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Make Money, Make a Difference

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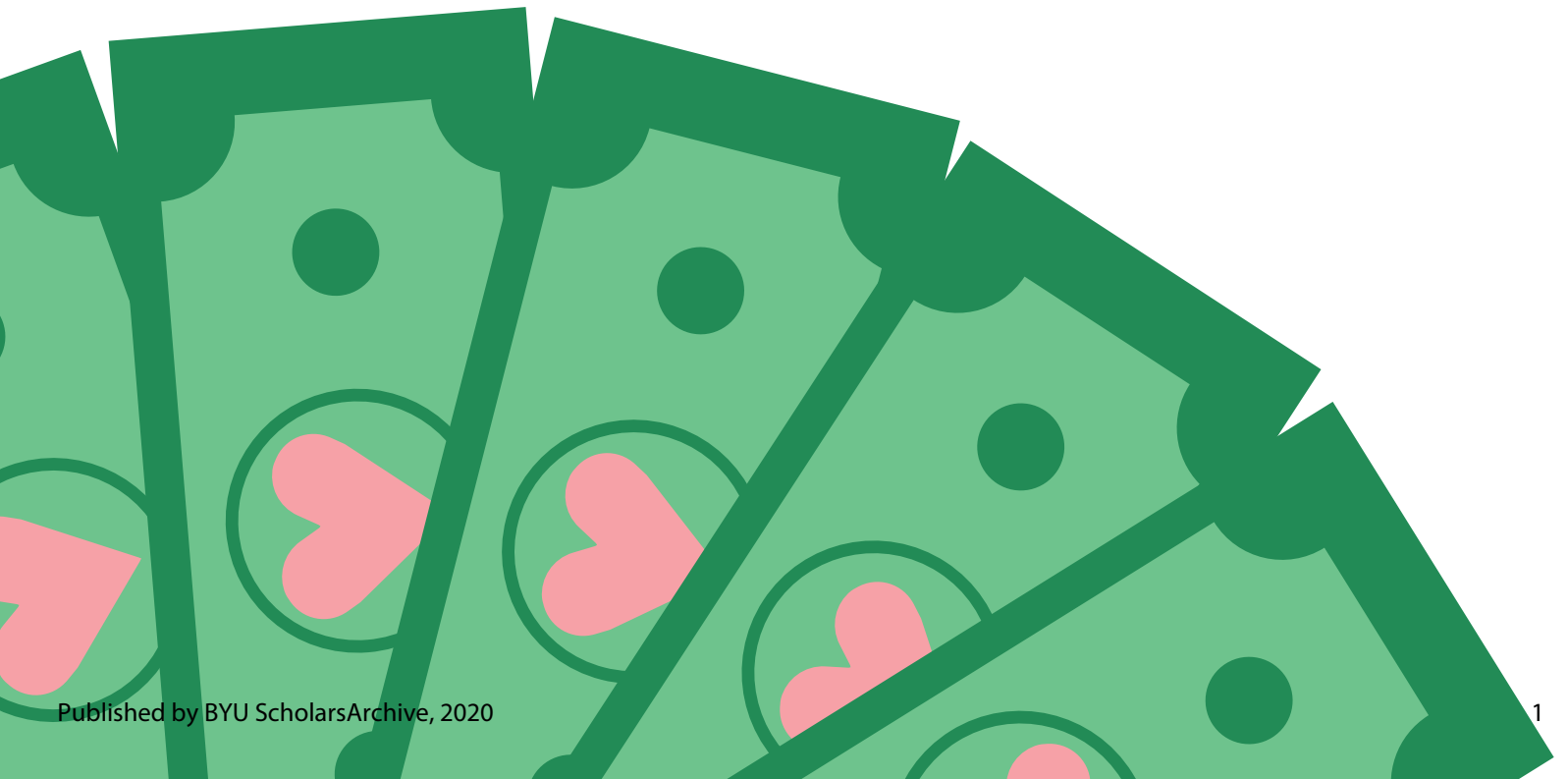
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Make Money, Make a Difference

By Riley Martin



When you tell your parents that you're going into nonprofit, they panic. They look as if you told them you had wasted all the time, money, and effort you put into graduating from a prestigious university to resign yourself to a simple life of poverty. With nonprofit establishments accounting for 10.2% of the total United States private workforce,¹ there are plenty of opportunities for recent graduates to enter the nonprofit sector. But, *should* you? Let's take a look at how nonprofit jobs measure up to their for-profit counterparts on the scales of purpose, pay, and job security.

