



people first

## Four forces reshaping the nonprofit workforce — and how HR can lead through it

### The workforce is shifting fast. Here's what's driving it.

Nonprofit HR leaders are navigating a perfect storm: fewer candidates, higher burnout risk and rising pressure to deliver on mission with leaner teams.

Understanding the forces behind today's labor crunch is step one. Preparing your organization to meet the moment is step two.

01

## An aging population

NEARLY  
1 IN 4

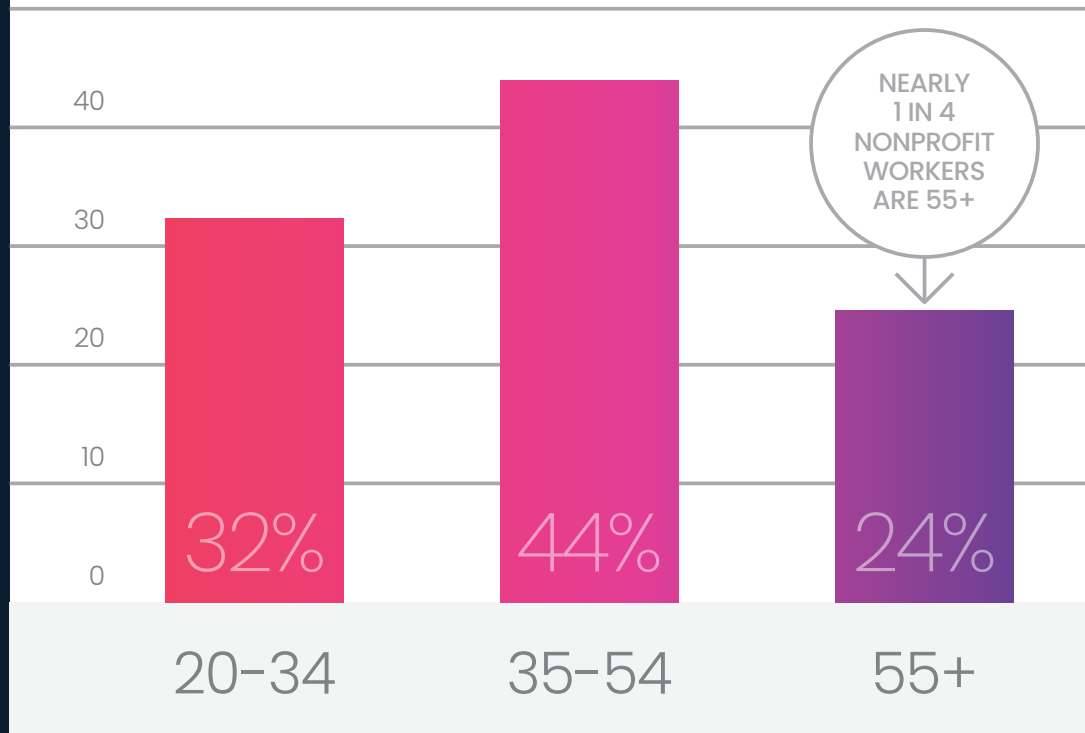
NONPROFIT WORKERS  
ARE AGE 55 OR OLDER

SOURCE: TRANSAMERICA INSTITUTE, 2025

Baby Boomers are retiring in record numbers. More than 10,000 people turn 65 every day.

For nonprofits, that means institutional knowledge is walking out the door faster than younger generations can step in. Succession planning and leadership development have gone from nice-to-have to non-negotiable.

