

To: House Business and Labor Committee
From: Liz Moore, Executive Director, Montana Nonprofit Association
Re: HR 4 - Resolution to recognize equal pay day

April 11, 2017

Greetings Chairperson Anderson and members of the Committee,
My name is Liz Moore, and I'm the executive director of the Montana Nonprofit Association. On behalf of the Association, I write today in support of HR4.

MNA is a membership organization made up of more than 600 charitable nonprofit organizations that collectively employ 5,000-6,000 people. We are part of the larger nonprofit sector in the state that makes up 11.4% of the employee base.

In Montana, the number of women working in the nonprofit sector in 2014 outnumbered the men by 2:1 (30,452 women and 14,464 men). This is consistent with national data in which women are 2/3 of the nonprofit workforce. This high ratio of women to men is what makes HR4 of interest to MNA.

Some background on nonprofit wages generally: on average - nonprofit wages in Montana were \$40,857 in 2015. A closer look at the data shows that when you pull out the hospitals, which represent about 20,000 employees, the average wage in the nonprofit sector drop to \$26,438. And rural Montana is home to 31% of nonprofit employees, but they earn just 27% of total nonprofit wages, meaning their average wage is even lower.

There are slightly more than 2000 nonprofit employers in the state, and they face the same challenges as for-profit employers in trying to recruit and retain a quality workforce. Nonprofits have a significant disadvantage in that they pay less comparatively. Add to that the aging of the state, and it's like a perfect storm: an aging workforce that is unable to attract new workers because they can't pay what their for-profit or public sector counterparts can.

What does this have to do with HR4? It is incumbent on us to do what we can to develop pathways into the nonprofit workforce. We know the wage gap exists. Given the higher ratio of women to men in the nonprofit workforce than in the general labor force, the gap hits the nonprofit sector harder. Setting aside a day to recognize equal pay is not going to solve the problem, but awareness is the first step to behavioral change. And it's an inexpensive step. HR4 allows government to be a partner in advancing an attitudinal and behavioral shift not only in the public sector, but in the private and nonprofit sectors as well.

Whether we will look back in a few years and say, "It worked!" can't be predicted. But the gap seems unlikely to close on its own. All of us rely on the nonprofit sector for quality of life: a clean, healthy environment, outdoor space, the arts, children's services and activities, health services, senior citizens care, and more. To fulfill our role in society, nonprofits must have a qualified workforce. And to do that, all barriers must be removed, including the wage gap. We support HR4 and ask you to do the same. Thank you for your consideration.

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