more money, but scale back, I want you to do less.'"

Funders do have their own restrictions to contend with, so unrestricted funding may not be an option for all. But there

are other ways to give flexible support or make their funding "unrestricted-like." For example, one funder shared that they are not able to make unrestricted grants because of their board's directives, but were able to position a recent grants as "working capital" with an 18% overhead rate, enabling the funding to be used for a variety of purposes prioritized by the grantee.

Examples of foundations that provide unrestricted, multiyear funding include:

- **The California Endowment**, for which general operating support is the default and program officers need to make a case to the foundation's leadership in any instances where they are not recommending general operating support.
- **The California Wellness Foundation** provides mostly general operating support grants and recently suspended its annual reporting requirements, thus reducing the administrative burden to grantees. This change was well-received by grantees, whose feedback included that this is an example of strong partnership from philanthropy.
- **The Walter and Elise Haas Fund** launched the Endeavor Fund in 2023, which invests in a cohort of seven nonprofits, providing $3.5M in general operating support over seven years to each organization to support their work in closing the racial and gender wealth gap. In 2025, the organization introduced the WE Initiative, wherein 24 nonprofits receive general operating support of $500,000 over five years to activate and sustain belonging.
- **The James Irvine Foundation** Better Careers initiative supports workforce development organizations via a 7-year funding commitment, the majority of which are long-term, flexible investments to build grantee capacity.

One-time or Additional Grants

Beyond their routine grantmaking, **funders can provide one-off, one-time, or additional grants on top of or alongside a grantee's core grant funding for initiatives that the grantee has identified to support worker well-being**.

The Walter & Elise Haas Fund, for example, makes additional investments out of their operating budget - on top of those out of their grantmaking budget - so as not to cannibalize grant dollars and force grantees to make trade-offs. They also provide one-time Leader Well-Being grants, on top of their core grants, to further support their grantees. The Durfee Foundation's Lark Awards provide small, community-centered organizations with $30,000 to invest in collective care for their staff, with discretion in how the funding is spent. The Ralph M. Parsons Foundation recently launched a new Talent Investment grants program that provides up to $15,000 to support grantee partners' self-identified professional development needs.

Targeted funding for investment in workers should also emphasize grantee choice and agency in how the money is spent. One nonprofit said: "The best grant we ever received: $500 to each staff member to support well-being." In fact, some organizations reported potential benefits from having their funders restrict some funding to investments in staff, because even with unrestricted funding it can be hard to prioritize these investments over more routine needs like filling gaps left by public contracts. As one foundation leader shared, "It can be hard for nonprofits to use the general operating support for self-care or worker well-being; it's in the DNA of the nonprofit mentality that staff sacrifice – and suffer. I often make an [unrestricted grant] that I know they will use for programs, and another small grant that is for worker well-being. Even if I encourage them to use the [unrestricted grant] for well-being, it's hard for them to do that. That second grant feels like 'permission' to them to use it to invest in their staff."

One organization in the field, Fund the People, is advocating for Staff Operating Support – or S.O.S. – grants, which would be grants restricted to investments in people or the human resources systems that support them.[31]

Aligning Foundation Values

Foundations may have to make worker well-being explicit in their grantmaking strategies so that these types of investments are understood and prioritized throughout the organization – from grants managers to trustees – as consistent with the foundation's vision and goals. The Ralph M. Parsons Foundation recently updated their mission and

[31] Stahl, Rusty. 202. S.O.S. – Nonprofits Need Funding for "Staff Operating Support." Fund the People. Accessed January 22. 2026 from https://nonprofitquarterly.org/nonprofits-need-funding-for-staff-operating-support/.

strategic priorities to focus on improving quality of life and advancing community well-being, acknowledging that a thriving nonprofit workforce is an essential part of the work. Similarly, the James Irvine Foundation has defined concrete impact goals for its work that include the organizational health of its grantees, measures of financial stability, job quality, pay, sabbaticals, and the like.

Related to this, **foundation staff that want to move toward full cost or unrestricted funding may also need to educate board members and trustees**. One funder said, "Our board struggles with understanding the rising cost of work. They don't fully understand why it takes such big staff sizes, why retention matters. Some think nonprofits are still volunteer-based, working in a church basement, not real professional organizations."

Well-being Programming and Initiatives

We found a number of examples of ways in which foundations are investing in nonprofit worker well-being, through support of **programs and special initiatives** focused on well-being. These programs and initiatives can provide a resource or supplemental support to organizations that might not be able to provide them on their own. They often have the added benefit of creating connections between workers from different organizations.

Examples we heard of ways in which funders are supporting nonprofit staff wellness include:

- **Sabbatical programs**, which provide nonprofits with financial support for leaders who are taking time away from work and contribute to organizational sustainability by reducing burnout and providing a chance for other workers to step into leadership roles while staff are on sabbaticals.
- **Cohort-based initiatives**, which bring workers from multiple organizations together for programming explicitly focused on well-being or provide space for professional development and time away from work, both of which are important components of well-being.
- **Support for professional development**, either through grants or initiatives, which contributes to individual growth – an important component of well-being.

Support for Research & Data

Support for research into worker well-being is another need that funders can address. In general, the nonprofit field is understudied. The sector suffers from a lack of data that is essential for understanding how nonprofit workers are doing, establishing and measuring progress toward benchmarks, and setting policy. For example, even basic employment and wage data - something most other industries can access quarterly from the Bureau of Labor Statistics – is only released for the nonprofit sector every five years.[32]

There is also a dearth of evidence about what works when it comes to improving worker well-being in the nonprofit context. This is especially important given the resource constraints of the field; **research into what works can help funders and organizations target their investments in worker well-being and avoid spending money on efforts that do not have a strong impact on well-being.**

Some ideas we heard from interviewees regarding support for research include case studies of effective practices that organizations have employed to improve worker well-being; resources specific to unionization in nonprofits; and longitudinal studies of worker well-being, including career advancement. As one foundation leader shared about their support of case study research:

> *"You can't get at the impact of what happens when you invest in well-being without these real-world examples. People don't hear these stories very often, and … [the value of well-being efforts] can be such a squishy thing. Funders are often all about return on investment and it's hard to measure [in this space]. Case studies can help demonstrate how the squishy, invisible stuff elevates the work and the organizations."*

[32] Independent Sector. 2025. Nonprofit Economic Data. Accessed December 8. 2025 from https://independentsector.org/policy/nonprofit-policy-issues/nonprofit-economic-data/.

The public, philanthropic, and nonprofit sectors can also collaborate to access and study data on the nonprofit workforce as well as other issues that affect the nonprofit sector and its workers. One model for this type of partnership is the California Policy Lab, a research institute at the University of California which uses philanthropic funding and researchers from UC Berkeley and UCLA to produce insights to drive public sector action and innovation. The Lab has access to a number of public and private data sets, including from the state's Employment Development Department, private industry wage data, and credit scores.

Examples of California Funder Support for Well-being Programs and Initiatives

The California Wellness Foundation and **The Durfee Foundation** both have **sabbatical programs** for nonprofit leaders. Both foundations provide financial support for the sabbatical that many organizations would not be able to afford. There are no rigid requirements on how leaders use their time. Financial support is also intended to cover costs associated with coaching and development to other staff to take on leadership responsibilities during the sabbatical period.

The John W. Mack Movement Building Fellowship, funded by The Weingart Foundation and managed by Change Elemental, is a fellowship for mid-level managers in organizations advancing justice in southern California. The goal of the program is to help leaders develop their own unique approach to leadership, while also providing them with tools to support their well-being so that they can sustain their work and the broader work of the movements they are embedded in. Fellows define what wellness means for them, learn tools to reduce stress, and, in some cases, receive stipends to help support wellness practices.

Serving Los Angeles-based organizations, **The Ralph M. Parsons Foundation** funds a variety of leadership and professional development activities, including sponsoring executive directors of grantee partner organizations to participate in Stanford University's Executive Program for Nonprofit Leaders, and partnering with the Bridgespan Group and other funders to offer professional development opportunities through Bridgespan's signature Leading for Impact and Leadership Accelerator programs.

Other Practical Ways Funders Can Support Worker Well-being

Other examples of low-lift or low-cost tactics funders can employ that can help nonprofits address worker well-being, include:

- Flexible, streamlined, or reduced reporting requirements, including allowing grantees to just submit updated budgets in the case of grant renewals, use reports from other funders, and not resubmit information that the funder already has.
- Instituting automatic cost of living adjustments into grants, or other across-the-board increases to address the impact of inflation.
- Providing grants to cover gaps in public funding, making workers "whole" for the work they are already delivering.
- Talking with grantees about how their salaries compare to local living wages.
- Supporting professional development and coaching opportunities for nonprofit leadership and staff.
- Providing nonprofit staff with stipends for mental health or other wellness needs.
- Encouraging grantees to think about sabbaticals and offering financial support to incentivize them.

Advocacy and Learning

Several funders noted their frustration with being one of few funders investing in well-being for the nonprofit workforce, and a need to bring their peers into this work in order for it to have a deeper impact. This can be a challenge because, as one funder noted, it requires getting into the weeds on topics like increasing pay-out from a foundation's corpus; this is in contrast to the types of conversations that many funders are more accustomed to participating in - around innovation, scale, the use of artificial intelligence, or other emerging topics affecting the nonprofit sector. "How do you make this an important conversation when it's not necessarily the topic that people find interesting or exciting to invest in?" one funder asked.

One answer is with compelling research, as highlighted in the previous section. Another way is through creating and supporting venues and platforms for sharing about how organizations are addressing well-being. This gives organizations the ability to speak for themselves – to both funders and peers – about their experiences, impacts, and lessons from well-being initiatives. **Having foundations as a convener is an important signal to the funding and nonprofit field that worker well-being matters and needs to be addressed in funder/nonprofit relationships.**

Finally, philanthropy has an important role to play in funding, leading, and amplifying public education and advocacy campaigns that highlight the importance of the work of nonprofits and call for needed changes in the public funding landscape to address endemic challenges in the sector, such as delayed reimbursements and funding that does not cover full costs. These types of campaigns can also challenge damaging narratives about the sector by elevating the value of nonprofits and the central role that nonprofit workers play in driving mission delivery and community impact.

Raising the Profile of the Nonprofit Sector through Public Campaigns

Several recent public-facing campaigns highlight the importance of the nonprofit sector and call for greater focus on its health and the well-being of its workers.

In October 2025, Trinity Church Wall Street launched the #TheHeartofNY campaign to bring attention to the issue of underfunding and delayed payments for nonprofits. The campaign features portraits of nonprofit workers with quotes about why they do their work and the role their organization plays in the city. The campaign's key messages are that "Nonprofits are the heart of NY" and "The City works because nonprofits do" and summarize the connection between nonprofit sector health and communities: "When nonprofits struggle, essential programs vanish and the burden falls hardest on low-income communities, immigrants, and people of color."[33]

The Nonprofits Get It Done campaign, sponsored by the National Council of Nonprofits, urges individuals to call on lawmakers to advocate for nonprofits in light of proposed changes to the charitable tax code, federal funding, and regulatory frameworks for nonprofits. The campaign describes nonprofits as "neighbors helping neighbors," providing "urgent, even life-saving services where government and business can't."[34]

[33] The Heart of New York (website) Accessed on November 12, 2025 from https://www.theheartofnewyork.org/.

