

SUPPORTING NEXT-GENERATION LEADERSHIP

GEO ACTION GUIDE



1413 K Street, NW, 2nd Floor ■ Washington, DC 20005
202.898.1840 phone ■ 202.898.0318 fax
www.geofunders.org ■ info@geofunders.org

Grantmakers for Effective Organizations is a coalition of more than 300 grantmaking organizations committed to building strong and effective nonprofit organizations. Understanding that grantmakers are successful only to the extent that their grantees achieve meaningful results, GEO promotes strategies and practices that contribute to grantee success.

More information on GEO and a host of resources and links for grantmakers are available at www.geofunders.org.

© 2008 Grantmakers for Effective Organizations
First printing, February 2008

This publication may not be reproduced without permission. To obtain permission, contact Grantmakers for Effective Organizations at 202.898.1840 or info@geofunders.org. This publication is available in electronic format at www.geofunders.org.

FOREWORD

Looming baby boomer retirements, combined with a growing sense that nonprofit organizations are coming up short in the “war for talent,” have a lot of people in the sector asking the question:

Where will we find the next generation of nonprofit leaders?

Based on an understanding that strong leadership is crucial to the effectiveness and sustainability of nonprofit organizations, grantmakers and others see an urgent need to identify and cultivate young and capable leaders for the future.

Stepping up to this challenge introduces still more questions, such as the following:

How can the sector make its leadership jobs appealing to significant numbers of young people — and what can grantmakers do to make the sector a better career choice?

How can grantmakers change the basic financial arrangements in the sector so nonprofits have the flexible, sustainable resources to make this issue a priority?

In this Action Guide, GEO sets out to answer these and other questions. Our goal: to provide an overview of the challenges facing the sector as it seeks to invest in next-generation leadership, as well as some key action steps for grantmakers.

The primary takeaway from GEO’s work on this issue: *Finding tomorrow’s nonprofit leaders requires more than beating the bushes for fresh faces and new talent, and supporting new or expanded leadership programs.* It also requires a top-to-bottom look at the nature of nonprofit organizations and nonprofit careers; consideration of the fiscal challenges facing nonprofits as they work to identify, recruit and support next-generation leaders; and commitment to building a more diverse workforce, in terms of race, gender and age.

While many grantmakers recognize the importance of supporting next-generation leadership, doing so is not yet a “mainstream” approach in philanthropy. The examples we highlight are innovative approaches to developing the next generation of nonprofit leaders, and we hope they are useful to you in your work.

We appreciate your interest in this issue, and we look forward to supporting your work to make the sector a welcoming and supportive place for next-generation leaders. Please share your successes and stories with us, and visit www.geofunders.org for more resources on investing in nonprofit leadership.



Lori Bartczak
GEO Manager of Content Development

ACTION GUIDE GOALS

- Give grantmakers an overview of the challenges facing the sector as it seeks to invest in next-generation leadership.
- Offer specific ways grantmakers can help attract, retain and develop new nonprofit leaders.
- Share examples of successes and challenges from grantmakers already working to support next-generation leadership.

CONTENTS

MASTER THE BASICS.....	5
Why should grantmakers be concerned about next-generation nonprofit leadership?.....	5
What will it take to attract and keep more young leaders?	8
What are the key issues facing nonprofits as they set out to identify, recruit and develop next-generation leaders?	11
MAKE THE CASE	17
How can we build support for action to make sure our grantees can attract and support next-generation leaders?	17
How can we make the case for the changes that need to happen to attract and retain the next generation of nonprofit leaders?.....	18
GET TO WORK.....	21
How can we make sure grantees have the capacity to identify and develop next-generation leaders?.....	21
What can we do directly to support next-generation nonprofit leaders?.....	24
How can we make sure grantees focus on diversity as they identify and develop next-generation leaders?.....	29
CONCLUSION.....	32
RESOURCES.....	33



MASTER THE BASICS

Why should grantmakers be concerned about next-generation nonprofit leadership?

The Nathan Cummings Foundation, in New York, is a leading funder of Jewish social justice organizations. As the Jewish social justice movement has grown in recent years, the foundation has become increasingly concerned about who will lead these organizations after the founders move on.

“If we are concerned with building and sustaining this field, then we have to be concerned about where the future leaders of these organizations will come from,” said Rabbi Jennie Rosenn, who directs the Cummings Foundation’s Jewish Life and Values Program. “For us as a foundation, paying attention to these next-generation issues is part and parcel of building a field.”

The same concern can be heard in many, if not most, of the fields in which grantmakers are supporting nonprofit organizations — from the arts and education to the environment, health and

more: Who is going to lead these organizations and keep them strong and effective in the years to come?

“Whether you are funding in the area of civil rights, the environment or other issues, grantmakers need to recognize that young people are central to real, systemic change. Movements simply will not be sustainable if they don’t tap into the energy of young people and develop their capacity to lead.”

— JEE KIM, PROGRAM OFFICER WITH THE SURDNA FOUNDATION

In his 1999 book, *The New Public Service*, Paul C. Light offered some advice to the nonprofit sector and its funders as they weigh the future sustainability and success of nonprofits:

Without painting the entire sector with a broad brush, it seems reasonable to suggest that funders pay increased attention to the nonprofit talent pool. Whatever the line of work, if nonprofits are to survive and flourish in the current environment of tight budgets and increased competition, they must have a stable corps of talented leaders.¹

Light's insights have been reaffirmed in recent years by research suggesting that the sector faces a looming "leadership gap" in the years ahead:

- *Daring to Lead 2006*, a study by CompassPoint Nonprofit Services in partnership with The Eugene and Agnes E. Meyer Foundation, found that 75 percent of nonprofit executives plan to leave their jobs in the next five years.²
- *The Nonprofit Sector's Leadership Deficit*, from the Bridgespan Group, projects that the sector will have to find 640,000 new leaders in the next 10 years — more than twice the number of positions that currently exist.³
- *Change Ahead: The 2004 Nonprofit Executive Leadership and Transitions Survey*, a national study commissioned by the Annie E. Casey Foundation, found that 55 percent of current nonprofit executive directors were over the age of 50. Sixty-five percent of the 2,200

WHO ARE THE NEXT-GEN LEADERS?

Most studies define "next-generation" leaders as individuals **under the age of 40** who can be tapped to lead nonprofit organizations in the years and decades to come. In addition to age, the sector must consider the diversity of future leaders. To the extent that tomorrow's nonprofit leaders mirror the communities they serve (in terms of race, ethnicity, gender and sexual orientation), they and their organizations will be more effective.

executives surveyed said they expected their organizations to go through a leadership transition by 2009.⁴

The Bridgespan Group report indicated that the retirement of baby boom-generation managers will be a major challenge for the sector. Bridgespan also cited other factors in the leadership gap, such as the growing number of nonprofit organizations, movement of current nonprofit managers into different roles within or outside the sector, and growth in the size of nonprofits.

