



WEALTH-BUILDING IN THE NONPROFIT WORKFORCE: FINANCIAL HARDSHIP AND SAVINGS

With cuts to federal social programs and uncertainty in the funding landscape, nonprofit organizations are under pressure to provide more services with fewer resources. At the same time, many nonprofit workers themselves are struggling to make ends meet, let alone save for retirement or even a rainy day. To highlight these challenges and the vital contributions of the nonprofit workforce, [Independent Sector](#) and [United For ALICE](#) have joined forces on new research.

This Fact Sheet shares data on savings and wealth for nonprofit workers across different racial/ethnic groups. These insights can be used by funders, policy makers, investors, and other community stakeholders to inform how their policies and practices impact the compensation of workers in the nonprofit sector, what nonprofit projects they fund, and where targeted wealth-building is needed.

HOW PERVASIVE IS FINANCIAL HARDSHIP AMONG NONPROFIT WORKERS?

Previous research on [ALICE in the Nonprofit Workforce](#) revealed that the number of nonprofit workers facing financial hardship has been consistently underreported by official measures. Based on the Federal Poverty Level (FPL), 5% of the nonprofit workforce lived in households in poverty in 2023. Yet United For ALICE data shows that another 17% were **ALICE: Asset Limited, Income Constrained, Employed** — earning above the FPL but not enough to afford basic expenses in the county where they live. **In total, out of the 14.3 million nonprofit workers in the U.S., 3.1 million — 22% — lived in households with income below the ALICE Threshold of Financial Survival in 2023.**

Rates were higher for some industry sectors. Notably, almost one-third of workers at social assistance (31%) and arts, entertainment, and recreation organizations (32%) were below the ALICE Threshold.

Key Terms

- **ALICE: Asset Limited, Income Constrained, Employed** — households with income above the Federal Poverty Level (FPL) but less than the basic cost of living in their county
- **ALICE Threshold:** Derived from the Household Survival Budget, the minimum average income that a household needs to afford basic costs, calculated for all U.S. counties
- **Below ALICE Threshold:** Includes households in poverty and ALICE households combined



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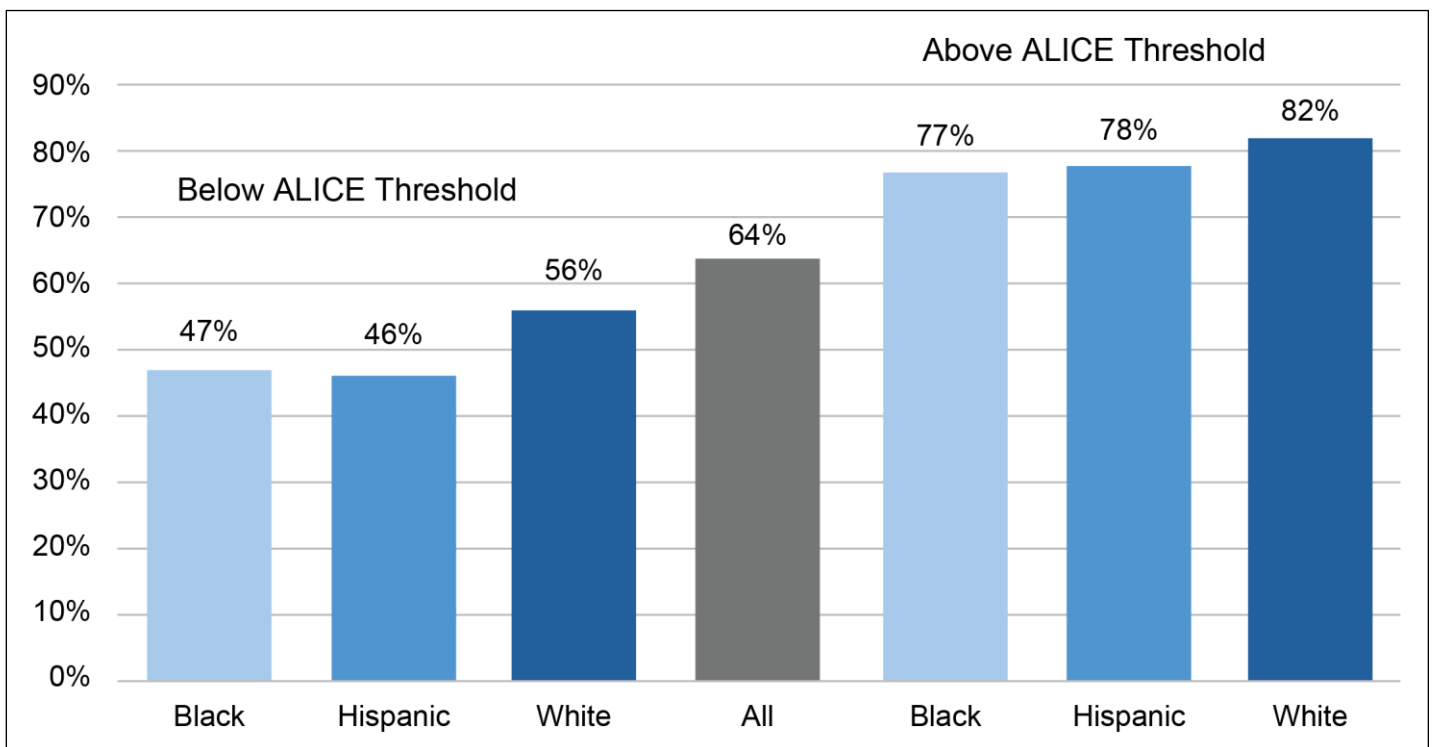
The nonprofit workforce includes workers of all races and ethnicities. However, some groups experience higher levels of financial hardship. This reflects both longstanding and ongoing [policies](#) and discriminatory practices that restrict access to quality [education](#), [work](#), [housing](#), [credit](#), and other [community resources](#). In 2023, 16% of White nonprofit workers, 33% of Black nonprofit workers, and 35% of Hispanic nonprofit workers were below the ALICE Threshold.

