

The 2026 Nonprofit Workforce Outlook: What Employers and Employees Need to Know

The Portage Group



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Introduction

The nonprofit workforce, and the organizations that employ them, are entering 2026 with more questions than answers, but one thing is certain: preparation will matter more than prediction.

Inflation may be stabilizing, but the aftershocks of the past several years continue to influence how organizations hire, budget, and retain talent. Unemployment remains high, job mobility is slowing, and both employers and employees are being more deliberate about their next steps.

In this environment, strong data, clear planning, and practical strategies are essential.

This whitepaper brings together relevant insights from [CharityVillage's 2025 Canadian Nonprofit Sector Salary & Benefits Report](#), along with guidance from The Portage Group's executive search and research leaders, to help organizations and individuals navigate the year ahead with confidence.

The following insights were presented by **Jack Shand**, Executive Search Practice Lead at The Portage Group. Jack brings decades of experience advising nonprofit and association boards, executives, and job seekers on leadership, recruitment, and workforce trends.

These insights were complemented by the work of **Geoff Thacker**, Executive Partner and leader of TPG's Research Practice. Geoff has more than 25 years of experience conducting compensation and benefits benchmarking studies and has led national sector research for organizations such as CharityVillage and the Canadian Society of Association Executives.

About The Portage Group

The Portage Group is a team of thought leaders in innovative and research-driven association planning and development. We offer deep and diverse experience to help organizations succeed across areas that include Strategy, Research, Executive Search, Organizational Design, Governance and more. For more information, please visit www.portagegroup.com.



1. The Changing Realities for Nonprofit Employers and Employees in 2026

If there is one word that describes the year ahead, it is **uncertainty**.

While inflation has finally settled closer to the Bank of Canada's target rate of two percent, the ripple effects of the last several years continue to shape hiring, salary planning, and how confidently both nonprofit employers and job seekers are approaching the market.

Unemployment remains a key part of the story. As we enter the final weeks of 2025, the economic picture more promising than in previous months: Statistics Canada's [Labour Force Survey for November 2025](#) show that national unemployment has declined to 6.5 percent in November, although some regions remain significantly higher. In export-dependent areas such as Windsor and Oshawa, joblessness ranges from eight to nine percent. Youth unemployment has also improved from a record high earlier in the year, yet it remains elevated compared to pre-pandemic levels. While recent economic indicators are cautiously optimistic, overall perceived job security among Canadians has decreased. These trends point to fewer people changing jobs voluntarily and more employers proceeding with caution.

Global dynamics are adding pressure as well. Trade tensions, tariff uncertainty, and the upcoming review of the Canada U.S. Mexico Agreement (CUSMA) are influencing Canada's economic outlook. Sectors closely tied to exports, including manufacturing and energy, already feel the impact, and organizations across the nonprofit sector are watching these developments closely.

All of this means nonprofits are budgeting with more care and employees are prioritizing stability. Growth plans may slow, recruitment may take longer, and both sides are paying closer attention to compensation data when making decisions.

HOW NONPROFIT SALARIES HAVE SHIFTED

Drawing from the CharityVillage® study, nonprofit industry compensation changes over the past year reveal an uneven landscape, although five of six staff levels tested saw pay increases from 2024 to 2025.

Nonprofit Industry Compensation Change Highlights: 2024-2025

- ▶ The largest gains were among Chief Executives (up 7.1 percent), Senior Executives (up 5.2 percent), and Senior Management (up 3.1 percent).
- ▶ Increases were smaller for other management and program staff, generally one percent or less.
- ▶ Support staff saw a large jump in 2024 (up nearly 15 percent) followed by a slight decline in 2025.

Looking over a longer horizon, average compensation has been rising at roughly two to three percent per year depending on the staff level. Support staff and Chief Executives have climbed the fastest over the last decade.

Also of note, inflation peaked at 8.1 percent in 2022, but from 2016 to 2025 it averaged 2.8 percent. Since late 2020, compensation benchmarks have increased between fifteen and twenty seven percent, meaning most staff levels have kept pace with or exceeded inflation, with the exception of management and supervisory roles.

In short, the nonprofit sector has made progress keeping up to inflation, especially at senior levels, but some roles are still trying to regain ground.



WHAT THIS MEANS FOR NONPROFIT SALARIES IN 2026

In the private sector, most compensation forecasting firms expect modest salary increases in 2026. The average projection is between 3 and 3.5 percent, depending on region and industry. Recent data from [Eckler®](#) consulting suggests that Canadian organizations are planning average base salary increases¹ of **3.3% in 2026**.

Some provinces may see slightly lower or slightly higher adjustments, but across the country the theme is the same: salary planning is becoming more cautious.

Organizations that made significant salary moves in 2023 and 2024 are now adjusting to a more balanced, steady state. Many are focusing on retention and total rewards rather than aggressive salary growth.