But there is still another factor that grantmakers and their grantees should consider as they set out to engage the next generation of nonprofit leaders. That factor is the nature of nonprofit work

-
1. Paul C. Light. *The New Public Service*. 1999. Brookings Institution Press.
 2. Jeanne Bell, Richard Moyers, and Timothy Wolfred. *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership*. 2006. CompassPoint Nonprofit Services and The Eugene and Agnes E. Meyer Foundation. www.compasspoint.org.
 3. Thomas J. Tierney. *The Nonprofit Sector's Leadership Deficit*. 2006. The Bridgespan Group. www.bridgespangroup.org.
 4. *Change Ahead: The 2004 Nonprofit Executive Leadership and Transitions Survey*. 2004. Annie E. Casey Foundation.

NEXT-GENERATION NONPROFIT EMPLOYEES ARE READY TO LEAD

CompassPoint Nonprofit Services, The Eugene and Agnes E. Meyer Foundation, the Annie E. Casey Foundation and Idealist surveyed more than 5,000 people who either work in or are interested in working in the nonprofit sector and have not held the position of executive director. Findings presented both opportunities and challenges. The study found that there is a strong leadership pipeline in the sector:

- 33 percent of survey respondents aspire to be a nonprofit executive director.
- 47 percent say their ideal next job is in the nonprofit sector.
- 75 percent are personally fulfilled by their work.
- 87 percent are learning and growing in their work.
- 60 percent have regular access to professional development opportunities.

At the same time, the study found there are significant barriers and disincentives that nonprofits and their funders should pay attention to:

- 69 percent of survey respondents feel underpaid in their current positions.
- 64 percent say they have financial concerns about committing to a career in the nonprofit sector.

“Where is this supposed lack of leadership? We’re all here. And we’re ready. We’re ready to take over when you retire. I wonder if it’s more of a disconnect between generations and a difference in leadership styles than a lack of leadership.”

— FOCUS GROUP PARTICIPANT FROM THE *READY TO LEAD?* STUDY

Source: *Ready to Lead? Next Generation Leaders Speak Out*, 2008. CompassPoint Nonprofit Services, The Eugene and Agnes E. Meyer Foundation and Annie E. Casey Foundation.

itself. In other words, this is about more than bringing in new people to replace exiting leaders. It’s about rethinking basic assumptions about how nonprofits should embrace diversity in

terms of age, race and gender, what they should expect of their leaders and what their leaders should expect in return.

What will it take to attract and keep more young leaders?

All too often, the problem is about “them.”
“Young people just don’t want nonprofit jobs.”
“They aren’t prepared to sacrifice like we did.”
But recent research suggests that many members of Generation X and Generation Y are indeed committed to the nonprofit sector and nonprofit careers.

In early 2008, CompassPoint Nonprofit Services, The Eugene and Agnes E. Meyer Foundation and the Annie E. Casey Foundation published the results of a survey of more than 5,000 people who have never served as nonprofit executive directors but who either work in the sector or who expressed an interest in doing so. Among the key findings documented in the report, *Ready to Lead? Next Generation Leaders Speak Out*: nearly half (47 percent) say their ideal job is in the nonprofit sector; and one-third (33 percent) aspire to be a nonprofit executive director (see sidebar on page 7 for more).

CompassPoint’s Marla Cornelius, who managed the research project, said the data discount the sense of a looming leadership crisis for the sector. At the same time, however, she said young people’s responses confirm that nonprofits have real work to do if they want to keep the leadership pipeline strong. For example, a large majority of nonprofit employees (69 percent) said they feel underpaid, and a similar number (64 percent) said they had financial concerns about committing to a nonprofit-sector career.

And it’s not just about the money. Younger nonprofit employees also have concerns about how they are treated in the nonprofit workplace and about the traditional expectations and assumptions connected to nonprofit-sector work and careers.

“Many younger people are feeling unsupported, misdirected and not enthusiastic about taking over leadership positions.”

— MARLA CORNELIUS, PROJECTS DIRECTOR,
COMPASSPOINT NONPROFIT SERVICES

Up Next, a report by the Building Movement Project, documented a widespread sense among younger nonprofit workers that their employers see them as “disposable labor.” Focus group participants said baby boomers who have been involved in building organizations and social movements often look down on their younger peers because of a sense that they haven’t paid their dues.⁵

The Casey Foundation’s Patrick Corvington is coauthor with Frances Kunreuther of the Building Movement Project report *Next Shift: Beyond the Nonprofit Leadership Crisis*. Corvington said grantmakers should remember that the next-gen issue is an issue of “both money and treatment.” He added that the challenge facing nonprofits

5. Frances Kunreuther. *Up Next: Generation Change and the Leadership of Nonprofit Organizations*. 2005. Annie E. Casey Foundation.

and their funders is to build what he and Kunreuther refer to as “a different type of sector, with a different type of leadership.”⁶

“A lot of today’s leaders look at what younger people say about nonprofit-sector careers as a problem, but in reality it’s an opportunity,” Corvington said. “The concerns of these younger leaders point to a lot of factors that can and should be changed to make things better — like cumbersome organizational structures and executive positions that require too much sacrifice for not enough reward.”

Russ Finkelstein, associate director of Idealist, said many young people are looking for opportunities to innovate and make their mark — and they don’t see those opportunities in today’s top-heavy, tradition-bound nonprofits. “Nonprofits need to find ways to attract the best and the brightest to work in the sector, and that’s going to require showing them that this is a place where they can do creative, groundbreaking work,” he said.

People’s concerns about nonprofit-sector careers were affirmed in *Ready to Lead? Next Generation Leaders Speak Out*, as well as other recent studies, such as the following:

- A 2007 survey by the Young Nonprofit Professionals Network identified low pay and long hours as key turnoffs for young nonprofit employees considering leadership positions and careers in the sector.⁷
- A 2003 report found significant majorities of human service workers saying that heavy workloads and long hours, plus low pay, make it easy to burn out in the work they do. A significant percentage of recent recruits said they intended to leave the work in the next five years, while recent college graduates showed little interest in human service careers.⁸
- In focus groups conducted for The Forbes Funds in Pittsburgh, researchers found that many college seniors believe deeply in public service and in the work of nonprofits. However, students and those charged with helping them make career decisions hold fast to the belief that the nonprofit sector does not offer viable career paths, the researchers said.⁹

The research offers additional proof that the nonprofit sector can’t dig its way out of the leadership gap through stepped-up recruitment and leadership development programs alone. Rather,

-
6. Frances Kunreuther and Patrick A. Corvington. *Next Shift: Beyond the Nonprofit Leadership Crisis*. 2007. Building Movement Project.
 7. Young Nonprofit Professionals Network survey, May 2007. See “Long Hours, Low Pay Turn Off Young Nonprofit Workers, Study Finds,” *Chronicle of Philanthropy*, May 24, 2007.
 8. Paul C. Light. *The Health of the Human Services Workforce*. 2003. Brookings Institution Press. www.brookings.edu/gs/cps/humanservices.pdf.
 9. *Look Here: Attracting and Developing the NEXT GENERATION of Nonprofit Leaders*. 2004. The Forbes Funds. www.forbesfunds.org/docs/LookHere.pdf.

attracting and keeping more young leaders in the sector requires a hard look at more fundamental issues. At the top of the list: Nonprofits continually are asked to do more with less, and they lack the flexible funding they need to create attractive workplaces and offer appealing and rewarding jobs.