WHAT SHARE OF NONPROFIT WORKERS SAY THEY ARE STRUGGLING TO PAY BILLS?

According to the U.S. Census Bureau's [2024 Household Pulse Survey](#), almost half (48%) of respondents below the ALICE Threshold across all employment sectors reported that it was somewhat or very difficult to afford basic expenses such as food, rent or mortgage, car payments, and medical expenses. By comparison, only 19% of respondents above the Threshold reported difficulty paying bills.

Among nonprofit workers, of the three largest racial/ethnic groups, the share of respondents with little or no difficulty paying bills was similar for Black and Hispanic workers below the ALICE Threshold (47% and 46%, respectively), lower than the rate for White workers (56%). Above the Threshold, rates were also similar for Black and Hispanic nonprofit workers (77% and 78%, respectively), lower than the rate for White workers (82%).

Nonprofit Workers below ALICE Threshold With Little/No Difficulty Paying Bills by Race/Ethnicity, U.S., 2024



Note: Due to the small sample size in the Household Pulse Survey, there was sufficient data for only Black, Hispanic and White respondents.

Sources: American Community Survey, 2023; ALICE Threshold, 2023; 2024 Household Pulse Survey

Wealth disparities by race/ethnicity are not unique to the nonprofit sector. Data for all households in the U.S. make clear that these gaps are pervasive:

- The **average wealth** in 2024 was \$285,000 for Hispanic households, \$352,000 for Black households, and \$1.5 million for White households, according to the [Federal Reserve Bank of St. Louis](#).
- The **homeownership rate** in 2022 was 45% for Black households, 48% for Hispanic households, and 75% for White households, according to the [U.S. Department of the Treasury](#). It is also notable that the gap has not changed over time: in 2020, the Black-White homeownership gap was the same as it had been 50 years earlier, in 1970, just two years after the passage of the Fair Housing Act of 1968.
- The **median income** for Black households was \$46,100 in 2019, and the median retirement account balance was \$80,300. The median income for households of all other races was slightly higher at \$53,400 and the median retirement account balance was the same. The median income for White households was almost double that of Black households at \$90,700, as was the median retirement account balance, at \$164,000, according to the [U.S. Government Accountability Office](#). In addition, only 35% of Black households and 41% of households of all other races even had a retirement account in 2019, compared to 63% of White households.

