

Human Care Alliance



NONPROFIT WAGE AND BENEFIT SURVEY

2019



About the Researcher

Applied Survey Research (ASR) is a social research firm dedicated to helping people build better communities by creating meaningful evaluative and assessment data, facilitating information-based planning, and developing custom strategies. ASR has nearly 40 years of experience working with public and private agencies, health and human service organizations, city and county offices, school districts, institutions of higher learning, and charitable foundations. Through community assessments, program evaluations, and related studies, ASR provides the information that communities need for effective strategic planning and community interventions.

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Introduction

The Human Care Alliance (HCA) sought to learn about the impact of wages in the Santa Cruz County nonprofit sector. They hoped to better understand the sector and identify impacts of the minimum wage mandate in order to explore and craft promising solutions. HCA contracted with Applied Survey Research (ASR) to co-design two surveys using best practices and to conduct the surveys according to a methodology that captured the voices of both employees in the nonprofit sector and agency leadership. The two online surveys were completed by 221 nonprofit employees and 30 nonprofit agency leaders.

Approach

HCA leadership and Applied Survey Research (ASR) worked together to create two surveys: one administered to employees of Human Care Alliance member agencies and other local non-profits, and one administered to the leadership of local non-profit agencies. After survey pilot testing by ASR, HCA invited leaders in 103 local nonprofit agencies and nonprofit childcare centers to complete the agency survey. Those leaders were asked to have their employees complete the employee survey.

Thirty agency leaders and 221 nonprofit employees (responses from the leadership survey indicated a potential for 1,037 employees at the 30 agencies) completed the two online survey questionnaires. Data were then sent to ASR, who processed the data and calculated overall frequencies and percentages. Additionally, two cross tabulations of the employee data were calculated: Selected results by agency sector and selected results by type of employee (exempt or non-exempt). These cross tabulations are indicated in the report with the following icons:



AGENCY SECTOR CROSS-TABULATION RESULTS



EMPLOYEE TYPE (EXEMPT/NON-EXEMPT) CROSS-TABULATION RESULTS

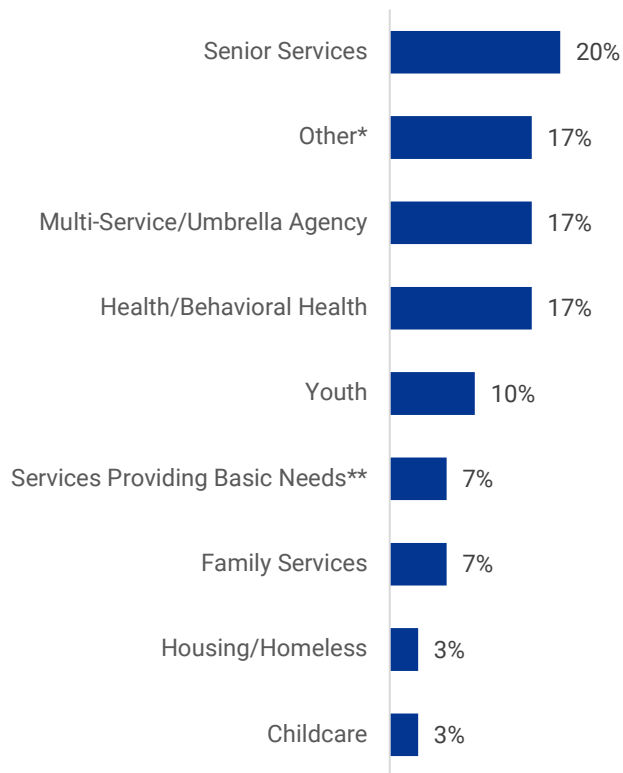
Qualitative employee data were coded and included in the report. Data in the report underwent extensive proofing to ensure accuracy. The data proofing protocol is a multi-step process that thoroughly checks text, numbers, and formatting in the narrative, tables, and charts.

Findings

NONPROFIT LEADERSHIP SURVEY RESULTS

AGENCY CHARACTERISTICS

Surveyed agencies represent a wide variety of nonprofit sectors.

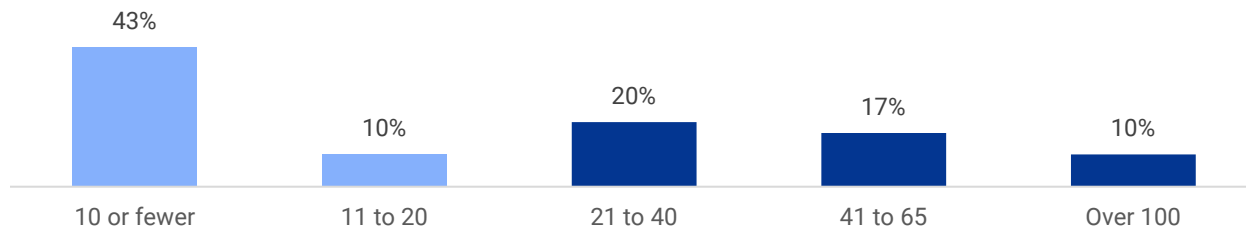


Agency n: 30.

*Other includes: Legal, justice, and conflict resolution services and disability services.

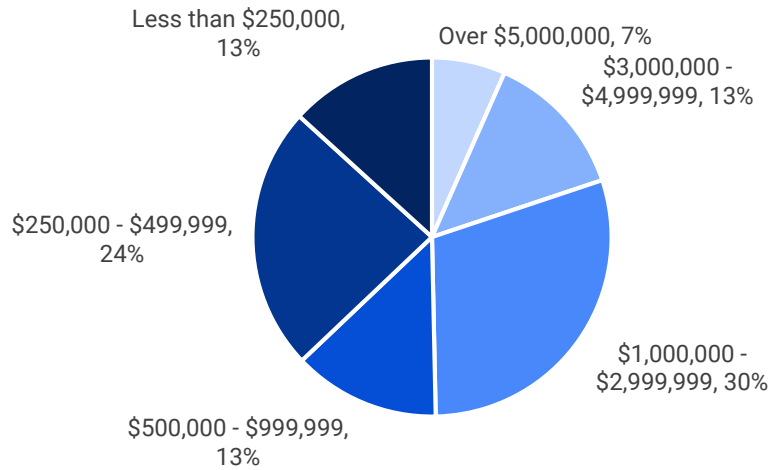
**Types of basic-needs agencies: Food, employment and transportation.

Of the 30 agencies surveyed, just over half (53%) have 20 or fewer employees.



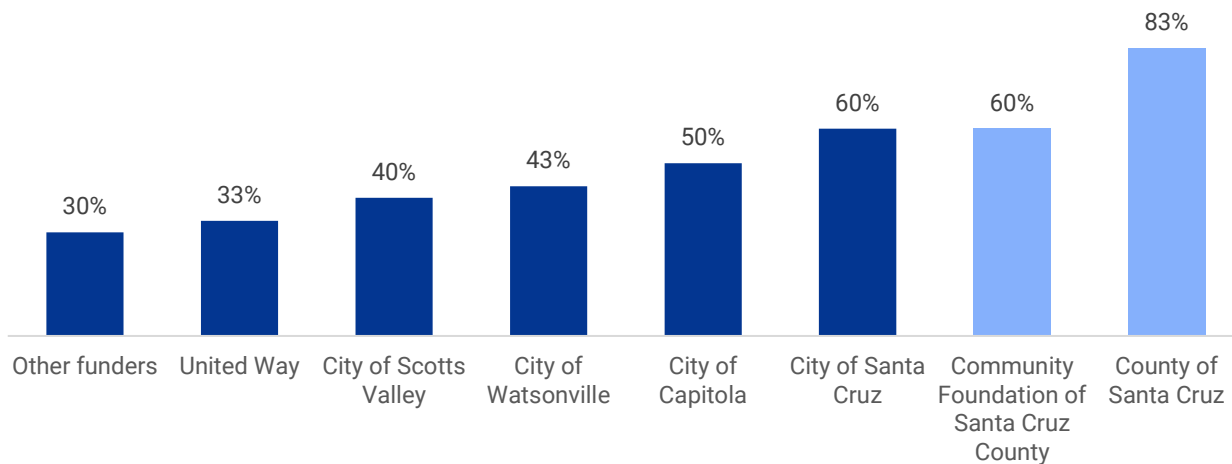
Agency n: 30.

More than three quarters (80%) of surveyed agencies have a budget size of less than \$3m.