[34] Nonprofits Get it Done (website). Accessed on November 12, 2025 at https://nonprofitsgetitdone.org/.

Government

Government policy and practices have a huge impact on nonprofits' abilities to address the well-being of the workers and the communities they serve. This is especially true for organizations that are primarily funded by public grants and contracts, such as homeless services, youth development, and workforce development providers. Limits on administrative costs and salaries, multiyear contracts that do not include automatic cost of living adjustments (COLAs), and delays in payment all act as constraints. Individual organizations are faced with accepting the terms of public funding, and they often go to private funders to make up the gaps.

We highlight here several promising developments for supporting nonprofit worker well-being that run counter to the challenging government funding dynamics affecting the sector.

Ballot Measures

Ballot measures can create new sources of dedicated funding for public contracts and services, and can also be used to advance policy changes that have a positive impact on the nonprofit sector.

- Voters in Los Angeles County approved Measure A in 2024, which will raise more than $1 billion annually through a half-cent sales tax. The funding will be used to support continued progress toward the county's goals around housing and homelessness, including programs, services and new construction. The measure included two provisions related to wages:
    - That workers funded by contracts using Measure A funds be paid wages "aligned with public and private market conditions," and receive wage increases and incentives that put them on par with public workers doing similar work.
    - That the County establish a labor council to make recommendations for heightened standards to address the challenges faced by nonprofit workers in the homeless services sector, including wages, benefits, pay equity, COLAs, career development opportunities, and inequities in contracting practices.[35]
- In San Francisco in 2018, voters passed Proposition C ("Baby" Prop C), a Commercial Rent Tax for Childcare and Early Education, that authorizes an additional tax on the lease of commercial property for landlords with annual gross receipts over $1 million. The spending plan created for the new source of revenue identified three priorities, one of which was increasing compensation – including wages, benefits, and training – for the childcare workforce in order to improve the quality and availability of care for children under the age of six. On the whole, this was a positive development for the field and recognized the connection between quality care and worker well-being. But the policy did create wage inequities and wage compaction within contracted organizations, which can create dissatisfaction and internal equity challenges.[36] These unintended consequences highlight the importance of research and evaluation to understand the impact of policy changes on the field.
- In November 2025, King County, Washington (which includes Seattle) announced a $25 million investment in the nonprofit sector and its workforce.[37] The funds will subsidize cost-of-living expenses, improve benefits, support professional development, and provide hiring and retention bonuses. Roughly half of this amount will be distributed to 90 organizations in 2025. The investment was made in response to recent surveys that underscored the financial stress that nonprofit workers were facing and the impact that this was having on organizations. The County Executive,

[35] County of Los Angeles. 2025. Establishing the Measure A Labor Council. Accessed on October 7, 2025 from https://file.lacounty.gov/SDSInter/bos/supdocs/203543.pdf.

[36] Wage inequities occur when staff have the same title but are funded by different sources, with different allowances and requirements; wage compaction happens when the range of salary compresses across all levels of staff within an organization because of policy mandates, which also can contribute to dissatisfaction and internal inequities. For example, early-childhood caregivers' pay increased to $28/hour due to a city policy, but case managers have not received wage increases. Hu-Nguyen, A., M. DeNike, and B. Ohlson. "San Francisco Youth-Serving Nonprofit Workforce: Wage Equity Report 2024" (2024). Accessed on October 7, 2025 from https://www.prosperityinitiative.org/wage-report.

[37] The Seattle Medium. November 19, 2025. "King County Invests $25 Million In Nonprofit Workers Amid Rising Costs And Burnout." Accessed on November 24, 2025 from https://seattlemedium.com/shannon-braddock-human-services/.

who announced the investment, said, "It's neither fair nor equitable to ask so much of our human service workers and continually choose not to prioritize investments for that same workforce. This opportunity, this investment, does just that." The investment will be funded in part by the voter-approved Veterans, Seniors, and Human Services Levy (VSHSL), which is a property tax levy. The VSHSL was first approved by voters in 2017 and has since been approved four times, most recently in 2023 with a 71% approval vote.[38]

Standards and Requirements

Standards and requirements in contracting are another way to address challenges with wages and benefits for nonprofits receiving public funding. In addition to "Baby" Prop C, San Francisco City and County have a number of policies aimed at helping contracted nonprofits deal with increasing costs and inflation – for example, a minimum compensation ordinance (albeit with a minimum that falls well below a living wage for San Francisco) and requirements that multiyear contracts include or consider modest increases for subsequent years. Like with "Baby" Prop C, these policies deliver benefits for some workers within some organizations, but can also create additional challenges and administrative burdens for organizations managing multiple public funding streams.

Timely Payments

Delays in payment are endemic in public contracting and create a challenge for nonprofits that want to address worker well-being. Organizations facing cash flow crises are hard-pressed to build the financial reserves that would enable greater future investment in compensation, just as workers who don't have money in the bank struggle to plan for the future.

Prompt payment legislation, which requires government agencies to pay promptly on contracts or pay a penalty if not, exists federally and in many other jurisdictions, but does not always apply to nonprofit contracts. In California, the proposed California Prompt Payment Act: nonprofit organizations (SB 557) was vetoed by the governor in September 2023 after passing in the state house and senate.[39]

Upfront payment of a portion of contract value is another way to address challenges created by payment delays to nonprofits. In April 2025, the City of New York announced increased upfront payment for nonprofits contracted to provide services – $5 billion, from a previous $2.6 billion – to counter delays in contracting and reimbursement.[40]

[38] King County Department of Community and Human Services. Retrieved on November 24, 2025 from https://kingcounty.gov/en/dept/dchs/human-social-services/community-funded-initiatives/veterans-seniors-human-services-levy.

[39] SB 557. Accessed on October 7, 2025 from https://calmatters.digitaldemocracy.org/bills/ca_202320240sb557.

[40] City of New York. April 29, 2025. Mayor Adams Announces Unprecedented $5+ Billion in Advance Payments to Be Made to City-Contracted Nonprofit Providers, Providing More Upfront Cash and Contracts to Providers Than Ever Before." Accessed on November 12, 2025 from https://www.nyc.gov/mayors-office/news/2025/04/mayor-adams-unprecedented-5-billion-advance-payments-be-made-city-contracted.

Conclusion

The definition of worker well-being recognizes a hierarchy of needs: Basic needs must be met before more holistic needs can be addressed. Likewise, efforts to address worker well-being in the nonprofit sector must first tackle the thorny issue of compensation before or alongside addressing other aspects of worker wellness. If compensation is not addressed, other efforts an organization makes may feel superficial, irrelevant, or like lip service to the idea of well-being for workers. And even if workers appreciate the efforts, they may still leave their organizations or the field in search of better pay.

Addressing compensation, as well as the broader range of issues affecting well-being, requires an overarching and bold shift in the narrative about nonprofits and their staff. The necessary narrative is multilayered, with the following key points:

- **Nonprofits are essential infrastructure in the function and well-being of our communities and our society.**
- **Nonprofits are professional organizations with salaried, credentialed staff who do skilled, complex work in the service of improving the lives of others and their communities.**
- **The nonprofit sector is a place where workers can have a meaningful and rewarding career that allows them to realize their personal and professional goals while also providing compensation that meets their and their families' needs for financial security.**
- **Workplace productivity, morale, and culture suffer when workers are not well – financially, physically, or mentally – and organizations are less effective as a result.**
- **Lack of worker well-being is a driving factor for burnout and turnover, which come at an immense cost to organizations and the communities they serve.**
- **Investments in nonprofit workers are investments in achieving organizational mission, and in many cases, investments in the same communities that funders hope to help.**

Changing the narrative will require collective effort and open dialogue between funders and nonprofits, as well as sustained advocacy and public education – which funders are poised to support and amplify.

Improving worker well-being is not easy, nor is it a one-time endeavor for an organization or a funder looking to have an impact. It takes time, money, and an ongoing commitment to dialogue and collaboration within organizations, and between nonprofits and their funders. But nonprofits are used to doing hard things, as organizations that work to address persistent community challenges.

Through the themes and examples identified, this report hopes to give a sense of what is possible when it comes to improving nonprofit worker well-being. Change starts with the recognition that the well-being of nonprofit workers is essential to the well-being of communities – even more so given that many nonprofit workers come from the communities they serve – and it is brought to fruition through strong leadership, dedication, trust, and collaboration.

It is our hope that this research sparks more commitment to action on the part of nonprofits, philanthropy, and the public sector to address nonprofit worker well-being. By taking practical steps – including actions highlighted in this report – together nonprofits and funders can strengthen the nonprofit workforce, and with it, the communities they are dedicated to serving.

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Anonymous

Anonymous

All Due Respect

Beyond Neutrality

Brilliant Corners

California Policy Lab

CalNonprofits

Canal Alliance

CHOOSE 180

Common Future

Conrad N. Hilton Foundation

Do Good Leadership Consulting

East Bay Community Law Center

East Bay Alliance for a Sustainable Economy

Filipino Advocates for Justice

Institute for Nonprofit Practice

JELW HR

Jobs for the Future

Los Angeles County Department of Public Health

National True Cost of Living Coalition

New York Foundation

Nonprofit Compensation Associates

Orange County Communities Organized for Responsible Development

Penlight Advising

Prosperity Initiative

ReImagine Freedom

SEIU-UHW

Social Justice Partners LA

Southeast Asia Resource Action Center (SEARAC)

The California Wellness Foundation

The California Endowment

The Durfee Foundation

The James Irvine Foundation

The Ralph M. Parsons Foundation

The Richmond Neighborhood Center

The Weingart Foundation

United Way of Greater Los Angeles

Valley Nonprofit Resources

Wah Mei

Walter & Elise Haas Fund

Youth Organize! California

Appendices

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Appendix C: Nonprofit Leadership Data

Appendix D: Compensation, Living Wage, and Benefits Data

Appendix E: A Breakdown of Nonprofit Funding Sources and the Impact on Compensation, Benefits, and Other Factors

Appendix F: Retention Data

Appendix G: Measures of Poverty, Living Wages, and Self-Sufficiency Chart

Appendix H: Compensation Data Chart

Appendix A: List of Resources/Literature Reviewed

Compensation and Benefits

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Appendix B: Nonprofit Workforce Data

Source: The State of Diversity in the U.S. Nonprofit Sector (Candid, 2024)
Sample: Most recent available data from all 501(c)(3) public charities that shared demographic data with Candid and filed a Form 990/990-EZ with the IRS between 2019-2023 or are eligible to file a 990-N (totaling 59,550 organizations).