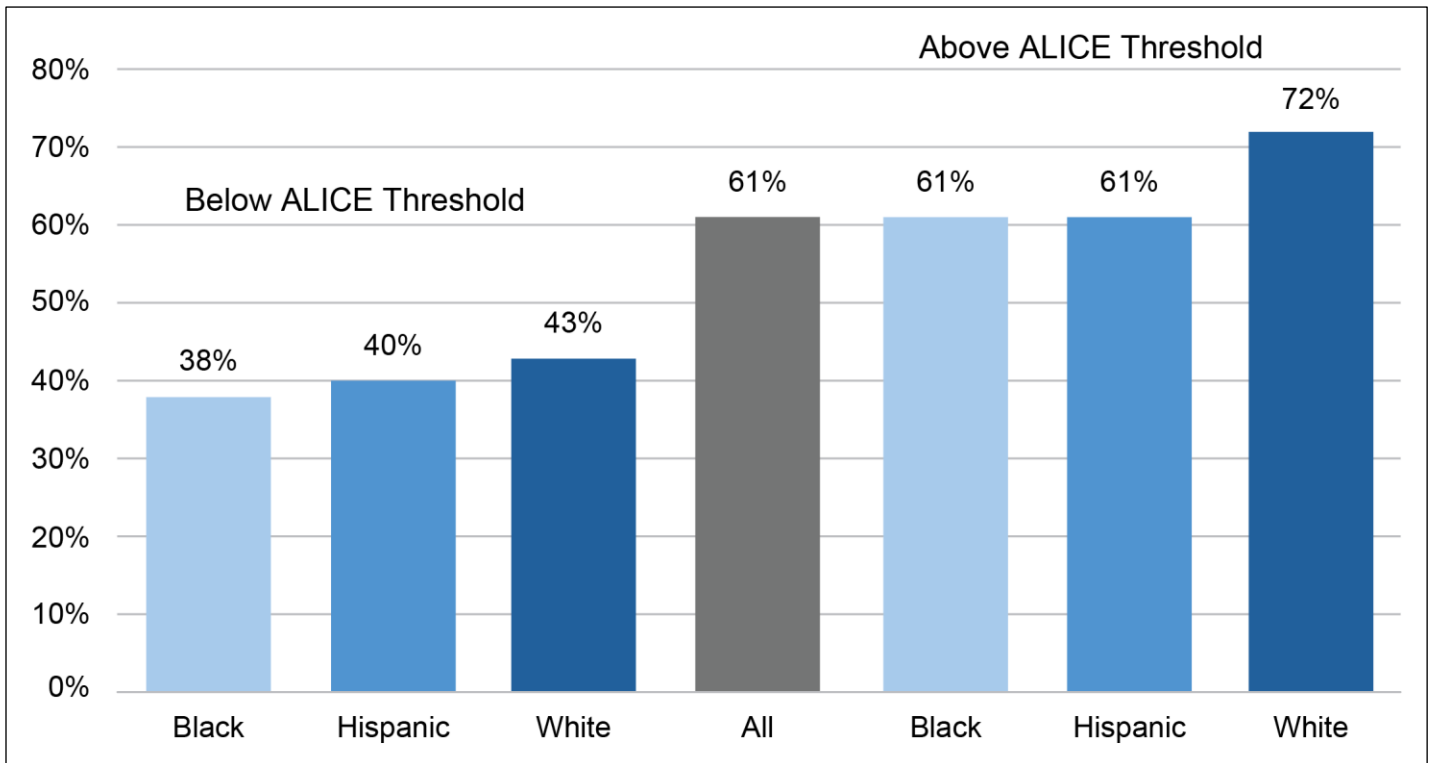
DO NONPROFIT WORKERS BELOW THE ALICE THRESHOLD HAVE EMERGENCY SAVINGS?

According to the Federal Reserve Board's [Survey of Household Economics and Decisionmaking](#) (SHED), 57% of all U.S. households had emergency savings or "rainy day funds" that would cover household expenses for three months in the event of sickness, job loss, economic downturn, or other emergency (average for 2020 to 2023). For the nonprofit workforce, the rate was slightly higher at 61%.

However, these averages conceal a wide gap in savings rates for workers by household income: Only 43% of nonprofit workers below the ALICE Threshold had emergency savings, compared to 69% above the Threshold.

As shown in the figure below, there were also differences in emergency savings rates for nonprofit workers by race/ethnicity and ALICE income status. Below the ALICE Threshold, 38% of Black, 40% of Hispanic, and 43% of White nonprofit workers had emergency savings. Above the Threshold, emergency savings rates were 61% for Black, 61% for Hispanic, and 72% for White nonprofit workers.

