2021 COLORADO NONPROFIT TALENT DEVELOPMENT & CULTURE REPORT

a supplemental report of the 2021 Colorado Nonprofit Salary & Benefits Survey
INTRODUCTION

As more attention is paid to those doing the work and the people behind missions, titles, and roles, nonprofits can ask questions about their own practices that move from basic human resources to supporting and uplifting talent and people. The mindset shift in the sector and practice, where “people operations,” “talent management,” and “people and development,” are being used more commonly, allows nonprofits to pause and reflect on how their organization is supporting their people.

This report provides a look into the practices of nonprofits to better identify and address common issues within the workforce, including turnover and retention, talent development, and more.

KEY FINDINGS

Findings are based on responses to an optional section of the 2021 Salary & Benefits Survey.

• 30% of organizations are at a stage of working on changing systems internally and externally that address systemic racism and inequities, and 29% are working to build a workplace culture that values all people’s experiences, backgrounds, and cultures.

• However, two-thirds of organizations have zero BIPOC representation within executive leadership. Nearly all (91%) of organizations have a team outside of executive leadership that is majority white.

• 71% of organizations had an employee voluntarily resign from their organization between March 2020 and April 2021, with the most common reason being career advancement. Yet, only 25% have action plans for staff to pursue career goals, and only 17% have specific pathways for staff to move into leadership positions.

• Also of note, 12% resigned for reasons related to COVID, including health concerns, childcare, and school aged children at home.

• 36% of organizations have succession plans, an increase from 2018. However, the majority of plans are only for executive directors/CEOs/presidents.

• 70% of organizations have conducted a compensation review within the past year. However, gender and racial pay inequities for executive directors and staff are still rife within the nonprofit sector.
CONSIDERATIONS

By investing in our workforce, we are supporting an organization’s capacity to achieve its mission. Nonprofit decision-makers can demonstrate a commitment to retaining and developing talent within their organization by taking action as a result of these findings. These considerations can be implemented on an organization-wide scale, within only one department, or by a single supervisor.

**Evaluate your organization’s efforts to pursue values of Diversity, Equity and Inclusion.** Consider whether your practices are working as intended, and what opportunities exist for changes or improvements.

**Determine what career advancement opportunities you can provide for employees and specific pathways for staff to move into leadership positions.** In addition, if you don’t have a succession plan for positions critical to your mission beyond your executive director, consider which positions may need a succession plan.

**For those who only provide a professional development budget, think beyond simply offering professional development opportunities.** Hold check-ins or annual reviews for employees to determine how to create a position and environment that allows them to thrive, whether through mentorships, coaching, or setting plans for them to pursue and leverage their goals, interests, and skills.

**Conduct a thorough compensation review that not only looks at individual employees’ salaries related to the market, but also the organization's approach to salaries and adjustments.** Consider employees’ starting salaries, raises, or bonuses by gender, race, ability, and position. Examine how increases based on percentages may be creating larger gaps and consider approaches that benefit all employees more equitably.

As employee needs, experiences, and interests change - both personally and professionally - nonprofits have an opportunity to consider how employee support and talent development also change. Reviewing salaries and benefits is a critical role for nonprofits. However, digging deeper into workplace cultures, talent development, and practices can help organizations address turnover rates, fill opportunity gaps, and plan for key positions’ successions. Committing to our workforce directly impacts nonprofits’ ability to serve their communities, continue providing essential services, and build an organization that thrives.
FINDINGS

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FINDINGS
DIVERSITY, EQUITY, AND INCLUSION WITHIN ORGANIZATIONS

Consistent with other reports that highlight the lack of diversity in executive leadership and boards, two-thirds (66%) of responding employers have an executive leadership team that has zero Black, Indigenous, People of Color (BIPOC) representation. When reviewing the diversity of staff other than executive leadership, the majority of organizations (91%) have teams that are majority white.

Ninety percent of organizations are taking some level of effort to address diversity, equity or inclusion within their organization. 90% when compared to 2018 and 2020 when 43% and 56%, respectively, reported having a diversity and inclusion strategy, it is clear that DEI efforts have increased within the sector.

Thirty percent of respondents stated they are working on changing systems internally and externally that address racism and inequities, and another 29% stated they are working to build a workplace culture that values all people’s experiences, backgrounds, and cultures. Of those stating they are working on changing systems internally and externally, 34% (15 respondents) have at least some BIPOC representation within their executive leadership team.

However, how organizations interpret what “changing systems” and “valuing experiences” mean, as well as the extent of implementing these efforts, varies. Organizations have varying definitions, commitment levels, and investment to address DEI efforts. Therefore, one organization’s activities may look different than another organization's activities that state they are at a similar stage in their journey.

Although the majority of organizations are working on diversity, equity, and inclusion efforts, the lack of diversity within organizations, as well as the existence of pay inequities, demonstrate the ongoing work needed to build an equitable sector.

WHICH STATEMENT BEST REFLECTS YOUR ORGANIZATION? n=118

- **1%**  
  We do not feel that DEI efforts are relevant to our organization.

- **9%**  
  We understand the value of DEI efforts but are not currently focusing on any efforts.

- **18%**  
  We value and are working on diversifying our team.

- **29%**  
  We are working to build a workplace culture that values all people’s experiences, backgrounds, and cultures.

- **11%**  
  We are working on evaluating and assessing inequities internally throughout all areas of our work.

- **30%**  
  We are working on changing systems internally and externally that address systemic racism and inequities.

- **3%**  
  Other
RETAINING & DEVELOPING TALENT

Diversity, equity, and inclusion efforts should be embedded within all efforts and practices of an organization, including how organizations retain and develop talent.