The Nonprofit Sector Workforce Coalition was launched in 2006 by American Humanics and brings together nearly 70 organizations working collectively to address diversity and leadership in the sector. The coalition frames the basic problem this way: “Nonprofits repeatedly say that they struggle to recruit and retain the talent and diversity they need, and few have the infrastructure to adequately support and develop their staff.”

To address this concern, the coalition exists to connect talented and diverse young people to nonprofit careers and to help nonprofits recruit, retain and cultivate the diverse leadership they will need in the decades ahead. (For more information, see page 20.)

TALKING 'BOUT MY GENERATION

The Who sang about their fellow baby boomers, but two additional generations have since burst onto the scene — and into the nonprofit workplace.

Baby Boom – The first members of the huge post-World War II age cohort born between 1946 and 1964 will turn 65 in 2011.

Generation X – Popularized by Douglas Coupland’s 1991 novel of the same name, the term refers to those born between the mid-1960s and the 1970s.

Generation Y – Also referred to as “Millennials,” this cohort was born in the 1980s and 1990s; its oldest members are entering the workforce now.

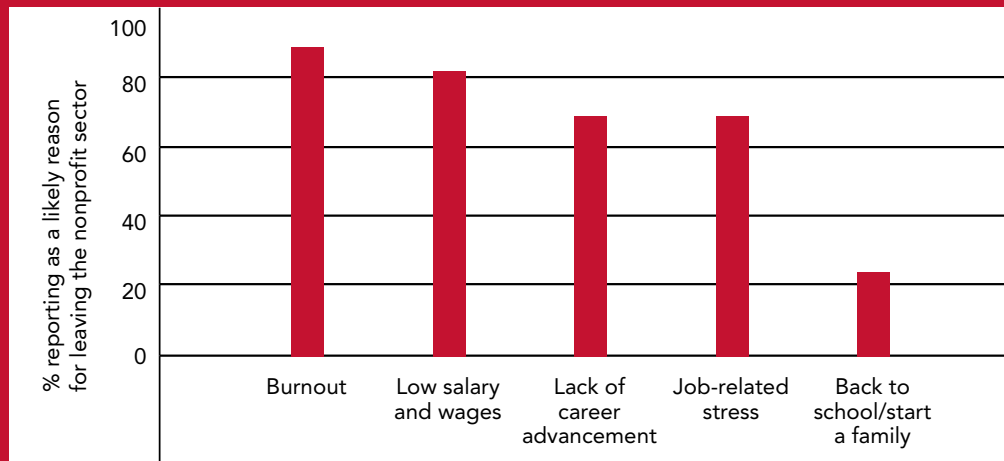
What are the key issues facing nonprofits as they set out to identify, recruit and develop next-generation leaders?

M-O-N-E-Y. Lesley Williams, 29, has been working in the nonprofit sector since graduating from college. She currently manages a national Girl Scouts program aimed at educating girls about automotive safety and careers in the automotive industry. Despite making what she characterized as a “competitive salary,” Williams said the perception among her friends and peers is that nonprofit work does not pay.

“The biggest barrier is that people feel if you work for a nonprofit you won’t get paid a livable salary,” she said.

The idea that people have to make substantial financial sacrifices to work at and lead nonprofits is a significant barrier to attracting next-generation leaders. “Low salary and wages” came in second only to “burnout” among the reasons why young people leave the sector in the Young Nonprofit Professionals Network’s 2007 national survey (see below).

Why Young People Leave the Nonprofit Sector



Source: *Stepping Up or Stepping Out: A Report on the Readiness of Next Generation Nonprofit Leaders*, 2007. Young Nonprofit Professionals Network. www.ynpn.org

Shelly Cryer, author of *Recruiting and Retaining the Next Generation of Nonprofit Leadership*,¹⁰ said the sector's reputation for parsimony is seeded when people sign up for nonprofit internships, many of which are unpaid. "An unpaid internship can be a deal-breaker for young people who might otherwise consider a career in the sector, and it leaves nonprofits stymied in their ability to compete for talent," she said. Cryer's advice to grantmakers: Ante up for reasonable compensation for interns. "Don't expect your grantees to implement program work via unpaid labor," she said.

As for grantee staff, Cryer noted that today's students are graduating from college and graduate schools with the highest levels of student debt in history. According to the Project on Student Debt, the average student loan debt for graduating seniors was 8 percent higher in 2006 than in 2005, while starting salaries increased by only 4 percent in the same period. The average student loan debt nationwide was \$19,646 and may have been higher.¹¹ Plus, many nonprofits operate in urban areas that have tallied huge increases in costs of living in recent years. "The debt issue is one reason of many that nonprofit employers must offer competitive wages," Cryer said.

Work-life balance. While salaries and benefits are important, attracting and retaining next-generation leaders also requires nonprofits and their funders to pay attention to other workplace issues. Is the work enjoyable? And is there time to have a real life outside of work?

In a recent news story about the Millennial generation in the workplace, CBS's *60 Minutes* issued this warning to baby boomer employers: "They [Millennials] think your business-as-usual ethic is for the birds — and if you don't like it, you can take your job and shove it."¹²

"Growing numbers of young people are eager to turn their idealism into action. But few know that it is possible — much less how — to pursue a career in the social justice arena ... And there are few paid learning opportunities to attract youth from low-income backgrounds to the field."

— GENERATION CHANGE PROJECT OVERVIEW, CENTER FOR COMMUNITY CHANGE¹³

Hyperbole? Perhaps. But the story did reflect the reality that members of the Millennial generation have entered the workforce with a different set of expectations and assumptions about the nature of work. Among the hallmarks

-
10. Shelly Cryer, *Recruiting and Retaining the Next Generation of Nonprofit Leadership*. 2004. Initiative for Nonprofit Sector Careers.
 11. "New Study Finds Student Loan Debt Increasing More Than Starting Salaries in 2006," Project on Student Debt press release, September 25, 2007. www.projectonstudentdebt.org/files/pub/2006_state_debt_NR.pdf.
 12. CBS News, "The Millennials Are Coming," November 11, 2007. www.cbsnews.com/stories/2007/11/08/60minutes/main3475200.shtml.
 13. Center for Community Change. "Generation Change" www.communitychange.org/genchange/what-we-do.

of the Millennials' approach to work: a steadfast determination to balance work and life.

In *Generations: The Challenge of a Lifetime for Your Nonprofit*, Peter C. Brinckerhoff wrote that baby boomers “have been the ‘Thank God It’s Monday’ generation — working, working, working.” The response from Generation X and the Millennials, Brinckerhoff added, has been, “No thanks.”¹⁴

Ready to Lead?, by CompassPoint Nonprofit Services, The Meyer Foundation and the Annie E. Casey Foundation, found that of those survey respondents not pursuing an executive director position, 40 percent said the perception that they would have to sacrifice work-life balance was a key factor.¹⁵

Combine the desire of younger workers for more work-life balance with the generally lower salaries offered in the nonprofit sector, and you have a formula for problems. At least in the private sector, workers in all-consuming jobs can feel they are being duly compensated and are working toward a specific lifestyle or a more secure future. It’s no surprise that the combination of long hours and low pay that comes with many nonprofit positions is a turnoff to younger workers. These workers can find jobs in the private sector and fulfill their philanthropic interests through volunteer service, charitable donations or other means.