Emergency Savings for Nonprofit Workers below ALICE Threshold by Race/Ethnicity, U.S., 2020-2023



Note: Due to the small sample size in SHED, data on race/ethnicity is based on combined years 2020, 2021, 2022 and 2023. Even with combined years, there was sufficient data for only Black, Hispanic, and White respondents. Results show statistically significant differences across racial groups, $p < .01$

Sources: American Community Survey, 2023; ALICE Threshold, 2023; Federal Reserve Board, SHED, 2020-2023.

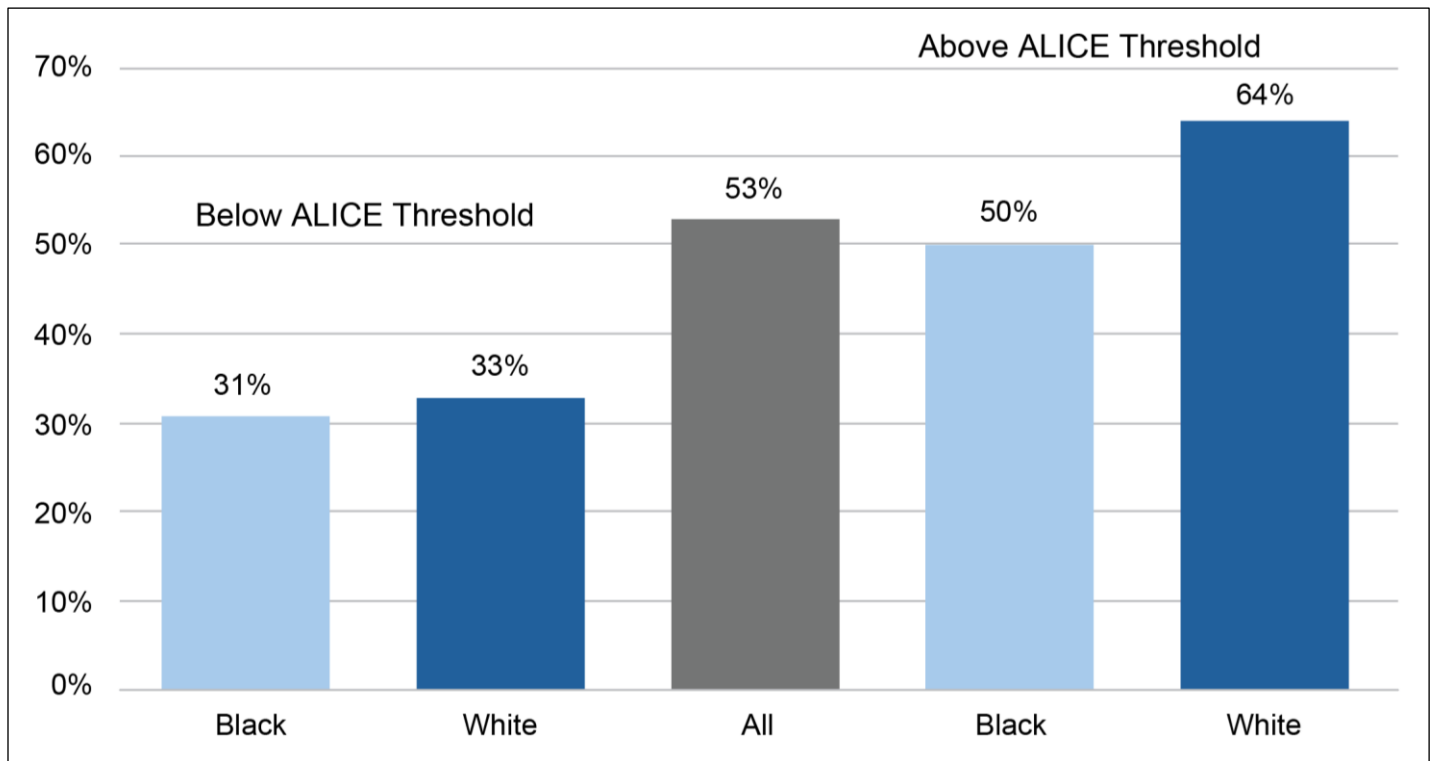
ARE NONPROFIT WORKERS SAVING FOR RETIREMENT?