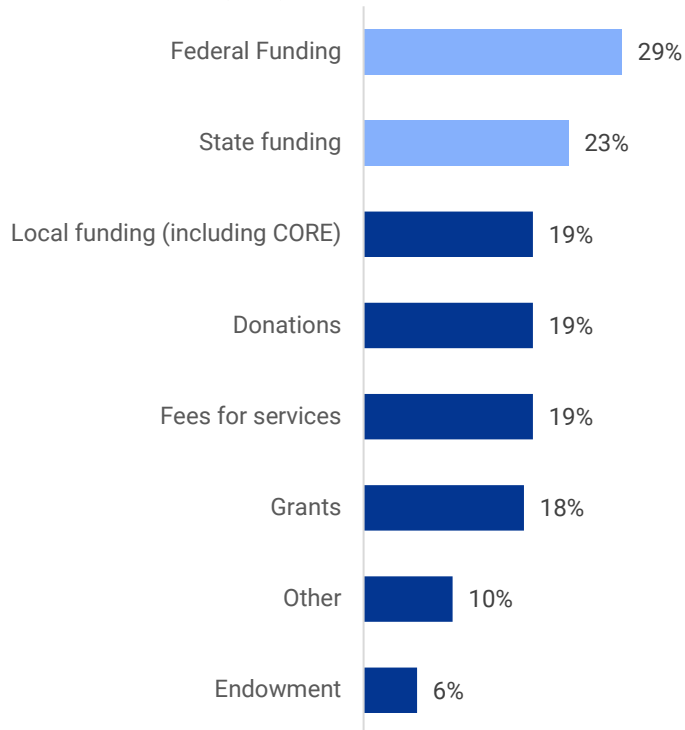
Agency n: 30.

The majority (83%) of surveyed agencies receive funding from the County of Santa Cruz. In addition to funding from city jurisdictions, the Community Foundation of Santa Cruz County funds over half (60%) of surveyed agencies.



Agency n: 30 respondents offering 120 responses.
 Note: Multiple response question. Percentages may not add up to 100.

Surveyed agencies reported most of their general operations revenue coming from federal funding (29%) and state funding (23%).

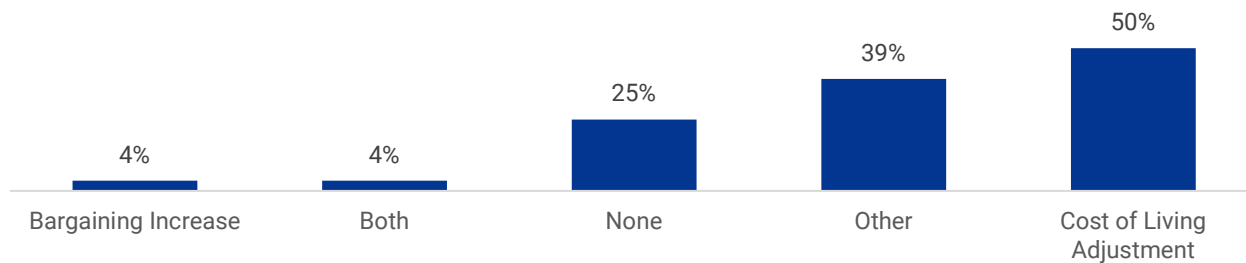


Agency n: 30.

*Other includes: Events, corporate and business donation/sponsorships, and private insurance.

Note: Multiple response question. Percentages may not add up to 100.

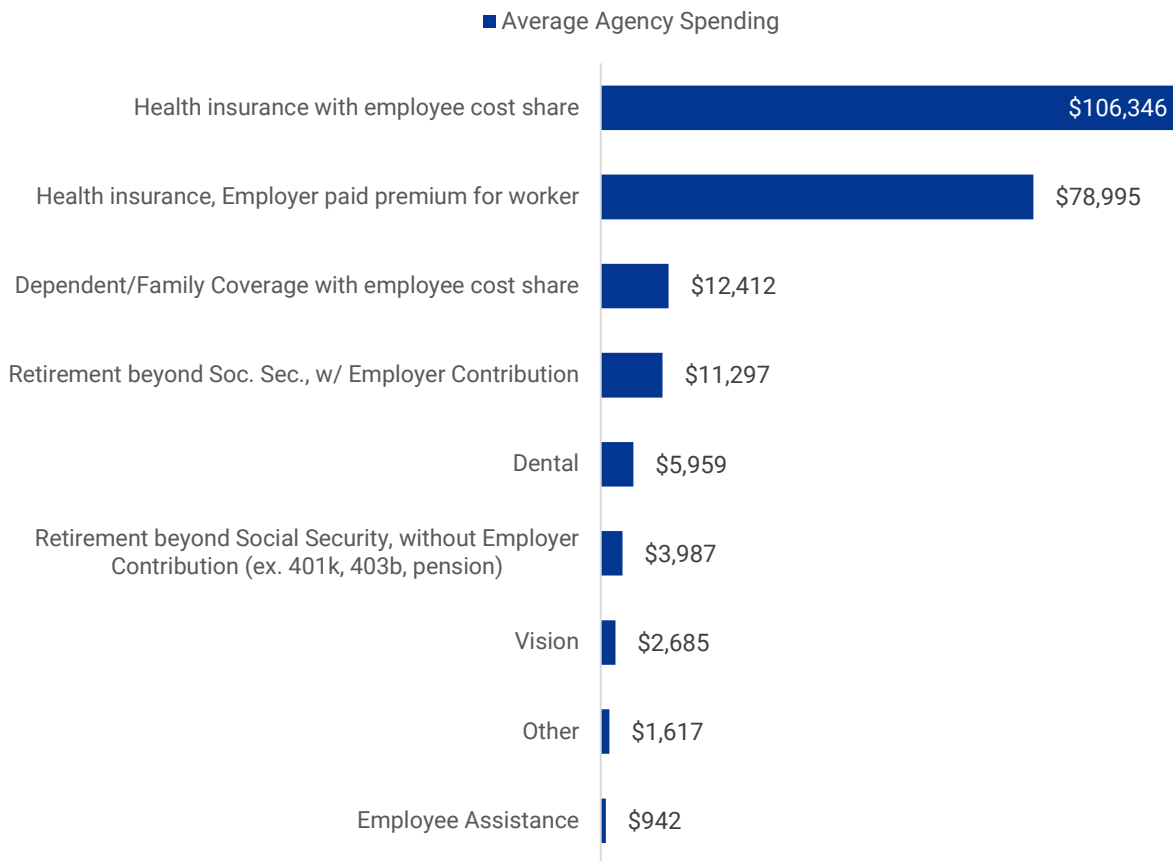
One quarter (25%) of agency respondents reported not offering any annual wage increases, and half (50%) reported offering a cost of living adjustment.



Agency n: 28 respondents offering 34 responses.

Note: Multiple response question. Percentages may not add up to 100.

Agencies surveyed reported spending most annually on health insurance with employee cost share and employer paid worker health insurance premiums.

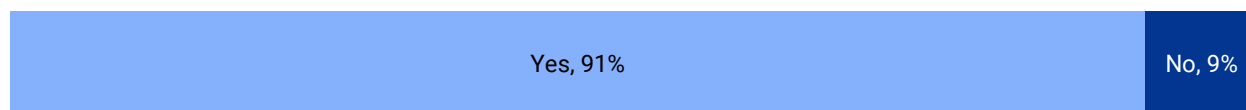


Agency n: 13-19.

Note: Amounts are an average across responding agencies.

IMPACT OF LOW WAGES

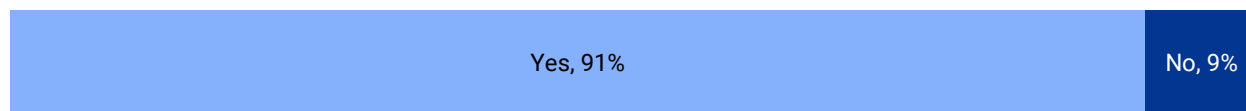
The vast majority (91%) of agencies surveyed are impacted by low wages within the nonprofit sector.



Agency n: 22.

“A great staff member resigned due to not being able to find suitable housing that they could afford. It took several months to hire a replacement and the program suffered and many program participants left the program.” – Nonprofit Agency Leader

Virtually all (91%) of agencies surveyed reported that they struggle to recruit qualified employees.



Agency n: 22.

Burnout, staff loss due to relocation, and losing employees to better paying jobs were named by 85% of surveyed agencies as impacts of low wages. Three quarters of agencies reported that their clients are impacted by staff turnover.

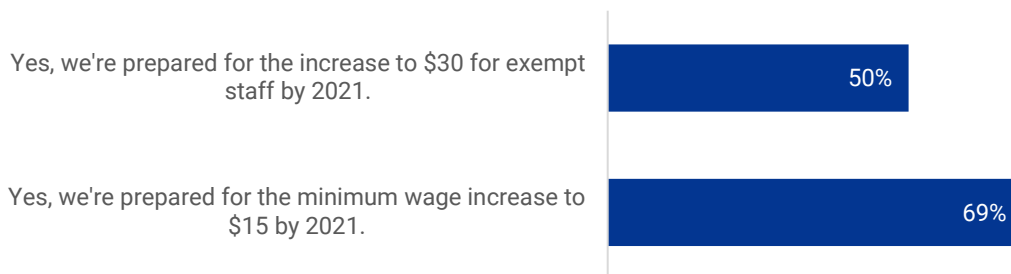


Agency n: 20 respondents offering 119 responses.
 Note: Multiple response question. Percentages may not add up to 100.