To bring things more into balance, nonprofits may have to play catch-up to the private sector

and government on work-life issues like flex-time. “The nonprofit sector has been a place of innovation on so many issues for so long that it’s shameful we are falling behind on this one,” Corvington said. He went on to urge grant-makers to work with nonprofits to create work environments that will prove attractive to young professionals.

“As I get older, I realize so much of my life has always been, ‘I’ll sacrifice this because I’m committed to this issue.’ Approaching my 40s, I think I’ve done as much sacrificing as I can, and there comes a point where you want to experience your life as well as be committed. But most nonprofits are so small that there is just not the ability to balance the two.”

— FOCUS GROUP PARTICIPANT FROM THE *READY TO LEAD?* STUDY

Skill development. Higher pay is not the only attraction of private-sector jobs for many younger people; there is also a perception that the business world offers more (and better) opportunities for professional development.

Researchers for The Forbes Funds identified a perception among young people in Pittsburgh that the nonprofit sector is a poor career choice for those interested in developing their management abilities. The reason: a lack of support for professional development. A young professional put it this way in a series of conversations con-

14. Peter C. Brinckerhoff. *Generations: The Challenge of a Lifetime for Your Nonprofit*. 2007. Fieldstone Alliance.

15. *Ready to Lead? Next Generation Leaders Speak Out*. 2008. CompassPoint Nonprofit Services, The Eugene and Agnes E. Meyer Foundation and Annie E. Casey Foundation.

vened for The Forbes Funds' *Look Here!* report: "Currently, grooming of talent in the nonprofit sector is by the seat of your pants; some grooming happens effectively through mentors, but it is mostly by luck."¹⁶

This isn't just a problem for nonprofit workers, of course. It is also a problem for the sector as a whole, as workers don't develop the skills they need to do their jobs effectively and advance to leadership roles in their organizations.

Renee Okamura, a Bay Area consultant who works with nonprofits on leadership and other

issues, said skills development for future leaders should be more of a priority for the sector. "Honestly, I don't see a lack of people who might be willing to take these leadership positions, but whether they are prepared is another issue," she said.

By providing professional development opportunities, nonprofits send an important message to younger and older workers alike: We care about you. "People need a sense that their employer is invested in their growth, and in many cases, they're not getting that in today's nonprofits," said Finkelstein.

AT A GLANCE: WHAT DO NEXT-GEN LEADERS WANT?

- **Reasonable salaries** that allow them to afford a "real life" — buy a house, support a family, and so on
- **Jobs that balance work and life** — with reasonable hours; flextime; and well-supported, capable staff so it's not a one-person show
- **Support for professional development** so they can develop and refine key skills
- **Peer networks** that allow them to share challenges, frustrations and ideas.
- **Workplaces that work** — with up-to-date technology and other productivity-enhancing infrastructure

16. *Look Here: Attracting and Developing the NEXT GENERATION of Nonprofit Leaders*. 2004. The Forbes Funds. www.forbesfunds.org/docs/LookHere.pdf.

A PUZZLING (CAREER) PATH

Katherine Peck, chief operating officer with the Gill Foundation, has noticed a pattern among the foundation's grantees when it comes to hiring. They tend to fill leadership posts with people from outside, not inside, the organizations. Peck attributed the lack of bench strength among some Gill Foundation grantees — primarily GLBT and HIV/AIDS groups — to the nonprofit sector's inattention to the need to develop clearly defined career paths for all workers, young and old.

Peck, of course, is not alone in pointing out how easy it is to get lost on the nonprofit career path. A series of conversations with young professionals in Pittsburgh surfaced a perception that the small size and flat organizational structures of most nonprofits put the kibosh on career advancement in the sector. As a 33-year-old nonprofit employee explained, "It is frustrating when the next job can't be with the same organization because of the size of the organization."¹⁷

Stephen Bauer, director of the Initiative for Nonprofit Sector Careers at American Humanics, remarked that the sector has "an hourglass shape to its career path structure." In other words, there are plenty of entry-level and senior-level jobs, but progressing from the bottom to the top can be a difficult and slow process.

Only 27 percent of nonprofit employees are satisfied they have a chance for advancement.¹⁸ The reason: an insufficient number of middle-management positions that offer people the training, support and incentives they need to move up in their organizations.

The problem isn't just a lack of middle management posts, however. Often, it's unclear where the nonprofit career path even begins. "What continues to puzzle me is there are more volunteers and young people who come through nonprofit programs than ever before, but organizations still struggle to recruit new talent," said Bauer. He advised nonprofits to pay more attention to recognizing volunteers and interns as talent pools from which to fill positions.

"The students and young professionals involved with your organization are familiar with your programs and have a vested interest in your work," Bauer advised. "Nonprofit leaders must mentor them, cultivate them and support them so that those who demonstrate the most potential can advance in an organization and become its future leaders."

17. Sara Chieffo, Jacob Israelow and David Skillman. "What They Really Think: Conversations About Nonprofit Work With Pittsburgh's Young Professionals," prepared as part of The Forbes Funds report *Look Here: Attracting and Developing the NEXT GENERATION of Nonprofit Leaders*, 2004. www.forbesfunds.org/docs/LookHere.pdf

18. "Building Tomorrow's Nonprofit Workforce," *Chronicle of Philanthropy*, July 21, 2005.



MAKE THE CASE

How can we build support for action to make sure our grantees can attract and support next-generation leaders?

National studies about the leadership challenges confronting the sector will not be enough to spur action on this issue by your grantmaking organization. You will want your own data and information and your own answers to questions such as these:

- How long are current nonprofit leaders planning to stick around?
- How hard is it for your grantees to attract young, diverse, committed individuals to their boards and staffs — and develop them as leaders?
- Do grantees have the flexible, sustainable resources they need to make this a priority? What new resources would it take?
- What do younger workers within your grantee organizations say about their work, their pay and their plans for the future?

“The first thing to do is to get your own data on what is happening in your community,” advised Corvington of the Casey Foundation. “That lets you show where the gaps are among the organi-

zations you work with, and it lets others see that this is not an abstract problem but a real issue for your grantees.”

One grantmaker that assessed the leadership gap among its own grantees was the **Blue Shield of California Foundation**. The grantmaker’s leaders were not at all surprised to see that their findings echoed the national numbers.

“We found that a huge percentage of current leaders had been in their roles for 25 to 30 years and were looking to move on,” said Brittany Imwalle, director of finance and administration with the foundation.

Armed with its own data, the grantmaker set out to design a skills-based leadership program for emerging leaders of community health clinics in California. A key part of the design process: focus groups with current and emerging clinic leaders to learn more about what they saw as the core competencies associated with leadership jobs in the field.

With good data in hand, you'll be able to focus your organization's investments on a specific area of need — for example, providing grantees with resources they can use to beef up salaries and professional development; drawing more local college graduates into nonprofit careers; or ensuring better support for younger, second-tier nonprofit leaders.

“One problem with the sector is that we often talk about next-generation leaders writ large,” said Corvington. He advised grantmakers to tailor their work to specific recruitment and development challenges facing nonprofits, or to specific segments of the next-gen population. He added that a 21-year-old college senior might need a different type of leadership support than a 34-year-old who has already been working in the sector for 12 or more years.

