



Nonprofit Association of Washington

Learn. Advocate. Collaborate.

Nonprofits are Washington's Social Infrastructure

The nonprofit sector is crucial to Washington State's economy and well-being. Over 25,000 charitable nonprofits provide critical community services such as healthcare, housing, education, childcare, recreation, environmental conservation, arts and culture, and care for older adults and people with disabilities. The nonprofit sector is Washington's 5th largest industry.¹



25,309

**CHARITABLE
NONPROFIT
ORGANIZATIONS**

STRENGTHENING
WASHINGTON COMMUNITIES



**NONPROFITS AFFECT
EVERY WASHINGTON
COMMUNITY**

FROM FARMER'S MARKETS TO
SUMMER CAMPS &
COMMUNITY HEALTH CENTERS
TO PET SHELTERS



235,118

**NONPROFIT
EMPLOYEES**

IN 2021 NONPROFITS HAD
MORE EMPLOYEES THAN THE
CONSTRUCTION INDUSTRY

Although the nonprofit sector provided invaluable services during the pandemic and continues to fuel recovery efforts, the sector has received little recognition or recovery resources. Underinvestment has prevented nonprofits from building strong infrastructure and keeps wages depressed.

3 out of 4
**BIPOC-LED
NONPROFITS
REPORTED
CHALLENGES**

WITH GOVERNMENT
APPLICATIONS AND TIMELINES

**THE AVERAGE
NONPROFIT WORKER
MAKES
\$15,000
LESS
PER YEAR THAN
OTHER SECTORS**

WHILE OTHER
SECTORS HAVE
RECOVERED
NONPROFITS ARE
**MISSING
10,000
JOBS**

¹ Washington State Economic Security Department; Labor Market and Economic Analysis

2023 Legislative Priorities

A healthy nonprofit sector is fundamental to a thriving Washington. We must act to strengthen the nonprofits who serve our communities. We urge you to support the following policies:



Improve Government Contracting

Nonprofits are often contracted to perform work on the government's behalf. Government and nonprofits can work together to improve contracting rules and terms for community benefit and equitable access to services for rural and BIPOC-led organizations.

- **Pay the full cost** of contracted services including adequate administrative costs and competitive wages for staff.
- Remove financial barriers so that small, rural, and BIPOC-led nonprofits have **equitable access to government contracts**. These include required matching funds, delayed payments, reimbursement-based contracts, and onerous insurance requirements.
- Simplify and **coordinate grant processes** across departments to reduce work for both government funders and nonprofit contractors. Opportunities include a common application, coordinated audits, fewer restrictions on the use of funds, and only asking for necessary information.



Keep Insurance Affordable for Nonprofits

Nonprofit insurance rates continue to rise year after year, while nonprofits are asked to do more with less money. Skyrocketing insurance premiums pose a threat to nonprofits' financial stability and their ability to take on future government contracts.

- **Exempt nonprofits** from the proposed pre-judgment interest bill, just as government has already been exempted.
- Require the Washington State Department of Children, Youth and Families to **share risk** with the child welfare organizations that it partners with. Currently, contracted nonprofits are liable for decisions made by state employees, while the state is indemnified.
- Explore avenues to reduce the cost of employer-provided **health insurance** for nonprofits.



Invest in Nonprofits and Essential Nonprofit Workers as Government Partners

Nonprofits are major employers, but unlike other sectors, have not recovered to pre-pandemic employment levels. Washington nonprofits and their workers are essential to the health of our communities. They allow governments to directly impact people every day, but they cannot do their work without essential nonprofit workers.

- Establish a **workgroup** or formal feedback process for meaningful dialogue between state agencies and nonprofit contractors.
- **Invest resources** to support and strengthen the nonprofit sector and raise nonprofit wages.
- Establish a **nonprofit legislative caucus** committed to maintaining a healthy nonprofit sector with attention to small, rural, and BIPOC-led nonprofits.
- Take immediate action to stabilize the nonprofit workforce and **improve employee compensation** and benefits.