Key Takeaways

Race & Gender

- Demographic data shared with Candid suggest that the nonprofit sector is more racially diverse than the overall US adult population. 47% of nonprofit staff identify as white, 24% as Black/African American, 19% as Hispanic/Latino and 6% as American/Pacific Islander. Black/African American individuals appear to be particularly well represented – comprising 24% of nonprofit staff versus 14% of the overall adult population.
- Across all levels, the majority (69%) of nonprofit staff identify as women.
- However, this representation does not extend to the leader level. The demographics of those in positions of power do not mirror the racial diversity of nonprofit staff more broadly:
  - 71% of CEOs/Executive Directors are white (versus 47% of staff)
  - 15% of CEOs/Executive Directors are black (versus 24% of staff)
  - 6% of CEOs/Executive Directors are Hispanic/Latino (versus 19% of staff)
- While women overall are more likely to be in positions of power in nonprofits than they are in other sectors, they hold a smaller share of leadership roles relative to their overall representation in the sector:
  - 66% of Senior Staff
  - 62% of CEO/Executive Directors
  - 52% of Board positions

Racial/ethnic demographics of individuals working in nonprofits by staffing level

	CEO	%	Board	%	Senior Staff	%	Staff	%	US Census
Asian American/ Pacific Islander	2,755	4%	17,801	6%	5,088	6%	36,472	6%	7%
Black/African American	9,154	15%	54,790	17%	15,809	17%	138,638	24%	14%
Hispanic/Latino	3,739	6%	23,659	8%	9,018	10%	106,814	19%	19%
Native American	562	1%	3,669	1%	957	1%	4,732	1%	1%
White	43,371	70%	206,965	66%	56,805	63%	269,365	47%	59%
Multiracial	2,216	4%	8,114	3%	2,975	3%	18,809	3%	3%
Total	61,797	100%	314,998	100%	90,652	100%	574,830	100%	

Gender demographics of individuals working in nonprofits by staffing level

	CEO	%	Board	%	Senior Staff	%	Staff	%
Female	39,957	62%	174,447	52%	60,915	66%	384,444	69%
Male	24,571	38%	158,317	47%	30,281	33%	171,081	31%
Nonbinary	425	1%	1,494	0%	853	1%	3,669	1%
Total	64,953	100%	334,258	100%	92,049	100%	559,194	100%

Source: What is the Status of Organizer Compensation in Southern California? (All Due Respect/Ascend People, 2024)
Sample: 50 Southern California movement building organizations, of which 78% had budgets less than $5 million, and 58% of which had 20 or fewer total staff. Two-thirds were based in the Los Angeles Metro area.

Key Takeaways

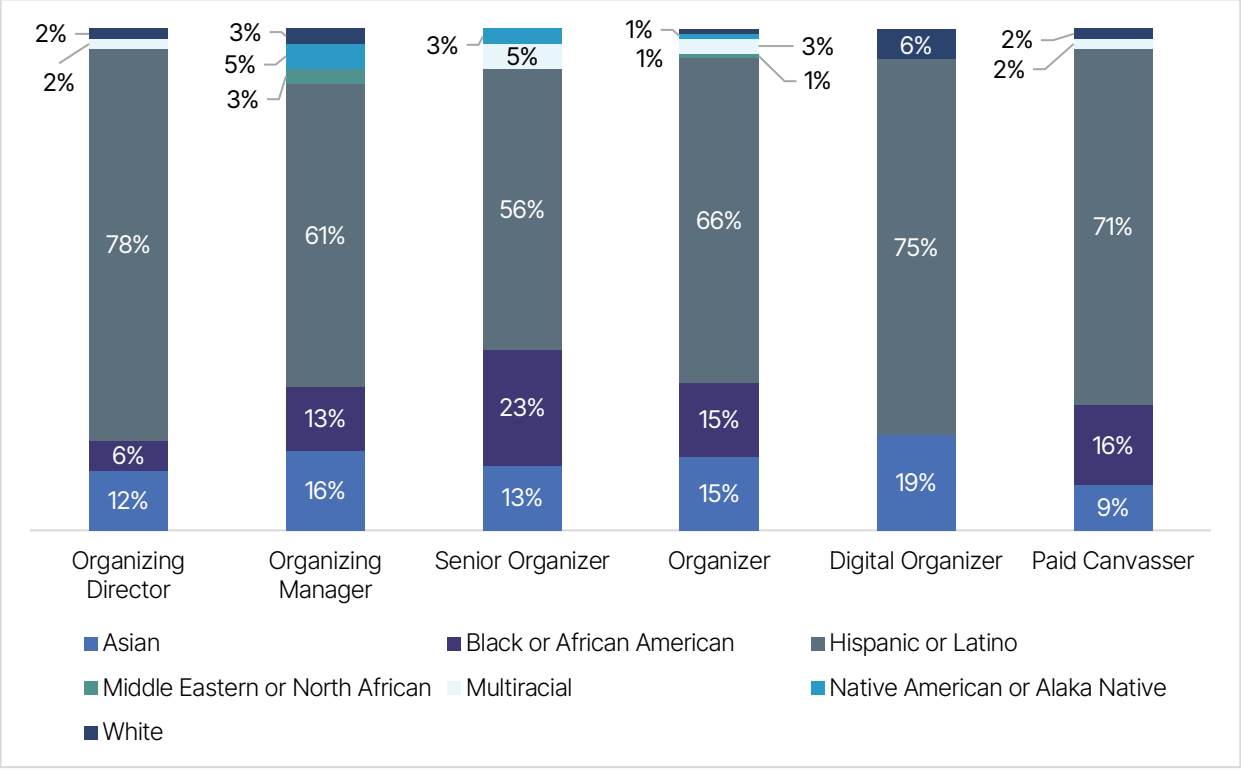
Race

- Staff of Southern California movement building organizations are racially diverse, with the majority identifying as Hispanic or Latino (56% - 78% across roles), followed by Black or African American (0% - 23% across roles) and Asian (9% - 19% across roles).

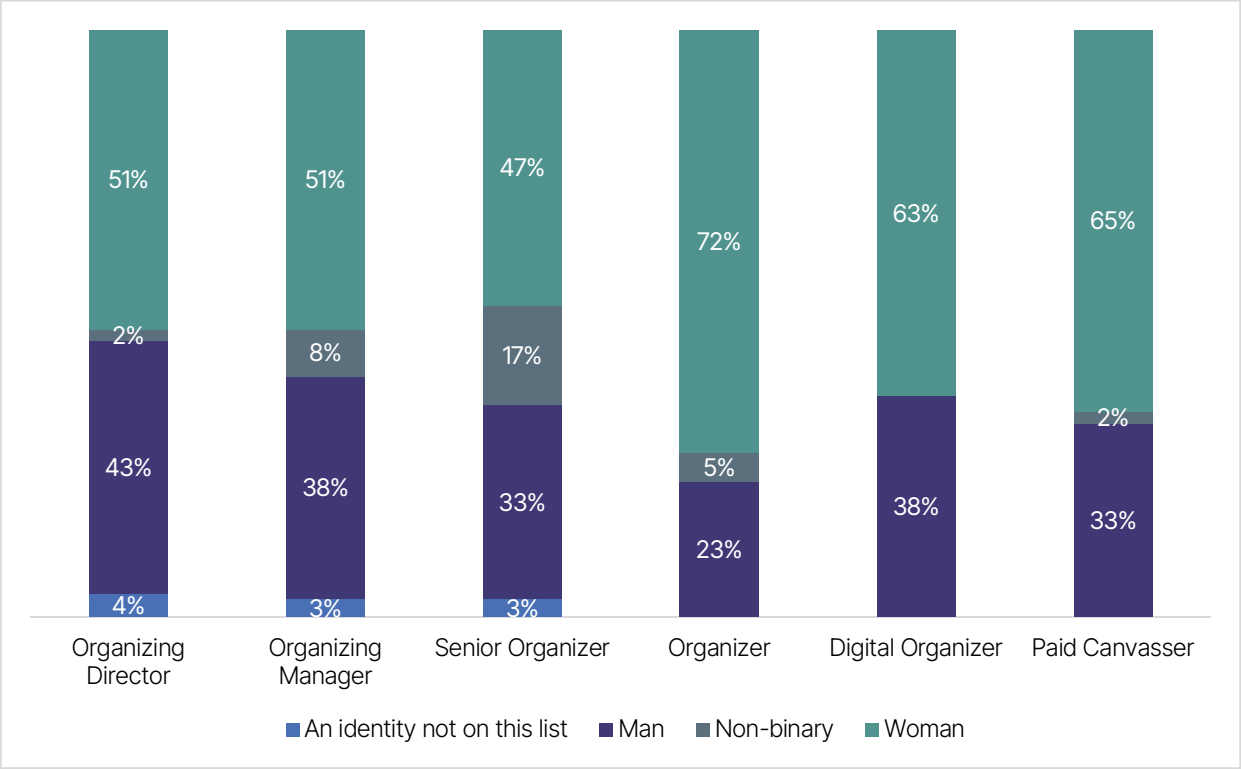
Gender

- Most organizing staff identify as female (47% - 72% across roles).
- Men were represented in a higher proportion of senior roles: 43% of Organizing Directors and 38% of Organizing Managers compared to 23% of Organizers.

Race/Ethnicity of Organizing Staff by Role



Gender of Organizing Staff by Role



Appendix C: Nonprofit Leadership Data

Source: The State of Diversity in the U.S. Nonprofit Sector (Candid, 2024)
Sample: Most recent available data from all 501(c)(3) public charities that shared demographic data with Candid and filed a Form 990/990-EZ with the IRS between 2019-2023 or are eligible to file a 990-N (totaling 59,550 organizations).

Key Takeaways

Race & Ethnicity

- As noted above, the majority of nonprofits (71%) are led by White CEOs/Executive Directors. However, leadership demographics vary by organizational budget size. Smaller organizations are more likely to be led by an CEO/Executive Director who is Black, Indigenous, or another person of color.
- While just 24% of organizations with annual expenses of more than $50,000 have BIPOC CEOs/Executive Directors, 44% of organizations with expenses of $50,000 or less have BIPOC leadership.
- Black CEOs/Executive Directors are especially well represented amongst the smallest nonprofits, with 28% of organizations with annual expenses of $50,000 or less having Black CEOs/Executive Directors (compared to only 12% of organizations with over $10 million in expenses).