How can we make the case for the changes that need to happen to attract and retain the next generation of nonprofit leaders?

As this Action Guide has shown, strengthening the leadership pipeline for nonprofits isn't just a matter of individual grantmakers providing their grantees with more resources for nonprofit salaries or professional development. There's a bigger challenge at hand: spurring new thinking among nonprofits, grantmakers and others about what it takes to find and develop new leaders.

One grantmaker that is trying to advocate a “macro-level” view of the leadership challenges facing nonprofits is The Forbes Funds in Pittsburgh. The Forbes Funds sponsored major research spotlighting some of the concerns that

For smaller grantmakers, research to identify key next-gen issues doesn't have to take a lot of time or money. One option is to work through a local nonprofit association or the regional association of grantmakers. Or, if you're doing the research yourself, you could organize a series of interviews and/or focus groups with college students, younger nonprofit workers, nonprofit leaders and others.

Whatever you do, your goal should be to gather information and perspective you can take to your board, other grantmakers and the larger community. Help people see that this is an issue that demands greater attention and action by your organization and others.

young people have about careers in Pittsburgh's nonprofit sector. Based on its findings, the grantmaker issued an appeal to other foundations in the city, as well as local educational institutions and government, about the importance of building a high-caliber nonprofit workforce.

“We have launched a deliberate effort to talk to the community about how important this is — and about the role of leadership in maintaining this region's robust but increasingly precarious nonprofit sector,” said Forbes Funds president Diana Bucco.

Grantmakers can make the case for broader changes affecting numerous nonprofits by supporting crosscutting next-gen initiatives in their communities. In 2004, for example, The Forbes Funds approached the Pittsburgh Urban Magnet Project to create a Young Nonprofit Professionals Network for the city, based on the original YNPN in the San Francisco Bay area. Today, Pittsburgh's YNPN regularly holds professional development opportunities for young nonprofit workers, as well as social programs to enhance networking and create more buzz among younger people about nonprofit-sector careers.

The Forbes Funds also was instrumental in convening five universities in Pittsburgh to organize nonprofit career fairs for their students. In February 2008, hundreds of Pittsburgh students attended a career day where they met in person with representatives of 95 regional nonprofits offering jobs and paid internships.

NEXT-GEN PRIORITIES FOR THE SECTOR

The 70 national nonprofit partners comprising the Nonprofit Sector Workforce Coalition (facilitated by American Humanics) have identified three priorities for the sector as it seeks to recruit and retain the next generation of nonprofit leaders and staff:

Workforce Diversity: Pursuing a set of strategies to stimulate better practices and results for the sector's recruitment, retention and advancement of diverse talent

Financial Barriers: Addressing the increasingly limited financial capacity of young people to enter and remain in the vital, but often lower-paying, nonprofit sector

Promoting Careers: Addressing the increasing need for talent and the misperceptions of many people who are unaware of available nonprofit career opportunities

For more information:
www.humanics.org/coalition

AT A GLANCE: GETTING STARTED

- **Talk to grantees about the next-gen issues they're facing.** Is finding new leadership a challenge for them? To what degree?
- **Gather data on the key leadership challenges** facing your grantees and other nonprofits in your community.
- **Build consensus around priority approaches** for your organization and your community — such as promoting nonprofit-sector careers to college graduates, boosting nonprofit salaries or bringing more diversity to the sector's leadership ranks.
- **Use research, convenings and other strategies to engage other grantmakers,** as well as other sectors, to build awareness of the issue and spur new thinking.



GET TO WORK

How can we make sure grantees have the capacity to identify and develop next-generation leaders?

The nonprofit leaders of tomorrow will be attracted to organizations that have the capacity to succeed, and that provide a stimulating, rewarding and flexible job environment where young people can thrive and advance in their careers. As a result, the highest-leverage move for grantmakers seeking to make next-generation leadership a priority is to address the “money issue” head-on. That means funding nonprofits to be effective, attractive workplaces for next-generation leaders.

Right now, organizations that meet these criteria are in short supply. For example, researchers have documented a perception among young people that nonprofits are “hollowed out” — that is, that a dearth of midlevel positions means nonprofits don’t offer a clear career path for younger, ambitious workers.

Another problem for the sector is a lack of investment in technology. Younger workers

want to be in a workplace that is technologically up-to-date — with a well-designed Web site and recent-vintage computers.

But nonprofits have not delivered the technological goods, according to the report *Online Technology for Social Change: From Struggle to Strategy*. The report is based on insights collected from more than 400 social-change groups, technology providers and nonprofit-technology capacity builders. Its main conclusion: While organizations have begun to harness some of the Web’s power over the last five years, nonprofits continue to struggle to make use of new and emerging technologies.¹⁹

And then there is the ever-present issue of salaries and benefits. Survey after survey shows that young people view low salaries and benefits as a check against the nonprofit sector as a career choice. Participants in the focus groups organized by The Forbes Funds remarked that

19. Leda Dederich, Tate Hausman, Susan Maxwell. *Online Technology for Social Change: From Struggle to Strategy*. 2006. DotOrganize. www.dotorganize.net/report/introduction.

nonprofit salaries do not necessarily have to be competitive with the private sector. They simply need to enable workers to afford a decent home and support a family, which many view as an impossibility based on current salaries in the sector.

Nonprofits are in dire need of resources they can use to boost salaries, invest in technology and other infrastructure, and take other steps to build organizations where young people want to work and are rewarded for their work. For grantmakers, that means providing increased levels of general operating support or capacity-building support.

“If foundations are serious about leadership development and supporting their nonprofits, start with giving leaders what they say they most need: multiyear, unrestricted general operating support,” said John Esterle, executive director of The Whitman Institute.

Younger people are paying attention to the resource constraints and the fundraising struggles facing today’s nonprofit executives, said Cornelius, who manages CompassPoint’s leadership programs. And many don’t like what they see. “Younger people are saying they don’t want to join that club [of nonprofit EDs] and be set up to fail,” Cornelius said.

Nonprofits also need more funding for professional development. The Gill Foundation’s Katherine Peck said she believes there is “no lack” of programs offering professional development and other support for emerging nonprofit leaders. The problem, she said, is that

most nonprofits don’t have the resources to enroll their employees.

What’s more, most nonprofits don’t even have an official “HR person” — someone with the training required to develop effective recruitment and professional development strategies. Given the small size of many nonprofit staffs, having a full-time human resources person is not an option. However, grantmakers can provide funding for nonprofits to outsource this function or to ensure that staff members with other responsibilities receive training in key HR strategies and tools. The Forbes Funds in Pittsburgh went so far as to join with other grantmakers to fund a shared HR capacity for three organizations with similar missions. The arrangement has resulted in several benefits to the organizations — increased communication and collaboration among the three nonprofits, better training for staff, and lower employee turnover — which all results in better service delivery for the organizations’ constituents.²⁰

Grantmakers also could provide funding — either through general operating support or capacity-building grants — to enable nonprofits to pay more attention to issues such as transition planning. “There is a lot of talk in the field about how to support second-tier leaders. Community development organizations are lucky in that they are becoming large enough to have a second tier of leadership, but other types of nonprofits may not,” said Cathy Craig, who manages capacity-building programs for community development corporations with Bay Area LISC. She said the best way for grantmak-

20. Lynne Glover. “Nonprofits form HR collaborative.” *Pittsburgh Business Times*. July 11, 2003. www.pittsburgh.bizjournals.com/pittsburgh/stories/2003/07/14/story3.html.

ers to help the CDCs she works with, as well as other nonprofits, is to “fund organizations so they have the capacity to hire.” If one grantee can’t necessarily provide the resources or the work for a full-time employee, Craig suggested shared positions as an option.

