



Presentation on Nonprofit Wage Suppression in Oregon's Social Service Sector

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Goals of Study

1. Compare wages and work between social service nonprofits and other industries in the private and public sectors in Oregon;
2. Estimate empirically the size of wage discrepancies between the nonprofit sector and the for-profit and public sectors, taking into account gender, race, and other worker and job characteristics;
3. Evaluate the efficacy of specific policy options to remedy pay inequities and low workforce retention rates in the nonprofit sector in Oregon.



Are Wages Suppressed in the Nonprofit Social Services Sector? A Case Study in Oregon

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Data and Methods

Using descriptive statistics and a regression analysis, ECOnorthwest examined the following data sets:

- American Community Survey (ACS)
- Current Population Survey (CPS)
- BLS Occupational Employment and Wage Statistics (OEWS)

"Social Service" nonprofits was a category defined by NAO for the study



- **American Community Survey (ACS)**
 - A nationwide annual survey of ~3 million individuals conducted by the U.S. Census Bureau that contains information about demographics, economics, and other attributes of the U.S. population.
- **Current Population Survey (CPS)**
 - A nationwide monthly survey of approximately 60,000 households conducted by the U.S. Census Bureau that is used to generate monthly labor force statistics published by BLS.
- **BLS Occupational Employment and Wage Statistics (OEWS)**
 - A resource that provides summary statistics (e.g., average wages) for detailed occupation and industry subcategories.



1 in 10

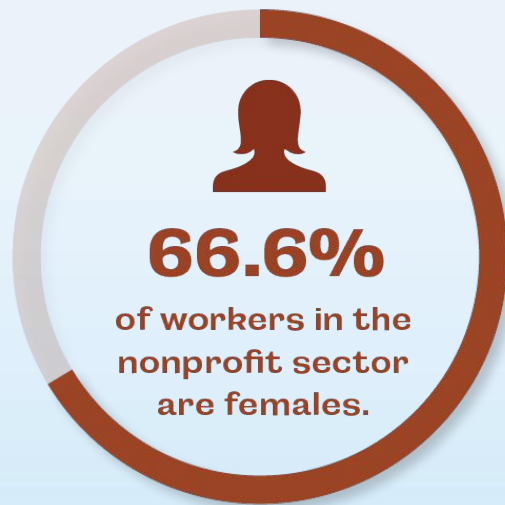
wage-and-salary workers across all sectors (private, public and nonprofit) work in Oregon's nonprofit sector.

A Large Part of Oregon's Workforce. The study found that 10.4 % of total wage and salary workers work for nonprofits. Annually that means that approximately 245,000 Oregonians are working in nonprofits.



Gender Plays a Role

Female oriented sector. The study found that 66.6 % of nonprofit employees are women. The nonprofit sector is proportionally stronger with female employees than either the private or public sectors.



Compared to the 44.8% of females the for-profit sector.

Well Educated

Nonprofit workers invest in education. With nearly double the number of college-educated employees, nonprofits have the highest concentrations of college educated workers.

50.1% of the public sector are college-educated workers.

Bachelor's degree or higher:



50.2%

**of Oregon's Nonprofit
Workforce come
from Community and
Social Service.**

COUNSELORS, THERAPISTS; REHABILITATION
COUNSELORS; EDUCATIONAL, GUIDANCE, AND CAREER
COUNSELORS AND ADVISORS; SUBSTANCE ABUSE,
BEHAVIORAL DISORDER, AND
MENTAL HEALTH COUNSELORS;
SOCIAL WORKERS, MENTAL HEALTH
AND SUBSTANCE ABUSE SOCIAL
WORKERS; HEALTHCARE
SOCIAL WORKERS;
CHILD, FAMILY, AND SCHOOL
SOCIAL AND WORKERS; COMMUNITY
AND SOCIAL SERVICE SPECIALISTS, HEALTH
EDUCATION SPECIALISTS; COMMUNITY HEALTH
WORKERS; SOCIAL AND HUMAN SERVICE ASSISTANTS.



Services Our Communities Rely Upon. Half of the total nonprofit workforce is employed in providing social and human services to Oregon's communities. This is a critical indicator when we start to think about where the funding for those services originates. Services contracted by the public sector should always provide livable wages for the workers delivering them.





Reasons for High Turnover

Wages a major driver. The study found that a staggering 8 out of 10 workers that do leave nonprofits, leave for the private sector.

- Key factor: wages stagnant in nonprofit sector



8 out of 10

Nonprofit workers left for
the for-profit sector.



Workers in human services earned

\$4.33/hr less

than those in the public sector (median hourly wage of \$21.60 compared with \$25.93; median annual wage of \$41,692 compared with \$50,507)*

*For complete comparative data sets see the full report.

The magnitude is substantial. When calculated for the mean, a private sector human service worker received nearly \$9,000 more than their nonprofit counterpart in the same occupation.



Salary Comparisons

Data source: 2024 NAO Compensation and Benefits Survey for Oregon and US Bureau of Labor Statistics

| Job | Nonprofit | All Sectors |
|------------------------------|------------------|--------------------|
| Case managers/social workers | \$58,942 | \$63,300 |
| Substance abuse counselors | \$56,246 | \$66,260 |
| Rehabilitation specialists | \$36,836 | \$53,970 |

Confounding factors not accounted for.



When age, gender, educational attainment, race, ethnicity, and hours worked are taken into account...



up to

15%

lower than their counterparts in the for-profit sector.



up to

11%

lower than the public sector.

Nonprofit wages were:

Human services nonprofit wages were:

55%

of the for-profit sector wage.

77%

of the public sector wage.



Recommended policy solutions to consider



Add a cost-of-living adjustment to government grants and contracts with nonprofits.



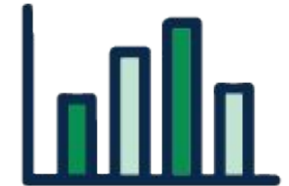
Create a nonprofit wage board.



Create a nonprofit wage advocate position.



Establish a prevailing wage for nonprofits.



Publish a nonprofit employment dashboard.



What's next...

- Qualitative analysis of nonprofit wages underway
- 2025 legislative campaign to enact recommendations of state task force on grants and contracts
- Research/policy development:
Cost-of-Living-Adjustments, workforce standards boards,
prevailing wage





Thank you!

Nonprofit Association of Oregon

www.nonprofitoregon.org