



Oahu Island Talk Story + Listening Session: Decent Work in the Nonprofit Sector

Date: July 17, 2019, 9 a.m. to 12:30 p.m.

Location: University of Phoenix, 745 Fort Street, Honolulu, HI 96813

NOTES

After some introductory remarks, HANO President & CEO, Lisa Maruyama, shared why HANO is interested in the topic of *Decent Work in the Nonprofit Sector* and gave some examples of subtopics that might fall under the umbrella of Decent Work (e.g., the full cost of doing business as a nonprofit, nurturing the talent pipeline and succession planning, livable compensation and benefits, Diversity, Equity and Inclusion in the workplace and work opportunities, etc.) to seed the talk story session.

Note: The following question was asked by participants before the formal discussion began: “Is there a model nonprofit that exemplifies paying livable wages?” Other participants speculated that if there are models, they are probably the larger nonprofits like the “Eds and Meds” (educational institutions and hospitals) or those that have national affiliates like the Red Cross. Maybe also those with social enterprise that they use to increase their unrestricted revenue.

What Does Decent Work Look Like?

Q1: What does Decent Work in the nonprofit sector look like on O‘ahu? Statewide?

Participants decided that they’d prefer to frame the conversation as a statewide one, rather than just about O‘ahu.

They also had a discussion about indicators for collecting data that would tell us how many of the sector’s employees are part of the ALICE (Asset Limited Income Constrained Employed) population.

- How many nonprofit employees receive assistance from the government or other nonprofits?
- How many have multiple jobs?

Understanding and Articulating True Costs of Doing Business (7)

- The sector has changed. Because government contracts don’t pay enough but at the same time are asking us to do more within the scope of work, some workers feel “this is

not what I signed up for.” We need government contracts to fairly compensate us for the work and workers.

- On the mainland, many donations come from individuals not organizations, but this accounts for only 2% of funding in Hawaii. We need to increase donations from individuals.
- More unrestricted \$.
- Less grant chasing allows for decreased turnover.
- We have to build more overhead into funding requests.
- Value proposition must be balanced between HR, finances, and time.
- Nonprofits need to support other nonprofits and their work because it helps us all.

The Talent Pipeline/Professional Development/Succession (5)

- Staff will have opportunities to grow, have more professional development and have increased responsibilities.
- Nonprofits are often cornered. We need to care for our workers because we are forced to make “diabolical decisions” when resources are slim. We need to prevent compassion fatigue. People need to be able to have honor and integrity and feel valued.
- Safety is super important:
 - Environment is physically safe to work in
 - There is psychological safety
- Surfrider Foundation empowers and encourages employees to follow labor laws (based on CA state laws) to prevent burnout. We encourage them not to take on too much.
- We need to invest in employees. Hawaii is lacking in professional development. This is more of a priority on the mainland.

Compensation and Benefits (4)

- Flexible schedules, etc.
- We need to bust the myth that if you are there for love, you don’t need money.
- Compensation – support retirement/housing – and think of other ways to add support for employees that are not in salary only.
- We’re striving for equitable pay so people don’t have to choose between a for-profit and a nonprofit (e.g., you can do what you love to do and afford your life).

Diversity, Equity and Inclusion (3)

- Like concept of DEIP for DEI, adding power and privilege to the acronym This isn’t just about race, but about those who hold power that prevents true equity and inclusion.
- We should be addressing the gender issue that has been a problem in Hawai‘i.

- Access to information is important.

Systemic Issues (1)

- Contracts have been cut. No increase in resources. This is challenging because the need is so great. We're expected to "do more with less."

Board Development/Training/Governance (1)

- Governance – Many boards are fundraising boards. We need boards to shift and look at the people we serve in order to increase diversity, equity and inclusion and represent our communities better. Current recruitment for boards tends to attract the same people. How do we change the way we do this?

Other (3)

- We need to create bridges with neighbor islands. Each island has different struggles, how do we bridge them?
- What is the count of nonprofit workers in Hawai'i? About 59,000 – a lot of people.
- What would the funder role look like in this context? I'm asking whether our program officers in different program areas are paying the same amount for the same kind of work and expertise or if it is different across different organizations we fund.

Facilitators summarized the major themes from the conversation and participants were given dots to identify the top three themes they wanted to dig deeper on in the next conversation. The results of the prioritization is as follows.

