

**LOOK HERE!**

LOOK HERE

Attracting and  
Developing  
the NEXT  
GENERATION  
of Nonprofit  
Leaders



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# FRAMING THE ISSUE

## FRAMING THE ISSUE

Recruiting and developing a talented workforce is critical for the nonprofit sector's continued success, both nationally and in Pittsburgh. Turnover and vacancy among nonprofit organizations is relatively high.<sup>1</sup> Moreover, the rate of nonprofit executive transition is expected to climb by 10 to 15 percent in the next five to seven years as the baby-boomer generation — many of whom are the founders of our nation's 1.6 million nonprofit organizations — retires.<sup>2</sup> This will result in an overall turnover rate among executive directors of 15 to 35 percent within the next two years, climbing to 61 to 78 percent within the next five years.<sup>3</sup> These findings, coupled with the high overall vacancy rate among nonprofit organizations, suggest a large-scale leadership transition and a potential workforce shortage within the next five to seven years.<sup>4</sup>

At the Pittsburgh level, these findings are echoed by 2003 research conducted by Dr. Carolyn Ban of the University of Pittsburgh's Graduate School of Public and International Affairs. Ban's research indicates, however, that the turnover problem is less immediate in the Pittsburgh region, with many executives planning to remain at their posts for more than the next five years, resulting in a peak transition period seven years from now.<sup>5</sup>

One might expect new graduates and other entries into the sector to draw up the slack of this transition period, but findings there are also troubling. For example, in a survey of the

graduates of our nation's top 100 undergraduate schools of liberal arts and social work, less than one in five consider a career in human services; those who are considering such a career believe that entry into such a career will be difficult.<sup>6</sup> Furthermore, the education and training for the employees of our nation's human services organizations often does not match the demands of their jobs. Technical resources for these positions are also often lacking, a factor in pushing away likely candidates, especially when coupled with below-average salaries for comparable competencies in the private sector.<sup>7</sup>

<sup>1</sup> Peters, Jeanne, et al. "Help Wanted: Turnover and Vacancy in Nonprofits." *CompassPoint Nonprofit Services*, January 2002, 8.

<sup>2</sup> Hinden, Denice Rothman and Paige Hull. "Executive Leadership Transition: What We Know." *The Nonprofit Quarterly*, Winter 2002: 24.

<sup>3</sup> *Ibid.*

<sup>4</sup> Wolfred, Timothy, with Mike Allison and Jan Masaoka. "Leadership Lost: A Study on Executive Director Tenure and Experience." *CompassPoint Nonprofit Services*, March 1999, 11–12. The overall vacancy rates are available in Peters, Jeanne, et al. "Help Wanted." *CompassPoint Nonprofit Services*, January 2002, 8–12.

<sup>5</sup> Ban, Carolyn and Marcia Towers. "The Challenge of Nonprofit Leadership: A Comparative Study of Nonprofit Executives in the Pittsburgh Region." *2003 Tropman Reports*, The Forbes Funds, Fall, 2003: 19.

<sup>6</sup> The Annie E. Casey Foundation. "The Unsolved Challenge of System Reform: The Condition of the Frontline Human Services Workforce." 2003, 19. Human services are distinguished from the nonprofit sector as a distinct sub-set of the nonprofit sector.

<sup>7</sup> *Ibid.*, 18–19. See also Paul Light, "The Content of Their Character: The State of the Nonprofit Workforce." *Nonprofit Quarterly*, Fall 2002, 12.

# LEADERSHIP ACROSS THE SECTOR

## LEADERSHIP ACROSS

In 1999, Brookings Institution Press published what it described as a “groundbreaking profile of the public service profession,” *THE NEW PUBLIC SERVICE* by Paul C. Light. And groundbreaking it is. What Light documents is a remarkable generational shift in public service. No longer are graduates with ambitions to serve the public good settling into decades-long government positions. Rather, they are preparing for and expecting mobile careers, serving public interests by “bouncing back-and-forth” between positions in government, nonprofit agencies, and/or private firms. Responding to this shift, Light offered this advice to the nonprofit sector and its funders: *Unlike government, which has always had more than enough managers to fill any middle- or upper-level opening, or the private sector, which has always had enough money to skim the cream for the talent it needs from other sectors, nonprofit agencies are notoriously flat organizations. 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 (139).*

The Forbes Funds has heeded Light’s suggestion. With the generous support of the Richard King Mellon Foundation, The Forbes Funds, in 2001, launched a multi-year applied research project: LOOK HERE! Attracting and Retaining the Next Generation of Nonprofit Leaders. The resultant findings and recommendations are presented in brief in this journal. (Complete reports are available on-line at [www.forbesfunds.org](http://www.forbesfunds.org).)

