



Student Debt

and the Nonprofit Workforce

EXECUTIVE
SUMMARY



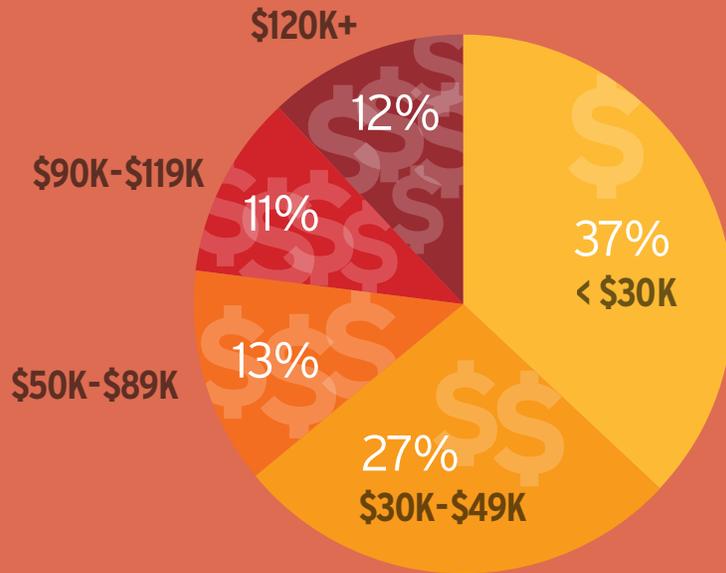
Student debt is simultaneously a personal issue for nonprofit staff, a management challenge for nonprofit organizations, and a public policy issue for the nonprofit community. To find out more about the impact of student debt on the nonprofit workforce – and how we can address it – CalNonprofits conducted a survey in Spring 2016 of nonprofit employees and employers that drew nearly 1,000 respondents. The survey questioned respondents on a range of issues about their debt, its impact on their personal lives and their ability to continue working in the nonprofit sector.

Key Findings

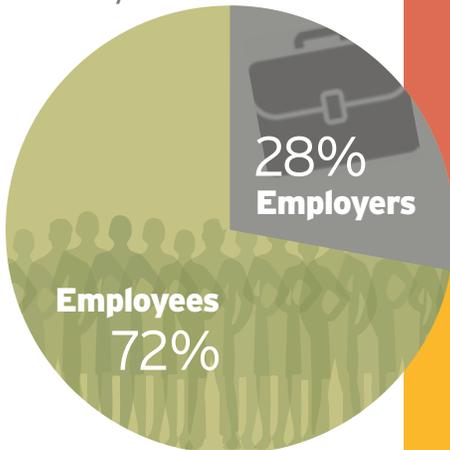
- Student debt makes it harder for nonprofit staff to stay in nonprofit work, and makes it harder for nonprofit employers to recruit and retain a talented, diverse staff.
- Student debt results in a less diverse workforce. Many of the nonprofit employees leaving the sector are those with larger student debt – first generation college graduates, people of color, and women.
- Remarkably few nonprofit employees – and even fewer nonprofit executives – are aware that the Public Service Loan Forgiveness Program can result in substantial loan forgiveness based on working for ten years in any position in any 501(c)(3) nonprofit.
- Nonprofit employers want to support employees with student debt. Nonprofit employers recognize the impact of student debt on their employees and are looking for affordable ways to help.

"I entered law school fully intending to work in public service and I plan to do so. But that also means that I plan not to have children, not to own a home, and to save very little for retirement. That is a bummer, and I'm not sure it's a plan I'll stick with."

How much student debt do nonprofit staff have?

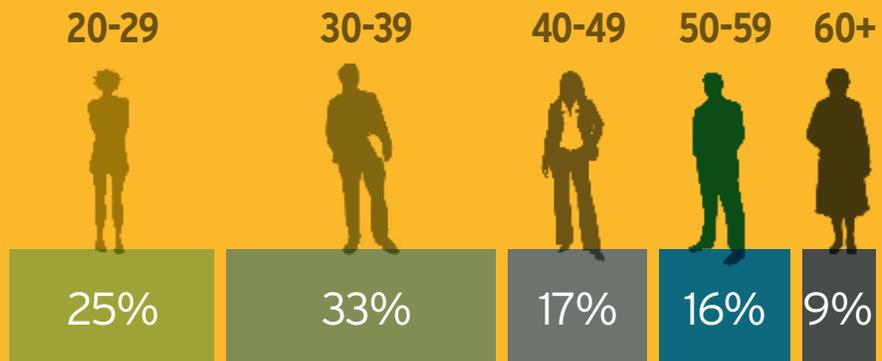


About the survey



953 Respondents
792 Individual Comments

How old are nonprofit staff with student debt?



"I often wonder if I am on the right path. I love the work I do, and yet, when I am struggling to raise my son, I wonder..."

How much are your monthly student debt payments?



"My student loan debt . . . influenced what jobs I could accept after grad school even what internships I could accept while in grad school which then influences what kinds of jobs I could get afterwards. I have tended to stay in higher paying subsectors of the nonprofit sector in order to have a salary that lets me pay back my loans."

"I work for the same nonprofit that helped me change my life while incarcerated, I love this work but with a large student debt, no retirement and having to pay for healthcare I'm wondering how I will ever be able to be present in this freedom I worked so hard for."