Relevant insights from the CharityVillage® study suggest that most nonprofit employees are anticipating movement in the year ahead. Approximately 69 to 78 percent of staff expect a salary increase in the next twelve months, although Chief Executives remain the outlier with only 61 percent anticipating an adjustment. Expectations are also more modest than last year's actual results, with average projected increases falling between 1.8 and 2.6 percent depending on the staff level.

This continues a familiar pattern in the sector: actual increases often end up slightly higher than predicted, but the overall trend remains steady and conservative. For employees planning to negotiate in 2026, this means organizations will be paying close attention to market alignment, internal equity, and financial prudence. Solid benchmarking data will be essential for grounding those conversations in evidence rather than assumption.

2. Priority Actions for Employers in a Changing Market

Even in unpredictable conditions, employers have meaningful levers to strengthen retention, engagement, and organizational stability. Below are several practical areas to prioritize.

1 TREAT RETENTION AS A STRATEGIC PRIORITY

Replacing staff is far more expensive than many realize. Recruitment efforts, interview time, onboarding, and the learning curve all require significant organizational resources. Retaining strong performers saves time, protects continuity, and reinforces team morale.

2 COMMUNICATE EARLY AND OFTEN

Employees want to know where the organization is going and how leadership is responding to the environment. Regular updates from senior leaders help reduce uncertainty, build trust, and create a sense of shared direction.

3 INVEST IN CULTURE AND DEVELOPMENT

Flexible work arrangements, opportunities to learn from colleagues, cross functional experiences, and thoughtful recognition are all strong motivators. These elements matter even more when budgets are tight and salary increases are limited.

4 USE SECTOR BENCHMARKS TO GUIDE DECISIONS

Reliable data helps organizations build salary ranges that are both competitive and defensible. Modest, predictable increases in the two to three percent range help manage expectations and align with market trends.

5 BUILDING MORE FLEXIBILITY INTO THE BENEFITS PACKAGE

Employers are engaging in more frequent reviews and updates of the benefits package and are evolving benefits packages to better 'fit' the individual needs of each employee.

In line with increased flexibility is a recent shift by some organizations in providing a Health Care Spending Account to provide more options to employees to use the health services they need the most.

6 LIMITED OPPORTUNITIES FOR ADVANCEMENT IS A DETRCTOR TO ASSOCIATION SECTOR JOBS

Also top-of-mind for employers is how to keep those top employees once you get them. Even the largest Canadian associations tend to be smaller in staff size and structure compared to many medium and large private and public sector organizations. This can limit advancement opportunities for candidates looking to further their careers. As a result, retaining key talent can be a significant challenge for associations once they successfully attract them to their ranks.

3. What Employees Can Do to Prepare for 2026 Negotiations

Effective negotiation begins well before the meeting. Employees who prepare thoughtfully tend to navigate the discussion with more confidence and achieve better outcomes.

1 CREATE A CLEAR CAREER PLAN

Employees who understand the direction they want to take usually receive stronger support from managers and mentors. A career plan shows initiative and makes it easier to match development opportunities with organizational needs.

2 NEGOTIATE FROM A PLACE OF KNOWLEDGE

Employees should understand where their role sits in the market. Reviewing salary benchmarks by region, organizational size, and job level helps frame realistic requests. Negotiation is most effective when grounded in data, not personal financial pressures.

3 TRACK YOUR CONTRIBUTIONS

Keeping a record of successes, results, and improvements helps make a strong case for increased compensation or responsibility. Quantifying your impact shows readiness for advancement.

4 DEMONSTRATE ALIGNMENT WITH THE ORGANIZATION

Negotiation works best when employees can articulate not only what they need, but how they help the organization achieve its goals. Leaders respond positively when employees show awareness of the broader picture and position their request in that context.

5 IF YOU HEAR “NOT NOW”

A temporary pause does not close the door. It is an opportunity to ask what criteria would justify an increase in the future, what development opportunities might help, and how you can contribute more. Sometimes it is also a signal to consider external opportunities in the sector.



4. Three Types of Monetary Rewards to Strengthen Retention

Nonprofit organizations have many tools to enhance engagement and satisfaction without adding to salary budgets. The following examples have been used effectively by colleagues and clients across the sector to retain strong performers and reinforce positive culture.

TIER ONE: LOW-COST WAYS TO SUPPORT STAFF

- ▶ Flexible work arrangements, which support work life balance.
- ▶ Public recognition that highlights employee contributions in meaningful, timely ways.
- ▶ Lieu time to compensate for peak workload periods.
- ▶ Wellness breaks that acknowledge the reality of nonprofit work and support personal wellbeing.
- ▶ Regular leadership updates that keep employees informed and involved.