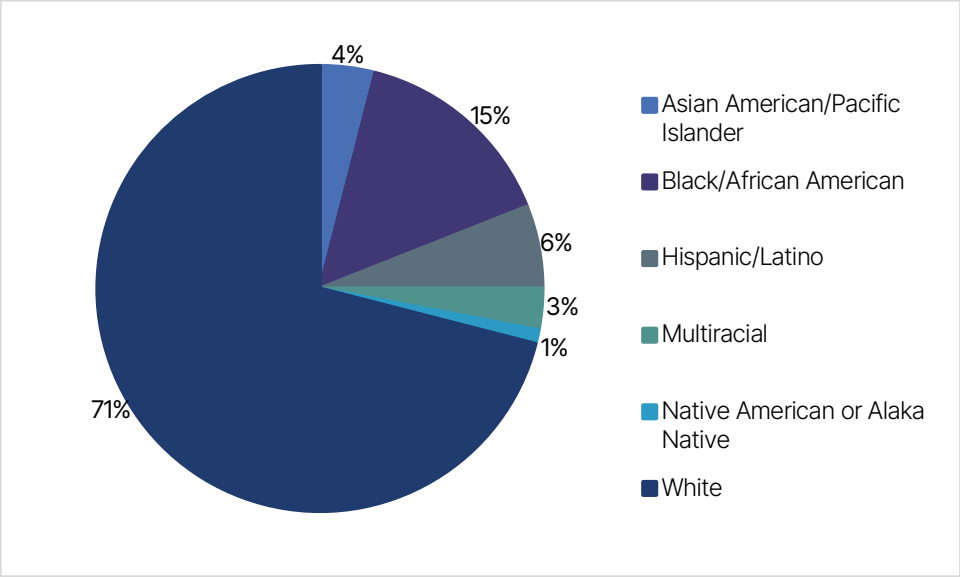
Gender Identity

- Although women represent the majority of nonprofit staff and CEOs/Executive Directors, larger organizations (that typically have more paid staff and often are more established), are more likely to be led by men. For example, while men are 36% of all nonprofit CEOs/Executive Directors, they lead 54% of nonprofits with annual expenses higher than $25 million.
- 260 nonprofits in the sample reported having a CEO/Executive Director that identifies as nonbinary. These organizations tended to be small, with 37% operating with annual expenses less than $50,000 and an additional 33% operating with annual expenses between $50,000 and $500,000.

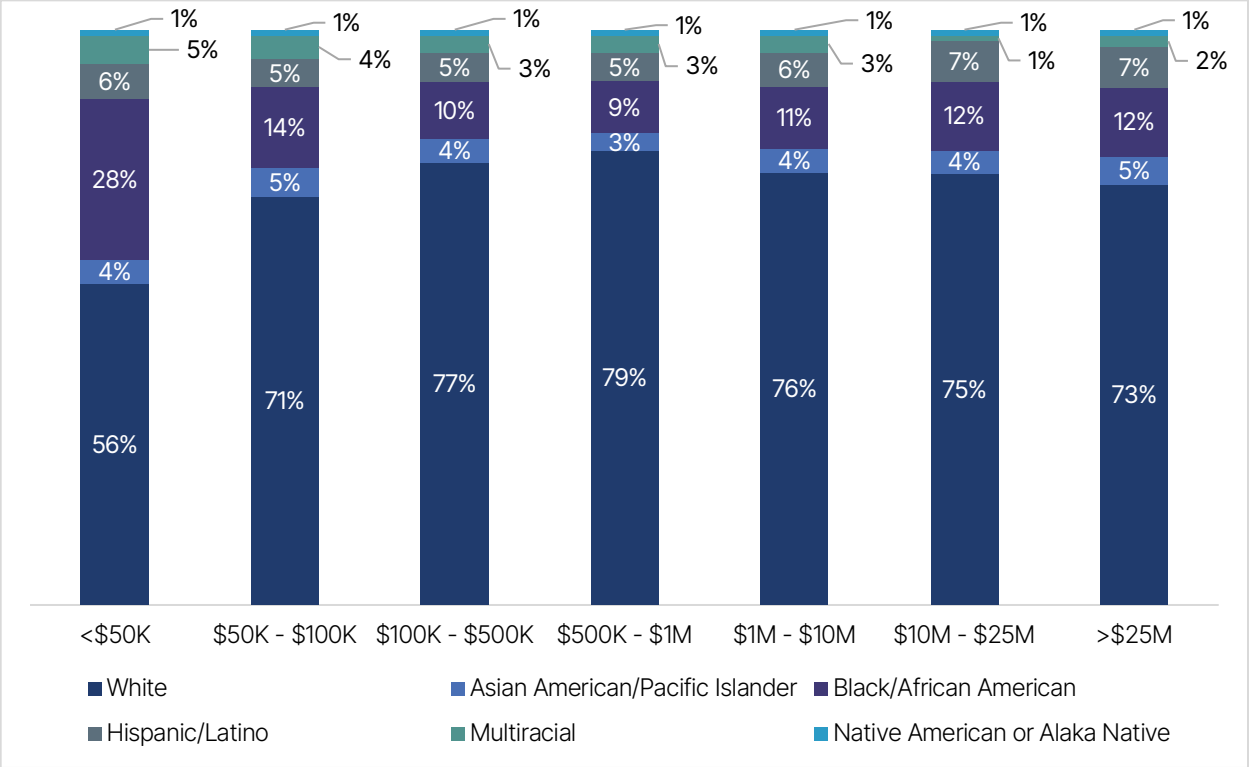
The Intersection of Gender & Race

- As organization size increases, the representation of white males among CEOs/Executive Directors increases, and BIPOC women decreases.
- While white males are CEOs/Executive Directors of 22% of nonprofits with annual expenses of $50,000 or less, they lead 41% of the largest nonprofits (with expenses greater than $25 million).
- This stands in contrast to BIPOC female CEOs/Executive Directors, who lead 28% of the smallest organizations, but just 14% of the largest.

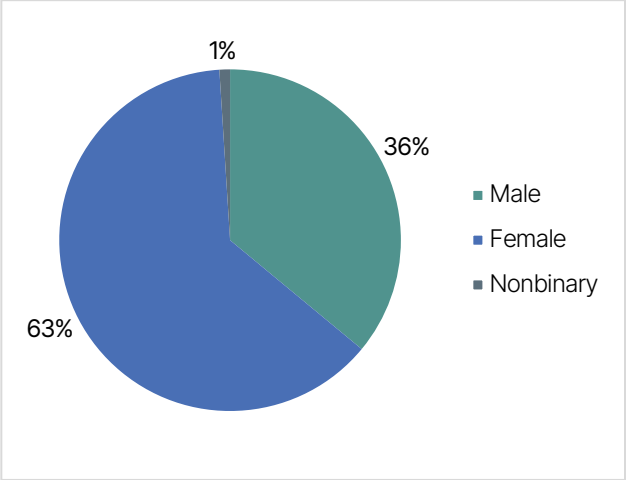
Organizations by CEO Race/Ethnicity



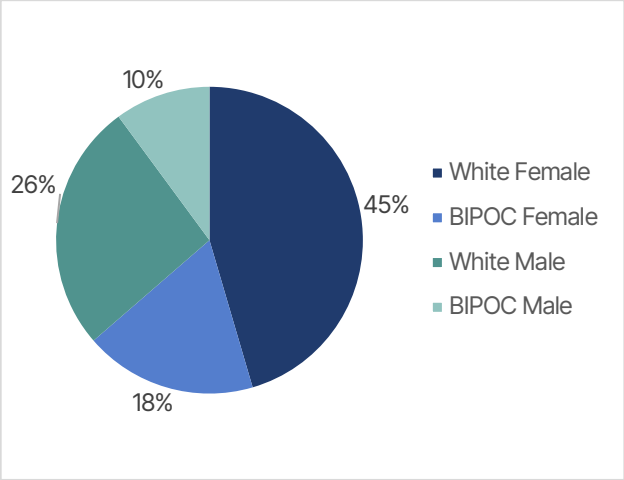
CEO Race/Ethnicity by Expense Size



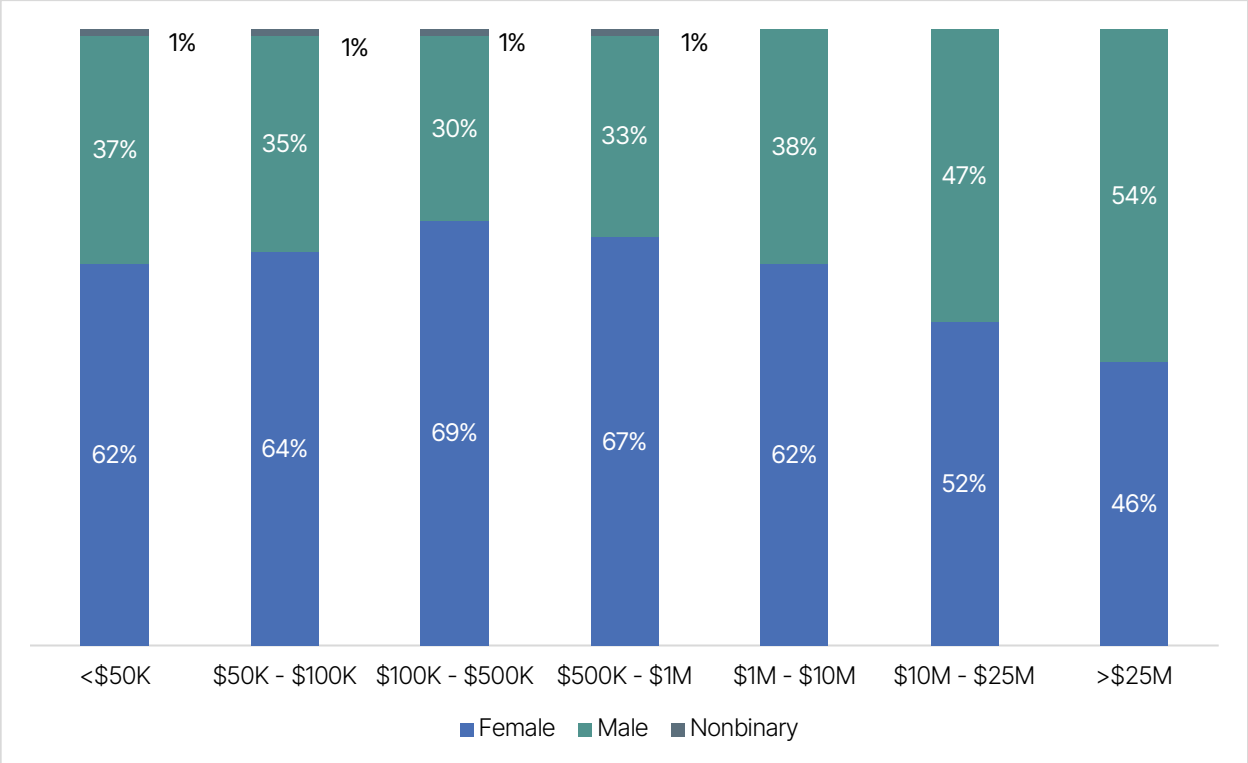
Organizations by CEO Gender



Organizations by CEO Gender and Race



CEO Gender by Expense Size



Appendix D: Compensation, Living Wage, and Benefits Data

Source: 2025 State of the Nonprofit Sector Survey (Nonprofit Finance Fund, 2025)
Sample: Survey responses from 506 California-based nonprofits, including 197 respondents in Los Angeles County and 129 respondents in the Bay Area (defined as Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties).