LOOK HERE! says it all. Nonprofit agencies must shout LOOK HERE!, demonstrating to talented young professionals the creative opportunities available in nonprofit jobs. Likewise, talented professionals and graduates must shout LOOK HERE!, demonstrating to agencies their skills, commitment, and passion to work in the nonprofit sector. And all those concerned about ensuring a stable corps of talented leaders within the nonprofit sector must invest in the types of programs necessary

to attract and retain the next generation of nonprofit leaders.

Our call for cultivating nonprofit leadership is not new. Nor is the need to prepare these leaders by offering an effective mix of course work, internships, and mentoring. What is new is our appeal to the Pittsburgh region to work deliberately — and over the long term — to attract, recruit, and retain a high-caliber nonprofit workforce befitting of this region’s robust yet increasingly precarious civic community.

More than a decade has passed since Grantmakers of Western Pennsylvania identified personnel as the greatest challenge to building organizational capacity among local nonprofits: “The issue of recruiting, training, and retaining qualified personnel is clearly the most serious challenge that nonprofits will continue to face” (*Nonprofit Capacity: Challenges in a Time of Change*, 1993, 21). To be sure, the

# THE SECTOR

foundation and nonprofit communities have since responded by investing in local nonprofit academic centers, funding training programs for executive directors and middle management talent, and assisting nonprofit organizations to retain human resource and executive search consultants. For example, four local foundations — The Pittsburgh Foundation, The Forbes Funds, FISA Foundation, and Richard King Mellon Foundation — funded the design and development of the Human Resources Collaborative, a partnership in which three local nonprofits share a human resources professional (*Pittsburgh Business Times*, July 11–17, 2003).

During the past decade, however, the sector has evolved more than anticipated. The field of nonprofit management has emerged as a “profession,” as observed by Kevin Kearns of the University of Pittsburgh:

*Obviously, the nonprofit world is no longer staffed by wealthy or middle class volunteers doing ‘good works.’ There are now well established career paths in the nonprofit sector, especially within established national organizations like the United Way and the Red Cross. Moreover, executives in nonprofit organizations are no longer coming exclusively up the ranks based on their clerical skills or their passion for a cause. There is growing demand for skilled professionals with sophisticated managerial and leadership capabilities, technical know-how, political savvy, and public relations and marketing expertise (Speech, Annual Meeting of Pennsylvania Association of Nonprofit Organizations, June 2002).*

The data support these observations. Hundreds of colleges and universities across the country now offer degrees, certificates, and courses in nonprofit management and philanthropic studies — in undergraduate and graduate programs, in schools of social work, public health, and public administration, and even (and increasingly) in schools of business. The January 8, 2004, edition of *The Chronicle of Philanthropy* documented the growing numbers of students studying nonprofit management in its 19-page special report entitled “Majoring in Philanthropy.” Ironically, such growth has introduced new barriers to attracting top talent to the nonprofit sector, as again observed by Kevin Kearns:

*There was a time when students in MBA programs went to work in business and MPA and MSW students chose the nonprofit sector. In the new seamless economy, the choices are not so clear cut and the nonprofit sector may be losing the battle for top talent. Even idealistic students coming out of schools of social work or public health or public administration now have other choices. They can work in consulting firms or private businesses that have a social service portfolio. They go home at night content with the satisfaction of having made a contribution to their world but secure with their 401k and their gold-plated benefit plan.*

Kearns is not alone in his study of this subject. How we as a nation and as local communities recruit and retain the next generation of leaders in the public, private, and nonprofit sectors has been the recent focus of research teams across America, as evidenced by this partial listing of studies:

- *Career and Location Decisions: Recent Pittsburgh Area University Graduates*, Susan B. Hansen and Leonard Huggins (Pittsburgh: University of Pittsburgh's Graduate School of Public and International Affairs, 2001)
- *The Challenge of Nonprofit Leadership: A Comparative Study of Nonprofit Executives in the Pittsburgh Region*, Carolyn Ban and Marcia Towers (Pittsburgh: The Forbes Funds, 2003)
- *The Changing of the Guard: What Generational Differences Tell Us About Social Change Organizations*, Frances Kunreuther (Nonprofit and Voluntary Sector Quarterly, vol. 32, no. 3, September 2003)
- *The Content of Their Character: The State of the Nonprofit Workforce*, Paul C. Light (The Nonprofit Quarterly, Fall 2002, 6–19)
- *Daring to Lead: Nonprofit Executive Directors and Their Work Experience*, Jeanne Peters, Timothy Wolfred, et al. (San Francisco: CompassPoint Nonprofit Services, 2001)
- *The Health of the Human Services Workforce*, Paul C. Light (Washington, DC: The Brookings Institution's Center for Public Service, 2003)
- *Help Wanted: Turnover and Vacancy in Nonprofits*, Jeanne Peters, Timonth Wolfred, et al. (San Francisco: CompassPoint Nonprofit Services, 2002)
- *Leadership Lost: A Study on Executive Director Tenure and Experience*, Timothy Wolfred, Mike Allison, and Jan Masaoka (San Francisco: CompassPoint, 1999)
- THE NEW PUBLIC SERVICE, Paul C. Light (Washington, DC: Brookings Institution, 1999)
- *The Next Generation: Today's Professionals, Tomorrow's Leaders* (New York: Catalyst, 2001)
- *Recruitment and Retention of Managerial Talent: Current Practices and Prospects for Nonprofits in Pittsburgh*, Carolyn Ban, Alexis Drahnak, and Marcia Towers (Pittsburgh: The Forbes Funds, 2002)