Purpose

Much of the current generation of college students and recent graduates not only wants to make money, but also wants to make a difference. A study from Deloitte found that 60% of millennial workers identify a sense of purpose as a key factor in selecting employment,² and you may be one of them. The good news is that there's an entire industry of people just like you who are dedicated to making social change.

The search for fulfillment leads us to search for careers that will provide us with a sense of purpose. Working for a nonprofit organization gives you the chance to make a difference. In fact, according to a survey performed by TIAA, 91% or more of nonprofit employees feel that they personally make a positive difference in their work.³ This leads to greater job satisfaction in the nonprofit sector. While only 51% of American workers

report that they are satisfied with their jobs, 84% of nonprofit workers expressed that they are satisfied in their current roles.⁴ And it makes sense—we're happier when we're helping. And when we're working for nonprofits, the work we do very directly helps other people.

Many for-profit companies have recognized the desire of their employees to do something that matters, so they have implemented extensive corporate social responsibility programs in an effort to balance appeasing the world and their workers. But in reality, these programs are appendages to what these companies are really about—making money. So, if you want to “change the world,” but really just as a side-gig, then maybe for-profit is the place for you. But if you really want to make a difference, then devote yourself to a business centered around social change.

When you have to do something for eight hours a day, five days a week, it had better be something you enjoy. When you find a nonprofit that supports a cause you deeply care about, it will become so much more than just a job to you. You will find passion and love for what you do. So, if you're looking for purpose in a paycheck, nonprofit may be the perfect place for you.

Pay

Now, let's talk about pay. Are the rumors true? Society seems to think that nonprofit workers are supposed to drive old, rusty cars and sit in hand-me-down chairs. Maybe that's because people assume nonprofit businesses are so giving that they don't give to themselves. Or perhaps it's because people don't completely understand what “nonprofit” means. But, working for nonprofits is not a vow of poverty.

Nonprofit companies still make money, and they definitely still pay their employees. The only difference is that these companies do not pay out profits to private shareholders.⁵

Contrary to popular belief, several organizations, including the John Hopkins' Center for Civil Society Studies and the U.S. Bureau of Labor Statistics, have found that nonprofit jobs actually pay the same as, and in many instances more than, similar jobs in for-profit companies. For example, the graph below shows that nonprofit workers in social assistance, hospitals, sales, and higher education receive a pay premium compared to the same jobs in the for-profit sector (Figure 1).⁶

Of course, work compensation includes more than just the number at the bottom of your paycheck. What about health insurance, retirement savings, and other employee benefits? The U.S. Bureau of Labor Statistics found that nonprofit employees are

14% more likely to be offered benefits than for-profit workers, and that these benefits are worth more than for-profit employee benefits (Figure 2).⁷ The pay gap in occupations, such as management and professional workers, in which nonprofit workers receive a slight wage disadvantage, actually levels out with for-profits when total compensation is considered. Nonprofits care about the people that make their world-changing work possible and they are willing to pay what it takes to attract and retain great talent to help their cause.