Key Takeaways

Nonprofit Finance Fund's 2025 State of the Nonprofit Sector Survey explored data on organizations' ability to pay full-time staff a living wage and to provide benefits to staff in fiscal year 2024. The charts below provide a snapshot of this data across respondents in California, as well as data for Los Angeles County and Bay Area nonprofits specifically.

California Respondents

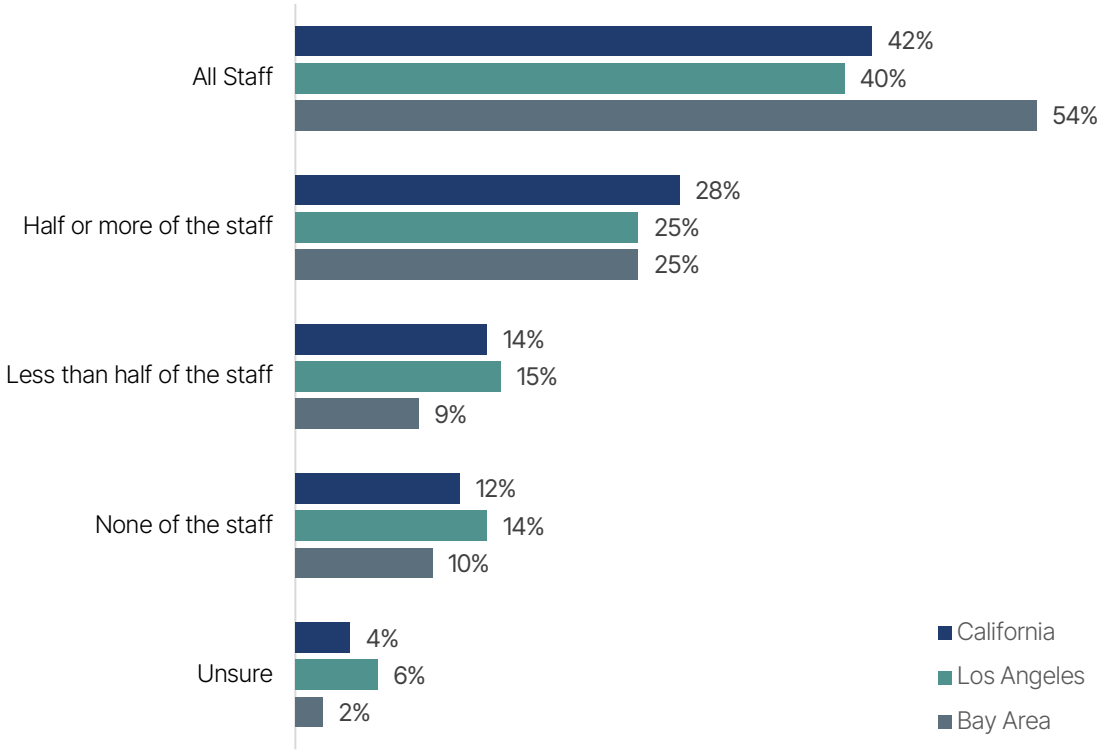
Among California respondents, 42% reported being able to pay all full-time staff a living wage in 2024. One-quarter (26%) were able to pay less than half of their full-time staff a living wage, including 12% unable to pay any full-time staff a living wage. On average across the state, living wage (according to the MIT Living Wage Calculator) is:

- $28.72 for a household with one working adult and zero children
- $50.83 for a household with one working adult and one child
- $34.55 for a household with two working adults and two children

The top barrier to paying staff a living wage, cited by nearly half (49%) of respondents, was funding not keeping up with inflation and rising costs. This was consistent across both Los Angeles and Bay Area respondents as well.

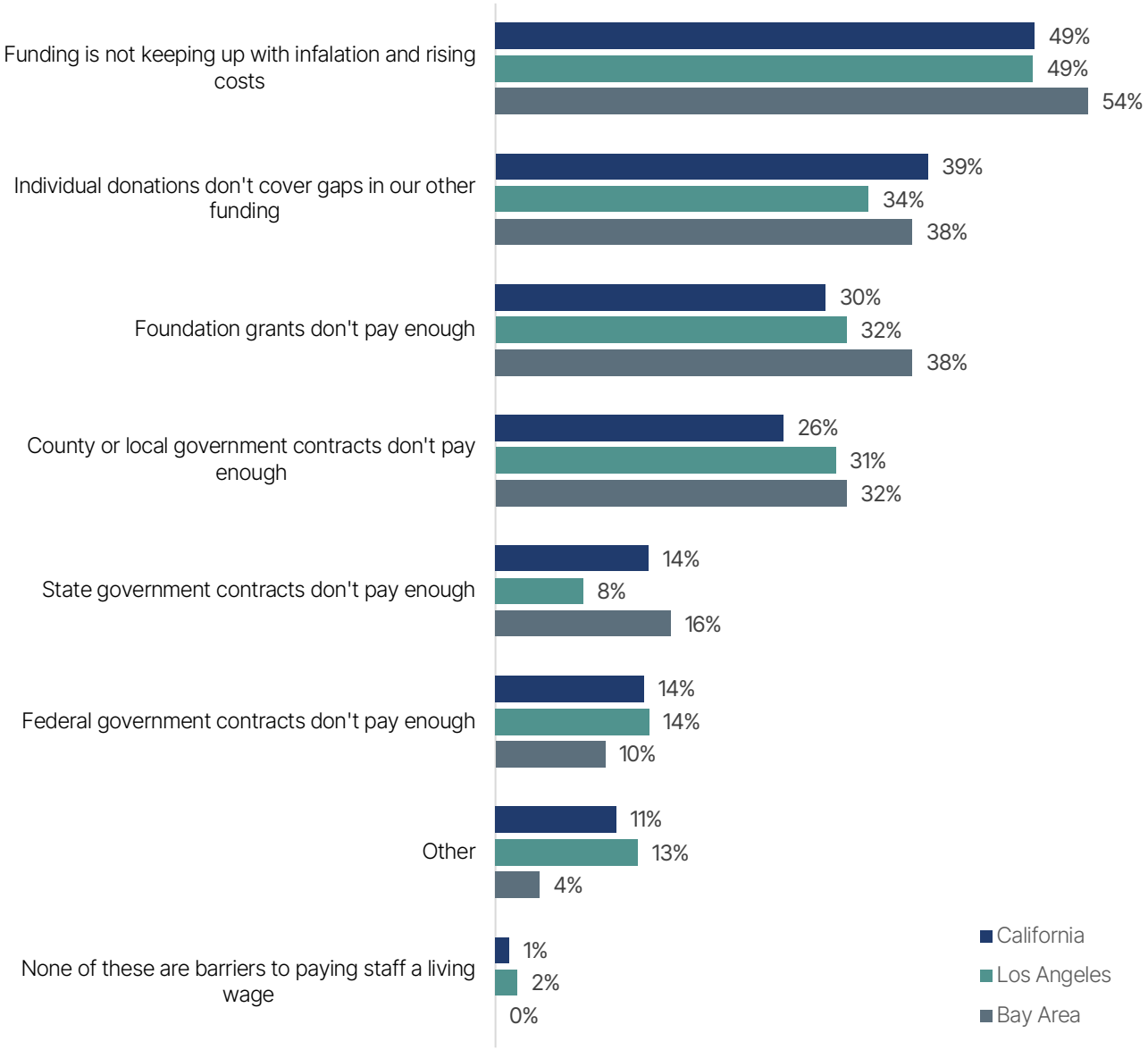
Compared to organizations statewide and in Los Angeles County, respondents in the Bay Area were more likely to pay all full-time staff the local living wage and offer most types of benefits.

Full-time Staff Paid a Living Wage

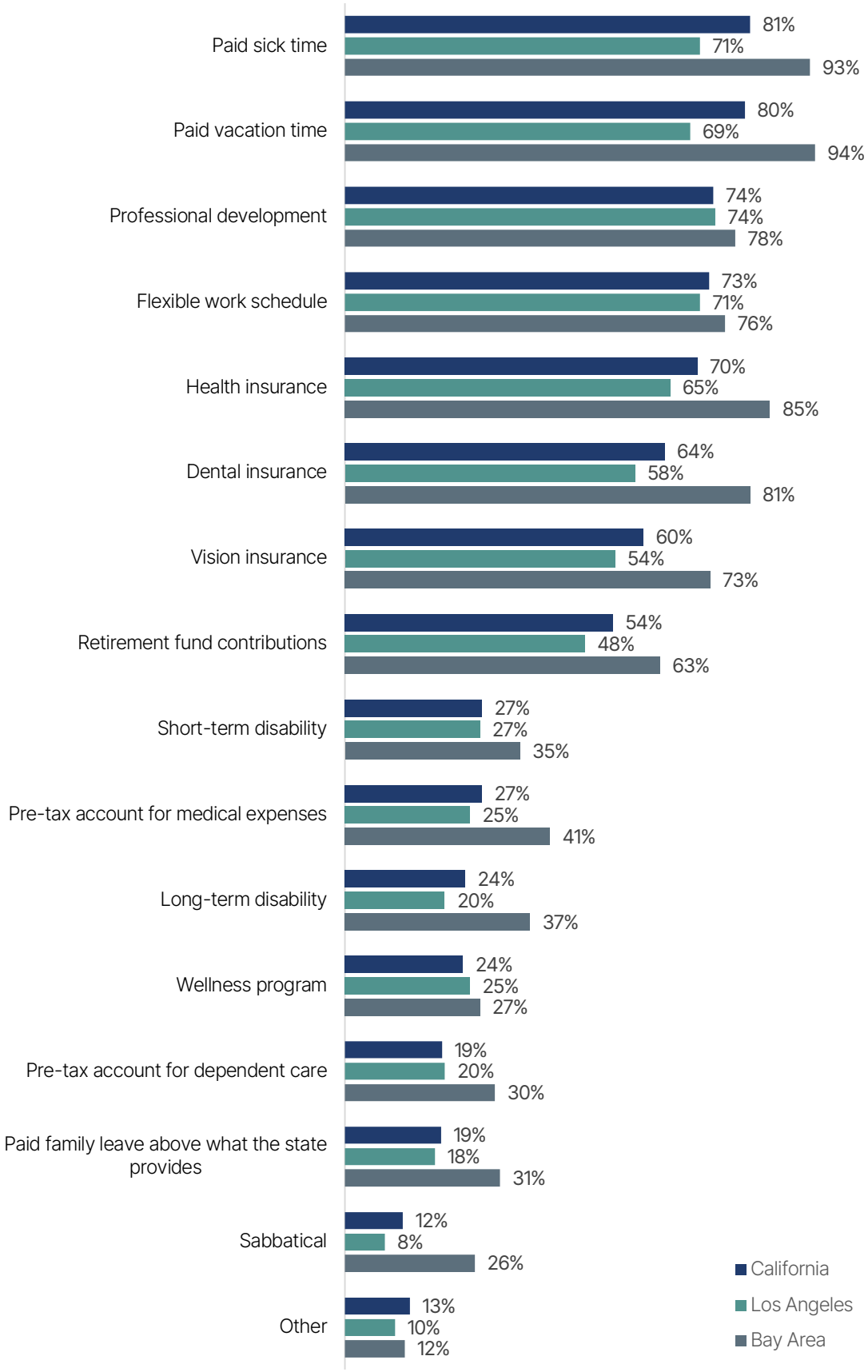


A majority of California respondents made benefits available to staff in 2024, though the comprehensiveness of benefits packages varied. Four in five respondents reported making paid sick and vacation time available, while 70% made health insurance available. Just over half (54%) of respondents made retirement fund contributions available in 2024.