More nonprofit workers are approaching retirement age, yet according to SHED, only 53% of all non-retired adults in the U.S. nonprofit workforce reported that their retirement savings plan was on track (average for 2020 to 2023). And there was a large divide by ALICE income status: Only 32% of nonprofit workers below the ALICE Threshold reported that their plan was on track, compared to 62% — nearly double the rate — for nonprofit workers above the Threshold.

Notably, the rate for nonprofit workers reporting that their retirement plan was on track was higher than the rate for all workers (53% vs. 45%). This difference was driven primarily by the higher rate for those below the ALICE Threshold: 32% of nonprofit workers below the Threshold said their retirement was on track, compared to 21% of all workers below the Threshold.

There were also some notable findings by race/ethnicity, though the sample is only large enough to report retirement preparedness for Black and White nonprofit workers. Below the ALICE Threshold, the percentage of Black and White nonprofit workers who said their retirement was on track was similar (31% and 33%, respectively). Yet above the Threshold, there was a gap: 50% of Black nonprofit workers said their retirement was on track, compared to 64% of White nonprofit workers.

Nonprofit Workers with Retirement Plan on Track by Income Status and Race/Ethnicity, U.S., 2020-2023



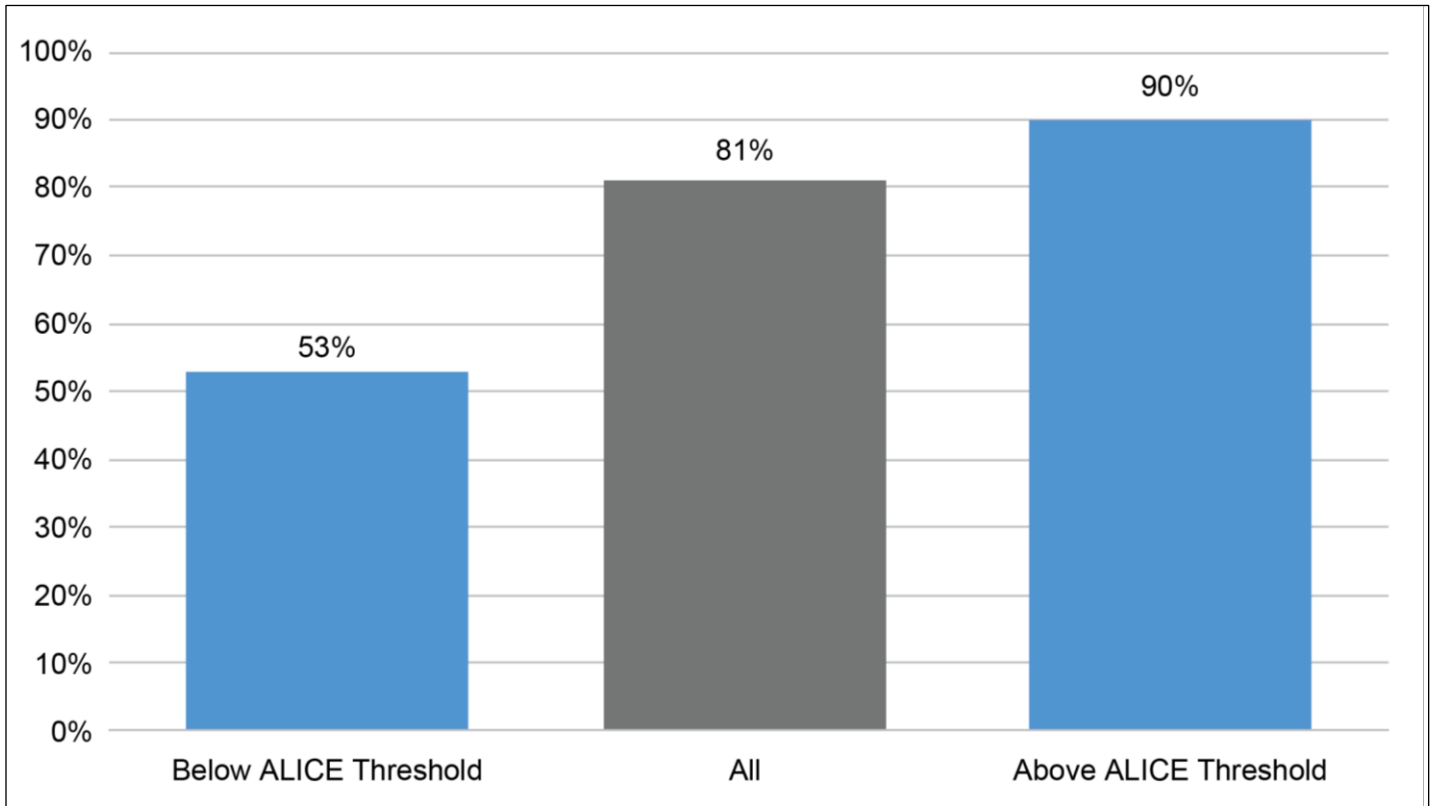
Note: Due to the small sample size in SHED, data on race/ethnicity is based on combined years 2020, 2021, 2022 and 2023. Even with combined years, there was sufficient data for only Black and White respondents.

