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Potential Charity Leaders See Top Job as Unappealing, New Survey Reveals

By Jennifer C. Berkshire

The charity world is expected to require tens of thousands of new leaders within the next decade, as the baby-boomer generation of senior managers begins to retire. Now a new survey of nearly 6,000 potential nonprofit leaders shows just how difficult recruiting those executives is going to be.

Two-thirds of those surveyed said they either don't want to be an executive director or are at best unsure that the top spot at a nonprofit organization is their goal. Respondents attributed their reluctance to head charities to the long hours and compromised personal lives associated with executive leadership. Also cited were financial concerns, including salaries that are perceived as being too low for the demands of the job and a fear of being unable to retire comfortably.

Forty-two percent of the people surveyed were younger than 30; 19 percent were age 50 and over. And while the vast majority of respondents were employed by charities or foundations, 20 percent worked for the government or in the business world.

The survey, which is being released this week, was conducted last September by the Annie E. Casey Foundation, in Baltimore; CompassPoint Nonprofit Services, a nonprofit management-consulting organization in San Francisco; Idealist.org, a Web site for nonprofit recruiters and job seekers; and the Eugene and Agnes E. Meyer Foundation, in Washington.

While anyone could take the survey, it was distributed to members of Idealist.org as well as to individuals who had participated in workshops and conferences sponsored by CompassPoint — both groups of people, notes Richard L. Moyers, director of the Meyer Foundation's Nonprofit Sector Fund, that have demonstrated an interest in building their skills and developing their careers.

The study's authors urged those who lead charities and those who support them to focus on helping prepare tomorrow's executives, and offered concrete suggestions to help up-and-coming nonprofit managers develop their skills.

Among the survey's key findings:

- Potential charity leaders find the traditional duties of an executive director unappealing.
- Nonprofit salaries and concerns about lifelong earning potential are major barriers to executive leadership. Sixty-nine percent of respondents said that they felt underpaid in their current positions, while 64 percent said that they have financial concerns about committing to a nonprofit career. Young charity workers are also burdened by significant amounts of student-loan debt.
- Thirty-two percent of respondents indicated that it would be at least six years before they felt ready to take on an executive role, citing the need to develop management, technical, and leadership skills. Yet potential new charity leaders rarely receive much guidance and grooming from current executive directors. A scant 4 percent of nonprofit employees in the survey said they had received explicit preparation or training to become their organization's next leader.
- Of the respondents who do aspire to become executive directors, 40 percent said that they are either ready now

or will be ready to lead within five years.

- Members of minority groups were more likely than whites to express an interest in leading a nonprofit organization, as did individuals who reported growing up poor. Respondents born outside of the United States were also more likely to aspire to head a charity than their American-born counterparts.
- Despite challenges, nonprofit organizations continue to be viewed as desirable places to work, and most respondents working in the charity world said they feel that they have meaningful and satisfying work.

The survey, with its accompanying report is a follow-up to one released in 2006 by the Meyer foundation and CompassPoint that determined that three-quarters of executive directors were planning to leave their jobs within five years.

Like the survey of charity leaders, the results of the new study paint a disturbing picture of nonprofit organizations, says Albert Ruesga, the Meyer foundation's vice president for programs and communications. "Working at a nonprofit isn't necessarily like toiling in what Blake called the 'dark Satanic mills,' but I think both surveys point to a pattern of neglect," says Mr. Ruesga, who was a co-author of the report. "The data also shows the impact that working in an atmosphere of scarcity can have on people."

While the 2006 survey focused on 2,000 nonprofit executive directors in eight cities, the new study was completed by 5,754 individuals. Researchers also conducted six focus groups in which 55 nonprofit employees who had never been executive directors participated in sessions in San Francisco, California's Silicon Valley, Omaha, and Washington.

'Glass Half Empty'

The new study contains plenty of alarming — if not alarmist — data, says Mr. Ruesga. The biggest surprise: When asked, "Do you want to be an executive director of a nonprofit someday?" two-thirds of respondents had either a negative opinion or an indecisive one.

"That's scary. I look at that and see a big question mark," says Mr. Ruesga. "That's not an inspiring number."

Yet despite what he terms a "glass half empty" finding, he says that he and other researchers were pleasantly surprised by the depth of commitment that young charity workers have to nonprofit work. Forty-seven percent of respondents indicated that their ideal next job would be at a charity. That's impressive, he says, considering that young people appear to be increasingly willing to exercise what the report refers to as "sector agnosticism."

"We heard over and over again that young people want to 'do good' wherever they end up working. It's a testament to the power of the sector that so many young people continue to be drawn to it," says Mr. Ruesga.

He notes that, especially in the focus groups conducted by the researchers, participants indicated that they were willing to overlook some of the shortcomings of nonprofit employment because of the purposeful nature of the work. "Meaningful work can make up for a lot of deficiencies," says Mr. Ruesga, "but it shouldn't have to. It's not wise for us to depend on that as a means of keeping young people in the sector."