Top Two Barriers to Paying Staff a Living Wage



Benefits Made Available in FY2024



Source: Fair Pay for Southern California Nonprofits: The 2025 Compensation & Benefits Survey (Nonprofit Compensation Associates, 2025)
Sample: Survey responses from 288 Southern California nonprofits.

Key Takeaways

Benefits

- 78% of respondents provide full-time employees with a specific number of paid days off for vacation, holiday, and sick leave. Another 19% of organizations have a paid time off program, which gives staff a set number of days off for any purpose. 3% of organizations have some other type of paid time off policy.
- 93% of respondents offer medical insurance coverage to full-time employees, most often in the form of a traditional health plan. Among respondents with part-time employees, 53% offer medical insurance coverage to part-time employees who work a set minimum number of hours per week.
- 90% of respondents offer retirement benefits to full-time employees, most commonly 401(k) and 403(b) plans. 81% of respondents that offer retirement benefits have plans in which the employee and employer both make contributions.

Compensation

- Male Executive Directors/CEOs, on average, earn $210,831 per year, while female Executive Directors/CEOs, on average, earn $196,263 – a difference of approximately 7%. The gap between average pay for male and female Executive Directors/CEOs has narrowed over the past several years and pay differences between male and female leaders of similarly sized organizations are negligible.
- A majority (83%) of respondents budgeted for salary increases in their current fiscal year, with a median increase of 3%. Merit and cost-of-living increases were cited as the most common reasons for salary increases. Only 1% of nonprofits reported not having a performance review policy.
- Nearly half (45%) of respondents shared that they have a formal policy that allows for incentive pay for their Executive Directors/CEOs.

Source: Fair Pay for Northern California Nonprofits: The 2025 Compensation & Benefits Survey (Nonprofit Compensation Associates, 2025)
Sample: Survey responses from 728 Northern California nonprofits.

Key Takeaways

Benefits

- 78% of respondents provide full-time employees with a specific number of paid days off for vacation, holiday, and sick leave. Another 19% of organizations have a paid time off program, which gives staff a set number of days off for any purpose. 3% of organizations have some other type of paid time off policy.
- 93% of respondents offer medical insurance coverage to full-time employees, most often in the form of a traditional health plan. Among respondents with part-time employees, 53% offer medical insurance coverage to part-time employees who work a set minimum number of hours per week.
- 90% of respondents offer retirement benefits to full-time employees, most commonly 4019k) and 403(b) plans. 81% of respondents that offer retirement benefits have plans in which the employee and employer both make contributions.

Compensation

- Male Executive Directors/CEOs, on average, earn $208,870 per year, while female Executive Directors/CEOs, on average, earn $200,015 - a difference of approximately 4%. The gap between average pay for male and female Executive Directors/CEOs has narrowed over the past several years and pay differences between male and female leaders of similarly-sized organizations are negligible.
- A majority (83%) of respondents budgeted for salary increases in their current fiscal year, with a median increase of 3%. Merit and cost-of-living increases were cited as the most common reasons for salary increases. 94% of respondents reported having employee performance reviews, most often annually.
- Nearly half (45%) of respondents have an incentive pay policy for their Executive Directors/CEOs.

Appendix E: A Breakdown of Nonprofit Funding Sources and the Connection to Compensation, Benefits, and Other Factors

Source: 2025 State of the Nonprofit Sector Survey (Nonprofit Finance Fund, 2025)
Sample: Survey responses from 506 California-based organizations.

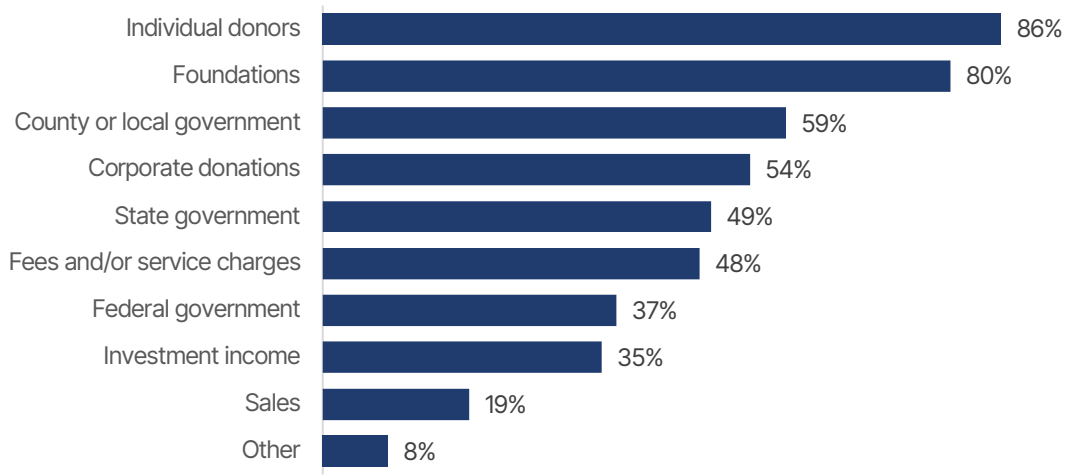
Key Takeaways

- Across nonprofits, funding from individual donors and foundations is most common. Nearly 75% of California nonprofits reported receiving funding from federal, state, and/or county or local government in 2024.
- Nonprofits with foundation funding as a dominant (top two) revenue source tended to be smaller in size than those with government funding as a dominant source. Nonprofits with government funding as a dominant revenue source were more often human service organizations, while a higher percentage of foundation-funded nonprofits were social justice, education, and arts/culture organizations.
- Time-off benefits were the most common benefits organizations were able to make available in 2024, followed by professional development, flexible work schedules, and health insurance.
- Less than half of California nonprofits reported being able to pay all full-time staff a living wage in 2024. Organizations with foundation funding as a dominant revenue source were more likely than those with government funding as a dominant revenue source to pay all full-time staff a living wage. However, organizations with government funding as a dominant revenue source were more likely to increase staff compensation in 2024.
- Organizations with government funding as a dominant revenue source were more likely to offer benefits, including health insurance, paid vacation and sick time, and retirement fund contributions.
- Organizations with budgets over $1 million or more were significantly more likely to make benefits available and increase staff compensation in 2024 than those with budgets under $1 million.
- Organizations with budgets under $1 million were significantly more likely to report a staff turnover rate under 10% in 2024.

Nonprofit Revenue Sources

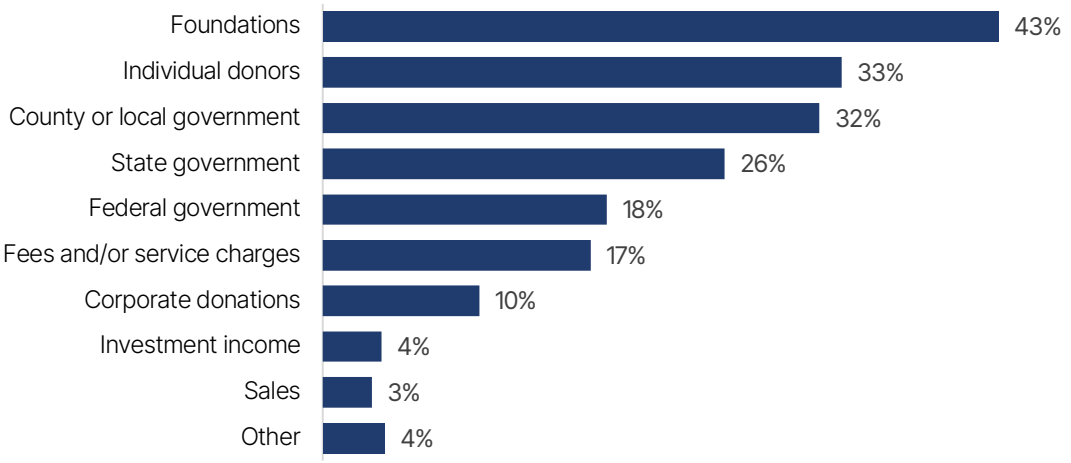
Among California respondents to Nonprofit Finance Fund's State of the Nonprofit Sector Survey, most commonly reported revenue sources in FY2024 included individual donors and foundations. 74% of respondents reported receiving revenue from federal, state, and/or local government, with the highest percentage (59%) receiving federal government funding.

What Were the Sources of Your Organization's FY2024 Revenue?



The survey also asked respondents to select their dominant revenue sources, defined in the survey as the organization's two largest revenue sources. 43% reported that foundation funding was a dominant revenue source, followed by 33% reporting individual donors as a dominant revenue source. 32% of respondents reported county or local government funding as a dominant revenue source, followed by state government funding (26%) and federal government funding (18%).

What Were the Two Largest Sources of Your Organization's FY2024 Revenue?



Nonprofits with foundation funding as a dominant revenue source tended to be smaller in size than those with government funding as a dominant source, with nearly two-thirds (63%) reporting budget sizes under $2 million. Nonprofits with government funding as a dominant revenue source were more often human service organizations, while a higher percentage of foundation-funded nonprofits were social justice, education, and arts/culture organizations.

Operating expenses by dominant revenue source

Operating Expenses in 2024	Dominant (top two) Revenue Sources			
	Foundations	Federal Government	State Government	County or Local Government
Under $250,000	11%	4%	8%	9%
$250,000 to $1,999,999	51%	34%	36%	45%
$2,000,000 or more	37%	63%	57%	46%

Key area of work by dominant revenue source

Key Area of Work	Dominant (top two) Revenue Sources			
	Foundations	Federal Government	State Government	County or Local Government
Arts/Culture	16%	0%	8%	16%
Community/Economic Development	6%	6%	7%	7%
Education	11%	2%	8%	6%
Environment/Food/Animals	11%	13%	11%	7%
Health	9%	13%	8%	11%
Human Services	28%	54%	47%	43%
Social Justice	14%	8%	10%	7%
Other	5%	2%	1%	4%

The chart below provides information about compensation dynamics, benefits dynamics, and staff retention/turnover data, broken down by dominant revenue sources. Specifically, we included institutional revenue sources – foundation and government funding.

