
To recap the impact of the pandemic on employment in the nonprofit sector, Washington State lost a total of 24,132 nonprofit jobs between February and May 2020, with 21,999 of those job losses occurring in the month of April. Throughout the rest of the year, the nonprofit sector regained 8,038 jobs – one-third of jobs lost – to end December 2020 down 16,904 jobs from February 2020. During the first half of 2021, nonprofits regained another 2,487 jobs.
The nonprofit sector is recovering, but the pace of recovery has slowed significantly in the first half of 2021. By December 2020, the nonprofit sector was on pace to return to February 2020 employment levels by early 2022. If the slower pace of growth from January through June 2021 continues, however, it will take until early 2024 — two additional years — for the nonprofit sector to return to pre-pandemic levels.

Nonprofit job growth has also been consistently lower than job growth for Washington State as a whole. By December 2020, Washington had regained 40 percent of lost jobs, compared to only 33 percent recovered by nonprofits. Like the nonprofit sector, statewide jobs also saw a slowdown of growth in the first half of 2021, but they were on track in June 2021 to return to February 2020 job levels by mid-2022, more than 18 months sooner than the nonprofit sector.

Job recovery in the nonprofit sector is vital, and it is clear from the data that more needs to be done to support nonprofit employment in Washington State. As nonprofits lead pandemic recovery efforts, they are doing so in the face of increased demand for services and a severe labor shortage. At a time when nonprofits need to dramatically increase capacity, slow job growth hinders their ability to do so. Communities in Washington State cannot wait until 2024 to see a return to pre-pandemic job numbers – they need access nonprofit services such as food, childcare services, and behavioral healthcare now.

Supporting nonprofit job recovery can also help lawmakers pursue a more equitable pandemic recovery, as many nonprofits serve marginalized communities and low-income families. The nonprofit sector is often where government turns to reach these groups but without nonprofit employees, government’s capacity to reach vulnerable communities is diminished.

Fortunately, statewide employment levels increased at a faster pace in the second half of 2021 than in the first half. Full 2021 employment data for the nonprofit sector will be available to The Nonprofit Association of Washington in June 2022 and will show whether the nonprofit sector continues to grow at a slower pace than the rest of the economy. With the complete data set, The Nonprofit Association of Washington will be able to provide a full update on the nonprofit sector’s recovery, including sub-sector recovery data.

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(855) 299-2922
nonprofitwa.org
policy@nonprofitwa.org