
**Explaining Employee Recruitment and Retention
By Non-Profit Organizations: A Survey of Pittsburgh Area
University Graduates**

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Abstract

This report compares the backgrounds, motivations, and career choices of employees working for non-profits, including educational institutions and health care facilities, with those employed by for-profit firms and government. The data are drawn from recent surveys of 1994 and 1999 graduates of three Pittsburgh universities: Carnegie Mellon, Duquesne, and the University of Pittsburgh.

The results show considerable differences in the factors respondents say they are looking for in their jobs. Non-profit employees are primarily interested in jobs offering opportunities to do good or to help others; for-profit employees are more concerned with financial remuneration. But both groups give the highest ratings to interesting or challenging jobs. Non-profit employees are more likely to be female, holders of graduate or professional degrees, concerned with opportunities for continuing education, and originally from the Pittsburgh region. Non-profit employees are also considerably more likely to be involved in community, service and religious organizations, especially in Pittsburgh.

We found significant differences in salaries between non-profit and for-profit employees. And the discrepancies were far larger for women and for people who remained in Pittsburgh after graduation. People who left the non-profit sector for other employment were especially concerned with salary and benefits, while those who entered non-profits after other jobs were motivated by a desire to help others. But most of our respondents continued to work in the same sector after graduation.

Personal contacts were the most important job-search strategy for both groups, but non-profit employees were more likely to use faculty recommendations and less likely to use the Internet. We also found that more non-profit employees had jobs that resulted from internships. Employees from both sectors were active in their communities, but non-profit employees who remained in the Pittsburgh region were the most involved in professional, social-service, and religious organizations.

The report concludes with several recommendations to improve both the recruitment and the retention of non-profit employees.

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Explaining the Recruitment and Retention by Non-Profit Organizations: A Survey of Pittsburgh Area University Graduates

Introduction

Why do recent college graduates decide to work for non-profits? And how might non-profits more effectively recruit and retain well-educated young professionals? To help answer these questions, the Forbes Funds asked the Career and Location Decisions Project at the University of Pittsburgh to do a secondary analysis of its 2001 survey of the graduates of three Pittsburgh-area universities: Carnegie Mellon, Duquesne, and the University of Pittsburgh. In this report, we compare graduates currently employed by non-profits with those working in the for-profit sector and government. We will examine demographic factors, educational backgrounds, the values respondents place on different aspects of employment, recruitment patterns, job-search strategies, employment history, and future plans for jobs and locations. Based on the differences we observe among employees of for-profits, non-profits and government, we offer several recommendations to improve the recruitment and retention of college graduates by non-profits in the Pittsburgh region.

I. Purpose and Design of the Career and Location Decisions Study

In the late 1990s many employers, educators, politicians, and economic development officials in the Pittsburgh region became concerned about the low rate of population growth, the aging of the population, and the shortage of young people. Although several thousand young people enroll every year in the many fine colleges and universities in Southwestern Pennsylvania, this region, and the state of Pennsylvania as a whole, have been experiencing a "brain drain," with a disproportionate number of recent college graduates leaving the Commonwealth for jobs elsewhere (De Jong and Steinmetz 2003). Particularly troubling to local employers was the shortage of people trained in high-technology fields, especially computer science, engineering, and information technology.

In order to understand why so many college graduates were leaving, and to develop better policies to persuade more of them to stay, the Career and Location Decisions (CLD) Project was established in 1999 to design and carry out a detailed survey of recent university graduates. Thanks to generous funding by the Heinz Endowments and the Richard King Mellon Foundation, telephone and Internet survey data based on a large and representative sample (N=2131) were collected. Recent graduates of Duquesne University (N=840), Carnegie Mellon University (N=688), and the University of Pittsburgh (N=603) were asked why they came here to attend school, what they were looking for in their careers, and why they chose to remain in this area or seek opportunities elsewhere.

Samples for this study were obtained from the population of graduates for the three universities for two academic years: December 1993 to December 1994, and December 1998 to December 1999. The entire populations for Duquesne and CMU were included in the sample. To attain comparable numbers for Pitt, we took a 25% sample from both

1994 and 1999 graduation lists. Once the first sample for Pitt was drawn, a special sample of 25% was done of the remaining graduates who had degrees in engineering, computer science and/or business management. We excluded MDs from the Pitt graduation lists before the samples were drawn because a national assignment process makes their choices of hospitals for residency. A combination of Internet (N=1228) and telephone (N=903) surveys was used to maximize our response rate with this highly mobile population. Table I.1 shows the sample size and response rate by school and by sex. Further details concerning the sample design, interview formats, and questionnaire are contained in the final report of the CLD study (Hansen and Huggins 2001; Hansen, Ban, and Huggins 2003). As the sex breakdown suggests, the sample is broadly representative of the population.

Table I.1. Breakdown of total sample and survey respondents

	Total Sample (10,667)		Survey Respondents (2,131)		Response Rate
	Number	Percent	Number	Percent	Percent
By School:					
CMU	3,111	31.0	688	32.3	22.1
DUQ	3,616	33.0	840	39.4	23.2
PIT	3,940	36.0	603	28.3	15.3
	10,667	100	2,131	100.0	20.0
By Sex:					
Male	5,173	48.5	1043	48.9	20.2
Female	5,494	51.5	1076	51.1	19.6
	10,667	100.0	2,131	100.0	

II. For-Profits versus Non-Profits

Defining Non-Profits

According to the IRS, non-profits include nine types of organizations: business leagues; charitable organizations including religious, scientific and literary organizations; employee associations; fraternal societies; labor and agricultural organizations including trade associations, chamber of commerce and real estate boards; political organizations; social clubs; social welfare and veterans' organizations (IRS, 2003). These organizations qualify for tax-exempt status under various IRS codes. According to the IRS, earnings from charitable and non-profit organizations "may not inure to private shareholders or individuals."

How did we decide whether our CLD survey respondents were employed by a non-profit? Our survey asked respondents to tell us in which "economic sector" they were employed, both currently and (if applicable) in their previous job. The choices were:

- Working for a private company
- Working for the government
- In the military
- Working for an educational institution
- Working for a non-profit employer

- Working for a hospital or other medical facility
- Other

We will classify those who selected “working for non-profit employer” as “pure non-profits.” We also include those working for an educational institution, or for a hospital or medical facility, in our “all non-profits” category, as most such institutions are non-profit. Since for reasons of confidentiality we did not identify our respondents’ current or previous employers by name, we have no way of determining whether these employers are in fact non-profit. Subsequent research using both surveys and focus groups (Hansen and Huggins 2003) revealed considerable confusion among our subjects as to what a “non-profit” was. Several employees of a major Pittsburgh non-profit insisted they worked for a private company, while other respondents who worked for what we considered a private, for-profit company checked “Other” and said they worked for a public company (perhaps meaning that its stock was publicly traded). As is so often the case with survey research, terms that seem unambiguous to academic researchers may be interpreted quite differently by respondents. Future research might help to clarify how people understand the profit/non-profit distinction, but in this secondary analysis we must rely on respondents’ self-placement in response to the question we asked.

Table II.1 shows our classifications and the resulting number of respondents, based on their jobs at the time of our survey. Those in the military were excluded as we did not ask the longevity of the post or whether they had another job outside the military. The self-employed were also excluded. We excluded the 16 % of our sample not in the labor force at the time of our survey (those still attending school, retired, disabled, or full-time homemakers) unless they had held a previous job which we could classify as for-profit or non-profit. Our subsequent analysis, therefore, will compare the 958 people we have classified as “for profit” employees with the 573 included in our broad definition of non-profits and the 101 working for government. And where appropriate, we will break down the non-profits category into its separate constituents.

Table II.1. Classification of respondents by sector

Currently working:	N	%
Self-employed	68	3.8%
In the military	13	0.7%
Working for government	101	5.6%
Non-Profit	573	32.0%
Working for non-profit employer	122	
Working for educational institution	321	
Working for a hospital or other medical facility	130	
For-Profit	958	53.5%
Other:	78	4.4%
Working for public company/corporation*	62	
Other (unspecified)	16	
Total	1791	100.0%

*These respondents were excluded from the non-profit/for-profit classification because of

ambiguity surrounding whether respondents believed a public corporation meant a publicly traded company or a public authority. Also, 5 persons (4 F-P and 1 N-P) were removed from the analysis because they had AA degree, which meant they did not graduate from any of the 3 universities.