Top Issues Identified

- **True Cost of doing business (includes more unrestricted \$/more for overhead and personnel/human costs (18)**
- **Talent Development (Best practices) (14)**
- **Compensation and Benefits (13)**
- Funder/Grantee – Honest Conversations (12)
- DEI (7)
- Statewide connectivity (1)
- HR practices and laws (1)

Issue Analysis

True Cost of Doing Business

*Q2: Describe the **Best Case Scenario** in 2-3 years if the issue is addressed.*

- Education of funders on the true cost of nonprofit business, including everyday costs and what it takes to improve services. What is the investment cost?
- Education of general public.
- Established parameters/standards proportions for appropriate cost coverage.
- Clarity on how organizations are measured on effectiveness.
- Role of qualitative and quantitative outcomes is better understood/utilized. Best practices are shared.
- Sector is unified and has defined this issue for itself, i.e., baseline, expectations.
- Data is shared among coordinated providers.
- Government is better coordinated to be a better partner to nonprofits around procurement, contracting reporting, and simplifying procedures.
- Nonprofits themselves have the tools to assess their costs to be more strategic.
- Appropriate staffing patterns.
- Nonprofits can be competitive employers because cost of living and work environments are addressed.
- Professional development and career pathways are supported, evident, and robust to retain talent.
- Collaborative and creative staffing solutions/professional development solutions are created.
- Nonprofits ask themselves the tough “existential” questions of mission relevance and whether they are in the right organization to do the work they’re doing or whether they should exist in current form.
- Having the evaluation tools, assessment(s) to determine this increase.
- There are champions in all sectors that help move the ball forward.
- The community strengthening work is done together by all sectors.
- Good cash flow & access to reserves.
- Retirement funds are an **essential** cost and included in the benefit structure.
- Better understand the issues around like-minded missions.
- Better partnership/collaboration among “competitors.” Network model.
- Better informed of our potential partners.

*Q3: Describe the **Supporting Forces** that are in place (or should be in place) to move things closer to the Best Case Scenario and the **Restraining Forces** (or barriers) that would need to be addressed in order to move things closer to the Best Case Scenario around Decent Work in the nonprofit sector.*

Supporting Forces	Restraining Forces
<ul style="list-style-type: none"> • CA – technology, training available for funders and nonprofits – can we make available to Hawai‘i? 	<ul style="list-style-type: none"> • Economic conditions <ul style="list-style-type: none"> ○ Eroding tax base ○ Recession potential

<ul style="list-style-type: none"> • Large nonprofit workforce, how to leverage? • Get them all to vote!! • Enlightened funders leading the way – modeling • Common messaging/advocacy via HANO • Data is available to support advocacy efforts, i.e., true cost • Generational changes that result in traditional thinking/values going away, making way for new ideas 	<ul style="list-style-type: none"> • Fear of retribution that prevents honest conversations • Current practices get us by and make status quo easy to embrace • Lack of aggregated data that addresses variability • Continual competition among providers • True cost is high! What do we do with that? • Good talent is expensive • Board values sometimes don't "translate" to nonprofit realities • Motivations of talent and how to meet them/incentivize
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Talent Development (Best Practices)

*Q2: Describe the **Best Case Scenario** in 2-3 years if the issue were addressed.*

- Employers better understand talent development.
- There is funding for talent development.
- We understand how much funding this takes in terms of time.
- Employer culture changes to support professional development.
- Conditional hours/stipend to support time for training.
- Systemic issue – contractual obligations. How do we manage those responsibilities?
- With increase in professional development, turnover decreases, sector improves.
- Sector wide change – shift in mentality from nonprofit vs. profit in terms of board makeup and talent.
- More room for growth (E.D.'s are staying longer because of no pension) – need creativity for employee growth.
- If back office stuff is covered, then that allows more flexibility for talent development.
- We are looking at outsourcing costs to fund talent development gaps.
- There is a mentality that nonprofits CAN be paid what they are worth.
- Government contracts have more flexibility for admin costs.
- Because sector is predominantly female, gender pay gap (DEI issue) is addressed.
- Shift in funder mentality (private orgs) that admin costs are important
 - Recognize people investment
- Just acknowledge that this is a priority. There is common language among funders, sectors, partners.

- Don't think of just upward mobility. Think in terms of lateral mobility more opportunities for different jobs.
- If jobs have missions employees can dive into (match their role to mission), nonprofits can do quality work which increases retention.
- Jobs are fulfilling – people don't wear so many hats.
- Reporting is currently a bear; if employees could just do the work instead of reporting greater things would happen.
 - Take out requirements, can serve community better.
 - E.D. don't have to spend as much time doing data/admin work instead of using their expertise.
 - Decent work would be shared reporting services that are funded.
- For-profits help with professional development of nonprofit staff either through pooling resources or donating training.
- Funding pool for those waiting for professional development (like scholarships).

