



Nonprofit Wage Suppression in Oregon's Social Service Sector

Human Services Committee

Oregon Senate

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Presented by Jim White, NAO and Dr. Kevin Cahill, EConorthwest

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





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%

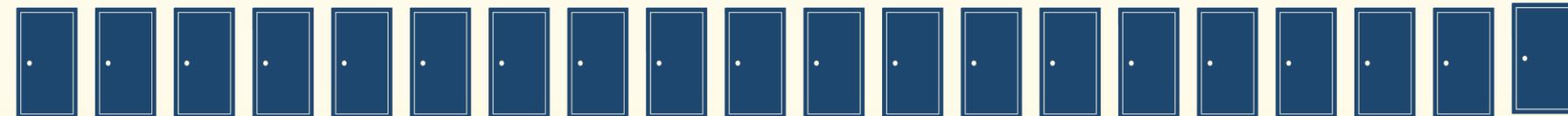
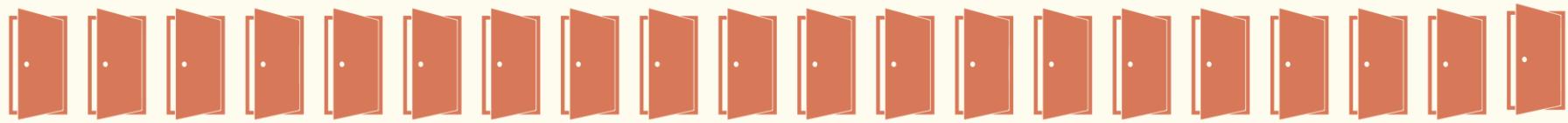
**of Oregon's Nonprofit
Workforce come
from Community and
Social Service.**



COUNSELORS, THERAPISTS; REHABILITATION COUNSELORS; EDUCATIONAL, GUIDANCE, AND CAREER COUNSELORS AND ADVISORS; SUBSTANCE ABUSE, BEHAVIORAL MENTAL HEALTH SOCIAL WORKERS, AND SUBSTANCE WORKERS; SOCIAL CHILD, FAMILY, SOCIAL AND SOCIAL SERVICE SPECIALISTS, 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.





Turnover in the nonprofit
sector over 18 months was

33.6%

Compared to the

5.1%

in the for-profit sector

Compared to the

11.5%

in the public sector



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...

Nonprofit wages were:

Human services nonprofit wages were:



up to

15%

lower than their counterparts in the for-profit sector.



up to

11%

lower than the public sector.

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.



Take aways...

1. Nonprofits and their workers are integral to the delivery of critical government human services.
2. Nonprofit workers are suffering from years of neglect from late payments, low admin rates and a lack of COLAs in government contracts and grants.
3. The system that the government-nonprofit partnership is built on is in dire need of financial support and reform.





Thank you!

Nonprofit Association of Oregon

www.nonprofitoregon.org