Table II.2. Demographics of employees, by sector

	N	Non-Profit (N=572)	For-Profit (N=954)	Government (N=101)
School: CMU	529	21.0%	75.2%	3.8%
Duquesne	634	46.7	46.7	6.6
Pitt	464	35.5	56.1	8.4
Year: 1994	794	33.5	59.6	6.9
1999	829	36.8	57.7	5.5
Degree: BA	195	28.2	64.1	7.7
BS	528	26.5	68.9	4.5
MA, MPA (N=10)	91	65.4	25.9	8.6
MS	474	47.3	48.1	4.6
MBA	136	16.2	80.9	2.9
Other Masters	30	60.0	36.7	3.3
PHD	92	48.9	45.7	5.4
LLD	68	1.5	70.6	27.9
EDD	6	83.3	0.0	16.7
Sex: Male	818	21.5	73.3	5.1
Female	800	49.0	43.7	7.3
Race/Ethnicity:				
White	1410	37.8	56.1	6.1
Black	44	38.6	47.7	13.6
Hispanic	37	16.2	73.0	10.8
Other	125	14.4	80.8	4.8
Citizenship:				
US	1532	36.3	57.4	6.3
Other	87	14.9	80.5	4.6
Marital Status:				
Single	543	34.8	59.3	5.9
Married	835	35.8	58.0	6.2
Partner	179	30.2	63.7	6.1
Divorced	44	50.0	40.9	9.1
Widowed	5	40.0	60.0	0.0
Children under 18	468	35.6	57.3	7.1
High School:				
In Pittsburgh region	689	42.5	50.8	6.7
Elsewhere in PA	308	33.8	58.8	7.5
Elsewhere in US	525	29.9	65.0	5.1
Abroad	99	17.2	78.8	4.0
Stayers/leavers:				
Stayers	755	44.2	49.8	6.0
Leavers	871	27.3	66.2	6.4
Earn over \$50,000	594	19.9	74.9	5.2
Median Age (years)	- - -	31	30	32
<i>Note: Percentages sum across and represent the proportion of non-profit, for-profit and government employees for each category listed in column 1.</i>				

Demographic differences between non-profit and for-profit/government employment

What kinds of people are more likely to select employment in non-profits versus for-profit sectors? Table II.2 shows the percentage of individuals in various social and educational categories who were employed in these three sectors at the time of our survey (early 2000). Looking first at education, we see that Duquesne University graduates were equally likely to be employed by non-profits and for-profits, whereas Carnegie Mellon and University of Pittsburgh graduates were less likely to be employed by non-profits. People with masters' degrees were also more likely to be in non-profits, as were those with doctorates in education. MBAs and those with undergraduate degrees were far more likely to have jobs in the for-profit sector. Lawyers were more likely to be employed by government and for-profits. Pittsburgh natives were more likely than those who had graduated from high school elsewhere to report non-profit employment (in part because so many more Pittsburgh natives attended Duquesne).

Women were far more likely than men to work for non-profits, although respondents with children under 18 were more likely to work in the for-profit sector. In terms of ethnicity, African-Americans were somewhat more likely to work for non-profits, but this was not the case for other ethnic groups or for non-US citizens. Divorced respondents were also more prevalent among non-profits.

We found no significant difference in age among the sectors. People who stayed to work in Pittsburgh after graduation (Stayers) were somewhat more likely to work for a non-profit, as were those who graduated in 1999 rather than in 1994. Leavers (those working outside Pittsburgh at the time of our survey) were more likely to work for the government or in the for-profit sector.

We did not ask our respondents for their exact salary, since other survey researchers have found that many people refuse to divulge this. We did, however, ask respondents to select a salary range, and on this basis a sharp salary differential is evident; those who reported annual earnings over \$50,000 were more likely to be working in the for-profit sector.

Demographics by types of non-profits

What types of non-profits were graduates likely to work in? Non-profit workers from CMU, Pitt and Duquesne were more likely work for an educational institution than any other non-profit regardless of year of graduation, gender, marital status, citizenship, race or high school location (Table II.3). Non-profit workers with MBA degrees were more likely to work for medical non-profits, while those with Ph.Ds were concentrated in educational institutions. Lawyers were exclusively in the general non-profit category, and those with EDD degrees worked for educational institutions. Men predominated in education, while women held more jobs in medical fields. Stayers and Leavers did not differ with respect to nonprofit category; Pittsburgh natives were a bit more likely to be in education.

Table II.3. Demographics of employees, by type of non-profit

	Non-Profit (N=572)	General Non-Profit (N=122)	Educ. Inst. (N=320)	Medical (N=130)
School: CMU	111	23.4%	65.8%	10.8%
Duquesne	296	19.6	53.4	27.0
Pitt	165	23.0	54.0	23.0
Year: 1994	266	19.5	59.4	21.1
1999	305	22.6	53.1	24.3
Degree: BA	55	41.8	45.5	12.7
BS	140	16.4	52.1	31.4
MA, MPA (N=10)	59	39.0	52.5	8.5
MS	224	16.5	58.9	24.6
MBA	22	22.7	36.4	40.9
Other Masters	18	22.2	66.7	11.1
PHD	45	11.1	73.3	15.6
LLD	1	100.0	0.0	0.0
EDD	5	0.0	100.0	0.0
Sex: Male	176	22.2	63.6	14.2
Female	392	20.9	52.6	26.5
Race/Ethnicity:				
White	533	21.2	55.3	23.5
Black	17	41.2	52.9	5.9
Hispanic	6	0.0	83.3	16.7
Other	18	11.1	72.2	16.7
Citizenship:				
US	556	21.9	54.9	23.2
Other	13	0.0	92.3	7.7
Marital Status:				
Single	189	22.2	50.3	27.5
Married	299	20.7	61.9	17.4
Partner	54	22.2	48.2	29.6
Divorced	22	27.3	45.4	27.3
Widowed	2	0.0	0.0	100.0
Children under 18	167	15.0	64.6	20.4
High School:				
In Pittsburgh region	293	18.4	57.0	24.6
Elsewhere in PA	104	23.1	51.0	26.0
Elsewhere in US	157	28.0	53.5	18.5
Abroad	17	0.0	88.2	11.8
Stayers/Leavers:				
Stayers	334	20.1	56.2	23.7
Leavers	238	23.1	55.5	21.4
Earn over \$50,000	118	17.8	52.5	29.7
Median Age (years)	---	30	32	30

Note: Percentages sum across.

There was no significant difference in age among the non-profit groups, but those who worked for general non-profits or in medical fields were slightly younger than those who worked for educational institutions.

III. Why Do People Choose Non-Profits?

Recruitment issues are critical for non-profit employers (Sturgeon 1994). Of course they need many of the same skills and professional credentials that for-profit employers require. But they also are looking for what Paul Light terms a "workforce that comes to work in the morning motivated primarily by the chance to do something worthwhile" (cited in Behr and Israelow 2003). As Rose-Ackerman (1996: 719) argues, a main advantage of non-profit founders and managers is that they are motivated by ideology and not by profit. Because they are motivated by the same ideology, employees of non-profits will need little supervision and will work to provide a service that reflects their shared ideology. Non-profit costs and pay will be less, and they will attract contributions from donors who believe in their pure motives to provide services that reflect the donors' values.

We will use several methods to compare the motivations of employees of non-profits and for-profits, and at times, government: academic majors or fields of study, ratings of values people look for in their choice of jobs, and the tradeoffs between salary and the desire to do good or to help others. And since so many non-profit employees (68 %) are women, we must also consider how gender roles affect the choice of non-profit employment.

Field of study and non-profit employment.

We suspect that many people opt for careers in the for-profit or non-profit sector at a fairly early stage in their careers, when they select their major field of study. Students with majors in social work, medicine, education or psychology are likely to have careers in the non-profit sector, while business majors, lawyers, and engineers are more likely to work for a for-profit employer. Of course there may be exceptions: one may study non-profit management at a business school, and medical personnel may work for a for-profit hospital or pharmaceutical firm. And people may change sectors at a later point in life or return to school for a degree in a different field.

Table III.1 shows the distribution of employment by our respondents' major field of study at their Pittsburgh-area university. As we expected, one's choice of major is often closely related to one's sector of employment. Those most likely to be working for non-profits include psychology majors, social workers, natural scientists, and people with degrees in health fields, or (especially) education. However, people with degrees in public administration were more likely to work for non-profits than government. The increased development and concentration of non-profit management into public administration studies throughout the three area universities may account for this. Those

with degrees in business, engineering, computer science, or law were far more likely to be employed in the for-profit sector, although there are exceptions. Also, those with liberal-arts degrees in the humanities and social sciences and those with degrees in library and information science were more likely to be employed in the for-profit sector. Those with degrees in natural and environmental sciences were only slightly more likely to work in the for-profit sector.

Table III.1. Major field of study of graduates, by sector

	N	Non-Profit (N=572)	For-Profit (N=963)	Government (N=101)
Major Field:				
Education	148	85.8%	10.1%	4.1%
Social Work	17	70.6	23.5	5.9
Medical & Health Studies	127	67.7	27.6	4.7
Psychology	57	59.6	28.1	12.3
Public Administration	33	54.5	33.3	12.1
Natural & Environmental Sciences	66	45.5	47.0	7.6
Humanities	133	42.9	50.4	6.8
Library & Information Science	42	38.1	54.8	7.1
Social Sciences	86	37.2	51.2	11.6
Business Administration	269	11.5	85.9	2.6
Engineering & Computer	277	9.4	85.2	5.4
Law & Legal Studies	69	1.4	73.9	24.6

Note: Percentages sum across and represent the proportion of non-profit, for-profit and government employees for each category listed in column 1.