Compensation, benefits, and turnover dynamic by dominant revenue source

	Dominant (top two) Revenue Sources			
	Foundations	Federal Government	State Government	County or Local Government
Compensation Dynamics				
Ability to pay all staff a living wage in FY2024	51%	36%	30%	37%
Increased staff compensation in FY2024	61%	73%	67%	67%
Benefits Dynamics				
Health insurance made available in FY2024	77%	81%	84%	84%
Paid sick time made available in FY2024	88%	97%	95%	92%
Paid vacation time made available in FY2024	88%	97%	93%	90%
Retirement fund contributions made available in FY2024	55%	66%	65%	62%
Professional development made available in FY2024	76%	72%	81%	79%
Flexible work schedule made available in FY2024	78%	75%	75%	73%
Wellness program made available in FY2024	19%	34%	33%	32%
Sabbatical program made available in FY2024	16%	11%	14%	10%
Turnover Data				
Staff turnover rate under 10% in FY2024	60%	52%	48%	45%

Regarding compensation dynamics, a higher percentage of organizations with foundation funding as a dominant revenue source reported being able to pay all staff a living wage in 2024. On the other hand, a slightly higher percentage of organizations with federal, state, or county or local government funding as a dominant revenue source reported increasing staff compensation in 2024.

A majority of California survey respondents were able to make health insurance, paid vacation and sick time, retirement fund contributions, professional development, and flexible work schedules available to staff in 2024. Across most benefits categories, respondents with government funding as a dominant revenue source reported being able to make benefits available in 2024. On the other hand, a slightly higher percentage of respondents with foundation funding as a dominant revenue source reported making flexible work schedules and sabbatical programs available in 2024.

Compared to those with government funding as a dominant revenue source, respondents with foundation funding as a dominant revenue source were more likely to report a staff turnover rate below 10% in 2024.

The chart below provides information about compensation dynamics, benefits dynamics, and staff retention/turnover data, broken down by organizations with budget sizes under $1 million and those with budget sizes of $1 million or more.

Compensation, benefits, and turnover dynamics by organizational budget size

	Budget Size	
	Under $1 million	$1 million or more
Compensation Dynamics		
Ability to pay all staff a living wage in FY2024	41%	43%
Increased staff compensation in FY2024	36%	74%
Benefits Dynamics		
Health insurance made available in FY2024	41%	95%
Paid sick time made available in FY2024	60%	98%
Paid vacation time made available in FY2024	57%	98%
Retirement fund contributions made available in FY2024	25%	77%
Professional development made available in FY2024	62%	83%
Flexible work schedule made available in FY2024	71%	75%
Wellness program made available in FY2024	13%	33%
Sabbatical program made available in FY2024	3%	18%
Turnover Data		
Staff turnover rate under 10% in FY2024	68%	46%

Organizations with budget sizes of $1 million or more were more likely to be able to make benefits available to staff in 2024 across all benefits categories, especially health insurance and retirement fund contributions. The ability to pay all full-time staff a living wage in 2024 didn't vary significantly based on organizational budget size, though respondents with budgets of $1 million or more were much more likely to report increasing staff compensation in 2024. Organizations with budgets under $1 million, however, more frequently reported a staff turnover rate under 10% in 2024, as compared with those with budgets of $1 million or more.

Appendix F: Retention Data

Below is a summary of recent studies on nonprofit staff retention.

Source: 2023 Social Impact Talent Retention Practices Survey (NonprofitHR, 2023)
Sample: Survey responses from 313 social enterprise organizations in North America, including 95% 501(c)(3) organizations.

Data from the 2023 Social Impact Talent Retention Practices Survey, the most recent retention data from NonprofitHR, provides a glimpse of staff retention rates nationally, including retention statistics by race, gender, age, and area of work. Specifically, the survey asked about which staff segments organizations reported the most challenge with retaining.

Among respondent organizations, the primary reasons for voluntary turnover included: better opportunity presented (45%), compensation/benefits (41%), lack of opportunity for upward mobility/career growth (38%), and dissatisfaction/disengagement with current organization/culture (33%).

Percentage of organizations reporting staff segment is the most challenge to retain

Race and Ethnicity	
Asian American/Pacific Islander	4%
Black or African American	21%
Indigenous/Native American	1%
Latinx	3%
White	10%
Two or more races/ethnicities	11%
Our organization is not challenged with retaining employees in any of the above segments	39%
Other	12%
Gender	
Men	14%
Women	30%
Transgender men	1%
Transgender women	0%
Gender variant or nonconforming	4%
Our organization is not challenged with retaining employees in any of the above segments	40%
Other	10%
Age	
Employees 30 and below	53%
Employees 31 – 49	21%
Employees 50 and above	7%

Career Level	
Entry-level staff	49%
Mid-level staff	34%
Senior staff	4%
Our organization is not challenged with retaining employees in any of the above segments	12%
Department	
Education/Professional Development	7%
Event/Meeting Planning	2%
Finance	1%
Fundraising	5%
Human Resources	1%
IT/Tech	3%
Marketing/Communication/Public Affairs	4%
Membership/Member Relations	1%
Operations/Administration/Facilities	9%
Programs	39%
Our organization is not challenged with retaining employees in any of the above segments	17%
Other	12%

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Marketing/Communication/Public Affairs	4%
Membership/Member Relations	1%
Operations/Administration/Facilities	9%
Programs	39%
Our organization is not challenged with retaining employees in any of the above segments	17%
Other	12%

Source: 2025 State of the Nonprofit Sector Survey (Nonprofit Finance Fund, 2025)
Sample: Survey responses from 506 California-based organizations.

In NFF's 2025 State of the Nonprofit Sector Survey, we collected data about staff turnover rate in fiscal year 2024. While information was collected at an organizational level and we are unable to disaggregate by staff race/ethnicity, gender, age, or organizational role, we are able to analyze turnover data disaggregated by the race/ethnicity and gender identity of the organizational leader (e.g., CEO, Executive Director). This data, along with data disaggregated by primary sector, can be found in the tables below:

Staff retention by race/ethnicity of organizational leader

	Race/Ethnicity of Organizational Leader				
Staff turnover in FY2024	**White**	**Black or African American**	**Hispanic or Latine**	**Asian or Asian American**	**Person of color**
0-9%	55%	54%	58%	62%	57%
10-19%	20%	15%	23%	26%	20%
20-29%	16%	5%	8%	8%	9%
30-50%	7%	12%	8%	0%	7%
More than 50%	1%	10%	3%	2%	5%
Unsure	1%	3%	1%	2%	2%

Staff retention by gender identity of organizational leader

	Gender Identity of Organizational Leader		
Staff turnover in FY2024	**Female**	**Male**	**Non-binary**
0-9%	56%	55%	64%
10-19%	20%	20%	21%
20-29%	13%	11%	7%
30-50%	6%	9%	7%
More than 50%	3%	2%	0%
Unsure	2%	2%	0%

Staff retention by primary sector

Staff turnover in FY2024	Primary Sector					
	Human Services	Arts	Youth Services	Community / Economic Development	Housing / Shelter	Social Justice / Civil Rights / Community Organizing
0-9%	48%	64%	39%	61%	52%	63%
10-19%	23%	10%	29%	18%	26%	17%
20-29%	16%	14%	7%	5%	6%	10%
30-50%	7%	7%	15%	11%	6%	5%
More than 50%	1%	4%	5%	5%	10%	0%
Unsure	4%	1%	5%	0%	0%	5%

Source: Social Impact Staff Retention Project Survey (Social Impact Staff Retention Project, 2025)
Sample: Survey responses from a random sample of 304 nonprofit staff nationally, representing a variety of job functions and years of experience.

The Social Impact Staff Retention project, launched by Candid in 2024, collects data from nonprofit staff about whether they are seeking new jobs or not and the reasons why. Key findings from this research include:

- 67% of nonprofits employees said they will look for or consider a new job this year.
- Subsectors expecting the highest exits include arts and culture, social and human services, and healthcare.
- Of employees looking to leave, top reasons cited were too much responsibility without enough support (59%), no obvious or clear growth opportunities (54%), and unsupportive management and leadership (52%).
- Hybrid or remote work flexibility, strong alignment with the mission, and good or encouraging work environment are the top reasons employees are not leaving their jobs.

Appendix G: Measures of Poverty, Living Wages, and Self-Sufficiency

This table provides an overview of key measures and benchmarks of poverty, living wages, and self-sufficiency. Resources featured in the table are sector-wide, rather than focusing in on a specific subsector (e.g. arts, human services) or geography.

Measure/ Benchmark	Overview	Costs Included	Use Cases	Considerations	Primary Data Sources
Official Poverty Measure (OPM) (U.S. Census Bureau)	Measure that compares an individual's or family's income to thresholds representing the minimum resources needed to meet basic needs. Thresholds vary by the size of the family and the age of the householder, but not geographically.	Calculation/costs included: Comparison of gross, pre-tax cash income to an approximation of total household needs estimated as 3 times the minimum food diet in 1963 (adjusted for inflation using the Consumer Price Index).	Benchmarking compensation against cost of living/employees' needs. Estimating minimum income standards/basic needs. Informing funding or policy advocacy.	Simplified yes/no threshold to determine whether a family is considered in poverty. Applied nationally and does not account for local cost differences. Reflects levels of acute need.	U.S. Census Bureau
Supplemental Poverty Measure (SPM) (U.S. Census Bureau)	Supplement to the Official Poverty Measure (above) that sets thresholds that are more inclusive and reflective of actual income and living costs. Adjusted to regional differences in housing costs.	Calculation/costs included: Comparison of cash and non-cash/in-kind income and value of public supports (such as nutrition assistance and subsidized housing) to a basic bundle of necessary expenditures annually updated (e.g., food, clothing, shelter, utilities, telephone and internet, collectively, FCSUti).	Benchmarking compensation against cost of living/employees' needs. Estimating minimum income standards/basic needs. Assessing regional affordability. Informing funding or policy advocacy.	More comprehensive than the Official Poverty Measure but remains a simple yes/no threshold. Data on poverty rates available nationally, at the regional and state levels, as well as for metropolitan versus non-metropolitan areas. Reflects levels of acute need. Began in 2009.	U.S. Census Bureau
United for ALICE Wage Tool (United for ALICE)	Online tool that calculates whether a given hourly wage can support a "household survival budget" in a selected geography. Calculations available at the state and county levels.	Costs included: Food, childcare, healthcare, housing, transportation, internet & mobile, taxes, contingency fund for miscellaneous costs (equivalent to 10% of budget).	Benchmarking compensation against cost of living/employees' needs. Estimating minimum income standards/basic needs. Assessing regional affordability. Informing funding or policy advocacy	Focuses on whether a wage can or cannot cover a "survival budget" but not on what is required to support higher levels of economic security.	U.S. Census Bureau (American Community Survey [ACS]), Public Use Microdata Samples (PUMS), State-level resources