“We are losing two excellent staff members this year due to their inability to afford to live in this region. Both were trained extensively and will be difficult to replace.”
 – Nonprofit Agency Leader

IMPACT OF MINIMUM WAGE INCREASE

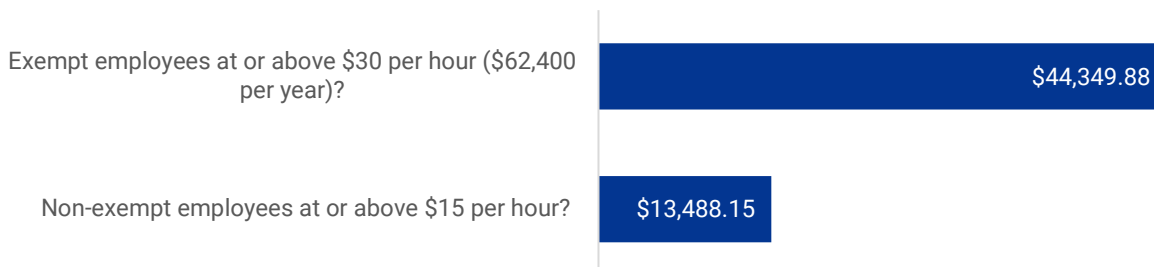
One half (50%) of surveyed agencies report being prepared for the 2021, \$30 exempt staff wage increase while 69% report being prepared for the \$15 minimum wage increase.



Agency n: 26.

According to figures reported by surveyed agency leaders, it would add nearly \$45k annually to agency budgets to meet the \$30/hour exempt increase by 2021, and nearly \$14k annually for the \$15/hour minimum wage increase.

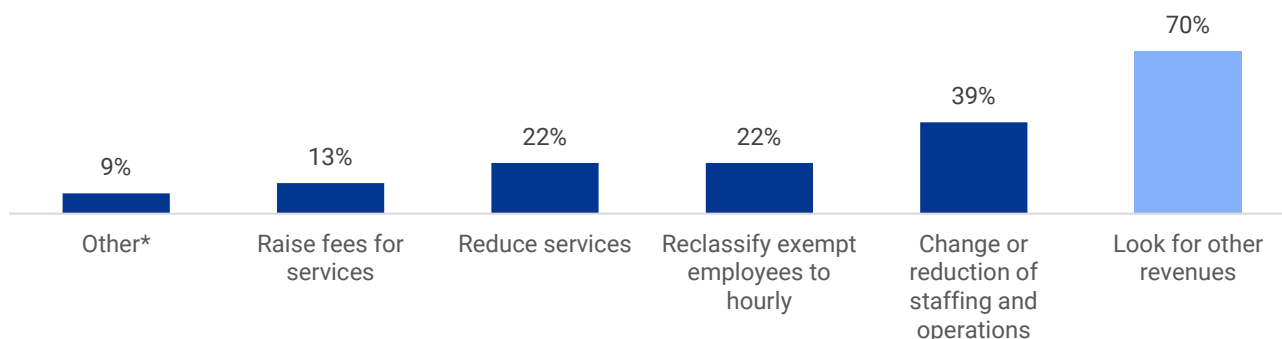
What would it add to your nonprofit agency's annual budget to pay:



Agency n: 26.

Note: Amounts are an average across responding agencies.

A large majority (70%) of agency leaders plan to look for other funding as a strategy to address the wage increases. More than a third (39%) plan to change or reduce staffing, and slightly less than a quarter (22%) plan to reduce services.



Agency n: 23 respondents offering 40 responses.

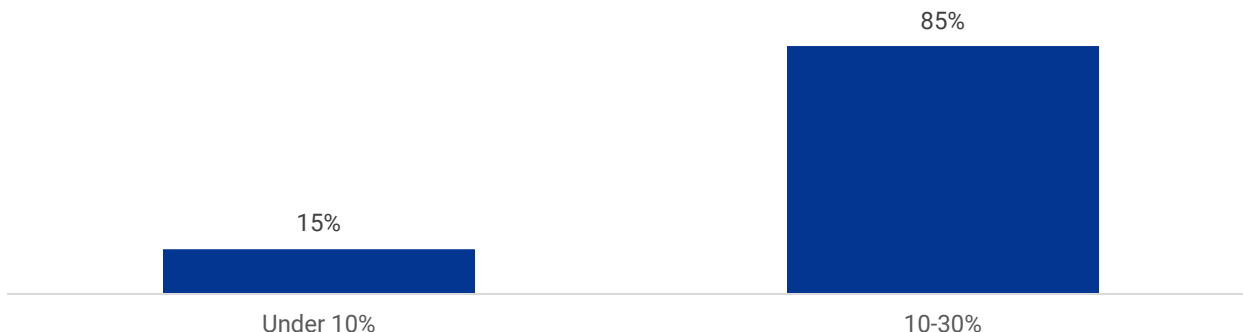
Note: Multiple response question. Percentages may not add up to 100.
 *Other includes limiting expansion and utilizing volunteers.

According to surveyed agency leaders their level of funding remained the same through the minimum wage mandate, over half (58%) of agencies surveyed would need to make a reduction in SERVICES.



Agency n: 26.

Eighty-five percent of agencies surveyed would need to make a 10-30% reduction in SERVICES if their level of funding remained the same through the minimum wage mandate.



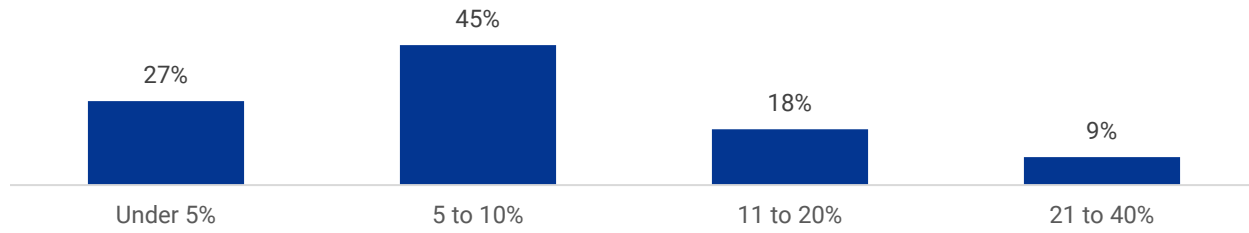
Agency n: 13.

If their level of funding remained the same through the minimum wage mandate, 46% of agencies surveyed would need to make a reduction in their FTE COUNT.



Agency n: 26.

Forty-five percent of agencies surveyed would need to make a 5-10% FTE COUNT reduction if their level of funding remained the same through the minimum wage mandate.

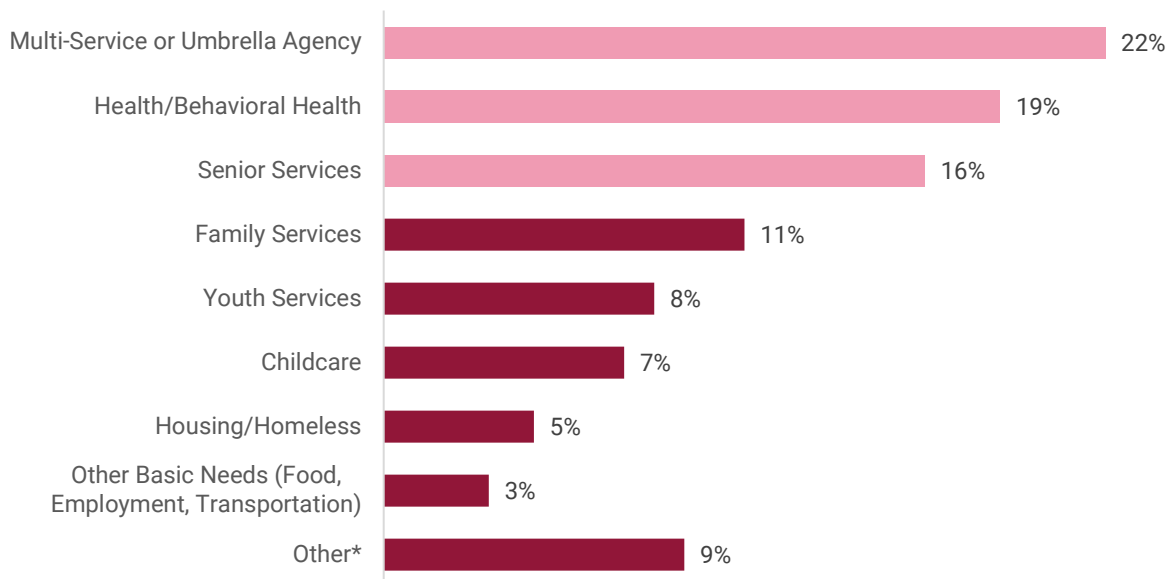


Agency n: 11

NONPROFIT EMPLOYEE SURVEY RESULTS

TYPE OF AGENCY

Most (57%) nonprofit employee respondents work in the multi-service/umbrella agency, health/behavioral health, or senior services sectors.

