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# The Ripple Effects of Investing in the Nonprofit Sector Workforce's Well-being

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Burnout, trauma, high turnover and hiring challenges persist across the nonprofit sector.

Anyone working in this sector knows this personally or anecdotally. And the numbers support that understanding. In Massachusetts alone, the nonprofit sector employs more than 548,000 workers, accounting for more than 17% of the state's workforce. A **2023 Providers' Council report** showed that 23% of the Commonwealth's front-line positions in human services organizations are vacant, with low wages and high burnout rates named as barriers to filling vacancies. The report concludes that if this subsector is unable to strengthen its workforce, it will

not be able to provide mental health, family, rehabilitation, emergency and other services to individuals in need. In other words: No staff, no services.

Early childhood educators are another bellwether. While not all early childhood providers are technically nonprofits, many are, and the front-line workers are in the same boat as other nonprofit staff. Rising operating costs and staffing shortages, driven by low wages and increasing levels of burnout, are barriers to serving families. A **2024 nationwide survey** of early childhood educators, for example, highlights the impacts of a workforce crisis on communities: closed programs, longer waitlists and rising tuitions, to name a few.

Even in best-case scenarios like Massachusetts, where investment in early education has largely spared the state from the intensity of the nationwide crisis, staffing shortages remain the primary reason why one-third of early education centers in the Commonwealth cannot serve communities to their full capacity. A January 2024 **report from the Boston Opportunity Agenda**, based on a survey of Massachusetts early educators, paints a landscape with unique challenges but considerable overlap with the larger nonprofit sector. One survey participant speaks for many in saying, “The current wage is what makes me (and all of the employees that I’ve lost over the past year) want to leave the field!”

The high demand for nonprofit services, low salaries and compensation, and the impacts of racism and economic inequality have contributed to a **nonprofit workforce crisis**. Burdensome government-nonprofit contracting policies, restrictive grantmaking practices and limited philanthropic investment in the nonprofit sector’s infrastructure further strain nonprofits’ ability to effectively support their workers. We can’t keep doing what we’ve always done and expect positive change. So, what can we do?

**Increasing unrestricted general operating support for nonprofits to hire and retain front-line staff while simultaneously funding initiatives that address worker burnout and support wellbeing will help mitigate the workforce crisis.**

The COVID-19 pandemic propelled movements to support beleaguered nonprofit professionals, including **Fund the People**’s initiative to maximize investment in the nonprofit workforce, sabbatical programs for executive directors, wellness funds, and employee development opportunities, which continue in the pandemic’s aftermath. **Data suggests** that the benefits of investing in the nonprofit workforce would ripple through the sector and could address the impact of high worker attrition rates, including delays in the delivery of nonprofit programs and services.

At the Boston Foundation, we've funded two important efforts to directly address the problem of nonprofit worker burnout and support wellness in the sector.

The Boston Foundation's partnership with **New Sector Alliance** brought to Greater Boston the emergent national **Leadership Longevity Fellowship** (LLF) program, which addresses the sector's overlooked mental health and wellness needs. New Sector Alliance has supported the nonprofit workforce through innovative leadership development programs, like the **RISE Fellowship**, which are now part of Institute for Nonprofit Practice's programming. New Sector Alliance's **LLF Greater Boston pilot** is a tuition-free hybrid fellowship program designed to support the leadership development pipeline for mid-career, front-line leaders working in mission-driven organizations in a range of issue areas. The five-month pilot helped 15 fellows chart a career trajectory that supports their wellbeing, personal transformation and professional development that amplifies their ability to impact their community.

A survey of **fellowship participants** showed a correlation between addressing mental health needs and avoiding burnout in their roles. As one fellow reflected, "I strengthened my burnout shield by being more intentional about how I connect with the people who make the shield strong." Fellows' increased satisfaction in their current role and visioning for their career in mission-driven work points to longevity in the sector.

Fellows also expanded their community of peer support, which is critical to continued prioritization of wellbeing in their work. One participant commented that participating in this community of fellows helped them "reflect deeply on personal and professional experiences, not feel alone in this journey, and build [a] toolbox of resources, tools and relationships." Lastly, fellows were eager to share the program's frameworks and teaching in their organizations, teams and communities they serve, pointing to the program's extended reach.

Results from the LLF program reveal the ripple effects of investing in the mental health and wellbeing of front-line nonprofit staff. These investments increase front-line workers' longevity in the sector, limiting disruptions to the delivery of essential programs and services in communities. Additionally, there are immeasurable benefits for the LLF participants' home organizations and the communities they serve as fellows begin to apply the frameworks they learned to their work, helping others address unmet wellness needs. The Boston Foundation plans to continue supporting future cohorts of this highly impactful program.

In addition to the Leadership Longevity Fellowship, in the fall of 2023, the Boston Foundation announced its support of Institute of Nonprofit Practice's emerging **Workforce Well-being Initiative**. INP launched this initiative during its Well-being Summit in November 2023, which aimed to provide insights and strategies to address the sector's burnout, retention and workforce

crisis. The Workforce Well-being Initiative will leverage its network of students and alumni to continue to study the challenges affecting the nonprofit sector workforce, share its findings within its cohorts and across the sector, and implement practices that promote personal and organizational wellbeing.

Though it's still in its early stages, INP's commitment to wellbeing in the nonprofit sector workforce signals a prioritization in leadership development programming. Specifically, it recognizes that centering mental health and wellbeing allows nonprofit workers to thrive, remain in the sector, and continue to deliver services and effect change in the community.

If philanthropic funders do not increase their support for organizations that sustain a thriving nonprofit sector, nonprofit leaders will continue to face systemic barriers that hinder their work to address inequities affecting communities across the country, which will likely further exacerbate the workforce crisis. New Sector Alliance's Leadership Longevity Fellowship and INP's Well-being Initiative show the value of increasing investment in workers' wellbeing to counter those negative trends. The Boston Foundation's Nonprofit Sector Infrastructure plans to continue funding this work and invites the philanthropic sector to join us in supporting the right conditions for nonprofit leaders to thrive.

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