Job values by sector

We now turn to the question of motivation: what kinds of jobs do these university graduates want? What personal, financial, or social values are most important to them? A career decision is often a lifestyle decision as well, since family ties, raising children, and recreational opportunities influence the kinds of jobs and geographic locations people consider.

In our previous study we discussed with several focus groups the factors recent college graduates look for when they make decisions about where to work and where to live. On the basis of their responses we constructed a series of "job values" items, and asked our survey respondents to rate them from "very important" to "not at all important" for their selection of a job. In this section we will consider how these "job values" differ for people in non-profit, for-profit, and government employment. And since we have already noted the much higher proportion of women in non-profit positions, we will analyze the differences in job values and salaries between men and women.

Table III.2 shows the mean values for the 21 elements we used in our "job values" scale. Top-rated for all three groups is an "interesting or challenging job." Although the overall

rankings are fairly similar, several differences between mean scores stand out, and the top seven differences between for-profit and non-profit workers are summarized in Table III.3. It is not surprising to find that those in non-profits are considerably more likely to value a job offering a “chance to do good or to help others”; this ranks second overall for them, but 11th among for-profit employees. And those working for non-profits are also more concerned with closeness to family, opportunities for continuing education, and good-quality public schools. By contrast, those in for-profits place a higher value on starting salary, benefits offered by the employer, and opportunities for advancement. But many for-profit employees also value a change to do good/help others, and a number of private corporations are encouraging their employees to do volunteer or community-service work (Marquis 2003).

Jobs in a location offering ethnic and cultural diversity are ranked the same (14th) by both groups, but the mean value for this element is significantly higher for those working for a non-profit. In contrast, those employed by for-profits place more emphasis on a region’s amenities: nightlife, the physical setting and outdoor recreation. Both groups gave very low rankings to regions with nationally ranked sports teams.

Table III.2. Job value rankings for non-profit and for-profit

	Non-Profit (N=572)		For-Profit (N=954)		Government (N=101)	
	Mean	Rank	Mean	Rank	Mean	Rank
Interesting/ challenging job	3.80	1	3.85	1	3.72	1
A chance to help others	3.52	2	2.80	11	3.33	2
Opportunity for advancement	3.32	3	3.65	2	3.31	3
Employer benefits	3.30	4	3.39	4	3.27	4
Cost of living/ housing	3.22	5	3.10	5	3.14	5
Good roads, easy commute	3.19	6	3.08	6	3.13	6
Starting salary	3.18	7	3.43	3	3.12	8
Closeness to family	3.10	8	2.80	12	3.13	7
A region with cultural attractions	2.99	9	2.89	7	2.91	9
Opportunities for continuing education	2.98	10	2.64	13	2.69	14
Flexible job/ hours	2.92	11	2.85	9	2.79	10
Quality of public schools	2.88	12	2.57	16	2.70	13
Physical setting: geography, climate	2.80	13	2.89	8	2.75	12
Ethnic/ cultural diversity	2.78	14	2.60	14	2.78	11
Outdoor recreation	2.73	15	2.84	10	2.60	16
Job for spouse/ partner	2.72	16	2.56	17	2.56	17
Being close to friends	2.68	17	2.60	15	2.63	15
Having lots of young people	2.47	18	2.48	18	2.30	18
Lots of nightlife	2.17	19	2.33	19	2.05	19
Availability of child care	1.93	20	1.82	21	1.98	20
Nationally ranked sports teams	1.81	21	1.85	20	1.71	21

*Scale: very important = 4; somewhat important =3; not so important = 2; not at all important = 1. **Bold** = significant difference in means ($p < 0.05$) compared to other groups.*

Government employees hold values similar to non-profit employees, but rank a job with ethnic or cultural diversity as more important and are somewhat less concerned with

continuing education or starting salary. They fall close to non-profits in their ranking of a job doing good or helping others. Government employees are much less concerned than people in for-profits with high starting salaries, and place a lower value on a flexible job, the physical setting, or outdoor recreation than do the other groups.

Table III.3. Major job-value differences, by sector

	Non-Profit (N=572)	For-Profit (N=954)	Difference	
	Mean	Mean		Rank
A chance to help others	3.52	2.80	0.72	1
Opportunities for continuing education	2.98	2.64	0.34	2
Opportunity for advancement	3.32	3.65	0.33	3
Quality of public schools	2.88	2.57	0.31	4
Closeness to family	3.10	2.80	0.30	5
Starting salary	3.18	3.43	0.25	6
Ethnic/ cultural diversity	2.78	2.60	0.18	7

What about job-values differences across the different types of non-profit employment? Table III.4 highlights the few significant differences that emerged. As might be expected, educators gave particularly high rankings to the quality of public schools. Employees of general non-profits placed more emphasis on a job in an area with rich cultural offerings; this probably reflects the fact that many of these people work for museums, in music, or for other arts organizations. Access to child care was more important to people working for educational institutions.

By contrast, the people in the medical or health field whom we had classified as working for non-profits were similar to for-profit employees in their concern with salary, benefits, housing costs, and jobs offering opportunities for advancement. Some of these may well be doctors or dentists with their own practices, or in well-paid clinical-practice plans such as those affiliated with UPMC (we had excluded people with MDs from Pitt from our initial sample, but our final sample included a few area graduates who also held a medical degree from a non-Pittsburgh institution). People in medical or health fields were also more interested in jobs in regions offering easy commuting. But they were still more concerned with a job doing good or helping others than were for-profit employees.

Table III.4. Significant differences in job values among non-profit categories

Job Value Mean is Significantly Higher	General Non-Profit	Educational Non-Profit	Medical Non-Profit
Quality of public schools	2.50	3.06	2.77
Opportunity for advancement	3.28	3.29	3.45
Starting salary	3.12	3.10	3.42
Chance to do good	3.52	3.50	3.55
Employer benefits	3.28	3.23	3.47
Cost of living/ housing	3.16	3.23	3.26
Flexible job/ hours	3.03	2.82	3.07
Availability of child care	1.75	2.03	1.85
Being close to friends	2.74	2.58	2.85
Good roads, easy commute	3.15	3.17	3.27
A region with cultural attractions	3.13	2.98	2.89
<i>Scale: very important = 4; somewhat important = 3; not so important = 2; not at all important = 1.</i>			
<i>Bold = significant difference in means ($p < 0.05$) compared with other groups.</i>			

Gender, job values, and non-profit employment

Non-profit employees in our sample included many more women (66 %) than men (34 %). Women constituted 68 % of the general non-profit employees, 65 % of those in education, 58 % of those in government, and 81 % of those in medical/health fields. By contrast, 58% of those in government and 41% of those in the for-profit sector were women. What accounts for these gender differences? One theoretical approach to this question stresses the occupational and educational choices women themselves make, often at an early age (Moss and Frieze 1993). Women are more likely than men to select “caring” professions such as teaching, nursing, education, and social work; employers in these areas are usually non-profit. Also, jobs in these fields may offer greater flexibility in terms of hours and days worked, so that women can better balance work and family obligations; we will explore this issue further below. Many women may also prefer a female-dominated profession where they perceive less risk of sexual harassment and discrimination (Kimmell and Hoffman 2002). Statistics show that 80 % of all employed women in the U. S. work in female-dominated professions (Kessler-Harris, 2003); despite the advances made by the women’s movement, that proportion has changed very little since the 1970s.

Another set of explanations for the number of women in non-profits, however, looks beyond individual women’s choices and considers market factors, the opportunity structure of different employers or industries, and sex discrimination. For-profit companies often require skills in fields where women are still under-represented, such as finance, computing, engineering, and the natural sciences. Many private companies (particularly some of the old-line manufacturing firms in the Pittsburgh region) have historically hired or promoted very few women, and the proportion of women business owners, law partners, or CEOs in Pittsburgh is far below the national average (Hansen, Murrell, and Weldon 2000). Employers may be reluctant to hire women who may become pregnant, or people with young children, because of concern that excessive requests for time off or family leave will hurt the business. Although it is illegal to ask

about these issues during job interviews, it still occurs, and legal questions like “Are you free to travel?” may help employers screen out people with family obligations.

Non-profits are hardly free of gender discrimination (Gibelman 2000), and as we shall see, they show even greater salary disparities between men and women than do for-profit firms. Ban and Tower (2003) also found significant gender differences in salary for nonprofit executives and managers.

But for many women (and some men), non-profits offer congenial colleagues, flexible hours, a chance to help others, and opportunities to pursue interests in art, dance, scholarship, or music. The for-profit world may be perceived as a “rat race” driven by the bottom line, and the increase in hours worked by Americans poses serious problems both for individuals’ health and for time spent with family (Reimers 2003). Non-profits are not immune from these pressures; many nurses are leaving the profession because of the heavy workloads and mandatory double shifts that hospital employers demand, and recent cutbacks in welfare spending have meant much higher caseloads and longer hours for social workers as well. Still, at the time that many women select their majors and plan their careers, the non-profit world and the “caring professions” may appear to be more welcoming.