Measure/ Benchmark	Overview	Costs Included	Use Cases	Considerations	Primary Data Sources
Living Wage Calculator (MIT)	Online tool that calculates the hourly wage that a full-time worker must earn to cover the costs of their family's basic needs where they live. Calculations available at the state and county levels.	Costs included: Food, childcare, healthcare, housing, transportation, civic engagement, internet & mobile, taxes, and other necessities.	Benchmarking compensation against cost of living/employees' needs. Estimating minimum income standards/basic needs. Assessing regional affordability or housing cost burden. Informing funding or policy advocacy.	Focuses on wage needed to cover minimal, basic needs, but not on what is required to support higher levels of economic security. Also provides benchmarks for: Typical annual salaries The minimum, poverty, and living wages Typical living expenses for families of various types/sizes.	U.S. Department of Labor U.S. Department of Agriculture U.S. Census Bureau U.S. Bureau of Labor Statistics U.S. Department of Housing and Urban Development U.S. Department of Health and Human Services Labor Law Center National Bureau of Economic Research State-level resources
Family Budget Calculator (Economic Policy Institute)	A measure of the monthly and annual income families of different types need in order to attain a "modest yet adequate standard of living." Intended to provide a more accurate and complete measure of economic security than the federal poverty measure. Calculations available for metro areas and counties across all 50 states.	Costs included: Food, childcare, healthcare, housing, transportation, other necessities, taxes.	Benchmarking compensation against cost of living/employees' needs. Estimating minimum income standards/basic needs. Assessing regional affordability. Informing funding or policy advocacy.	Focuses on wage needed to cover basic needs, but not on what is required to support higher levels of economic security.	U.S. Department of Housing and Urban Development U.S. Department of Agriculture U.S. Department of Labor Center for Neighborhood Technology U.S. Bureau of Labor Statistics Kaiser Family Foundation National Bureau of Economic Research

Measure/ Benchmark	Overview	Costs Included	Use Cases	Considerations	Primary Data Sources
True Cost of Economic Security (TCES) (The Urban Institute)	Measure that defines thresholds at which families are economically secure – that is, that would allow them to pay for all the goods and services necessary to fully participate in today's economy and society without cutting back, as well as save money for emergencies and the future. Thresholds vary by the size and composition of the family and are available nationally, for metro versus nonmetro areas, by region, and select counties.	Costs included: Food, healthcare, childcare, housing, transportation, internet & mobile, taxes, debt service, precautionary savings, miscellaneous costs (clothing, services, civic engagement).	Benchmarking compensation against cost of living/employees' needs. Estimating minimum income standards/basic needs. Assessing regional affordability. Informing funding or policy advocacy.	Looks beyond basic needs and examines income needed to thrive, not just survive. California figures grouped into larger West region or specific to San Francisco County.	American Community Survey (ACS) data, enhanced by the Urban Institute Analysis of Transfers, Taxes, and Income Security (ATTIS) Microsimulation Model U.S. Department of Housing and Urban Development U.S. Department of Agriculture U.S. Census Bureau IPUMS USA Publicly available cost data
Family Sustainability Calculator (The Maven Collaborative and Center for Women's Welfare at University of Washington)	Online tool that calculates income needed by different family types to be sustainable using actual living costs specific to California counties. Designed as a more comprehensive and realistic measure of need than the federal poverty level.	Costs included: Food, childcare, healthcare, housing, transportation, miscellaneous, taxes, and emergency savings.	Benchmarking compensation against cost of living/employees' needs. Estimating minimum income standards/basic needs. Assessing regional affordability. Informing funding or policy advocacy.	Specific to California. Resulting "self-sufficiency" standard is presented as hourly, monthly and annual wages plus a monthly emergency savings. Examines intersection of race, gender, citizenship status and other demographics and financial sustainability. Family types include children of different ages (infant through teenager)	American Community Survey (ACS) data IPUMS USA

Measure/ Benchmark	Overview	Costs Included	Use Cases	Considerations	Primary Data Sources
The Minimal Quality of Life Index (MQL) (Ludwig Institute for Shared Economic Prosperity)	A measure that estimates the annual income families of different types need to live decently and establish a foundation for future advancement Intended offer a more comprehensive measure of the cost of living than traditional metrics. Measures available at the national level, with analysis covering major metro areas and different income levels.	Costs included: Food, childcare and raising a family (child-related costs, education savings), healthcare (medical expenses and premiums), housing, transportation, technology, travel, clothing, basic leisure.	Benchmarking compensation against cost of living/employees' needs. Estimating minimum income standards/basic needs. Informing funding or policy advocacy	Intended to capture the actual impact of inflation on low-and middle-income Americans that is often understated in the commonly used Consumer Price Index (CPI) in cost calculations.	Bureau of Labor Statistics (Consumer Expenditure Survey, American Time Use Survey) U.S. Department of Agriculture Federal Communications Commission National Center for Education Statistics
2025 California State Income Limits (California Department of Housing and Community Development)	Measures of median incomes for acutely low-, extremely low-, very low-, low-, and moderate-income households of different sizes for California's 58 counties.	Calculations based on area median income (AMI).	Benchmarking compensation against cost of living/employees' needs. Assessing regional affordability. Informing funding or policy advocacy.	Specific to California. Based on area median income (AMI) measures and housing program parameters, which can lag behind actual costs. Focuses on income and does not factor in living costs.	U.S. Department of Housing and Urban Development California Department of Housing and Community Development
Cost of Living Index (The Council for Community and Economic Research [C2ER])	A comparative measure of relative price levels for consumer goods and services across U.S. urban areas, designed to show how the cost of living differs between cities. The index reflects costs for a standardized basket of consumer goods and services and is updated quarterly. Covers more than 300 urban areas across the United States.	Costs included: Groceries/food, healthcare, housing, transportation, miscellaneous goods and services (e.g., entertainment, clothing).	Benchmarking compensation against cost of living/employees' needs. Assessing regional affordability or housing cost burden.	Measure is a relative price index and is not intended to represent a "living wage" or sufficiency standard. Covers urban areas; rural and small communities may not be represented. Relies on voluntary participation – not all regions report data every quarter. Accessible for a fee. Data available dating back to 1968.	Data are collected by local chambers of commerce, economic development agencies, and researchers participating in C2ER's network. County-level estimates are modeled from urban data.

Appendix H: Recent Compensation Data

This table provides an overview of recent, sector-wide nonprofit compensation reports, focusing on national and California data.

Report Name	Overview	Details (Sample Size, Data Sources, etc.)	Use Cases	Considerations	Cost to Access
2018-2022 Nonprofit Sector Research Data (U.S. Bureau of Labor Statistics)	National labor data comparing nonprofit and private sector pay.	300,000+ nonprofits accounting for 12.8 million jobs. Data from U.S. Bureau of Labor Statistics (BLS) National Compensation Survey. Measures wages by sector, subsector, and industry; segmented by employer type (nonprofit vs. private) and geography (national, state, metro, county)	Benchmarking compensation against peer organizations/market.	Looks at overall average wage in each industry, but not by specific position. Industry groupings are dominated by large nonprofit employers (hospitals and universities); averages thus may not be as relevant to small nonprofits.	Free
2025 Nonprofit Compensation Report (Candid)	National report of annual compensation for "top" positions in key functions (e.g. CEO/Executive, finance, development, programs etc.).	128,000+ nonprofits nationally. Data from IRS Forms 990 and 990-EZ. Segmented by state, budget size, sector, and pay percentiles.	Benchmarking compensation against peer organizations/market. Understanding trends in compensation and benefits.	Looks at "top" positions only. Segmentation allowed by sector and state.	$449 (single user) $1,199 (multi-user/ organizational license)
2025 Nonprofit Salaries & Staffing Trends Report (Careers in Nonprofits & PNP Staffing)	National guide highlighting nonprofit hiring challenges, salary trends, and workforce shifts.	1,700+ respondents. Self-reported survey data. Measures salaries and hiring trends segmented by job role, and by organizational budget and metro area (New York City, Chicago, San Francisco, Washington D.C.).	Benchmarking compensation against peer organizations/market. Understanding trends in compensation and benefits. Understanding trends in other workforce dynamics (e.g., priorities, turnover rates)	Focused on hiring trends. National scope, focused on major metro areas.	Free

Report Name	Overview	Details (Sample Size, Data Sources, etc.)	Use Cases	Considerations	Cost to Access
2025 Fair Pay for Northern California Nonprofits Compensation & Benefits Report (Nonprofit Compensation Associates)	Annual survey of Northern California nonprofits for compensation and benefits, employment practices, workplace trends, and executive director/CEO profiles.	Sample of 728 Northern California nonprofits. Self-reported survey data. Segmented by county, role, budget size, workforce size and service field.	Benchmarking compensation against peer organizations/market. Understanding trends in compensation and benefits. Understanding trends in other workforce dynamics (e.g. priorities, turnover rates).	Specific to Northern California.	$270 - $570, depending on budget size
2025 Fair Pay for Southern California Nonprofits Compensation & Benefits Report (Nonprofit Compensation Associates)	Annual survey of Southern California nonprofits for compensation and benefits, employment practices, workplace trends, and executive director/CEO profiles.	Sample of 288 Southern California nonprofits. Self-reported survey data. Segmented by county, role, budget size, workforce size, and service field.	Benchmarking compensation against peer organizations/market. Understanding trends in compensation and benefits. Understanding trends in other workforce dynamics (e.g. priorities, turnover rates).	Specific to Southern California.	$270 - $570, depending on budget size
Equitable Nonprofit Workplace Report - 2022 (Center for Nonprofit Management & Envision Consulting)	Equity-focused study of compensation and DEI practices of Southern California nonprofits.	500+ respondents. Self-reported survey data. Measures salaries of nearly 60 job titles, segmented by organizational budget, location, field of service, and number of employees.	Benchmarking compensation against peer organizations/market. Understanding trends in compensation and benefits. Understanding trends in other workforce dynamics (e.g. priorities, turnover rates).	Specific to Southern California. Includes extensive exploration of DEI practices of Southern CA nonprofits.	$250-$350, depending on budget size
2024 Total Rewards Practices Survey for Nonprofits and Associations (Nonprofit HR)	National survey capturing nonprofit leaders' priorities for pay, benefits, and total rewards strategy.	350+ social impact organizations from 35 U.S. states. Self-reported survey data. Measures compensation, benefits, and rewards priorities segmented by organization type, size, and sector.	Understanding trends in compensation and benefits. Understanding trends in other workforce dynamics (e.g. priorities, turnover rates).	Focused on larger budget organizations (majority of respondents operated with annual budgets >$5M). Findings are aggregated for the entire survey sample.	Free

Report Name	Overview	Details (Sample Size, Data Sources, etc.)	Use Cases	Considerations	Cost to Access
Nonprofit Wage and Equity Survey (City and County of San Francisco, Office of the Controller)	2023 survey of nonprofits contracting with the City and County of San Francisco, highlighting local pay and equity issues.	152 nonprofits (representing 16,000 workers). Data from SF City Controller's Office; self-reported. Measures salaries and benefits, segmented by organization size, budget, and role, with focus on city-funded nonprofit contractors.	Benchmarking compensation against peer organizations/market and cost of living/employee needs. Understanding trends in other workforce dynamics (e.g. priorities, turnover rates). Informing funding or policy advocacy.	Looks specifically at San Francisco-based nonprofits that are contracted with the city.	Free