Seventy-one percent of nonprofits reported one or more employees voluntarily left or resigned, slightly more organizations than reported in 2020. The top reasons employees voluntarily leave have not changed from 2020 to 2021, with career advancement, salary or wage increases, and relocations remaining in the top five. However, this year, 12% of organizations experienced employees leaving due to COVID related reasons, including health concerns, childcare or school-aged children at home.

DID YOU HAVE ANY STAFF VOLUNTARILY LEAVE/RESIGN FROM YOUR ORGANIZATION WITHIN THE PAST 12 MONTHS? n=123

Although career advancement is the most common reason employees left or resigned, only 53% have an overall strategy to develop talent. In addition, only 25% have action plans for staff to pursue career goals, and 17% have specific pathways for staff to move into leadership positions.

REASONS FOR LEAVING/RESIGNING: n=86

- Career advancement: 43%
- Changed career field(s): 35%
- Relocating out of state: 30%
- Unsure/ I don't know: 23%
- Salary or wage increase: 22%
- Other: 16%
- Relocating within Colorado: 14%
- COVID related: 12%
- Retirement: 10%
- Return to school: 7%
- Changed mission area focus: 5%
- Not a good fit: 2%

DOES YOUR ORGANIZATION HAVE AN OVERALL STRATEGY TO DEVELOP TALENT WITHIN YOUR ORGANIZATION? n=122

- Yes: 53%
- No: 34%
- Unsure: 12%
The most common way organizations support talent is through professional development budgets.

In relation to specific pathways for staff to move into leadership positions, 36% of organizations have succession plans (an increase of 11% of organizations compared to 2018). For those with succession plans, the majority (95%) have plans for executive directors, yet only 15% of organizations have plans for executive leadership as well, and even fewer have succession plans for all leadership or management positions.

In what ways does your organization support talent development? n=116

- We have a budget for employee professional development 76%
- We have a mentoring program available for employees 13%
- We have action plans for staff to pursue their career goals 25%
- We have specific pathways for staff to move into leadership positions 17%
- Other 10%
- We do not have specific ways in which we support talent development 16%

Does your organization have a succession plan(s)? n=121

- Yes 36%
- No 49%
- Unsure 16%

For what positions does your organization have a succession plan? n=41

- Executive Director, CEO 95%
- Executive Leadership 15%
- Program Leadership 10%
- Program Teams 2%
- All Leadership/Management 10%
- Board Leadership 2%
- Coordinator 2%
- All Staff 5%
COMPENSATION REVIEWS

Seventy percent of organizations conducted compensation reviews within the past 12 months, and 17% in the past one to two years. Only 2% have never conducted compensation reviews. It’s also important to note that some organizations may have hired their first employee too recently to conduct a compensation review.

SALARY & WAGE GAPS

Based on salary data from the 2021 report, there is a notable difference between the salary for executive directors and the median salary of all other staff, as well as existing gender and racial pay inequities within the nonprofit sector that need to be addressed by the sector as a whole.

The wage gap between the median salary of an executive director and all other positions (combined) increases with the organization’s budget. Organizations with budgets of less than $500,000 have a wage difference of $20,000 (a 33% difference), while, organizations with budgets of $10 million or more have a wage difference of $190,000 (a 143% difference).

WHEN WAS THE LAST TIME YOUR ORGANIZATION CONDUCTED A COMPENSATION REVIEW? n=122

PAY DIFFERENCE BETWEEN EXECUTIVE DIRECTORS AND ALL OTHER POSITIONS BY ORGANIZATIONAL BUDGET

median salaries
Gender wage gaps continue to be pervasive in the nonprofit sector, with female executive directors making 82 cents, down from 85.7 cents as reported in 2018, for every dollar earned by male executive directors.

The median salary for executive directors of color is $116,025, compared to the median salary for white executive directors at $108,125 (a 7% difference). However, when comparing based on level of education, the median salary for executive directors of color with a Master's Degree is $95,488 compared to $107,100 for white executive directors with the same level of education.
For all other positions, the median salary of those identifying as non-binary is $17,715 less than those identifying as men, which is 68 cents per every dollar. For those identifying as Native American, American Indian, Alaska Native, the median salary is $16,000 less than those identifying as white, which is 71 cents per every dollar.

Please note that the person completing the Salary Survey reported race and gender for salaries and positions. Organizations' collection methods for reporting on race and gender may differ - whether self-identified by the individual to their organization, or assumed identities reported by the organization.

View more details on salaries by gender and race in the [2021 Colorado Nonprofit Salary & Benefits Survey](https://www.coloradononprofit.org/salary-benefits).

2021 Colorado Nonprofit Salary & Benefits Survey participants had the option to complete an additional section with questions included in this report. Participants were given the option to answer as many or few questions in this section. 124 people participated in this section.

FOCUS OF SERVICE

- Animal related: 4%
- Arts/Culture: 5%
- Civic Improvement/Philanthropy: 4%
- Education: 15%
- Environmental: 10%
- Health/Mental Health: 9%
- Human Services: 32%
- Legal/Advocacy/Civil Rights: 3%
- Other: 11%
- Religion: 2%
- Youth Development: 6%

ORGANIZATIONAL BUDGET

- Less than $500,000: 9%
- $500,000-$999,999: 4%
- $1M-$2.49M: 16%
- $2.5M-$4.9M: 24%
- $5M-$9.9M: 21%
- $10M+: 26%

COUNTIES REPRESENTED

- Denver: 36%
- Boulder: 15%
- Broomfield: 2%
- Douglas: 2%
- El Paso: 5%
- Jefferson: 5%
- Gunnison: 1%
- Garfield: 1%
- La Plata: 3%
- Mesa: 6%
- Larimer: 6%
- Routt: 6%
- Montezuma: 1%
- Moffat: 1%
- Summit: 2%
- Mesa: 6%
- Adams: 4%
- Arapahoe: 5%