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Despite the Bad Economy, Charities Made Minimal Changes to Employee Benefits in 2009

By Raymund Flandez

Even under the duress of the bad economy last year, nonprofit organizations in New York and Washington, two metropolitan areas with big numbers of charities, did not make significant changes in the benefits they offered employees, according to a new report. A minority, though, did make reductions in health benefits, contributions to retirement plans, and opportunities for professional development.

In New York, none of the 500 groups surveyed eliminated health benefits last year, while only 1 percent of 300 groups in Washington did so, according to new research conducted by Professionals for Nonprofits, a New York company that recruits nonprofit staff members, and the consulting firm James E. Rocco Associates, in New York.

The companies' inaugural survey on employee benefits also reported that only 2 percent of New York organizations and 5 percent of Washington groups reduced vacation time for their workers.

"The recession has been difficult for nonprofits as a whole," said Gayle Brandel, president of Professionals for Nonprofits. "Even though it's apparent that there was real belt-tightening by nonprofits, employee benefits, were not changed as significantly as we expected."

She added, "We thought that in a recession, benefits would be reduced dramatically."

Making Trims

Still, some did cut down on health-benefit contributions, ended retirement-plan matches, and increased the share of out-of-pocket costs that employees had to pay for their health plans.

New York nonprofit groups reported that 12 percent of them reduced health benefits, 5 percent cut their contributions to employee retirement plans, and 24 percent increased the share of health-care costs to their workers.

In Washington, 7 percent of the nonprofit groups reduced health

benefits, 7 percent ended contributions to retirement plans, and 17 percent increased employees' burden of health-care costs.

Although some nonprofit groups did have to cut staff during the deep recession, they continued to offer the same benefits to those workers who stayed, Ms. Brandel said.

For 2010, a majority of those charities polled in New York and Washington said they would not make any changes to benefits offered to employees; only about 10 percent made plans to reduce them.

Some good news for this year, though: Five percent to 7 percent of the groups surveyed plan to reinstitute the dropped benefits from 2009, with 6 percent to 9 percent planning to add more benefits.

"The economy is starting to turn," Ms. Brandel said. "There is going to be a need for nonprofits to start hiring again.

Professionals for Nonprofits plans to repeat its benefits survey next year. Ms. Brandel said the company separated the results of the survey by the New York and Washington areas because it didn't want to dilute the survey results since New York tends to have higher pay and benefits than Washington.

"We did this survey so that organizations would know how to remain competitive in the marketplace in terms of attracting talent," Ms. Brandel said.

Full copies of the results of the "2010 Benefits Report" for the [New York City](#) and [Washington](#) metropolitan areas will be sent to people who request them by sending an e-mail message to info@nonprofitstaffing.com.

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