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Supporting Forces	Restraining Forces
<ul style="list-style-type: none"> • Just having a discussion about this topic • Funders have same conversation about this issue • Starting to have opportunities to grow, i.e. shared best practices • Hawai'i culture – aloha spirit is unique to us • We are all in the same boat, affects all sectors (low unemployment, difficult to find talent, etc.) • We are seen as subject matter experts in our field • Action is important, we see professional development as a priority 	<ul style="list-style-type: none"> • Amount of \$ • Difference in government contracts and systems used for grants, etc. • State system is archaic in terms of contracts and proposals • Competing priorities means less talent development • No time for reporting (forces one to work overtime) – hard to fit in the budget • Lack of understanding that every job is important, need to know how the job impacts the mission • More business-driven than mission-driven • Cumbersome government systems • No opportunities to see what exec levels looks like, staff has no idea what they do and no idea about what is important to board • Action is important. We need to walk the talk and not just talk about it, but put it into action

Compensation and Benefits

Q2: Describe the **Best Case Scenario** in 2-3 years if the issue were addressed.

- No more vision-less people.
- For smaller nonprofits/start-ups – more stability, longevity. Addressing these issues contributes to:
 - Stable work environment, access to parking/public transportation.
 - Our “boots on the ground” people are taken care of – contributes to healthier, happier, productive community and quality outcomes (Maslow’s Hierarchy of Needs).
- Retirement benefits in place in more organizations.
- Minimum required paid leave:
 - Family leave +++
- Able to be competitive in both salaries and benefits with state and other nonprofits, etc. so we can keep good staff.
- Housing subsidies are part of package, as needed.
- We have accessible and current data for compensation in sector and standards.
- Standardized evaluation/monitoring of programs and personnel across sector. Standards articulated.
- Standard nonprofit engagement survey tool is available and being used (possibly developed by HANO).
- Build resources for tuition reimbursement for professional development (growth).
- More collective voice on these issues (coalitions, etc.).
- More open communication about salary and benefits (this info is open/available)
 - Creates social/peer pressure to raise.
- Working with legislature (government) re: working with developers to create spaces for nonprofits in buildings.

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Supporting Forces	Restraining Forces
<ul style="list-style-type: none"> • Pioneer who will “draw the line” in the sand • Policies/Legislation in place for minimum wage • New leadership in government – less “permafrost” 	<ul style="list-style-type: none"> • Unions (depending on leadership) • \$/Funding • Competition with other nonprofits • Criticism that there are too many nonprofits – understanding how much duplication is healthy and how much is

<ul style="list-style-type: none"> • More unrestricted \$ • Within organizations, supportive boss and admin gatekeepers who believe in the “best case scenario” we’ve described – they have the vision • Good grant writers • Turnover in the sector • Standards shared – nonprofits & funders (equity across the sector in standards) • We have some basic data to support claims for better compensation (ALICE, etc.) • Great advocates • Positive attitude • Unions – organizing (collective voice) – unionized nonprofits? • Collaboration among nonprofit orgs/partnerships 	<p>too much</p> <ul style="list-style-type: none"> • We need more nonprofits in certain mission areas (e.g., Environment) • Culture of “status quo” – toxic/expectations of employers • Change/turnover in sector • People who stay too long – unwilling to change • Lag in pay from government contracts – affects operations and morale
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Next Steps

*Q4: Given all that we’ve talked about this morning, especially from the supports to build on or barriers to remove, what are some **natural next steps** or “low hanging fruit” steps that could be taken to address the Decent Work issues you identified?*

- How might HANO help to break down subsectors/members convene to come together?
- Leverage the power of the 55,000 in the sector.
- Consider bringing CA expertise on full-cost budgeting – get a cohort together (nonprofits and funders) to go through this training.
- Easier (cohesive) government contract and procurement reform and technology.
- Getting data on compensation relevant to nonprofits in Hawai‘i.
- Standards (C.O.L) – who in sector is willing to make the shift to these standards – who is using this (ties to data in Hawai‘i).
- Testify in support of tech enhancement in government.
- Identifying champions in our county who can help us address these issues.
- Funders have a bird’s eye view – can communicate with nonprofits around “average/standard” salary for the work being performed – can share this info.
- Advocating for minimum wage and paid leave policies – election year next year – new candidates/progressive platforms.

- What can we do in our own organizations – be brave, more transparent, collaborate... MORE. We can all model this behavior – start at home (share some examples/stories of what nonprofits are doing)
- 5-8 point list of what “decent work” is with social media graphic and examples that illustrate.
- “Net promoter” score is available online – it gauges engagement and satisfaction among staff – we could all choose to run this net promoter score 2xs/year with our staff.
- Student loan debt forgiveness – HANO can promote this as an option for young people in Hawai‘i (connect to work in NPS) as employee benefit.