## Workforce by age group



# 02

## Early retirement and health-related exits

EARLY RETIREMENTS SURGED BY OVER **2 MILLION** ABOVE EXPECTATIONS SINCE 2020, LARGELY DUE TO THE PANDEMIC

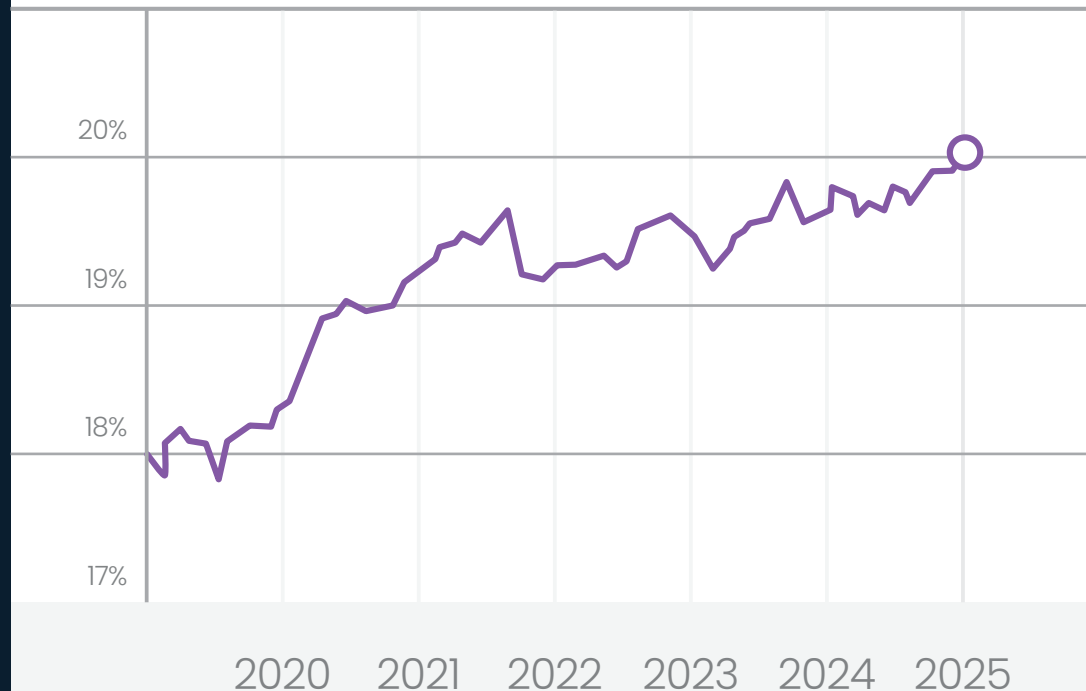
SOURCE: EBRI / GREENWALD RESEARCH, 2025

The pandemic didn't just reshape work. It ended many careers early.

Between caregiving, long COVID and a broader reevaluation of work-life priorities, millions of experienced workers left the labor force. And many won't return.

Nonprofits face a tough question: how do you retain expertise without overextending the staff you have?

### Exit surge timeline



03

## Declining birth rates

THE US FERTILITY  
RATE HIT A NEW LOW  
IN 2025: JUST  
**1.6 BIRTHS**  
PER WOMAN

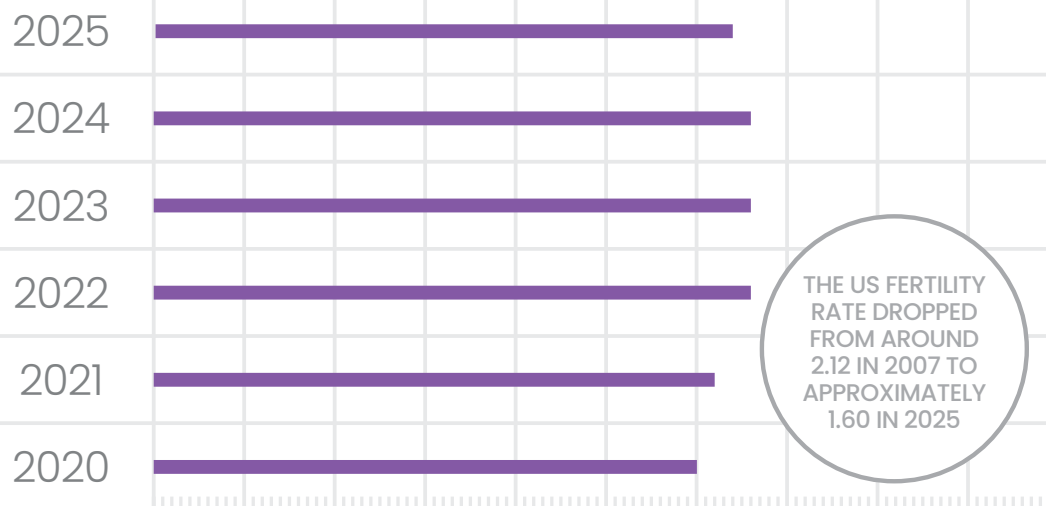
SOURCE: CONSIDER THIS NPR, 2025

Fewer young workers are entering the labor market each year. The long-term drop in U.S. birth rates is shrinking the pipeline of future employees.

And nonprofits, especially those relying on early-career or community-based roles, are feeling it first.

Competition for emerging talent is only getting more intense.

## Fewer early-career workers entering the field



04

## Labor force participation is below pre-pandemic levels

THE US LABOR  
FORCE PARTICIPATION  
RATE IN 2024 WAS

62.5%

STILL BELOW THE  
63% PRE-PANDEMIC LEVEL

SOURCE: US DEPARTMENT OF LABOR

Millions of working-age adults have stepped away from the workforce, and many are staying out.

Participation gaps are especially pronounced among women, caregivers and people managing chronic health issues.

Reaching these groups will take more than a job post. It requires flexibility, inclusive hiring and visible internal growth paths.

The people you're pushing away





## What this means for nonprofits

When staff are hard to find, the ripple effects touch every part of the organization, from the quality of services to the stability of your mission.

For HR teams already operating with tight budgets and lean staffing, doing more with less is the daily reality.

But this moment also offers a rare opportunity: to reimagine how nonprofit HR attracts, develops and retains purpose-driven talent.

## Where People First fits in

People First powered by MHR was built for complexity. For purpose. And for this moment.

With faster recruiting, automated HR workflows and pre-configured templates designed for nonprofits, People First helps HR teams stay ahead — without burning out.

It's intuitive, flexible and backed by support that understands the nonprofit world.



## Want to go deeper?

Explore more ways to build culture, streamline operations and future-proof your HR strategy.

[Download our Reinventing HR eBook](#)

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## About MHR

MHR has been driving innovation across the HRIS space for over 40 years. We don't just meet the industry standard, we exceed it. Engineered by the latest SaaS technology, our product, People First enables increased employee productivity and organizational growth with a demonstrable return on investment.

People First is guided by what our customers and the market demand in a rapidly changing world.

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