To explore these issues further, we will again make use of our “job values” questions to compare men and women working in non-profits with men and with women in the for-profit sector and government. Our earlier CLD study (Hansen and Huggins 2001: 18) found several differences in job values between men and women. Although both sexes rated an “interesting or challenging job” as their top priority and were equally concerned with salary and benefits, women were significantly more likely to value jobs that offered a chance to help others, and preferred jobs in a region with ethnic or cultural diversity and affordable housing. Women also gave higher ratings to closeness to family, jobs for a spouse or partner, job flexibility, and the availability of child care. Do these factors help explain why women are so much more likely than men to work for a non-profit?

Table III.5. Job value rankings for non-profit and for-profit, by gender

	Non-Profit (N=572)		For-Profit (N=954)		Government (N=101)	
	Women	Men	Women	Men	Women	Men
Interesting/ challenging job	3.81	3.78	3.84	3.78	3.67	3.79
A chance to help others	3.55	3.43	2.98	2.70	3.40	3.21
Employer benefits	3.33	3.22	3.49	3.33	3.28	3.24
Opportunity for advancement	3.32	3.34	3.69	3.63	3.26	3.38
Cost of living/ housing	3.09	3.28	3.11	3.10	3.14	3.12
Good roads, easy commute	3.23	3.09	3.22	3.00	3.10	3.17
Starting salary	3.20	3.12	3.51	3.38	3.12	3.10
Closeness to family	3.19	2.90	2.89	2.74	3.17	3.07
Opportunities for continuing education	3.05	2.81	2.79	2.54	2.78	2.57
A region with cultural attractions	2.98	3.00	2.99	2.83	2.91	2.93
Flexible job/ hours	2.95	2.86	3.03	2.74	2.81	2.76
Quality of public schools	2.90	2.86	2.42	2.66	2.60	2.83
Physical setting: geography, climate	2.84	2.72	2.87	2.89	2.74	2.76
Job for spouse/ partner	2.81	2.50	2.71	2.47	2.66	2.44
Ethnic/ cultural diversity	2.76	2.83	2.71	2.53	2.88	2.64
Being close to friends	2.72	2.58	2.69	2.54	2.62	2.64
Outdoor recreation	2.68	2.85	2.80	2.87	2.47	2.81
Having lots of young people	2.47	2.47	2.52	2.46	2.28	2.33
Lots of nightlife	2.19	2.14	2.36	2.32	1.88	2.29
Availability of child care	1.95	1.88	1.87	1.80	1.93	2.05
Nationally ranked sports teams	1.76	1.88	1.68	1.96	1.48	2.02

Scale: very important = 4; somewhat important = 3; not so important = 2; not at all important = 1.

In many respects this does not prove to be the case. Table III.5 shows the job-values means for men and women working for non-profits, for-profits and government. We see that in several instances, such as interest in a job helping others, men and women employed by non-profits are quite similar, but they differ significantly from men and women employed by for-profits. **Women in all three sectors are indeed more interested than men in a job helping others, but the sector difference is far more substantial than the gender difference.**

The same pattern of differences between sectors also holds for concern with starting salary; both males and females employed by non-profits or government rate this considerably lower than do for-profit employees of either sex. And both men and women working for non-profits were more concerned with the quality of public schools.

However, several of the gender differences we had observed in our earlier study persist. **Regardless of their sector of employment, women are more concerned than men with opportunities for continuing education, closeness to family or friends, a job for a spouse or partner, or a flexible job.** But the availability of child care was more of a concern to both males and females employed by non-profits. As Table III.5 shows, men employed by for-profits stand out in four respects: they show significantly less interest in jobs offering ethnic/cultural diversity, a chance to do good, access to continuing education, or child care than the do other three groups.

Does the presence of young children encourage women to select work in non-profits? We found only modest support for this hypothesis; 63 % of women with children under 18 are employed by a non-profit, compared with 55 % of women without young children. But women with children under 5 were more likely to be working for a for-profit employer. However, as we shall see in a later section, more women in non-profits leave the labor force because of child-care responsibilities. But men with children under 18 are also more likely to be employed by a non-profit (30 %) than a for-profit (25 %).

An analysis of variance (ANOVA) was performed to test whether the variance in preferences for a job doing good or helping others was explained more by sex or by non-profit employment. The results found that non-profit employment was a more significant factor ($F(2,1614)=208.6$; $p<.01$) than sex ($F(2,1614)=29.2$; $p<.01$). We also tested whether the relationship between non-profit employment and desire for a job doing good was stronger for females than males. This was indeed the case, since the interaction term was positive ($F(3,1613)=2.58$; $p<.10$) and sex by itself no longer had any impact.

We conclude, therefore, that **gender and family concerns may indeed have something to do with the choice of non-profit employment**, and (as we shall see) sex has a great deal to do with salary differentials. But it is by no means the only factor. In a later section we will use multivariate analysis to evaluate other considerations affecting the choice of employment sector.

Sex and salary differentials

Our previous studies have found persistent male/female differences in salary. Regardless of their degree (graduate vs. undergraduate) or field of study (technical vs. non-technical), men earned more than women. The sex differential was even larger among recent area graduates who stayed to work in Pittsburgh, and appeared as well among recent “new hires” in Pittsburgh who came here from other regions (Hansen and Huggins 2003).

One reason why women earn less could be their concentration in non-profit occupations, where (as we have already seen) people tend to earn less. However, as Table III.6 shows, women in non-profits also earn less than men. **In fact the sex differential in salaries for non-profits is even larger in percentage terms than the for-profit differential.** And the sex differential holds as well across the different non-profit areas we have identified. It is largest in educational institutions and smallest for medical fields. There is also less gender salary disparity in government jobs where civil-service testing and classifications have led to greater equity for women as well as for minorities. The percent difference for Stayers and Leavers accords with findings from our earlier study that **the sex difference in salary is larger among people who stayed to work in Pittsburgh after graduation.** The only exception is that women in government who leave Pittsburgh are slightly less likely to earn over \$50,000 than those who stay.

Table III.6. Salary differences for males and females, by sector

	Percent earning over \$50,000		
	Men	Women	% Difference
For-profit	76.1%	54.0%	40.9%
Stayers	66.5	44.4	49.8
Leavers	81.3	61.8	31.6
Non-profit	40.5%	16.7%	142.5%
Stayers	40.7	14.7	176.9
Leavers	40.3	19.7	104.5
General non-profits	29.7	13.2	125.1
Educational institution	41.2	13.2	212.0
Medical	54.2	26.0	109.5
Government	43.6%	30.0%	45.3%
Stayers	37.5	30.4	23.3
Leavers	47.8	26.9	77.7

Why do people work for non-profits? Multivariate analysis.

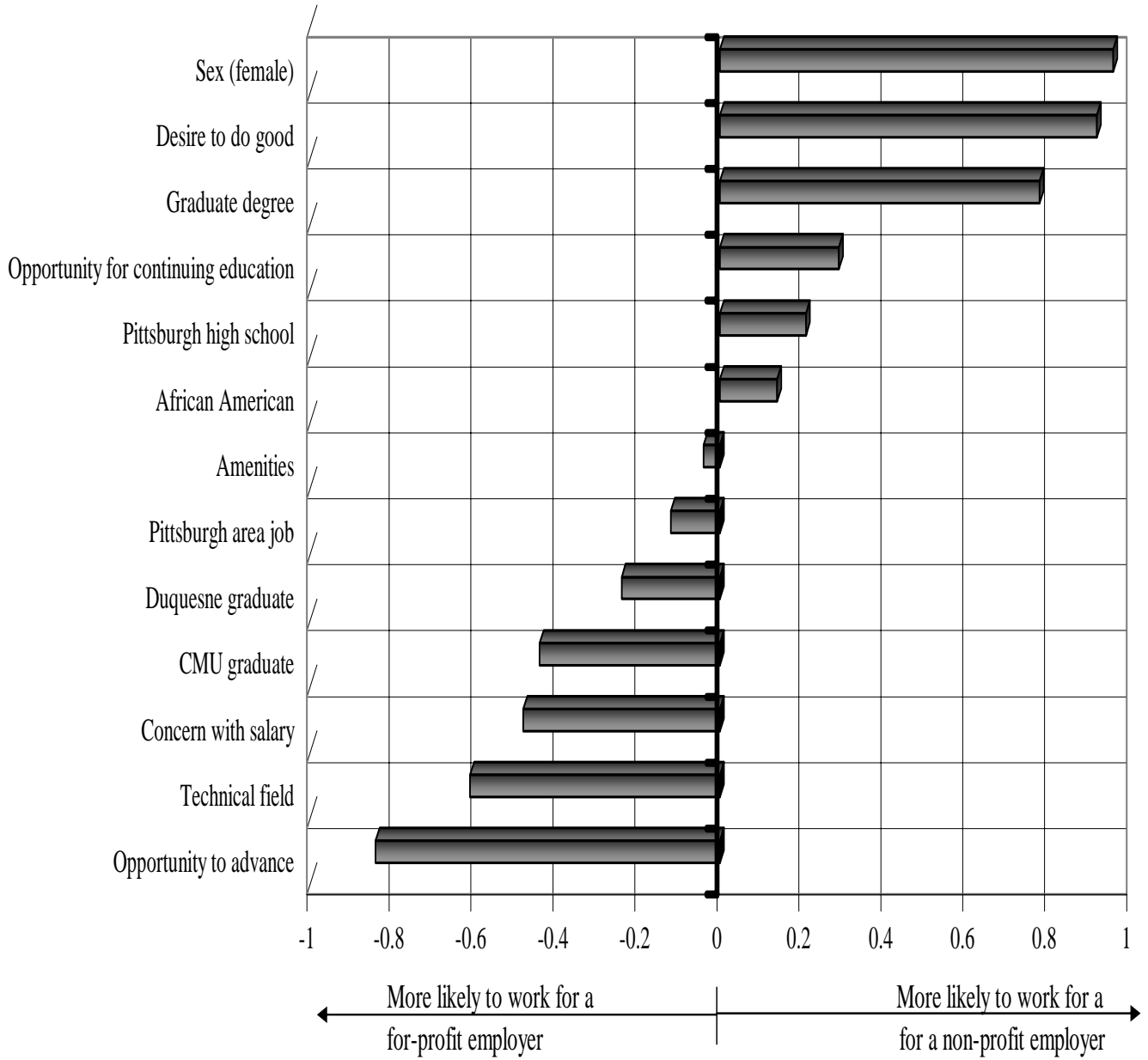
In this section we will use multivariate analysis to help us determine which of the demographic and attitudinal factors we have been considering play the largest role in people’s choice of for-profit versus non-profit employment. We exclude government employees from this analysis because of the small N. Since we have a dichotomous dependent variable, logistic regression is the appropriate technique. Independent variables include several items from our job-values scale: concern with salary, chance for advancement, a job offering an opportunity to help others, access to continuing education. We also included the Amenities scale we had used in our previous study to index respondents' concern with cultural and social aspects of jobs; it is a factor score based on several of the Job Values items (concern with ethnic diversity, cultural attractions, outdoor recreation, professional sports teams, night life, and an area with lots of young people).