Sources: American Community Survey, 2023; ALICE Threshold, 2023; Federal Reserve Board, SHED, 2020-2023.

Even among those with retirement savings, the amount of savings differed substantially by income status. Most nonprofit workers with retirement savings (81%) had more than \$10,000, according to SHED, slightly higher than the percentage of all workers (78%) who report the same (average for 2020 to 2022). Yet there was once again a large gap by income status. Just over half (53%) of nonprofit workers below the ALICE Threshold reported retirement savings of more than \$10,000, compared to nearly all (90%) of nonprofit workers above the ALICE Threshold.

According to the SHED survey, there were few observable differences when breaking out retirement savings amounts by race and ethnicity — which held true for workers above and below the Threshold, and for nonprofit workers overall. Previous research by the [Society of Actuaries Research Institute](#), however, found that savings amounts differed by race/ethnicity, but also that controlling for income shrinks these differences.

Nonprofit Workers with Amount of Retirement Savings Greater than \$10,000 by Income Status, U.S., 2020-2022



Note: Due to the small sample size in SHED, data on race/ethnicity is based on combined years 2020, 2021 and 2022. Even with combined years, there was sufficient data for only Black, Hispanic and White respondents. (Question was not asked in 2023).

Sources: American Community Survey, 2023; ALICE Threshold, 2023; Federal Reserve Board, SHED, 2020-2022.

WHAT'S THE TAKEAWAY?

This new data reveals substantial differences in nonprofit workers' ability to save and build wealth based on their household income status. It also highlights gaps by race/ethnicity, with higher rates of financial hardship and lower savings rates — both emergency and retirement savings — for Black and Hispanic nonprofit workers compared to White nonprofit workers.

Further Research: These initial findings suggest that further research is necessary, especially with respect to other assets (like homeownership) and other ways nonprofit workers access funds (like loans and lines of credit). Additionally, further research on the differences between nonprofit workers and those in private and government organizations may reveal insights into how to boost savings rates by income as well as race/ethnicity.

Best Practices: The variation in wealth outcomes shows that it is possible for nonprofits to support wealth building for employees. Programs such as [United For ALICE at Work](#) show that organizations can improve outcomes for ALICE nonprofit workers. There are best practices that can increase benefits and compensation for ALICE workers to reduce gaps by race and ethnicity, as well as those that improve scheduling, career opportunities, and financial wellness.

Changemakers: The pervasiveness of these gaps suggests that issues are greater than can be addressed by a single organization. More work is needed at the state and community level to address longstanding and ongoing policies of discrimination in areas of work, housing, education and infrastructure that limit financial stability for many families.

Explore more on our websites:

- [United For ALICE](#) data at the national, state, and local levels
- [Independent Sector](#)'s Financial Insecurity in the Nonprofit Workforce Dashboard including state-level data on ALICE nonprofit workers

DATA SOURCES

Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), 2020-2023.

U.S. Census Bureau, American Community Survey (ACS), 2023.

U.S. Census Bureau, Household Pulse Survey, 2024.

United For ALICE is a U.S. research organization driving innovation, research and action to improve life across the country for **ALICE**[®] (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed) and for all. Through the development of the ALICE measurements, a comprehensive, unbiased picture of financial hardship has emerged. Harnessing this data and research on the mismatch between low-paying jobs and the cost of survival, ALICE partners convene, advocate and collaborate on solutions that promote financial stability at local, state and national levels. This grassroots ALICE movement, led by [United Way of Northern New Jersey](#), has spread to 40 states and the District of Columbia and includes United Ways, corporations, nonprofits, and foundations. For more information, visit: UnitedForALICE.org.



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