

Surprising Ways to Attract and Retain Talent

by John W. Citti, CPA, CTP, Impacting Nonprofits LLC | February 27, 2023

The January 2023 jobs report showed U.S. unemployment dropped to 3.4 percent, a 53.5-year low, and yet employers are struggling to retain and attract top talent. Compensation and advancement are always important incentives, but today's workers, especially millennials, want more. They want employers with socially and environmentally responsible business practices and values. Here are several ways CPA firms and organizations can gain a recruiting edge, at little or no additional cost:

Employer Actions

- **Bank and invest at a Community Development Financial Institution (CDFI).** While low-income communities are underserved by traditional banks, CDFIs are driven to serve these areas through home mortgages, business loans and banking services. However, their small size limits the capital available to meet loan demand. By banking and investing at CDFIs, CPA firms and their clients provide new funds for CDFIs to lend which creates jobs, reduces the racial wealth gap and raises standards of living. Account deposits are FDIC insured up to \$250,000.
- **Leverage long term investments for ESG.** Endowments and other long-term portfolios can be invested in environmental, social and governance (ESG) funds which favor socially responsible investments. Investments made directly in stock (rather than mutual funds) give the investor the right to vote on proposals that seek to protect the environment and advance social issues. An employer's votes show staff and the public where it stands on important issues.
- **Use sustainable finance.** As [Bloomberg](#) reports, green bonds are a financing source used exclusively for environmentally friendly projects, such as energy efficiency, pollution prevention, green buildings and more. Sustainability-linked loans reduce the interest rate as the borrower achieves certain environmental or social goals. CPAs can advise clients that funding growth with these vehicles reduces expenses, while demonstrating their commitment to a sustainable and socially responsible business.

Employee Financial Support

Employers can empower staff to support causes important to them by use of the following:

- **Retirement plans.** In [Schroders' 2022 Retirement Survey](#), 87 percent of respondents said they want investments aligned with their values, and 74 percent would increase their retirement plan contributions if ESG funds were offered. However, only 2.9 percent of retirement plans actually offer ESG funds, according to a 2020 *New York Times* article. Employers can help staff take action by adding ESG funds to their company plans and offering ESG funds in a broad range of asset classes, styles and company sizes, so employees can build a fully diversified ESG retirement portfolio.
- **Payroll withholdings.** Companies can enable staff to make charitable contributions directly through payroll deductions. [Chron.com](#) shows you how.
- **Publicizing a matching gift program.** According to [Double the Donation](#), 78 percent of donors working for companies that match employee charitable gifts are unaware their employer provides this benefit. Only 7 percent of employees actually submit the matching gift request. Employers can increase goodwill by reminding employees their charitable gifts will be matched.

Employee Social Action

A [Deloitte survey](#) showed that 69 percent of employees want more opportunities to volunteer, but 62 percent cannot dedicate time during their workday. Providing paid time off to volunteer is a simple way for employers to show they share and support employee values.

Company volunteer programs could include:

- **Company volunteering day.** Some companies send teams of volunteers to work at a nonprofit for the day. Employers can build enthusiasm for the program by allowing staff to select the nonprofit to support.
- **Individual volunteering.** If a company volunteer day does not fit everyone's schedule, employers can provide time to volunteer when it is convenient for the employee. M&T Bank allows 40 hours per year for volunteering.
- **Nonprofit boards.** Many nonprofits lack board members with the finance, business development, communications, human resources or other skills that corporate employees possess. Encouraging staff to serve on boards enables them to create positive change.

The benefits of volunteering are numerous. [Studies show](#) that volunteering lowers stress, improves mood and nurtures relationships which can reduce heart disease, stroke and depression. A [Deloitte study](#) also showed that volunteering improves morale.

Employers benefit as volunteers develop skills in time management, leadership, communications and interpersonal relations that improve job performance and collaboration. [Forbes reports](#) that consumers want to patronize companies that are ethical, socially responsible and environmentally friendly. Thus, companies that are socially responsible can improve the world while gaining a competitive edge.



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