We included sex and created a dummy variable for African-Americans versus people of other ethnic backgrounds, since a higher percentage of African-Americans work for non-profits. We included dichotomous predictor variables to indicate whether a respondent grew up in the Pittsburgh region or elsewhere, and whether he or she remained in Pittsburgh to work after graduation. Dummy variables were created for graduates of Duquesne University and Carnegie Mellon University, to test whether the school one attended had an independent impact on employment choice (the University of Pittsburgh was the null or reference category). Finally, we tested whether people with graduate versus undergraduate degrees are more likely to choose non-profit employment.

The results of the logistic regression appear in Table III.7, and are displayed graphically in Figure III.1. The size of the Wald coefficient, and the associated test of significance, indicate whether an independent variable helps explain more or less of the variance in the dependent variable (non-profit vs. for-profit employment); a positive coefficient indicates an increased probability of non-profit employment. A preference for a job doing good or helping others is the strongest predictor of non-profit employment. Sex is also highly significant; as we have already seen, women are much more likely to work for non-profits, even when we control for other factors. The same is true of holders of graduate degrees and those concerned with access to continuing education. But African-American ethnicity and growing up in Pittsburgh only marginally increase the probability of non-profit employment. And attending Duquesne does not have an independent effect on choice of the non-profit sector; once other factors are controlled, Duquesne graduates are marginally more likely than Pitt graduates (the reference category) to work for profit. The odds of for-profit employment are somewhat higher for people in technological fields, as is also the case for CMU graduates. People who leave Pittsburgh are also more likely to work for a for-profit, although the coefficient is not statistically significant. Concern with amenities has no independent impact.

These coefficients confirm what earlier tables have suggested: concern with starting salary and chances for advancement strongly predispose people to work in the for-profit sector. As we found in our earlier study, survey respondents are often unwilling to admit to researchers (or perhaps to themselves) that money is their prime value. Starting salary was seldom given top rank as a job value even by those working for a for-profit employer. **However, we found that concern with salary was indeed important for actual job selection, and that is also the case for choice of for-profit employment.** But concern with opportunities for advancement was an even more important predictor than salary of choice of the for-profit sector.

Figure III.1. Predictors of likeliness to work for a non-profit employer



Overall, this logistic regression explains 43 % of the variance (Nadelkerke R2), and 78 % of the respondents can be correctly classified. In other regressions several additional variables were considered (other job value items, presence of children under 18 or under 5, graduation in 1994 vs. 1999), but none of these contributed significantly to the variance explained.

Table III.7. Logistic regression to predict non-profit vs. for-profit employment

Independent variable	Coefficient	Wald Statistic
Job values		
Concern with salary	-.45	21.8**
Opportunity to advance	-.90	60.0**
Desire to do good	.99	101.2**
Opportunity for continuing education	.34	18.2**
Amenities	-.03	1.3
Education		
Duquesne graduate	-.20	1.4
CMU graduate	-.32	3.0
Graduate degree	.86	38.7**
Technical field	-.73	15.8**
Social		
Sex (1=male, 2=female)	1.03	56.8**
African American	.01	.0
Pittsburgh high school	.21	1.9
Pittsburgh area job	-.21	1.9
Constant	1.20	4.1
Nadelkerke R2	.43	
N	1516	
* Significant at p<.05; **Significant at p<.01		

IV. The Job Search

Methods area graduates used

We expect non-profit employees to use different strategies for job search as they have different career expectations. According to a recent study by Paul Light of the Brookings Institution, non-profit workers focus more on the nature of the job than do their for-profit counterparts (Light, 2002). “They come to work because they love their job,” even though they consistently suffer from stress, burnout and the persistent lack of resources (Light, 2002). Non-profit workers may therefore spend more time in searching out the organizations they want to work for.

We asked graduates how helpful the job search methods listed in Table IV.1 were in getting their current job. Both non- and for- profit respondents found that personal connections were more helpful in getting a job than other job search approaches (Table IV.1). However, respondents working for non-profit or government found recommendations from faculty more helpful in getting jobs than did their for-profit counterparts. These approaches typically provide more “intimate” information about

organizations and may indicate why they are the most important job search methods for non-profit workers.

College and university counseling is more helpful for for-profits than non-profits or government (Table IV.1). These results suggest that non-profit employers should seek to recruit more directly from universities and colleges, perhaps through building a positive image within schools and cultivating closer relationships with faculty. This pattern is already apparent for people in government jobs.

Table IV.1. Job search methods, by sector

	Non-Profit (N=572)	Rank	For-Profit (N=954)	Rank	Gov- ment (N=101)	Rank
Contacts or recommendation from people you know	3.73	1	3.58	1	3.71	1
Job listings in newspapers or magazines	2.64	2	2.32	3	2.32	5
Recommendations from faculty at your university	2.62	3	1.98	8.5	2.46	3
Sending out cold resume & letters to places where you wanted to work	2.52	4	2.19	5	2.15	6
Internet Search	2.12	5	2.44	2	2.05	7
Internship	2.10	6	1.98	8.5	2.85	2
Contacts or assistance from a professional association	2.06	7	1.99	7	1.97	8
College or university career counseling	1.82	8	2.21	4	2.34	4
Services of a headhunter or career	1.50	9	2.15	6	1.52	9
<i>Scale: Extremely helpful =5; Very helpful=4; Not too helpful=3; Not at all helpful=2; Did not use=1. Bold = significant difference (p<0.05)</i>						

An Internet search and the services of headhunters were more helpful for for-profit workers, but we also found in a previous study that serendipity is a major factor in job searches: opportunities simply come up and recruits respond (Hansen and Huggins 2003). It would be interesting to determine how much of a factor serendipity plays within the job search process for non-profit employees.

Internships

In our CLD study (Hansen and Huggins 2001), we found that internships played an important role in increasing recruitment. In fact, a good internship often comes into the choice equation when job seekers have to decide where to work. Here we find that slightly more non-profit (24%) and government (20.8%) workers had jobs that resulted from internships than for-profit workers (19.6%) (Table IV.2). Non-profit employers should therefore consider increased emphasis on internships as a tool for attracting recruits into the non-profit sector.

Table IV.2. Jobs resulting from internships, by sector

	Non-Profit (N=572)	For-Profit (N=954)	Government (N=101)
Did any of your jobs result from an internship while you were in college or from work-study or a part-time job? Yes	24.0%	19.6%	20.8%
Did any of your jobs result from an internship while you were in college or from work-study or a part-time job? No	76.0%	80.4%	79.2%

We also asked those who held internships why the internship was helpful. The majority of non-profit and for-profit workers said that this led to a job offer from the internship employer (Table IV.3). However, this percentage was significantly higher for for-profits than non-profits and for medical non-profits compared to other non-profits (Table IV.3). Thus while non-profit workers have a higher chance of getting jobs that result from internships (Table IV.2), they have a lower propensity than non-profits for getting jobs with the same internship employer (Table IV.3). Instead 19% of non-profit workers found that the internship provided valuable leads and contacts that helped them in getting a job elsewhere, compared to only 12% of for-profit workers (Table IV.3). Such contacts were especially significant for government workers (29%).