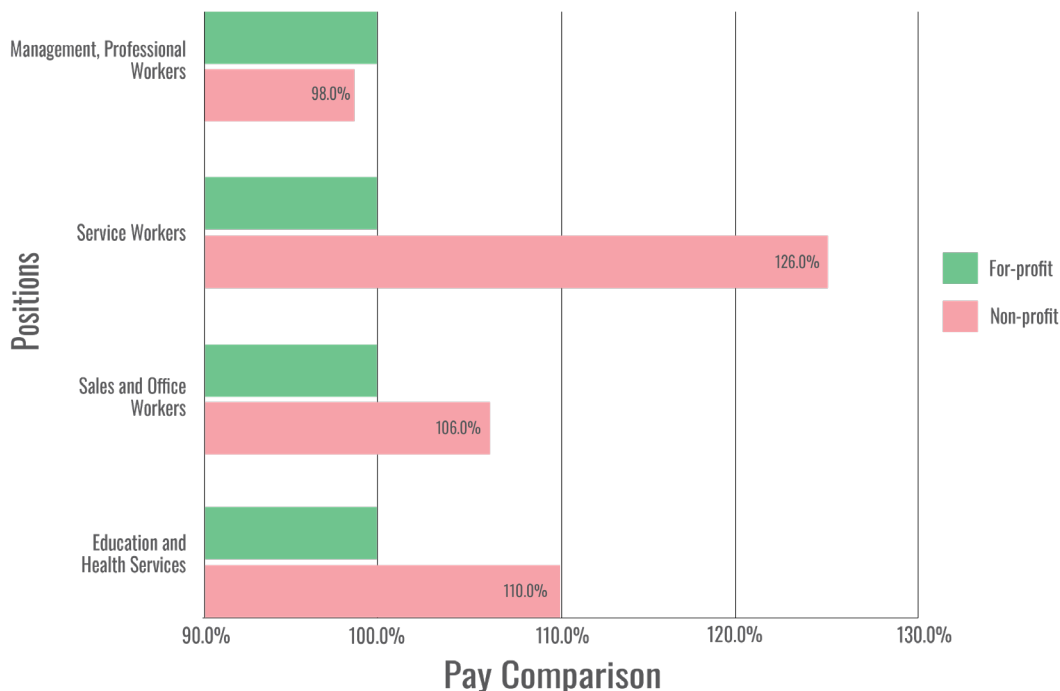
Job Security

Perhaps one of the greatest appeals of working for the nonprofit sector is the job security it provides. U.S. nonprofits employed the third largest workforce of any U.S. industry in 2016, behind only retail trade and accommodation and food service, and tied with manufacturing.⁸ The pie chart on the

next page shows the wide variety of jobs in the nonprofit sector (Figure 2). So no matter what you are studying, there's bound to be a nonprofit in your field.

In addition, these job opportunities are forecasted only to increase, as growth in the nonprofit sector has shown resiliency, despite economic downturns and recessions (Figure 3). For instance, as a result of the Great Recession, for-profit employment fell 4.1% between 2007 and 2012, but nonprofit employment amazingly rose by 8.5% during this same period.⁹ Nonprofit employment continues to grow steadily no matter what happens in the economy, so you can have greater confidence in your job security. This trust in job security and overall job satisfaction is reflected in a study performed by the U.S. Bureau of Labor Statistics, which found that more than half of nonprofit employees have been at their present nonprofit employer for

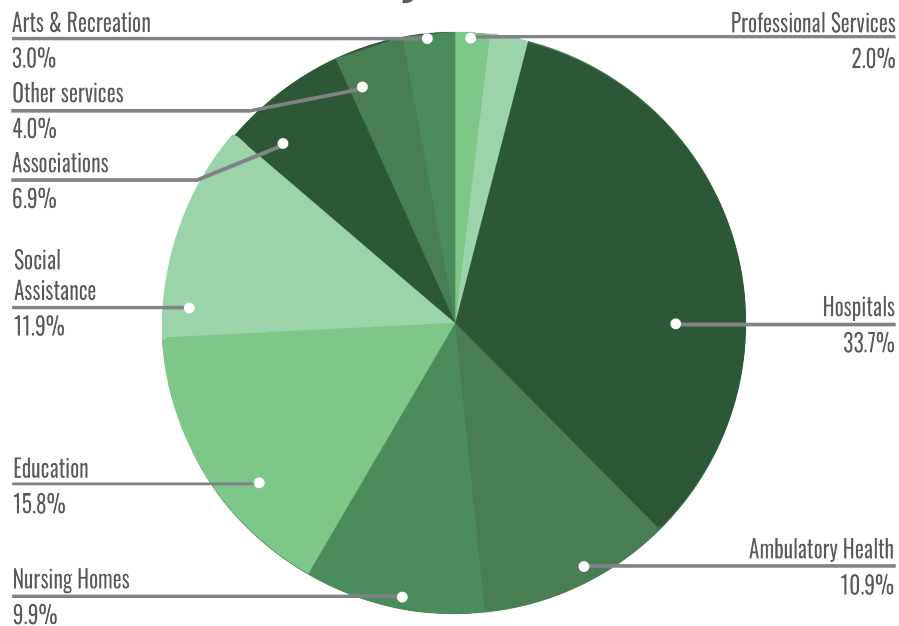
Nonprofit Employers Out-Pay Their For-Profit Counterparts in Most Positions