“You provide the resources for these organizations to get the support they need, and you keep these younger workers in the sector,” she said.

For Linda Wood at the Evelyn and Walter Haas, Jr. Fund in San Francisco, the key to supporting nonprofit leaders, young and old, is to connect leadership development and organizational development.

“You can’t really separate what leaders need in terms of individual skills and support from what their organizations need,” Wood said. “We support leadership development not just for the executive directors, but also for the senior management team. We believe these senior leaders — particularly leaders of color — are critical to the strength of an organization’s current leadership and also an important piece of the pipeline for the next generation of leaders.” The Evelyn and Walter Haas, Jr. Fund recently launched a pilot program, the Flexible Leadership Awards, that provides grantees with funds to address unique leadership challenges facing their organizations.

WHAT MORE RESOURCES COULD DO ...

Nonprofit organizations need dedicated resources to address a range of next-gen issues. With added funding from grantmakers, nonprofits can

- develop succession plans that allow baby boomers to transition out of leadership positions with confidence that younger leaders are prepared to take their place;
- beef up salaries and benefits to attract future leaders;
- offer enhanced professional development opportunities;
- strengthen the HR function so HR personnel are smarter about recruitment and retention;
- devote the necessary time and resources to conducting a thoughtful assessment of key next-gen issues facing their organizations — and what they may need to change.
- create attractive work environments with decent technology, sufficient staffing, and so on; and
- reduce the ever-intense fundraising pressures on nonprofit leaders, making top nonprofit jobs more appealing for emerging leaders.

What can we do directly to support next-generation nonprofit leaders?

Beyond funding grantees in ways that enable them to make next-gen issues a priority, grantmakers can take a number of actions to help identify and support future nonprofit leaders.

Start the conversation. One of the most important things grantmakers can do is simply to start a conversation with grantees about their current and future leadership needs — and how to find younger workers and keep them motivated and engaged. By maintaining an open and transparent relationship with grantees, grantmakers will develop a stronger sense of key leadership and staffing challenges, and where grantmaking investments can help.

“It really comes down to making sure these issues are on the radar screen for nonprofits, and the only way to know that is to have a relationship where you’re talking to these organizations and their leaders,” said Cornelius. She emphasized that nonprofit boards need to be educated about the importance of building leadership capacity throughout their organizations — that is, beyond the executive director.

“We want boards to support an organization having professional development dollars and holding the executive director accountable for developing his or her own staff,” Cornelius said. She added that grantmakers can work with nonprofit executive directors and their boards to create opportunities where they can talk about the issues and get input and advice on how to make leadership more of a priority.

Rick Moyers, director of the Nonprofit Sector Fund with The Eugene and Agnes E. Meyer Foundation, noted that placing new requirements on grantees (for example, by requiring them to meet certain benchmarks for developing next-gen leaders) is not the answer. But he said grantmakers still can have an influence on how nonprofits address these issues.

“I don’t think funders should create burdensome unfunded mandates around next-gen issues, but I do think we can play an important role in simply raising the issue and being a little more questioning about things like below-market salaries, nonexistent benefit packages and insufficient budgets for staff development,” said Moyers.

One idea is to convene nonprofits to talk about issues such as work-life balance, nonprofit-sector salaries, career paths and effective forms of leadership development. Simply raising these issues (and others) in conversations with grantees, or providing links to articles and reports on key next-gen topics, can put them squarely on the agenda and spur further discussion (and, hopefully, action).

Embrace collective leadership. In a 1999 article, Georgetown University’s Pablo Eisenberg bemoaned the “cult of the CEO” that he saw among nonprofit organizations and their funders. The emphasis on celebrity leaders, he said, posed a danger to the long-term health of nonprofit groups. “It attracts egotistical leaders, not the kind of people who care about building

collegiality — the organizational environment many young people are attracted to.”²¹

Today, almost 10 years later, Eisenberg’s observations are still on target — but the nonprofit sector still embraces a traditional, top-down approach to leadership. This remains the case despite the fact that next-generation workers consistently express a preference for collegial, consensus-driven work environments.

Nonprofits and their funders can — and must — do a better job nurturing collective leadership in the sector. As described in *Investing in Leadership, Volume 2*, collective leadership reflects a belief that “leadership is the product of groups rather than individuals” and that it “can come from many places in an organization or a community.”²²

How can grantmakers support and encourage collective forms of leadership that engage more young people in organizational and community decision-making? *Investing in Leadership, Volume 2*, provided suggestions such as:

- supporting leadership development opportunities that reach beyond the executive director to engage organizational teams in shared learning,
- supporting networking and professional development opportunities for second-tier and midlevel nonprofit leaders, and

- supporting initiatives and organizations that engage young people and others in bottom-up efforts to solve social problems.

Also speaking up on behalf of new forms of leadership and new organizational structures were the authors of *Up Next: Generation Change and the Leadership of Nonprofit Organizations*. “Many social change organizations struggle to find appropriate leadership and decision-making structures that model deeply held values of empowerment and participatory democracy,” they wrote. “These kinds of clearly defined structures can help retain younger staff and provide a fertile ground for training new leadership.”

Support leadership development programs for next-generation nonprofit leaders.

Many grantmakers have gotten the message about the importance of supporting next-generation nonprofit leaders and are funding training and development programs targeting their grantees and other nonprofits. Most of these programs are organized and offered by intermediaries like CompassPoint, Rockwood, the Center for Community Change, the Development Training Institute and others. Examples include the following:

- The Arcus and Gill Foundations provide grants to the Rockwood Leadership Program to train younger leaders in the gay, lesbian, bisexual and transgender movement.

21. Pablo Eisenberg. “Help Wanted: New Nonprofit Leaders for the 21st Century,” *NFG Reports*, Fall 1999, Vol. 6, Issue Three. Neighborhood Funders Group.

22. Kathleen Enright. *Investing in Leadership, Volume 2: Inspiration and Ideas From Philanthropy’s Latest Frontier*. 2006. GEO. www.geofunders.org.

- Grants from the Silicon Valley Community Foundation and the Zellerbach Family Foundation enable the staffs of their grantees and other nonprofits to enroll in CompassPoint’s training for younger nonprofit leaders.
- The Whitman Institute and the Surdna Foundation support On the Verge, a Bay Area initiative designed to develop the skills and vision of young people to lead social-change efforts in their communities. Since the program’s start in 2003, more than 80 young leaders in their 20s have participated in On the Verge, and more than 30 now hold significant leadership positions in nonprofit and public-sector organizations.
- The W.K. Kellogg Foundation’s Kellogg Leadership for Community Change program is coordinated by the Center for Ethical Leadership. Although it is not directly focused on younger leaders, KLCC regularly enrolls younger people in “collective leadership” training with other generations, according to Kellogg program director Christine Kwak. “We feel it is important not just to look at young people in a vacuum but to try and build bridges between the generations through our leadership support,” she said.