Table IV.3. Helpfulness of internships, by sector*

	By sector			Among Non-Profit Types		
	For-Profit (N=954)	Gov- ment (N=101)	Non- Profit (N=572)	Non- Profit Employer	Educ. Inst.	Medical
It led directly to a job offer from the internship employer	69.5%	42.9%	60.5%	58.1%	56.7%	69.2%
It helped me get a job in the same field	14.4	14.3	16.1	16.1	20.9	7.7
It gave me useful contacts or experience that led	12.3	28.6	19.0	16.1	17.9	23.1
Other	3.6	14.3	4.4	9.7	4.5	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
<i>* Asked only of workers who had internships. We did not ask whether internships were paid or unpaid, which can influence loyalty and commitment to a particular employer.</i>						

Other offers

Did Pittsburgh university area graduates have to choose between other jobs and locations when deciding to take their current jobs? We asked Stayers and Leavers whether they had other offers or looked for jobs in other regions than their current location. We did not explicitly ask the Leavers whether they had other offers in the Pittsburgh region, but asked whether they had held previous jobs or considered jobs in the Pittsburgh region. **A sizeable 40% of our respondents were not weighing other job options at the time they chose their current jobs.**

A significantly smaller percentage of non-profit Stayers considered jobs outside the region when compared to for-profit Stayers (Table IV.4). In the CLD study, over 60% of the Stayers had job offers outside the region, but decided to stay. This holds true for all three sectors: non-profit (59.8%), for-profit (64.3%) and government (63.6%). However, non-profit (26%) and government workers (24.4%) had a lower propensity to consider jobs outside the region compared to their for-profit counterparts (33.5%) (Table IV.4). This augurs well for potential recruitment of area graduates by the Pittsburgh non-profit sector.

Table IV.4. Stayers and leavers’ job choices and offers, by sector

	Non-Profit (N=334)		Non-Profit (N=238)		For-Profit (N=376)		For-Profit (N=576)		Government (N=45)		Government (N=56)	
	Stayers	Leavers	Stayers	Leavers	Stayers	Leavers	Stayers	Leavers	Stayers	Leavers	Stayers	Leavers
Considered job outside Pittsburgh region	26.0%				33.5%				24.4%			
Job offers outside Pittsburgh region	59.8				64.3				63.6			
Previous job outside Pittsburgh region	23.2				28.2				31.6			
Looked for job in Pittsburgh after graduating	45.0				44.3				41.1			
Considered jobs in other location than present location outside Pittsburgh region			54.6%				57.2%				51.8%	
Considered jobs in Pittsburgh region			26.2				22.1				17.2	
Previous full-time job in Pittsburgh			23.5				17.5				21.4	

More of the non-profit Leavers (23.5%) had a previous job in the Pittsburgh region compared to their for-profit counterparts (17.5%). This suggests that there may be more pressing concerns surrounding retention in the region’s non-profit sector. This is emphasized by findings in recent research; Light reported high turnover among executive directors, talented recruits in non-profits leaving early in their careers, and high levels of board vacancies (Light, 2002). Light suggests that this may be because the resources required for success were often lacking within non-profit organizations.

V. Retention and Job History

Non-profits in the Pittsburgh region and elsewhere are concerned about their ability to retain employees (Ban, Drahnak, and Towers 2002; Sturgeon 1994). The challenge is particularly acute for managers and people with technological training. And as we have shown, salaries tend to be higher in the for-profit sector.

To help us assess factors that encourage retention of non-profit employees, we made use of information in the CLD survey concerning respondents’ current and previous jobs. Fifty-three percent of our respondents had held a full-time job previous to their current employment. For another 47.2 % of our respondents, however, their current job is their first job since graduation from their Pittsburgh-area university. We used the responses to questions about current and previous jobs to divide the sample into 10 major categories: “non-profit consistent,” “non-profit straights,” “non-profit converts,” “non-profit drop-

outs,” and “non-profit retirees,” as well as “for-profit consistents,” “for-profit straights”, “for-profit retirees”, “government consistents” and “government straights.” We also subdivide the “non-profit drop-outs” and “converts” by previous job sector (for-profit or government).

Who are these people? The N-P Consistents currently work in the non-profit sector and had a previous job in non-profit (N-P). That is, they have consistently been in the non-profit sector. The N-P Straights are those people who did not have a previous job, but whose first job after graduation (their current job) is in the non-profit sector. The third group is the “N-P Converts:” respondents whose current job is in non-profit, but whose previous job was in for-profit (F-P) or government. The N-P Drop-outs (or for-profit/government converts) are the opposite of the converts; their current job is in a for-profit or government, but their previous job was in a non-profit. Finally, there are the N-P Retirees: people currently not in the labor force (retired, full-time homemakers, on disability, or unemployed and not looking for a job) whose previous job was in non-profits.

On the for-profit side, we identified “F-P Consistents,” “F-P Straights” and “F-P Retirees.” The for-profit consistents currently work in the for-profit sector and had a previous job with for-profits. The F-P Straights did not have a previous job, but their first job after graduation (their current job) is in for-profit. The F-P Retirees are currently not in the labor force (retired, full-time homemakers, on disability, or unemployed and not looking for a job), but their previous job was in for-profits.

Table V.1 shows the breakdown according to these classifications. **We see considerable consistency; the majority of people with previous jobs in either sector remained in that sector.** There are slightly more drop-outs (who left the non-profit sector: N=90) than converts (whose previous job was for-profit: N=66). A few more former non-profit employees have left the labor force; over 70 % of these are women who are currently full-time homemakers. None of the government employees with a previous job had left the labor force. Finally, first jobs after graduation are more likely to be in the for-profit sector.

Table V.1. Classification of respondents by non-profit vs. for-profit job history

Classification	Previous Job Sector*	Current Job Sector*	N	%
Non-Profit Consistents	Non-Profit	Non-Profit	198	12.1%
Non-Profit Straights	-	Non-Profit	301	18.4%
Non-Profit Converts:	Other	Non-Profit	66	4.8%
	For-Profit	Non-Profit	55	3.4%
	Government	Non-Profit	11	0.7%
Non-Profit Drop-Outs:	Non-Profit	Other	90	5.6%
	Non-Profit	For-Profit	81	5.0%
	Non-Profit	Government	9	0.6%
Non-Profit Retirees	Non-Profit	-	28	1.7%
For-Profit Consistents	For-Profit	For-Profit	411	25.1%
For-Profit Straights	-	For-Profit	425	26.0%
For-Profit Retirees	For-Profit	-	11	0.7%
For-Profit Converts from Government	Government	For-Profit	14	0.9%
Government Consistents	Government	Government	18	1.1%
Government Straights	-	Government	49	3.0%
Government Converts from For-Profit	For-Profit	Government	25	1.5%
		Total	1636	100.0%
<i>*The Straights had no previous job; the Retirees have no current job. Also, Non-Profit to For-Profit converts as well as Non-Profit to Government Converts are included as Non-Profit Drop-outs.</i>				

Why do people change sectors? To help us answer this question, we again make use of many of our Job Values items. Table V.2 shows the job values where we observe significant differences among these groups. We find patterns similar to those we described earlier for the Straights and Consistents in either non-profits or for-profits: more emphasis on financial considerations in the for-profit sector; more emphasis on doing good, ethnic diversity, education, and cultural opportunities in the non-profit sector. The N-P Straights (in their first jobs after graduation) are the group most concerned with opportunities for continuing education. This would be expected since advanced degrees are required or encouraged in many non-profit fields such as education.

What about the people who either changed sectors or left the labor force? As the shaded columns in Table V.2 show, the N-P Dropouts are much more concerned with salary, benefits, and opportunities for advancement than are the N-P Straights, Consistents, or Retirees. We cannot tell from these data whether the N-P Dropouts are people with strong financial incentives who (for whatever reason) ended up with a previous non-profit job, or whether they are people who had initially sought non-profit employment but later became disenchanted with the low salaries. Yet the N-P Dropouts are more concerned with a job doing good/helping others than are the F-P Straights or Consistents, although less so than other non-profit employees. By contrast, the N-P Converts from either for-profit or government place a higher value on jobs doing good/helping others than do others now working with for-profits. Non-profit Converts from government show strong concern for ethnic diversity and cultural attractions. N-P Converts are also the ones most

interested in a job offering flexible hours, which they may have been less likely to find in the for-profit sector.

The Retirees from either sector, as already noted, are disproportionately women who are now full-time homemakers. So it is not surprising that they place the most emphasis of any group on child care, a job for a spouse or partner, being close to family members, or a region with good-quality public schools.