Source: US Bureau of Labor Statistics

Figure 1

Distribution of Nonprofit Employment by Field



Source: http://ccss.jhu.edu/wp-content/uploads/downloads/2019/01/2019-NP-Employment-Report_FINAL_1.8.2019.pdf

Figure 2

six years or longer. That's nearly two years longer than the median tenure of American workers.¹⁰

Tackling Challenges

Well, at this point you're probably ready to seal the deal and accept a nonprofit job offer. But first, let's be clear that nonprofit jobs are not perfect. Then again, no job is. With that being said, let's talk about some of the disadvantages to the nonprofit sector. We've already looked a little at the stigma surrounding nonprofit work. Some people simply don't understand that nonprofits are legitimate, competitive businesses, just like for-profit companies. Some people may look down upon nonprofit jobs due to their preconceived notions. But, as shown in this article, nonprofit work can be fulfilling, exciting work and is definitely not something to belittle. Part of these stereotypes develop as a result of the fact that some smaller nonprofits

implement poor business practices. Performance goes unmeasured, deadlines are missed, and workers seem content with the status quo rather than constantly innovating and improving. But of course, you can choose to be the one to shift this mindset and help the company you feel so passionate about to excel.

In addition, something you should know before going into a nonprofit job is that many nonprofits are under-resourced in terms of staff and funding. As a result, you might find yourself working long hours and putting in more work than listed in your job description. But as a fresh graduate, hopefully you can see this as an opportunity to learn new skills, gain experience in many different aspects of a business, and really get your hands dirty.

Lastly, don't think that others will constantly express appreciation for the hard work and good that you are doing. Sometimes nonprofit work is

a thankless labor. There will be days when even those whom you serve show dissatisfaction for the things you do. Like any job, not everyone will praise your efforts.

A college student shared the following experience:

"After volunteering at a food bank for almost a year, I started to become frustrated with people who acted selfishly, entitled, or ungrateful. But, one day, a woman walked in looking anxious, ashamed, and confused. Five small children trailed behind her. She had never sought welfare before, but family circumstances had turned for the worst, and she was desperate. As I walked with her through the shelves stocked with food, we filled up her cart to the brim. Her eyes welled with tears. John, the manager, came and bent down to ask one of the little girls if she wanted any ice cream. Her eyes lit up as she looked up at him and asked, "Are you Santa?" As I looked

at John in this light, I saw the rough Wyoming man as she did: his long grey beard hanging low on his chest and his potbelly sticking out under his red plaid shirt. And he was offering gifts to her. He really was like Santa. Moments like that are what this kind of work is all about.” Serving others is not always easy, but the lives you change make every effort worthwhile.