Wanted: Less Pressure

Why do so few potential charity leaders aspire to take the top spot?

Researchers found that respondents were clearly turned off by the duties of today's nonprofit chief executives. While respondents echoed the 2006 survey of executive director in citing a distaste for fund raising as their primary complaint about taking the top job, they also pointed to the amount of responsibility that charity leaders carry on their shoulders with little or no support.

"A lot of the skepticism about becoming an executive director has to do with the tremendous pressure that people expect to feel as 'the one,'" says Marla Cornelius, projects director at CompassPoint and a co-author of the new

report. "To have responsibility for staff, fund raising, etc., all on your shoulders — that's a pretty big thing to ask anyone to do."

Of the 30 percent of respondents who said that they either definitely or probably didn't want to pursue an executive position, the top reason cited was that leading a charity requires making unacceptable personal compromises. Respondents and focus-group participants, say the report's authors, often attributed their negative view of executive leadership to what they had witnessed firsthand in their own charities.

"Staff members see their executive directors putting in long hours, sending midnight e-mails, and juggling the pressures of work and family," states the report. "Though this issue is compounded for those with families — or who want to start a family soon — this poses a serious barrier to all who believe they should be able to have both a meaningful career and a healthy personal life."

Potential leaders are also echoing what they hear their executive directors saying, Ms. Cornelius points out.

"I don't think it's a coincidence that we're hearing next-generation leaders repeat the same themes we heard in the 2006 study," she says. "They hear executive directors voice their frustration about fund raising, about the demands of the job, about the challenges of working with a board, and that really colors their understanding of what the job is."

While that shared view underscores the difficulty of persuading potential leaders to become charity heads, Ms. Cornelius argues that it also demonstrates the extent to which current executive directors could reshape the way their jobs are perceived.

"It would be great if more executive directors were willing to talk about what a privilege it is to lead their organizations," she says. "Unfortunately because of the real challenges that they face, you don't hear enough about the joys of having that kind of job."

Financial Insecurity

Perhaps the most daunting findings turned up by the survey involve the financial concerns that are dissuading up-and-coming charity workers from aspiring to executive leadership. Survey respondents and focus-group participants expressed a high level of concern about their personal finances.

Sixty-nine percent of respondents say that they feel underpaid in their current jobs, while 48 percent said that they feared they wouldn't make enough money to retire comfortably if they continued to work for a nonprofit organization.

Such financial concerns are key, says Patrick A. Corvington, a senior associate of leadership development at the Annie E. Casey Foundation. "People take a nonprofit job for four or five years and then they're leaving for financial reasons," he says. He notes that disparities among entry-level positions within the private, public, and nonprofit fields only become more acute as employees climb the ladder.

Another danger sign, says Mr. Corvington: the significant amount of student-loan debt being carried by survey respondents. Forty-four percent said that they owed money on their student loans — the majority with balances between \$10,000 and \$25,000. That percentage is even higher for members of minority groups, 51 percent of whom are paying back student loans.

"Not only are more young people of color carrying debt, but they're carrying *more* debt," says Mr. Corvington. "The problem here is that you have a population of young people of color who aspire to executive leadership but have legitimate concerns that this career path isn't going to provide them with a life that's better than the one they grew up with."

Still, Mr. Corvington doesn't believe that the solution is solely to pay charity workers more.

"We need better-managed organizations, too," he says. Indeed, says Mr. Corvington, it is the combination of financial barriers and the structure of nonprofit employment that so many survey respondents appeared to reject:

"What we heard people saying over and over was that 'If I'm going to have to work that hard and be underpaid, I can't do it.'"

Nor should they, says Mr. Corvington. He notes that while young people who seek careers in social change continue to be drawn to charities, they are increasingly able to perform such work in the for-profit world, too.

"That's one of the most interesting trends we're seeing," he says. "Young people who want to engage in social-change work are no longer wed to the nonprofit sector. They're realizing that they can do the work elsewhere and get paid more."

Preparing for Hand-Off

The report also includes many recommendations to current executive directors and their potential replacements as well as board members and grant makers.

Today's leaders are advised to take a hard look at their organizational cultures and to avoid the kind of top-down decision making that often alienates young employees.

Potential charity executives, meanwhile, are urged to begin preparing for their future careers today by joining boards of directors, acquiring management expertise, and finding a mentor or coach. To nonprofit trustees, the report's authors issue a clear mandate: pay reasonable salaries and provide benefits, even if it means helping raise the money to support the increased investment in human capital.

Finally, it urges grant makers to support leadership and training programs and to avoid practices that may be making things worse for charities and their leaders.

The authors conclude: "Help nonprofits transform themselves into organizations that next-generation leaders want to lead."

The report, "Ready to Lead? Next Generation Leaders Speak Out," will be available free for downloading beginning March 6 on the Meyer foundation Web site. Go to: <http://www.meyerfoundation.org> .

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