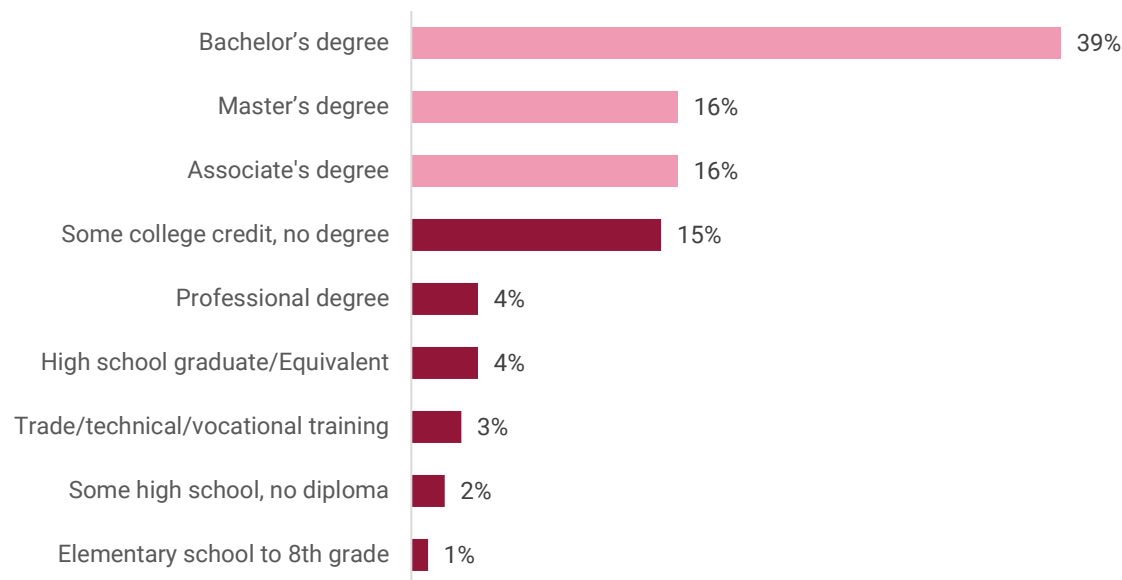


Nonprofit employee n: 214.

*Other includes: Disability, legal, substance use, student, and LGBTQ+ services.

LEVEL OF EDUCATION AND TRAINING

The majority (71%) of nonprofit employees surveyed received an Associate's degree or higher.



Nonprofit employee n: 214.

Over half (52%) of all nonprofit employees indicated that their job requires a specific credential, license, or permit to perform.



Nonprofit employee n: 214.

HOUSING

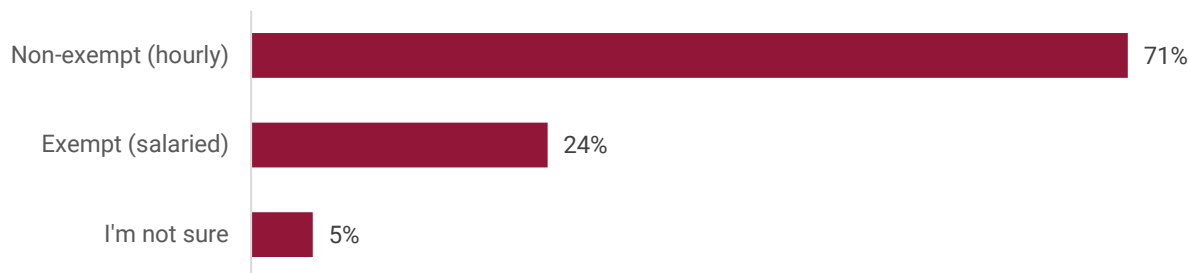
Nearly one in five nonprofit employees surveyed reported living with another family.



Nonprofit employee n: 214.

EMPLOYMENT STATUS AND SUSTAINABLE WAGES

Nearly one-quarter (24%) of nonprofit employees surveyed are exempt, or salaried.

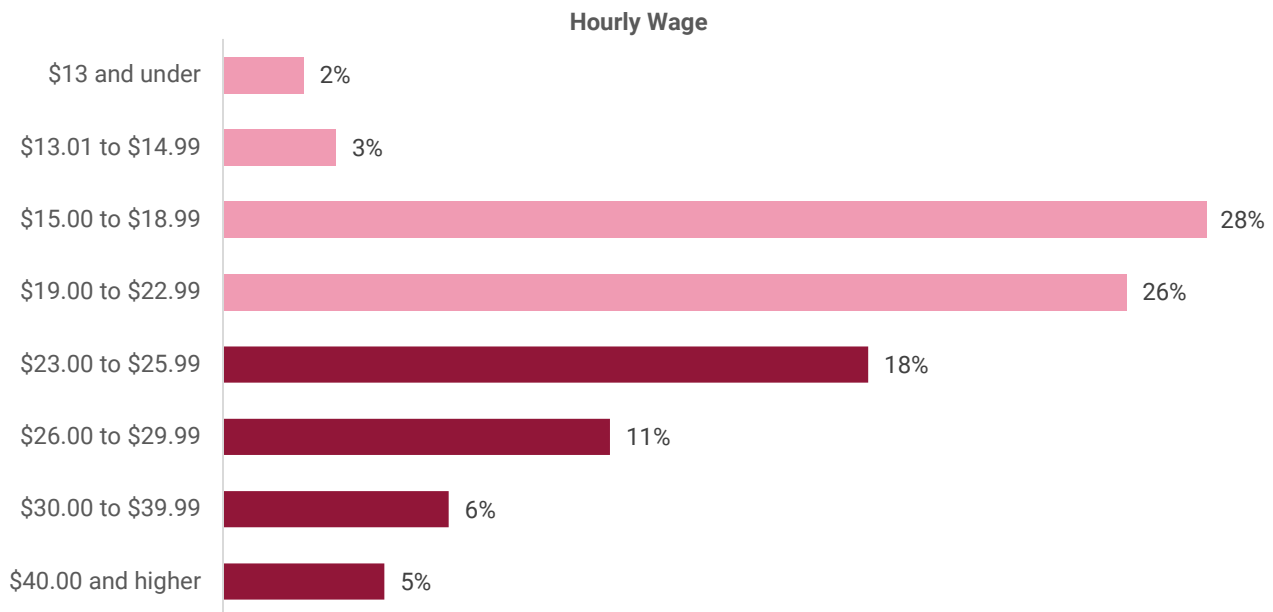


Nonprofit employee n: 218.

"I am living paycheck to paycheck. I need a second job, and I am exhausted. I have to decide if I can afford food for the week or wait until all bills are met. Although healthcare coverage is provided at my job, I can't afford the deductibles and co-pays."

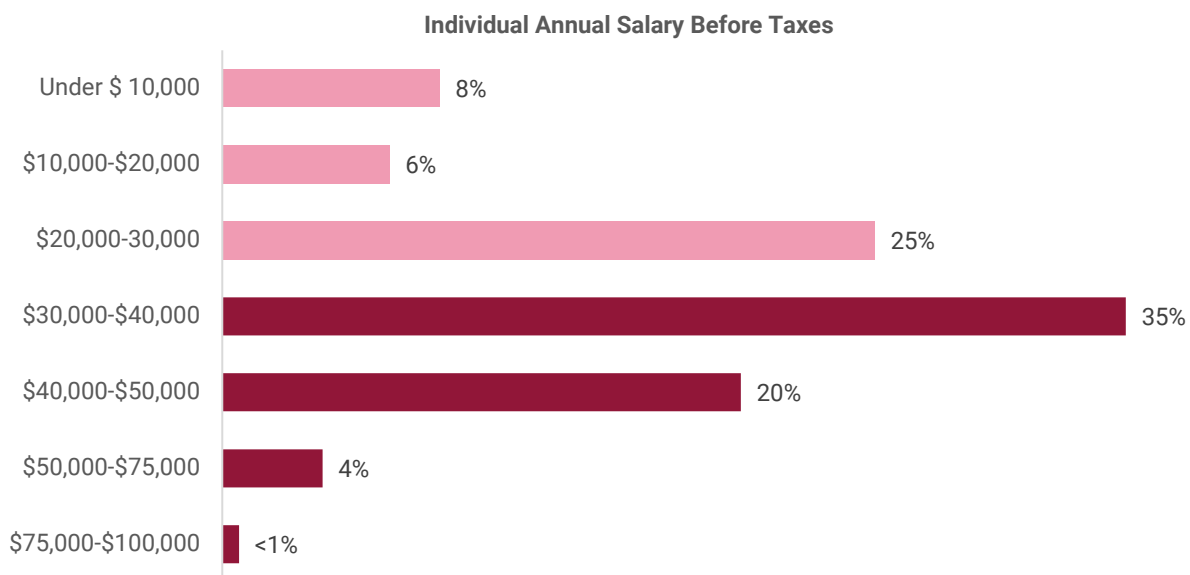
–Nonprofit Employee

Fifty-nine percent (59%) of nonprofit employee respondents reported making an hourly wage of under \$23.00.