TIER TWO: MODERATE INVESTMENTS THAT ADD LASTING VALUE

- ▶ Continuing education stipends to support professional growth.
- ▶ Internal training or knowledge sharing that benefits both the employee and organization.
- ▶ Wellness workshops that support resilience and productivity.
- ▶ Staff committees and cross functional projects that provide growth and visibility.
- ▶ Commuting support such as transit subsidies or partial parking reimbursement.

TIER THREE: HIGHER VALUE INVESTMENTS WITH SIGNIFICANT IMPACT

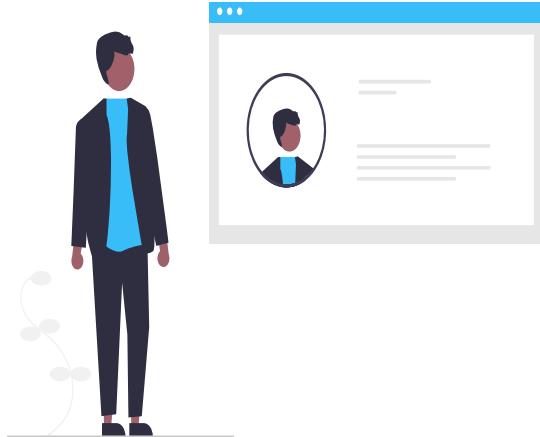
- ▶ Employer funded certification programs that elevate skills and credibility.
- ▶ Sabbaticals that allow long term employees to recharge and bring fresh thinking back to the organization.
- ▶ Staff exchanges with other nonprofits that broaden understanding and strengthen relationships.
- ▶ Innovation challenges that surface new ideas and reward creativity.

THE TRUE COST OF LOSING STAFF

Turnover has financial consequences, but it also disrupts program delivery, team cohesion, and organizational knowledge. When a valued employee leaves, the impact can last months or even years.

Recruitment can be costly. Executive search fees, advertising, testing, and the time invested by staff all add up quickly. A vacant role can slow projects, delay deadlines, and increase pressure on remaining team members. Once a replacement is hired, months may be needed for onboarding, relationship building, and full productivity.

The conclusion is clear. Investing in retention and staff development is almost always more cost effective than replacement. Even modest efforts can prevent turnover and protect organizational continuity.



PRACTICAL TAKEAWAYS TO HELP NONPROFIT EMPLOYERS AND EMPLOYEES IN 2026

The following tips apply whether you are a nonprofit employer, employee, or job seeker preparing for the year ahead.

TIPS FOR EMPLOYERS

- ✓ Plan for salary movement of roughly two to three percent and communicate how these decisions are made.
- ✓ Use reliable benchmarks to guide your process, such as the CharityVillage® or CSAE compensation studies.
- ✓ Strengthen retention by investing in total rewards, culture, and development.
- ✓ Communicate openly and consistently so employees feel informed and included.

TIPS FOR EMPLOYEES

- ✓ Benchmark your compensation so you understand where you stand relative to the market.
- ✓ Document your results to make a clear case for your contributions.
- ✓ Approach negotiation with professionalism and an understanding of organizational realities.
- ✓ Develop a two-year career strategy that aligns with your goals and the organization's future.

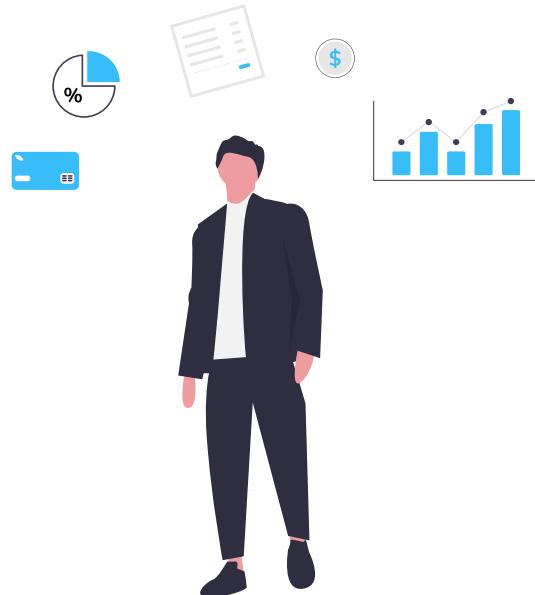
Conclusion

There is no crystal ball for 2026, but the signs point to a year that brings both challenges and opportunities for the nonprofit sector. Uncertainty will remain a theme, but preparation will make all the difference.

As key takeaways, we offer the following:

- ▶ 2026 will reward those who prepare, not those who predict.
- ▶ In uncertain markets, development matters more than recruitment.

The Portage Group is here to support organizations and individuals through this evolving environment. We are a full-service consulting firm serving associations, nonprofits, and mission driven organizations. Our areas of focus include strategy, organization design and governance, research, and executive search. We also support clients through custom compensation benchmarking.



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