For grantmakers interested in following the lead of other funders who are supporting next-generation leadership programs, Kwak said the solution isn’t necessarily to start something on their own. She suggested talking to other grantmakers and government entities about co-sponsoring leadership development opportunities for younger nonprofit workers. State

nonprofit associations and regional associations of grantmakers regularly sponsor these types of programs, she said, citing an emerging leaders training initiative sponsored by the Council of Michigan Foundations.

Another example of a collective effort among grantmakers to identify and develop next-gen leaders is the Hull Fellows Program of the Southeastern Council of Foundations. According to the program’s coordinator, Marianne Gordon, the Hull Fellows Program has a unique focus on developing future leaders in philanthropy. It includes a three-day retreat for fellows, participation in the SECF annual meeting and a range of alumni activities designed to promote networking among emerging foundation leaders.

“The most important accomplishment of this program is that it’s created a great network of diverse young people who can come together and talk about the issues they’re facing in their jobs and careers,” said Gordon. “These are our future foundation leaders, and we feel a responsibility to help prepare them.”

Katherine Peck of the Gill Foundation agreed that grantmakers should look for leadership programs that don’t just offer formal skills training but networking and mentoring opportunities as well (for more on mentoring, see below). “We need to impress on people early in their careers how important it is to have networks, not just inside their own organizations but outside. This will help them stay in the sector,” said Peck.

Shortly after launching a series of “learning groups” to provide nonprofit executives with opportunities to develop their leadership capacities, the **Fieldstone Foundation** identified a gap in leadership programs. Most of the programs available to the foundation’s grantees focused on nonprofit CEOs. Second-tier and emerging leaders (many of them young professionals who could potentially rise into senior leadership positions) were mostly out of luck.

To address the gap, the California-based corporate foundation expanded its Executive Learning Groups to offer sessions specifically geared to emerging leaders. Participants include nonprofit staff members who report directly to their CEOs. Over a six-month period, a group of 11 emerging leaders meets with a professional facilitator to learn state-of-the-art nonprofit management models while working through specific issues confronting each of the participants’ organizations.

Janine Mason, the Fieldstone Foundation’s executive director, said the expanded focus on emerging leaders has been a “great success.” The groups fill up quickly each year, and many participants have gone on to serve in senior leadership positions in their organizations and others.

Make mentoring a must. As grantmakers and their grantees weigh what types of leadership development programs and investments will deliver the best results for next-generation workers, mentoring should be at the top of the list.

When researchers with the Young Nonprofit Professionals Network asked nonprofit workers what they needed most to prepare for a higher-level position, getting coaching or guidance from a mentor was the second most popular answer, after on-the-job experience.²³ Surveys show that younger workers tend to value coaching or mentoring relationships over technical training.²⁴

Among the organizations that have taken these findings to heart is the New York chapter of Emerging Practitioners in Philanthropy, which is providing mentoring opportunities to its members, with funding from the New York Community Trust. The program, one of the few formal mentoring programs available to foundation professionals in the United States, has successfully matched nearly 50 individuals since it was launched in 2003.²⁵

23. Young Nonprofit Professionals Network survey, May 2007. See “Long Hours, Low Pay Turn Off Young Nonprofit Workers, Study Finds,” *Chronicle of Philanthropy*, May 24, 2007. www.philanthropy.com/free/update/2007/03/2007031301.htm.

24. Frances Kunreuther, Ludovic Blain, Kim Fellner. *Generational Leadership Learning Lessons*. Building Movement Project.

25. For more information, see www.epip.org/nycmentoring.php.

“What makes me feel really happy about where I work is that I have a wonderful executive director who has been mentoring me from day one.”

— FOCUS GROUP PARTICIPANT FROM THE **READY TO LEAD? STUDY**

Develop the pipeline. According to Tom Tierney, author of *The Nonprofit Sector’s Leadership Deficit*, the sector needs to “go to school” to find more next-generation leaders. In 1990, Tierney said, there were 17 graduate programs in nonprofit management in the United States; today, the number has grown to more than 90. Even at the nation’s most elite business schools, significant numbers of students come from the nonprofit or public sectors, and many are graduating with degrees in public management.

Grantmakers can help connect grantees to undergraduate and graduate students with an interest in working in the sector. Among the possible grantmaker actions: working with college and university officials to promote nonprofit careers — for example, by expanding service learning programs and supporting and/or convening nonprofit-career fairs.

One caveat: This isn’t just about targeting the most prestigious colleges or universities in town. Graduates from those schools will have an array of job opportunities and career options to choose from, and they may not always be the

right people to do the on-the-ground work that grassroots and direct-service organizations need to have done. Rather, nonprofits and the sector as a whole should try to cast a wider net for new recruits, working with community colleges and other educational institutions that are often overlooked as a source of young and emerging talent.

Shelly Cryer, author of *Recruiting and Retaining the Next Generation of Nonprofit Leadership*,²⁶ said grantmakers and nonprofit leaders need to reach out to the people running the career services offices at their local colleges and universities. “The nonprofit community hopes that career services professionals understand and are passionate about all of the professional options available to graduates,” Cryer said. “Unfortunately, many know very little about the nonprofit sector as a place of employment. The fact that many nonprofits don’t have a dedicated HR function makes it even more difficult for campus-based career offices to identify a point of entry to nonprofits in their communities.

“Strong connections among nonprofits and local colleges and universities create a win-win situation for all involved,” Cryer said, “but nonprofits need support to build their capacity to build these bridges.”

Cryer also reaffirmed the importance of grantmaker support for paid internships and fellowships for students with area nonprofits. And, she suggested that grantmakers collaborate

26. Shelly Cryer. *Recruiting and Retaining the Next Generation of Nonprofit Leadership*. 2004. Initiative for Nonprofit Sector Careers.

with other funders to offer student loan forgiveness programs to those taking nonprofit-sector jobs.²⁷

Another talent pool where the sector may be able to find significant numbers of future leaders is among the graduate students and young professionals who are launching private-sector careers but who still desire to serve their communities. Many articles have documented a trend among corporate workers to take advantage of sabbaticals and pro bono engagements to work in the nonprofit sector — or to leave the private sector altogether for nonprofit-sector careers.²⁸

“For these young idealists, high-powered corporate jobs aren’t automatically enduring career choices. They can be the first step on a path to the nonprofit world,” according to a *BusinessWeek* article on the phenomenon.³⁰

Still, getting individuals who may be on the corporate fast track to consider nonprofit-sector careers will be no easy thing. It requires grantmakers and their grantees to take a comprehensive look at salaries, benefits, work-life balance and other issues — and to identify opportunities to make nonprofit jobs more appealing to up-and-coming leaders.

How can we make sure grantees focus on diversity as they identify and develop next-generation leaders?