Public Service Loan Forgiveness Program

The Public Service Loan Forgiveness Program can help the nonprofit sector address the student debt crisis – but not enough people know about it.

In our survey, 93% of employee respondents reported that their employers did not offer loan repayment assistance. This is striking when 87% of those respondents also reported that it was very likely or somewhat likely that loan repayment assistance would influence their decision to continue working at a nonprofit.

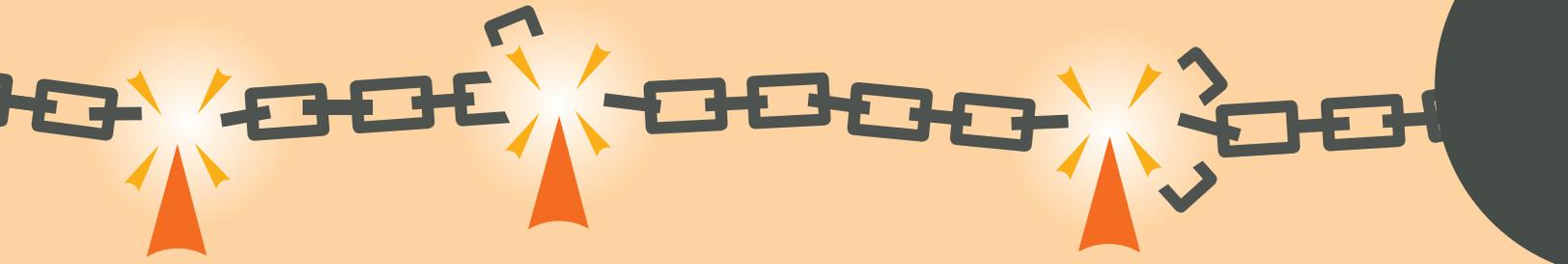
The Public Service Loan Forgiveness (PSLF) program is a great opportunity for the nonprofit sector to counteract the impact of student debt. The PSLF is revenue neutral and targets nonprofit employees with the specific intention of helping to stabilize the nonprofit workforce.

Nonprofit employers recognize the impact of student debt on their employees and are looking for affordable ways to help. In our survey, 44% of nonprofit employers expressed interest in developing a PSLF support program. The immediate challenge for the nonprofit sector is to raise awareness about this program.

"I think the PSLF program is the best thing since sliced bread! Not only does it allow nonprofits to build their capacity with qualified graduates, but it allows me the graduate to make a reasonable payment each month, and will forgive some of my debt."



Recommendations



IF YOU WORK AT A NONPROFIT AND HAVE STUDENT DEBT:

- Learn about the Public Service Loan Forgiveness Program. If you are eligible, begin the process of applying.
- Tell your co-workers, friends and family members about the PSLF Program.
- Find ways to combat the stigma of student debt by being open about your debt and what you are doing about it.

IF YOU ARE IN MANAGEMENT AT A NONPROFIT OR FOUNDATION:

- Do a quick anonymous survey of your staff to find out how student debt may be affecting their lives and if they are aware of the Public Service Loan Forgiveness Program.
- Distribute information, bring a speaker to your lunchroom, and in other ways help employees apply.
- Look for the forthcoming Nonprofit Employer Toolkit on Student Debt soon to be published by CalNonprofits.
- Raise the issue with the management team and the board as a crucial HR issue affecting recruitment, retention, and diversity.
- List Public Service Loan Forgiveness as a benefit of working for your organization when recruiting new employees.

IF YOU RECOGNIZE THAT STUDENT DEBT IS HURTING THE NONPROFIT WORKFORCE:

- Stay involved with legislative and policy issues affecting student debt held by nonprofit staff. Be sure you are on the CalNonprofits mailing list to stay up to date on these.
- Remind people that who and what they vote for will impact the future of the Public Service Loan Forgiveness Program and other student debt alleviation programs.
- Participate in discussions about organizational and policy decisions to support the strength and diversity of the nonprofit workforce.



Student debt is hurting the nonprofit community – and CalNonprofits is doing something about it.

The Nonprofit Student Debt Project is an initiative of CalNonprofits to educate nonprofit staff and employers, advocate for public policy changes, and engage the nonprofit community on the problem of student debt and its impact on the nonprofit workforce.

This initiative is made possible by a grant from the Fidelity Charitable Trustees' Philanthropy Fund, by the foundations that support CalNonprofits with unrestricted funds, and by our more than 10,000 nonprofit members. Thanks also to our CalNonprofits Nonprofit Student Debt Taskforce made of 20 people statewide from various job positions.

Find out more at www.calnonprofits.org/programs/nonprofit-student-debt-project



California's nonprofits & the communities we serve

The California Association of Nonprofits (CalNonprofits) is a statewide policy alliance of more than 10,000 organizations, representing and promoting California's growing nonprofit sector. We focus on elevating the voice of the nonprofit community to policy makers, philanthropy, and the public. CalNonprofits also provides membership benefits including health and other insurance policies, discounts on goods and services, special advocacy opportunities, and more. Go to www.calnonprofits.org and www.calnonprofitsinsuranceservices.org for more information.

LOS ANGELES • SAN FRANCISCO • SACRAMENTO

(800) 776-4226

MEMBERSHIP@CALNONPROFITS.ORG