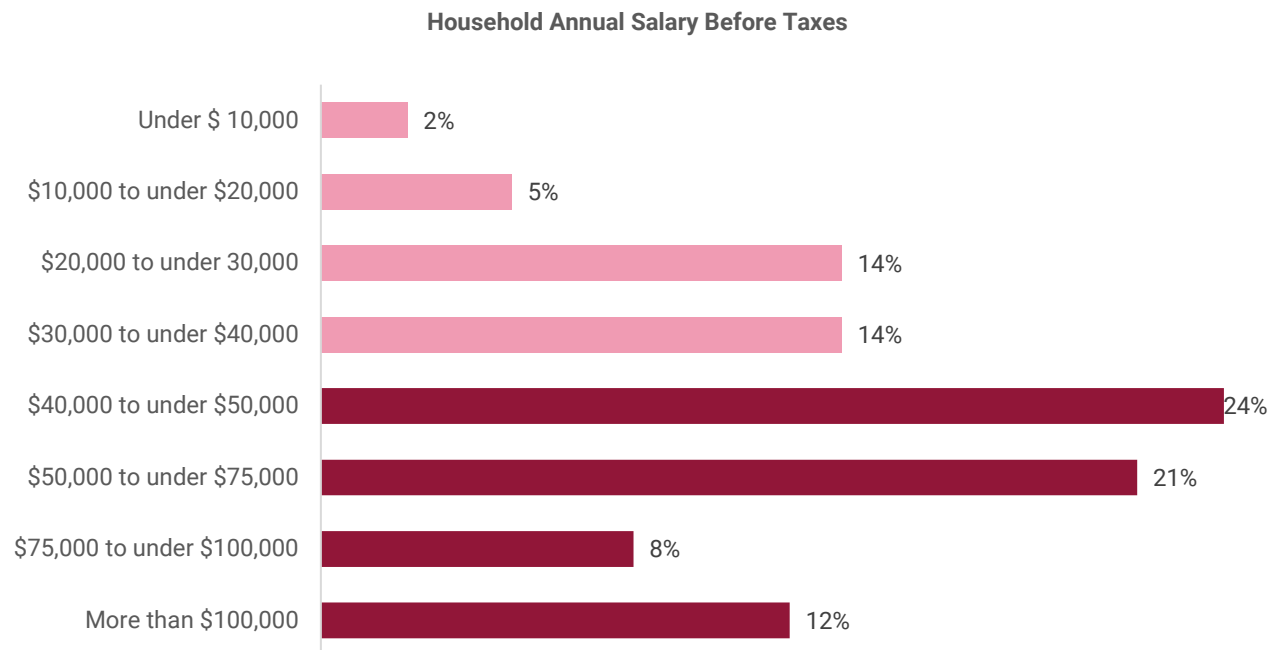
Nonprofit employee n: 217.

Well over half (74%) of nonprofit employee respondents reported earning an annual salary of \$40k or less before taxes.



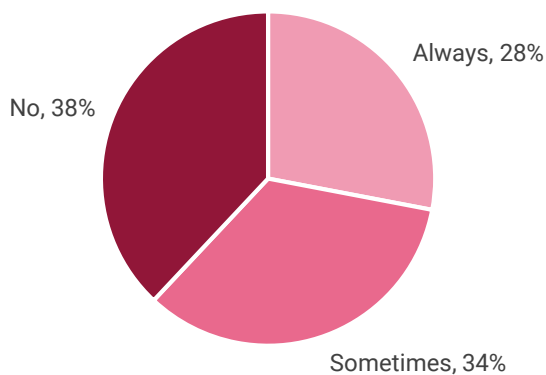
Nonprofit employee n: 220.

Over one third (35%) of nonprofit employee respondents reported an annual household income (including income from spouses or partners) before taxes of \$40k or less.



Nonprofit employee n: 220.

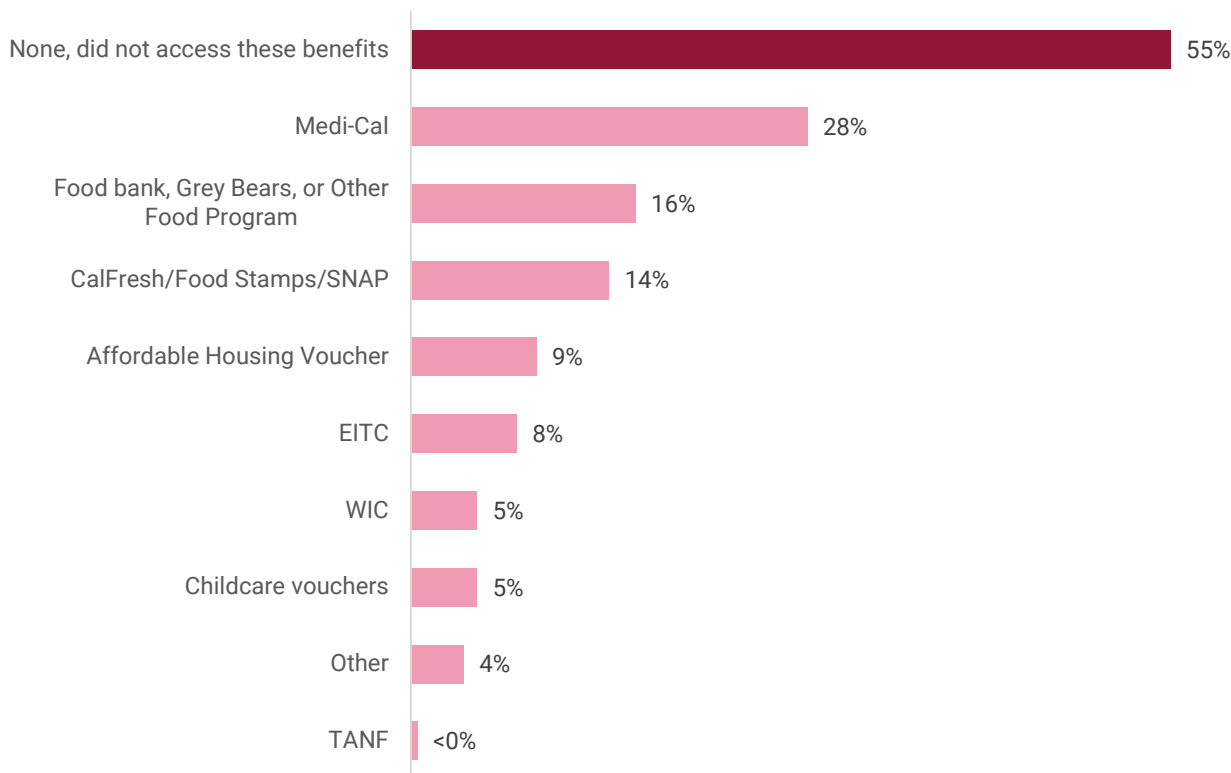
Over half (62%) of all nonprofit employee respondents have to “always” or “sometimes” work more than one job to support themselves and their families.



Nonprofit employee n: 214.

“I have to work several jobs to keep up. That means less time for family and self-care.”
 – Nonprofit Employee

Nearly one half (45%) of all nonprofit employee respondents, or their families, accessed one or more public benefits to meet their basic needs in the last 12 months.

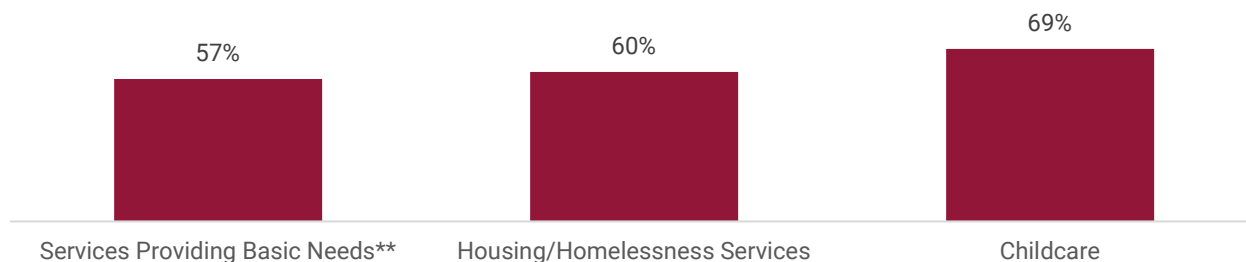


Nonprofit employee n: 211 respondents offering 303 responses.
 Note: Multiple response question. Percentages may not add up to 100.