Recent surveys show that the current leaders of America’s nonprofit organizations are a largely homogeneous group. *Daring to Lead 2006*, which focused on urban, community-based organizations, found that just 18 percent of those organizations’ executives were people of color. This could be changing, however — the survey findings in *Ready to Lead?* show that more people of color aspire to be executive directors (40 percent) than do whites (30 percent).²⁹

Racial and ethnic diversity must be a top concern for grantmakers as the sector sets out to identify and engage the next generation of nonprofit leaders. But pursuing diversity for diversity’s sake isn’t the answer. Rather, grantmakers’ efforts should reflect an understanding that nonprofit organizations will be more effective to the extent that their leadership reflects the communities they serve.

27. Americorps and the Peace Corps and other public service programs traditionally have offered loan forgiveness programs. See, for example, Lucy Lazaroni, “Good Deeds Help Pay Down College Debt,” *bankrate.com*, May 4, 2004. www.bankrate.com/brm/news/pf/20020215a.asp.

28. See, for example, Francesca Di Meglio, “B-School Students With a Cause,” *BusinessWeek*, January 6, 2005; and “Majoring in Philanthropy,” *Chronicle of Philanthropy Special Report*, January 8, 2004. www.philanthropy.com/free/articles/v16/i06/06000101.htm.

29. Sophia Asare. “Online Extra: The Corporate Springboard to Community Service,” *BusinessWeek*, September 18, 2006. www.businessweek.com/bschools/content/sep2006/bs20060907_122764.htm?chan=search.

30. *Ready to Lead? Next Generation Leaders Speak Out*. 2008. CompassPoint Nonprofit Services, The Eugene and Agnes E. Meyer Foundation and Annie E. Casey Foundation.

“I think we need to talk about inclusion that allows us to strengthen our work,” said Alvin Starks, senior program officer with the Arcus Foundation. All too often, he added, diversity is pursued in the interest of maintaining a business-as-usual approach to nonprofit work, albeit with “different types of people.”

“Next-generation leaders must have the sophistication and the license to address these challenges by pushing a new analysis for forward-thinking solutions,” Starks said.

Among the major obstacles to diversifying the sector’s leadership ranks is the traditional, informal approach to hiring among nonprofits. Shelly Cryer said her research shows that the number-one way in which nonprofits recruit talent is via word of mouth.

“These organizations believe in the family culture they are creating in their organizations, but it’s a problem when leaders don’t have the resources and knowledge to reach beyond their family circle, especially in their efforts to recruit a more diverse staff,” Cryer said. She suggested that grantmakers work with nonprofits to “professionalize” HR practices so the sector can be sure it’s reaching a diverse pool of qualified candidates for nonprofit jobs.

What would it take to professionalize nonprofit HR practices? A *Chronicle of Philanthropy* article by Michael Watson, vice president of human resources with Girl Scouts of the USA, suggests some answers. Watson wrote:

To better recruit diverse pools of talent, organizations should develop relationships with professional organizations that people of color belong to, post positions on Web sites, newspapers, magazines and other vehicles that reach people of color and require that search firms provide you with diverse slates for every opening.³¹

Diversifying the ranks of the sector’s next-generation leaders doesn’t stop after the hiring process is complete, of course. Nonprofits also need to pay attention to the need to retain diverse leaders once they are in nonprofit jobs.

According to Watson, successful retention stems from having executive directors and supervisors in place who have the skills to manage diverse talent. Also important: creating mentoring relationships with diverse older leaders who can serve as role models and providing ample opportunities for development and advancement for diverse younger staff.

31. Michael Watson, “Diversity and the Future Nonprofit Workforce,” *Chronicle of Philanthropy*, January 11, 2007.

AT A GLANCE: NEXT-GEN PRIORITIES FOR GRANTMAKERS

- **Make sure you're providing grantees with the resources they need** to create effective, attractive workplaces for next-generation leaders.
- **Support leadership development opportunities that emphasize collective leadership,** mentoring, peer networking and other proven techniques.
- **Reach out to colleges and universities** to promote nonprofit-sector careers to graduates.
- **Make diversity a next-gen priority** by supporting nonprofits to reach out to diverse audiences in their recruiting and hiring.

CONCLUSION

Grantmakers can play a crucial role in identifying and developing the next generation of nonprofit leaders. This Action Guide has explored two principal paths to achieving this goal:

- Adopting grantmaking practices (such as increased general operating support and capacity-building support dedicated to leadership development) that can help make nonprofits stronger, more effective, and more appealing to young people as places to work and build careers;
- Investing in successful and proven approaches to recruitment, development and retention of next-generation nonprofit leaders

As grantmakers begin to engage in this work in a serious way, they inevitably will come face-to-face with the fundamental challenge confronting nonprofits: finding the flexible, reliable, *sustainable* resources they need to strengthen their “HR function” and build a better nonprofit workplace.

Young people consistently say they want to serve their communities; they want to help build a better world. By working closely with grantees and with others in philanthropy, grantmakers can help next-generation leaders focus on making a difference, not a sacrifice.

“I have a friend that’s in the for-profit sector. I tell her, ‘I love my job [in the nonprofit sector]. I love what I do. I love my co-workers.’ And she says, ‘I want that!’”

— FOCUS GROUP PARTICIPANT FROM THE READY TO LEAD? STUDY

RESOURCES

American Humanics and the Nonprofit Sector Workforce Coalition — a national alliance of colleges, universities and nonprofit organizations working “to educate, prepare and certify professionals to strengthen and lead nonprofit organizations.” American Humanics also facilitates the Nonprofit Sector Workforce Coalition. www.humanics.org.

Annie E. Casey Foundation (Leadership Development) — a collection of Web-based resources on next-gen and other leadership issues. www.aecf.org/MajorInitiatives/LeadershipDevelopment.aspx.

Generation Change — an initiative of the Center for Community Change to recruit, train and support tomorrow’s grassroots organizers and leaders to confront the challenges of poverty and injustice in the 21st century. www.communitychange.org/genchange/.

Idealist — a Web site created by Action Without Borders, a New York-based nonprofit, to facilitate connections among individuals and institutions that are interested in improving their communities. www.idealists.org.

NetImpact — an international organization of “new generation” MBA students and corporate and nonprofit professionals committed to working for social change. www.netimpact.org.

Public Allies — a program that identifies talented young adults from diverse backgrounds and prepares them for careers working for community and social change. www.publicallies.org.

Young Nonprofit Professionals Network — an association of nonprofit practitioners with chapters across the country promoting growth, learning and development for young nonprofit professionals. www.ynnpn.org.

3.5" pocket FPO (keyline does not print)

GEO would like to thank the following grantmakers for their support of our leadership development work in 2007:

- The Eugene and Agnes E. Meyer Foundation
- Evelyn and Walter Haas, Jr. Fund
- Annie E. Casey Foundation

GEO would like to thank the following individuals for their feedback on this publication:

- Kenneth Bailey, The Design Studio for Social Innovation
- Patrick Corvington, Annie E. Casey Foundation
- Richard Moyers, The Eugene and Agnes E. Meyer Foundation
- Alvin Starks, Arcus Foundation
- Lesley Williams, Girl Scouts of the USA

Special thanks also to Marla Cornelius at CompassPoint Nonprofit Services for providing data and guidance on this publication.

Writing by William H. Woodwell Jr.
Design by SwivelStudios

1413 K Street, NW, 2nd Floor ■ Washington, DC 20005
202.898.1840 phone ■ 202.898.0318 fax
www.geofunders.org ■ info@geofunders.org