- *The Unsolved Challenge of System Reform: The Condition of the Frontline Human Services Workforce* (Baltimore: The Annie E. Casey Foundation, 2003)

Nationally, these and other research findings have encouraged the creation of partnerships to address the perilous state of the public service workforce. In October 2003, for example, the United Way of New York City, in cooperation with Baruch College, established its Leadership Fellows Program to prepare nonprofit personnel for the coming retirement of 45% of the city's nonprofit directors within the next five years. In March 2003, the Annie E. Casey Foundation launched the Human Services Workforce Initiative ([www.aecf.org/initiatives/hswi/](http://www.aecf.org/initiatives/hswi/)), a national initiative designed to highlight the need to recruit and retain workers who have appropriate training to care for America's most disadvantaged children and families.

Also in 2003, the Bridgespan Group launched Bridgestar ([www.bridgestar.org](http://www.bridgestar.org)). Bridgestar is a membership organization that supports and strengthens nonprofit organizations by enhancing the flow and effectiveness of passionate and highly skilled leaders into and within the nonprofit sector. Two years earlier, in 2001, the Partnership for Public Service ([www.ourpublicservice.org](http://www.ourpublicservice.org)), addressing the need to attract new government servants, introduced its ambitious effort to recruit and retain excellence in the federal workforce through a dynamic blend of educational campaigns, policy research, public-private partnerships, and legislative advocacy. In 1999, the Ford Foundation sponsored a colloquium which inspired some attendees to develop the Building Movement Project ([www.buildingmovement.org](http://www.buildingmovement.org)), which has, among other things, examined generational differences among leadership in social change organizations.

Remarkably, this listing is just a sampling. On its Web site, Independent Sector ([www.independentsector.org](http://www.independentsector.org)) lists the significant number of nonprofit leadership initiatives operating across America.

And it's not just an American issue. In Great Britain, for example, the Association of Chief Executives of Voluntary Organisations and National Council of Voluntary Organisations jointly released "Leadership, Leadership, Leadership: A Call for A New Initiative to Promote Leadership Development in the Voluntary Sector." *The Times*' July 28, 2003, coverage of the report reads not unlike the *Pittsburgh Post-Gazette*'s June 26, 2003, coverage of initial findings from LOOK HERE!, for as *The Times* reported about "Leadership, Leadership, Leadership:"

*The report, intended as a call-to-arms to the sector to create its very own leadership academy, explores the measures the sector can take to attract and retain staff with leadership potential from within and outside its own ranks. It bemoans the fact that the sector is often perceived only as offering poor pay and conditions, while the many advantages it has over the private and public sectors — such as greater freedom of operation and more responsibility at an early stage — are overlooked (27).*

In response, British officials ambitiously propose to establish a new nationwide leadership academy for their charity officials.

Our local response — to recruit and retain excellence in our nonprofit workforce — should be no less ambitious, no less deliberate, no less inspired.

Fortunately, we have a good initial roadmap, as recommended by the 12 research reports listed above. To reach our goals, we must:

- Make attracting and retaining talent to the nonprofit sector a top priority among donors, nonprofit agencies, and universities and colleges in the region;
- Recognize that data evidence that younger people are motivated to enter public service more often

by their personal experiences than by the political awakenings or events that animated Baby Boomers;

- Insist that current directors offer ongoing, consistent, and productive mentoring to younger staff;
- Address compensation issues, using data to set competitive salaries, benefit packages, and retirement plans; we must also reward achievement by asking donors to support salary subsidies and such other perks as flexible work environments;
- Request that donors invest in professional development (e.g., coaching, conferences, and sabbaticals) for key personnel, and we must ask boards of directors to invest in professional development by establishing budget lines for staff training;
- Appeal to donors, agencies, and trustees to support nonprofit infrastructure, such as board development, strategic planning, and executive transitions;
- Encourage agencies — separately or in consortia — to examine and improve their hiring, compensation, and retention practices — and to do so in the broader context of good management, including planning, budgeting, and board relations;
- Request that nonprofit managers provide staff with performance reviews that allow for candid and constructive conversations about job support, advancement, and satisfaction;
- Create and sustain networks that link nonprofit directors and staff to facilitate peer learning and peer counsel; and
- Educate the public about the professionalism of the nonprofit sector workforce, as well as about citizens' crucial role in buoying this workforce by giving and volunteering.