What we learn from Table V.2 is that **people who changed sectors hold job values that correspond closely to the sector in which they were employed at the time of our survey.** Again, we cannot tell from these data whether these values helped persuade people to change sectors, or whether people who find themselves working in a particular sector (because of lack of other options, or the need to take a job in a particular location for personal or family reasons) consciously or unconsciously adopt the prevailing norms of that workplace. **But as our multivariate analysis showed, people's values do have considerable independent impact on their choice of a sector for employment.**

Table V.2. Job Values and Work History (Mean Scores on Job Values on Items)

Independent variable	NON-PROFITS				FOR-PROFITS				
	Straights	Consistents	Converts		Retirees	Straights	Consistents	Converts (N-P Dropouts only)	Retirees
			From F-P	From Gov					
Job-related									
Salary	3.08	3.26	3.29	3.27	3.18	3.37	3.47	3.51	3.27
Benefits	3.30	3.29	3.31	3.27	3.04	3.35	3.38	3.49	3.55
Advancement	3.28	3.35	3.42	3.36	3.11	3.64	3.67	3.63	3.36
Job doing good	3.57	3.48	3.33	3.55	3.75	2.78	2.79	3.11	3.18
Family									
Close to family	3.14	3.08	3.05	2.55	3.21	2.81	2.81	2.65	3.45
Job for spouse/partner	2.69	2.80	2.54	2.64	3.11	2.49	2.64	2.65	3.91
Child care	1.89	2.02	1.75	2.00	2.30	1.80	1.85	1.90	2.55
Flexible job	2.89	2.92	3.18	2.91	2.93	2.83	2.85	2.93	3.27
Culture/Education									
Continuing education	3.07	2.93	2.67	2.55	2.82	2.69	2.58	2.65	2.64
Good schools	2.96	2.77	2.80	2.73	3.18	2.51	2.62	2.59	3.27
Cultural attractions	3.01	2.95	2.98	3.36	2.68	2.80	2.94	3.10	3.09
Ethnic diversity	2.84	2.79	2.40	3.00	2.68	2.62	2.57	2.67	2.64

We also found some demographic differences among the people who changed sectors. The non-profit Converts are more likely than the Dropouts to be female (65% vs. 53%) and to have stayed in Pittsburgh to work after graduation (53% vs. 40 %). The Dropouts are more likely than the Converts to be CMU graduates and to have a technical or scientific job. We found the highest proportion of Converts (that is, previous for-profit sector employment) among people currently working for the government (30 %) compared with only 15 % of people working for general non-profits.

Did people leave the non-profit sector for financial reasons? We learned from our previous study that dissatisfaction with salary or benefits was the major reason people gave us for taking a job in a different location. But we did not ask our respondents whether salary affected their decision to work in a different sector. Nor did we ask about their salary at their previous job. **As we have shown, however, the N-P Dropouts were more concerned with salary and benefits than were the N-P Converts.**

When we look at respondents' current salaries (Table V.3) we see that N-P Converts are more likely to be earning over \$50,000 than people who have consistently worked for a non-profit. Presumably their previous experience working for a for-profit firm gave Converts additional experience, bargaining power, or a higher baseline salary. While people whose prior experience was with non-profit firms (the N-P Dropouts) earn considerably more than the F-P Converts, they are still less likely to earn over \$50,000 than are the for-profits Straights or Consistents. **Moving to the for-profit sector may indeed have gained them higher salaries, but not enough to catch up with people whose work history was entirely in the for-profit sector.**

Table V.3. Percent earning over \$50,000, by work history

	Non-Profit	For-Profit
Straights	20%	65%
Consistents	27	63
Converts	32	47*
* Non-Profit Dropouts		

Employer contributions and retention

According to Paul Light, the non-profit workforce is continually improving (Light 2002). We found earlier that a high proportion of our graduates in non-profit employment had advanced degrees. Therefore, since continuing education is an important career-related value for non-profit workers, facilitating this process could lead to higher levels of retention.

How did internships or employer contributions affect the job choice of non-profit workers? We asked respondents whether an employer helped pay for all or part of their graduate training. Twenty-eight percent of non-profit workers stated that their employer paid for all or part of their graduate training (Table V.4). Of note, 50% of those in

medical facilities and services received some form of financial assistance from their employer. This suggests that paid internships may also be a factor, as highlighted in the previous section. If people in medical/health fields were more likely to have had paid internships, this may also explain why such internships led directly to jobs with their internship employer.

Table V.4 Graduate education funding from employer, by sector

	For-Profit (N=954)	Gov- ment (N=101)	Non- Profit (N=572)	Non- Profit Employer	Educ. Inst.	Medical
Yes, in full payment	20.6%	20.0%	13.1%	7.7%	17.4%	5.3%
Yes, in part payment	19.0	17.1	25.1	17.9	20.9	44.7
<i>Subtotal</i>	39.6	37.1	38.2	25.6	38.3	50.0
No payment	60.4	62.9	61.8	74.4	61.7	50.0
<i>Total</i>	100.0%	100.0	100.0	100.0	100.0	100.0

More financial support for continuing education may be important to encourage a higher level of retention in general non-profit employers. Compared to medical non-profits, where employers fund 45% of continuing education at least in part, general non-profit employers provided only half that percentage (26%) in total. Educational institutions provided 38% and government 37% of their employees with financial assistance for graduate education (Table V.4).

VI. Community Involvement and Amenities

Previous research suggests that participation and meaningful work, rather than salaries, benefits, or a fast career path, may be primary factors in the retention of talented non-profit workers (McCambridge 2001). Could this mean that non-profits workers are also generally more involved in the community than for-profit workers? In our CLD study, we found that amenities distinguished Stayers and Leavers; respondents who scored high on our Amenities scale are more likely to leave Pittsburgh, but salaries and continued education were three times more important (Hansen and Huggins 2001). In our multivariate analysis, we found that concern with amenities did not help distinguish between non-profit and for-profit employment.

We do find significant differences between the sectors in community involvement. We asked both Stayers and Leavers whether they belonged to particular clubs and organizations in their current location. On average, 41% of non-profit workers belonged to a club or organization compared to 38% of for-profits and government employees. Though Leavers in general had a higher preference for sports and recreational clubs or organizations, non-profit workers had a significantly lower preference for sports and recreational clubs or organizations than for-profit workers (Table VI.1). Non-profit workers, on the other hand, had higher levels of affiliation with social service clubs, political organizations and religious organizations than the for-profit workers. Finally, the CLD study found more Stayers than Leavers affiliated with professional clubs and

organizations. According to this analysis as well, non-profit and government workers who stayed in the Pittsburgh region had higher rates of membership in professional clubs and service clubs than did those working outside the region.

Table VI.1. Percent of category that belongs to clubs or organizations*

	Stayers			Leavers		
	Non-Profit (N=334)	Government (N=56)	For-Profit (N=376)	Non-Profit (N=238)	Government (N=45)	For-Profit (N=577)
Do you belong to any club or organization in your present location? Yes	41.0%	37.8%	37.2%	45.4%	42.9%	41.2%
Do you belong to any sports, recreational clubs or organizations? Yes	34.3	52.9	43.6	46.3	45.8	58.4
Do you belong to any professional clubs or organizations? Yes	65.0	64.7	60.0	63.9	45.8	51.1
Do you belong to any social service clubs or organizations? Yes	28.7	58.8	23.6	25.9	33.3	26.9
Do you belong to any political clubs or organizations? Yes	9.6	7.1	17.6	7.4	10.6	25.0
Do you belong to any religious (church, synagogue, etc) clubs or organizations? Yes	51.0	35.3	43.6	47.2	50.0	34.0

*Applies only to current location of respondents.

Did non-profit workers become involved in clubs and organizations after getting jobs in the sector, or did participation in such organizations help them find jobs in the non-profit sector? We cannot determine the answer based on our survey, but we can identify those factors that assist in retaining workers. We not only asked respondents what organizations and clubs they belong to, but also what activities they participate in. Through focus groups and pretests, we had identified thirteen salient leisure activities that recent university graduates engage in, and we asked our respondents how often they participated in these activities.

Employees in both sectors gave high rankings to activities with children, as well as to more individually-oriented activities including reading, eating out and watching television (Table VI.2). However, non-profit workers were more likely to engage in religious activities and cultural events than were for-profit workers. For-profit workers, on the other hand, participated more in both active and spectator sports and ranked them much higher than did non-profit workers. Finally, though all three sectors ranked volunteer work last (13th), **non-profit and government workers participated in volunteer services significantly more often.**

Table VI.2. Involvement in activities, by category*

	Non-Profit (N=572)		For-Profit (N=954)		Government (N=101)	
	Mean**	Rank	Mean**	Rank	Mean**	Rank
Read	2.65	1	2.48	1	2.45	1
Participate in activities with children or family	2.47	2	2.23	4	2.40	2
Eating out	2.39	3	2.44	2	2.28	4
Watch television and/or videos	2.27	4	2.30	3	2.36	3
Engage in home activities such as renovations, gardening, cooking	2.27	5	2.20	5	2.22	5
Engage in church or religious activities	2.03	6	1.76	12	1.97	6
Attend cultural events such as the theater, music, dance and art	1.99	7	1.85	10	1.81	11
Enjoy outdoor activities such as hiking, camping, boating, fishing, skiing	1.95	8	2.04	7	1.90	7
Go to the movies	1.93	9	1.90	9	1.83	9.5
Dance, sing, play music	1.93	10	1.79	11	1.76	12
Watch spectator sports such as baseball, hockey, football, etc.	1.89	11	1.95	8	1.83	9.5
Participate in active sports such as tennis, golf, volleyball, swimming, etc.	1.80	12	2.07	6	1.84	8
Do volunteer work	1.72	13	1.50	13	1.66	13

* Applies to respondents' current location only.
 ** Scale: do this activity a lot = 3; do this occasionally or seldom = 2; never do this activity = 1. **Bold** = significant difference between non-profit and for-profit in mean or rank ($p < 0.05$)

When asked if there were sufficient opportunities to enjoy these activities in their present location, most respondents replied that there was enough. Since the higher ranked activities like reading and family activities are not necessarily unique to a geographic location, it is difficult to determine whether the Pittsburgh region holds an advantage over other regions to attract non-profit workers on the basis of amenities. However, the presence of a large and growing cultural district may encourage non-profit workers to remain in the region.