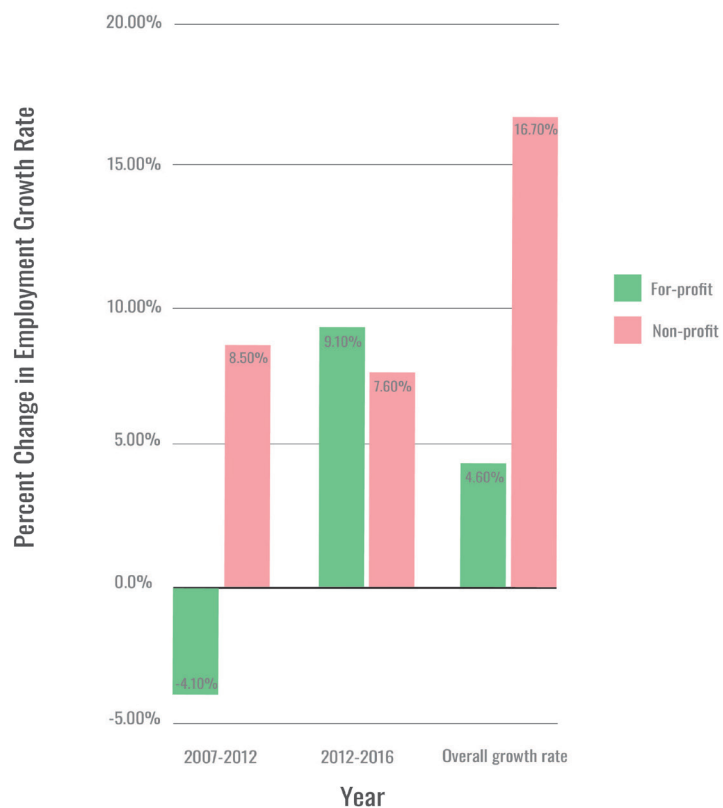
Conclusion

As you approach graduation, consider starting off on the right foot by going into nonprofit. Having a nonprofit company on your résumé will get you attention, and a willingness to work for an organization focused on social change reflects positively on your character. You’ll not only make competitive wages in a stable job, but actually enjoy your work and find purpose in it too. Some myths linger out there about nonprofit work, but now you know the facts. So, if (and hopefully when) you decide to work for a nonprofit, you can confidently tell your parents the reasons why nonprofit is, in fact, a wise path to choose. There is really something special about being able to say, “I don’t just make money; I make a difference.” 🏠

Notes

- 1 Lester M Salamon, et al, “The 2019 Nonprofit Employment Report.” The Center for Civil Society Studies, John Hopkins University, Jan. 2019, http://ccss.jhu.edu/wp-content/uploads/downloads/2019/01/2019-NP-Employment-Report_FINAL_1.8.2019.pdf
- 2 Steve Dubb, “Nonprofit Workforce Study Finds Strengths in Growth, Pay, and Resilience,” Nonprofit Quarterly, September 25, 2019, <https://nonprofitquarterly.org/nonprofit-workforce-study-finds-strengths-in-growth-pay-and-resilience/>.
- 3 Barbara Frankel and Lisa Rosser, “Mission and Job Satisfaction Give Nonprofits an Edge over For-Profit Companies in Attracting and Retaining Talent,” Diversity Best Practices, Bonnier Corporation, September 18, 2018, www.diversitybestpractices.com/mission-and-job-satisfaction-give-nonprofits-an-edge-over-for-profit-companies-in-attracting-and-retaining-talent/.
- 4 Meredith Kavanagh, “Working for Nonprofits: Survey of Nonprofit Employees [REPORT],” Classy, June 18, 2019, www.classy.org/blog/working-for-nonprofits-report-2019/
- 5 “What Is a ‘Nonprofit?’” National Council of Nonprofits, September 26, 2019, www.councilofnonprofits.org/what-is-a-nonprofit.

Nonprofits Have Higher Employment Growth Rates Than For-Profits



Source: <https://nonprofitquarterly.org/nonprofit-workforce-study-finds-strengths-in-growth-pay-and-resilience/>

Figure 3

- 6 “Nonprofit Job Expansion Beats The Private Sector,” The NonProfit Times, September 9, 2019, <https://www.thenonprofitimes.com/hr/nonprofit-job-expansion-beats-the-private-sector/>.
- 7 John L. Bishow and Kristen Monaco, “Nonprofit Pay and Benefits: Estimates from the National Compensation Survey: Monthly Labor Review,” U.S. Bureau of Labor Statistics, United States Department of Labor, January 1, 2016, www.bls.gov/opub/mlr/2016/article/nonprofit-pay-and-benefits.htm.
- 8 Salamon and Newhouse, “The 2019 Nonprofit Employment Report.”
- 9 Dubb, “Nonprofit Workforce Study Finds Strengths in Growth, Pay, and Resilience.”
- 10 Frankel and Rosser, “Mission and Job Satisfaction Give Nonprofits an Edge over For-Profit Companies in Attracting and Retaining Talent.”