More than half of nonprofit employee respondents in the Basic Needs (57%), Housing/Homeless (60%) and Childcare (69%) sectors accessed public benefits to meet their basic needs in the last 12 months.

■ Percentage of employees who accessed one or more benefits* to meet their basic needs, by nonprofit sector



Nonprofit employee n: 202.

*Benefits include: Affordable housing voucher (Section 8, HUD, or Housing Authority), CalFresh/food stamps/SNAP, TANF, Medi-Cal, EITC, childcare vouchers, food bank, Grey Bears, or other food program, and WIC.

**Types of basic-needs agencies: food, employment and transportation.



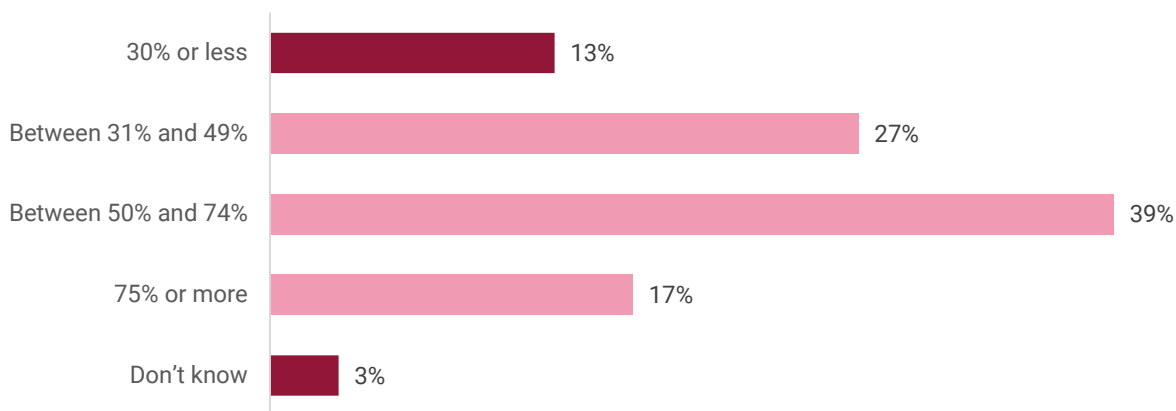
Nearly half of both exempt (42%) and non-exempt (46%) nonprofit employee respondents accessed public benefits to meet their basic needs in the last 12 months.

■ Percentage of employees who accessed benefits to meet basic needs in the past 12 months, by status



Nonprofit employee n: 202.

Over half (66%) of all nonprofit employee respondents surveyed spend between 31% -74% of their take-home pay on rent or housing costs, and 56% spend more than 50%.*



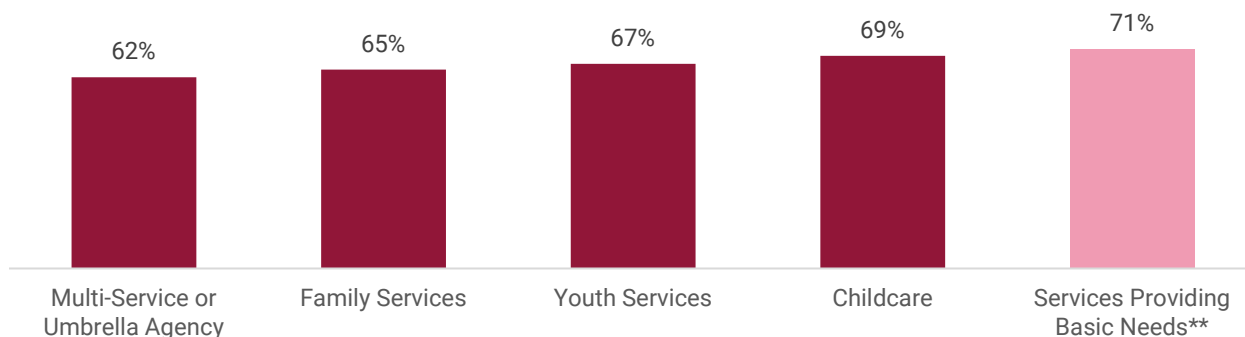
Nonprofit employee n: 219.

*Housing costs are considered any type of payment having to do with housing, such as rent or mortgage payments and utilities.

"We live day by day, crossing our fingers that nothing happens to change our rental situation. If so, we would have to move out of Santa Cruz County. My fiancé and I argue over what to do." – Nonprofit Employee



Nearly three quarters of nonprofit employee respondents in the Basic Needs sector spend 50% or more of their take-home pay on rent or housing costs*.



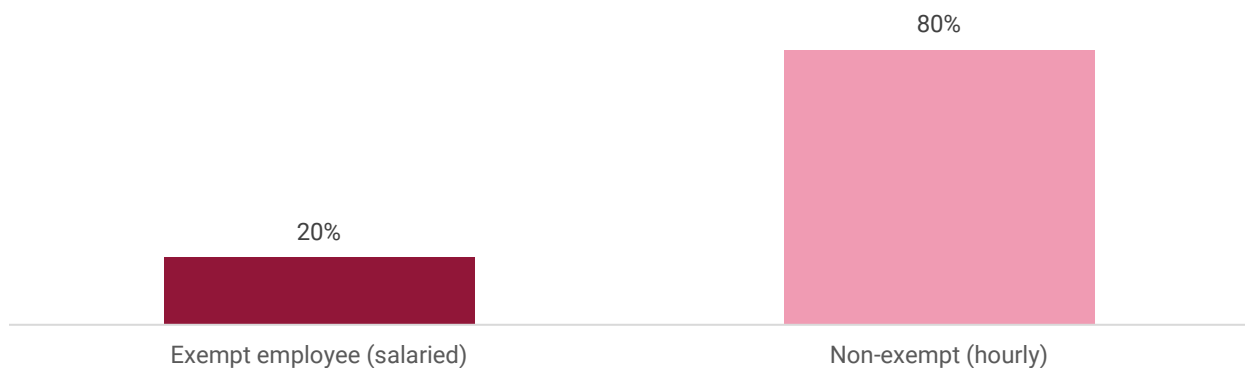
Nonprofit employee n: 199.

*Housing costs are considered any type of payment having to do with housing, such as rent or mortgage payments, and utilities.

**Types of basic-needs agencies: food, employment and transportation.



A large majority of non-exempt nonprofit employee respondents (80%) reported that they spend 50% or more of their take-home pay on rent or housing* costs.



Nonprofit employee n: 199.

*Housing costs are considered any type of payment having to do with housing, such as rent or mortgage payments, and utilities.

Just over half (54%) of all nonprofit employee respondents have \$400 saved that they could easily access during an emergency.

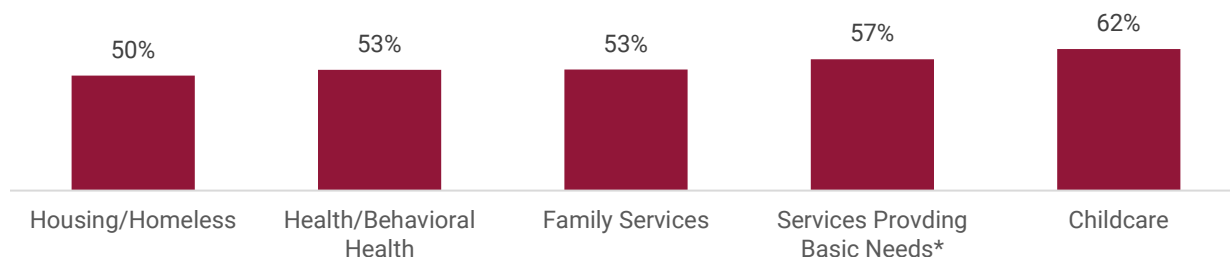


Nonprofit employee n: 218.

"I barely make ends meet. All my money goes to bills and I have no money left over to save for my family in case of an emergency or for my kids when they go off to college."
 – Nonprofit Employee


 **More than half of nonprofit employee respondents in the Health/Behavioral Health, Family Services, Basic Needs and Childcare sectors did not have \$400 saved that they could easily access in case of an emergency.**

■ Percentage of employees in each sector who did not have \$400 saved that they could easily access during an emergency, by nonprofit sector



Nonprofit employee n: 205.

*Types of basic-needs agencies: food, employment and transportation.