VII. The Future: Job and Location Plans

The future decisions of non-profit workers may be summed up in the words of Norah Watson, an interviewee in Turkel's *Working* (1974): "I think most of us are looking for a calling, not a job." Non-profit workers are motivated by the value-rich characteristics of non-profits and the realization of these values often brings greater meaning to their lives and jobs. Such an emphasis on values may affect retention as well as recruitment for non-profits.

Table VII.1. Future plans, by sector

	For-Profit (N=953)	Government (N=101)	Non-Profit (N=572)	Non-Profit Employer	Educ. Inst.	Medical
Yes, same city	66.8%	69.1%	71.8%	63.2%	76.0%	69.1%
No, different city	33.2	30.9	28.2	36.8	24.0	30.9
Yes, same employer	42.7	45.5	49.1	36.1	55.0	46.9
No, different employer	49.2	47.5	42.3	52.5	37.2	45.4
Not working	0.7	3.0	1.6	2.5	1.3	1.5
Starting/owing my own business	4.9	1.0	3.7	5.7	3.8	1.5
Don't Know	2.5	3.0	3.3	3.3	2.8	4.6
Yes, same position	19.9	28.4	42.4	26.1	50.7	37.2
No, different position	80.1	71.6	57.6	73.9	49.3	62.8

To assess the potential for retention, we will make use of the questions we asked our CLD respondents about their future plans concerning jobs and geographic location. As Table VII.1 shows, not only do more non-profit than for-profit workers expect to stay with the same employer, but more also anticipate holding the same position. Their jobs thus appear to be fulfilling the values they emphasize. However, there is still some indication of dissatisfaction among general non-profit workers: a higher proportion think they will be in a different city in five years, compared to for-profit or government employees, and many hope to be in a different position. This is not necessarily a negative outcome, but non-profit employers must ensure that they help to address the need for job challenges and advancement in order to retain these workers.

Among the different types of non-profits, employees of educational institutions are the most stable, while workers in general non-profits seem to be the most restless (Table VII.1). Workers in educational institutions are more likely to plan to stay in the same city, work for the same employer and maintain the same position. This is not altogether surprising, given the benefits of academic tenure and the requirements for state licensing for K-12 teachers. However, workers in general non-profits are more likely to anticipate a different employer and a different position in the next five years. This emphasizes the need for general non-profits to improve the factors that encourage retention within their organizations.

VIII. Conclusion and Recommendations

In this report we have compared over 1600 recent Pittsburgh-area university graduates currently working for non-profits with those employed by for-profit firms or working for the government. A number of significant differences emerged in the values people expressed concerning their ideal jobs. **First of all, non-profit employees are strongly motivated by a desire for a job doing good or helping others.** As with for-profit employees, their top priority is an interesting or challenging job. But they are somewhat less concerned with salary, benefits, or opportunities for advancement. **Non-profit employees are also more likely to prefer jobs in locations offering ethnic and**

cultural diversity, good public schools, access to cultural activities, and opportunities for continuing education.

Sex is the most significant demographic characteristic distinguishing non-profit from for-profit employees. Proportionately more women are employed by non-profits. And women are more likely to major in the fields like psychology, social work, and education that are the major sources of non-profit employment. However, men and women employed by non-profits are similar in many respects (especially their academic backgrounds and their interest in jobs doing good or helping others). Both men and women working for for-profits are more interested in the financial aspects of employment. But women, regardless of sector, share common concerns with child care, jobs for a spouse or partner, and flexible jobs.

Regardless of sector, disturbing salary differentials were evident for women compared with men. **These gender disparities were even larger in the non-profit sector, especially among people employed by educational institutions.** And they were significantly larger for people working in Pittsburgh than among those currently employed elsewhere. Although paying women lower salaries might help non-profits balance their budgets, this is not a strategy designed to attract or retain qualified young professionals in this region.

We also found that African-Americans, Pittsburgh natives, and University of Pittsburgh graduates were more likely to be working for non-profits, as were holders of graduate and professional degrees. Carnegie Mellon graduates and people in technological fields were more likely to be working in for-profits. **But a multivariate analysis found that the two major predictors of non-profit employment were interest in a job doing good/helping others and gender.** An analysis of variance found that interest in a job doing good was more important for women than for men.

We found that non-profit workers used multiple methods to search for jobs. Although the Internet was not among the top three most helpful job search methods for non-profit workers, non-profit workers still found that it was helpful in their job search process. We also found that recommendations from faculty played a major role in non-profit and government job searches; internships were instrumental in securing almost one-quarter of non-profit jobs.

We also compared non-profit "drop-outs" with "converts." The drop-outs who switched to for-profit employment were much more concerned with salary, benefits, and advancement opportunities than those whose job history was entirely within non-profits. And the "converts" who left for-profit jobs to work for a non-profit expressed a strong interest in a job doing good or helping others. Since we located slightly more drop-outs than converts, financial considerations may be driving some people out of non-profits. However, in our sample **most people who had held a previous job remained in the same sector.**

While both for-profit and non-profit employees are active in a variety of groups, the latter are **significantly more likely to be involved in community and religious organizations**. This relationship is especially strong among people who have remained in Pittsburgh after graduation, and further strengthens the contribution of non-profits to the Pittsburgh region.

On the basis of these results, we offer the following recommendations to help recruit and retain well-qualified young professionals for non-profits:

Recruitment

Nonprofits face real challenges in recruitment. They are seen (not always correctly) as offering lower salaries than the private sector. To attract today's young people, they need to continue to stress the traditional value-set of nonprofits: the chance to help others and to make a difference. But they also need to understand that today's graduates are looking for positions that offer challenge and opportunities for growth. Their ability both to attract and to retain young people depends on creating jobs with flexibility and workplaces that provide opportunities for learning new skills and applying them.

Nonprofits need to improve their job posting and organizational visibility to attract recent graduates. They may want to develop on-going relationships with universities, not only through the career service offices but with faculty and placement staff in individual departments or schools. We found a high proportion of Psychology majors in nonprofit employment, so reaching out directly to faculty and students in that field may be useful. Nonprofits in specific fields, such as education, health care, or social services, may want to reach out more actively to the relevant schools to develop relationships with students prior to their graduation, through career days, internships, or other activities.

The World Wide Web is increasingly becoming the route by which recent graduates conduct their job searches. Local and regional nonprofits need to make better use of the web, both in terms of their own websites and, especially for smaller nonprofits, using existing job sites or banding together to develop a local site for posting nonprofit jobs.

Lower nonprofit salaries can hamper recruitment, even of graduates who would really prefer to work in the nonprofit sector, if the individual has graduated with significant debt. While most small nonprofits do not have the resources to establish loan forgiveness programs, larger organizations may consider adding this very significant benefit, paying off some or all of the individual's student loans in return for a commitment to stay with the organization for a given period of time. The local nonprofit community might also consider working together with a foundation to sponsor such a program, which could be managed as a competition.

Currently, minority graduates are best represented in educational organizations. Other nonprofits need to make an effort to reach out to all minorities, including African Americans, Hispanics, Asian-Americans, and foreign nationals.

Retention

Nonprofit employers need to find ways to keep jobs interesting and challenging. This can be done, even by smaller employers, through job rotation or by gradual expansion of job duties. Formal or informal training, and, where financially feasible, support for continuing education are all strategies that may assist with retention.

The sharp salary disparities we identified between women and men are particularly problematic, both for recruitment and for retention. Organizations need to look carefully at their own salary policies and make sure that they are living up to their own values in this area.

Men as well as women employed by nonprofits place greater emphasis on family considerations, including child care, flexible jobs, and jobs for a spouse or partner. Nonprofits need to examine their policies to ensure that they are, in fact, family-friendly, and then use this as a selling point in attracting and retaining recent graduates.

Overall, the picture is reasonably positive. Large numbers of young people share the desire to do work that is socially meaningful and will help to make the world a better place. Nonprofits have continued to hire bright and idealistic young people, but they need to take into consideration the range of factors motivating recent college graduates if they wish to be successful in attracting and retaining these young people in the future.

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