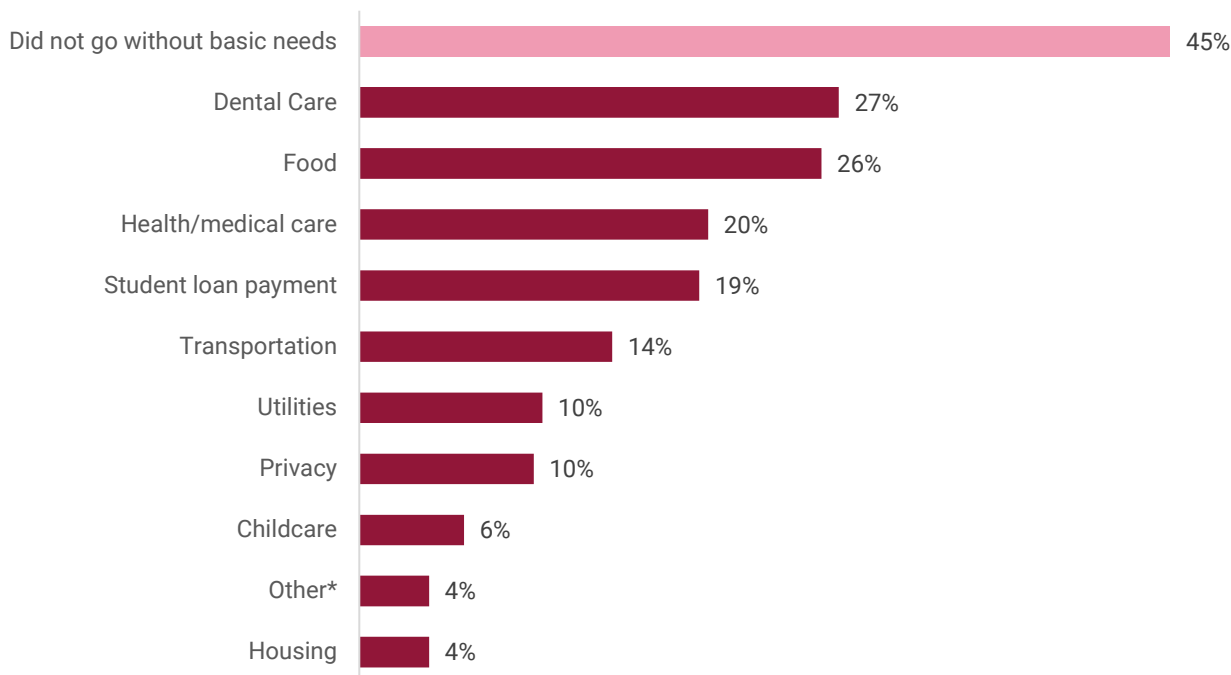
 **Nearly half of non-exempt nonprofit employee respondents did not have \$400 saved that they could easily access in case of an emergency.**



Nonprofit employee n: 205.

EMPLOYEES GOING WITHOUT BASIC NEEDS

Over half (55%) of all nonprofit employee respondents reported going without one or more basic needs in the past 12 months due to financial hardship. These include:



Nonprofit employee n: 205 respondents offering 378 responses.

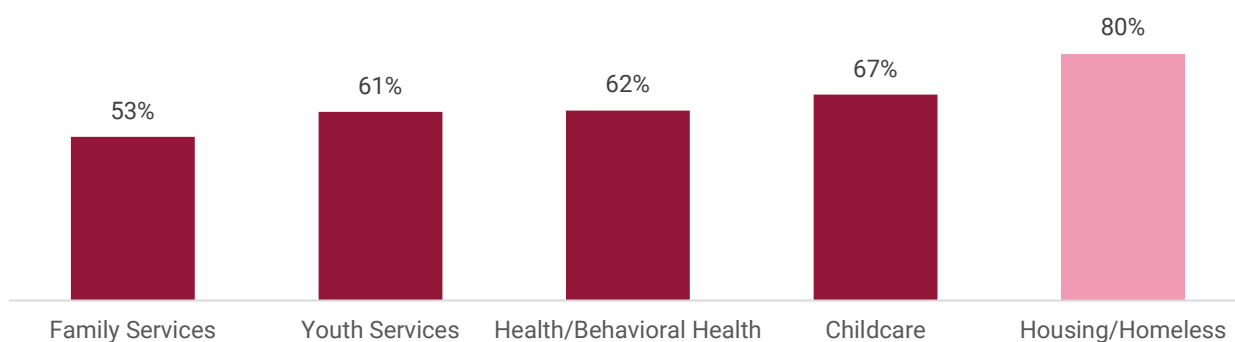
Note: Multiple response question. Percentages may not add up to 100.

*Other includes: Auto repairs, other bill payments, and activities for children.

“Due to low wages, my family is forced to live in a room with two other families. We are limited with funds, can’t save, and at times we can’t buy food.” – Nonprofit Employee



While the number of respondents is low in some sectors, it is notable that the majority (80%) of nonprofit employee respondents from the housing/homeless sector reported going without one or more basic need* in the last 12 months.

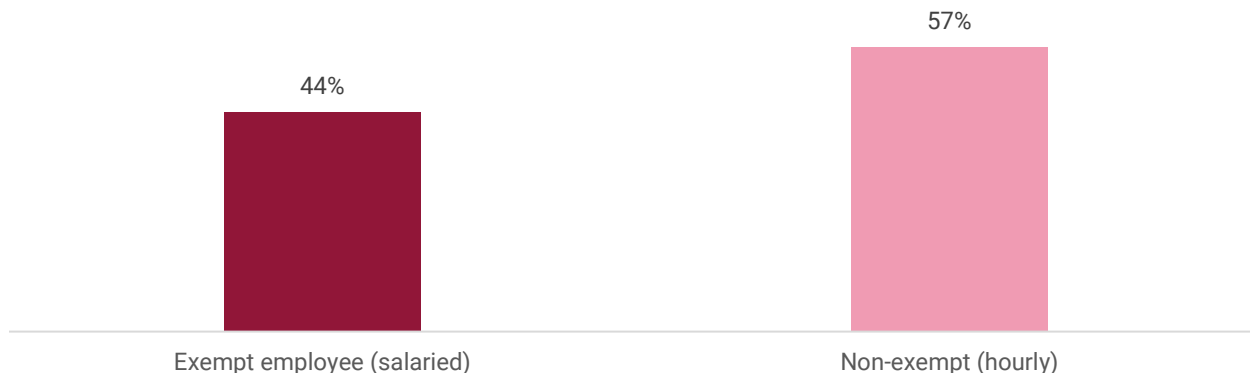


Nonprofit employee n: 10-39.

*Basic needs include: Food, childcare, health care, utilities, housing, transportation, privacy, and student loan payments.



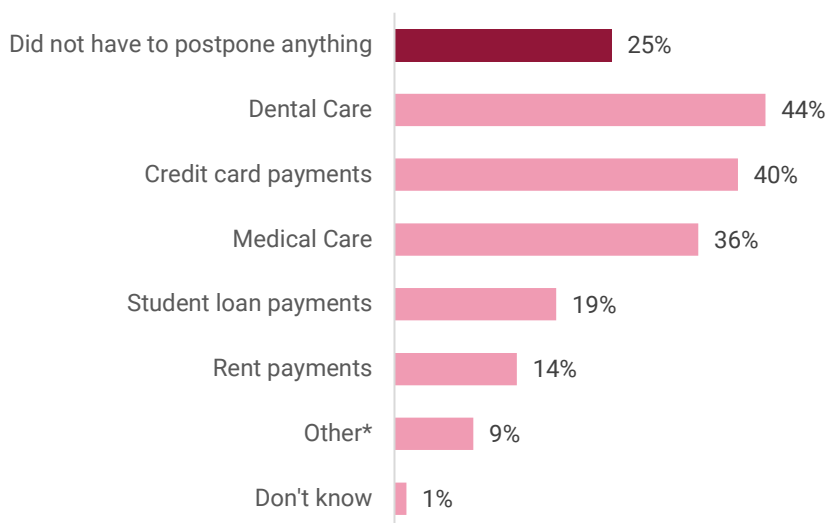
Over half of non-exempt nonprofit employee respondents (57%) went without one or more basic need in the past 12 months.



Nonprofit employee n: 197.

*Basic needs employees went without include: Food, childcare, health care, utilities, housing, transportation, privacy, and student loan payments.

The majority of nonprofit employee respondents reported postponing at least one of the listed needs in the last 12 months due to financial hardship.



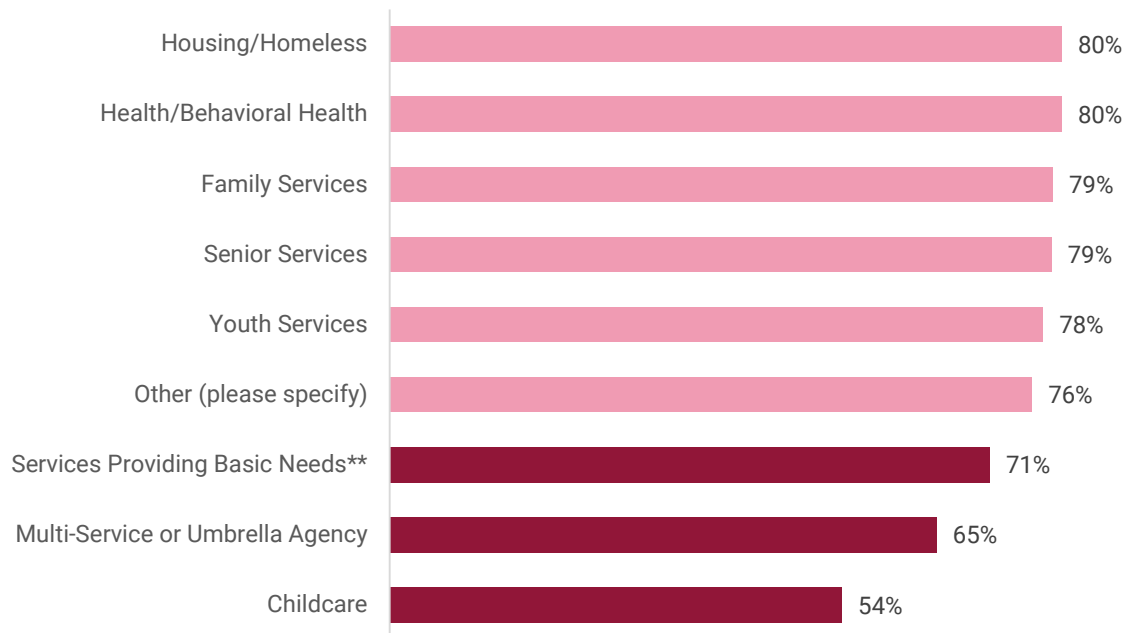
Nonprofit employee n: 216 respondents offering 408 responses.

Note: Multiple response question. Percentages may not add up to 100.

*Other includes: Home/auto repairs, medical bill payments, other bill payments, and visiting family.



More than three quarters of nonprofit employee respondents across six nonprofit sectors postponed one or more basic needs* in the past 12 months.



Nonprofit employee n: 141.

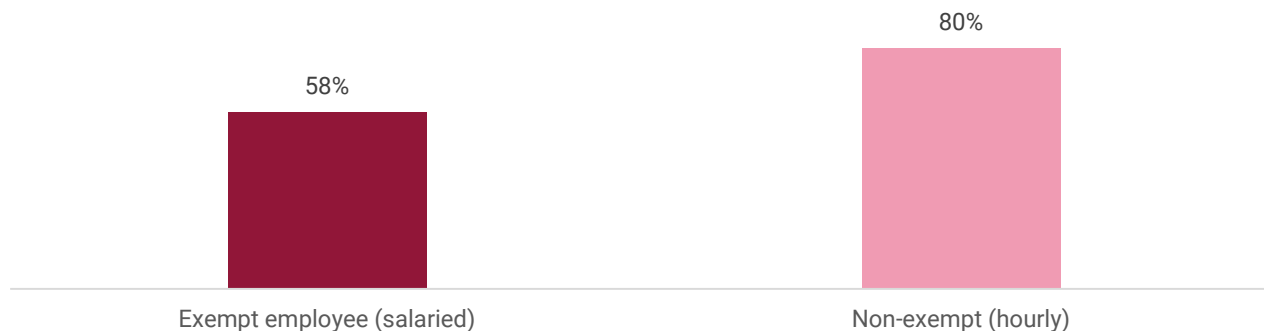
Note: Multiple response question. Percentages may not add up to 100.

*Basic needs employees postponed include: Food, childcare, health care, utilities, housing, transportation, privacy, and student loan payments.

**Types of basic-needs nonprofit agencies: Food services, employment services and transportation services.



More than three quarters (80%) of non-exempt nonprofit employee respondents postponed one or more basic need* in the past 12 months.



Nonprofit employee n: 200.

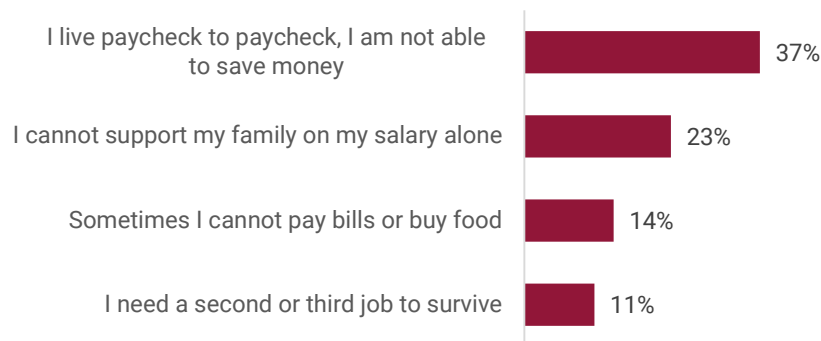
*Basic needs employees went without include: Food, childcare, health care, utilities, housing, transportation, privacy, and student loan payments.

"It's hard to motivate myself to do well at my job when I am constantly worried about having enough money to pay rent." – Nonprofit Employee

EFFECT OF WAGES ON EMPLOYEES

Just under a quarter (23%) of nonprofit employees shared that they cannot support their family on their nonprofit salary. Nearly 20% shared that they have no savings and are not able to set aside money for emergencies, retirement, college or other savings.

How does your wage level at your nonprofit job affect you and your family?



Nonprofit employee n: 215 respondents offering 254 responses.

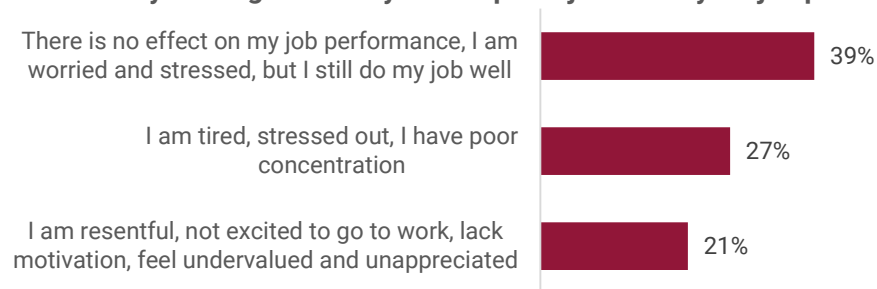
Note: Multiple response question. Percentages may not add up to 100.

Note: Other responses include: burnout from working too many hours (6%), can't buy a house or start a family (6%), can't afford health insurance premiums or co-pays (6%), rely on family (4%), live off credit cards (3%), and live in crowded or substandard housing (2%).

"We are on a pretty tight budget, not able to save for retirement. I'm 67 years old and cannot retire because of low income." – Nonprofit Employee

Just over a third (39%) of nonprofit employees said their job performance is not affected by their wage. However, 27% said they are worried and stressed about their financial situation while at work.

How does your wage level at your nonprofit job affect your job performance?



Nonprofit employee n: 213 respondents offering 226 responses.

Note: Multiple response question. Percentages may not add up to 100.

Note: Other responses include: Fair compensation makes me feel good/valued, when I am paid well I have pride and feel valued, I work harder when I am paid well (5%), and I am actively looking for other work (3%).

Conclusion

Nonprofit employee respondents in Santa Cruz County report that they are having to make difficult quality of life decisions. High housing costs and low wages make it difficult for nonprofit employee respondents to pay bills and rent, save for the future, and/or afford basic needs. Eighty percent of surveyed hourly wage earners spend 50% or more on housing costs per month. Nearly half of surveyed employees had to access public benefits in order to meet their basic needs. Fifty-five percent went without one or more basic needs in the past 12 months. Sixty-two percent have to work a second job in order to support themselves and/or their family.

Ninety-one percent of agencies surveyed reported that they are impacted by low wages in the nonprofit sector and struggle to recruit qualified staff. Half of the surveyed agencies reported being prepared for the \$30 exempt staff wage increase, and 69% reported being prepared for the \$15 minimum wage increase. A large majority (70%) of these agencies said that their solution was to look for additional revenue. Below is the approximate county-wide impact of the needed revenue increase to meet wage increases, based on the average impact to surveyed nonprofit agencies:

- 103 agencies X \$44,000 average agency budget increase = **\$4,532,000** county-wide revenue increase necessary to meet the need for the **\$30/hour** exempt staff wage increase.
- 103 agencies X \$13,000 average agency budget increase = **\$1,339,000** county-wide revenue increase necessary to meet the need for the **\$15/hour** minimum wage increase for hourly employees.
- Upwards of **\$5,871,000** in additional revenue could be needed to address the two wage increases required for nonprofit agencies in the county.

Other solutions included reducing services and staff, and reclassifying exempt staff to hourly status. Over half (58%) of agencies reported that they will have to reduce services if their funding level remains the same, and 46% will have to reduce FTE count without additional revenue.

In short, surveyed nonprofits in Santa Cruz County report that at the current wage structure they are already having difficulty recruiting and retaining quality staff. Without additional revenue, surveyed agencies will be forced to reduce staff and/or services to accommodate the additional costs associated with the two wage increases in 2021.