To this list of recommendations we can add those identified by three additional research teams who studied how the Pittsburgh region might best respond. This journal contains the findings from

research commissioned by The Forbes Funds to deepen our local understanding of the relevant issues. Shelly Cryer of New York University's Wagner School of Public Service explored the recruitment and retention of the next generation of Pittsburgh's nonprofit leadership, focusing on three populations: individuals responsible for human resources at nonprofit organizations; college seniors; and career counselors at four-year colleges. Susan Hansen and Carolyn Ban of the University of Pittsburgh conducted secondary analyses from surveys of local college graduates, determining what attracted graduates to the nonprofit sector versus the government or private sectors. Sara Chieffo, Jacob Israelow, and David Skillman of the Coro Center for Civic Leadership convened focus groups of Pittsburgh's young professionals, identifying attitudes about, and the appeal of, nonprofit jobs.

If Pittsburgh is to remain one of the nation's most engaged civic communities — where we advance our decades-long community transformation from the seat of the industrial age to one of America's most livable (and lovable) cities — then we must encourage, prepare, and celebrate our next generation of nonprofit employees and trustees.

To this end, The Forbes Funds has:

- Launched New Trustees for A New Pittsburgh, bringing together Leadership Pittsburgh, Inc., the Nonprofit Leadership Institute at Duquesne University, the Bayer Center for Nonprofit Management at Robert Morris University, Dewey & Kaye, Inc., the Pittsburgh Urban Magnet Project, and the New Pittsburgh Collaborative, to (1) assemble the region's young professionals at civic forums designed to impart the importance of serving on nonprofit boards; (2) prepare and train 200 young professionals to serve as knowledgeable and active board members; and (3) place at least 100 of these individuals onto the boards of area nonprofit organizations;

- Funded leadership training and board matching for young professionals involved with the Urban League of Pittsburgh, the Pittsburgh Urban Magnet Project, and the United Jewish Federation of Pittsburgh;
- Created an on-line job data bank for Pittsburgh's nonprofit sector;
- Introduced public service announcements encouraging young people to explore careers in the nonprofit sector;
- Provided sponsorship for the annual nonprofit career fair organized by [www.idealists.org](http://www.idealists.org) and hosted at Duquesne University, in cooperation with other local universities and colleges; and
- Convened local university and college presidents and provosts to discuss the critical role of institutions of higher education in preparing students for careers in the nonprofit sector.

As we look ahead, The Forbes Funds will promote outstanding local efforts to attract some of the best and brightest to the Pittsburgh region's nonprofit sector:

- The Regional Internship Center at the Coro Center for Civic Leadership (which is connecting local students to meaningful work experiences);
- First Fridays at the Bayer Center for Nonprofit Management at Robert Morris University (which provides a place for nonprofit job-seekers to network and learn); and
- Pennsylvania Campus Compact (which supports service-learning among college faculty and students to introduce students to volunteering, giving, and civic engagement).

We are also working to connect Pittsburgh to such national initiatives as the Young Nonprofit Professionals Network ([www.ynnpn.org](http://www.ynnpn.org)) and Emerging Practitioners in Philanthropy ([www.epip.org](http://www.epip.org)).



As a priority, The Forbes Funds will work with community partners to accomplish three important goals:

- Establish a prestigious nonprofit fellowship program for graduates of area nonprofit management programs.
- Develop an immersion program that introduces young professionals to the local nonprofit sector.
- Establish an accessible, community-based leadership training program for the sector's newest leaders.

Implementing such strategies as those described above, however, will *not* insulate local nonprofit agencies from working hard to attract and retain top talent. We must challenge ourselves to be ambitious enough to build a local sector that attracts and retains top talent to serve Pittsburgh's nonprofit agencies.



Gregg S. Behr  
President  
The Forbes Funds

# RECRUITING AND RETAINING THE NEXT GENERATION OF NONPROFIT SECTOR LEADERSHIP

A STUDY OF THE (MISSED) CONNECTIONS AMONG NONPROFIT ORGANIZATIONS, COLLEGE SENIORS, AND OFFICES OF CAREER SERVICES

**SHELLY CRYER**

The Initiative for Nonprofit Sector Careers • New York University • January 2004

Prepare to welcome some new colleagues to your office: in 2004, the first college graduates of the Millennial Generation will begin to enter the workforce.

Also known as “Gen Y” and the “Echo Boomers,” the first wave of Millennials graduated from high school in 2000. The generation already totals 80 million — making it almost one-third larger than the Baby Boomers. And it’s still growing.

Politicians want to know how these young people will vote. Marketing executives want to figure out what they will want to buy. And in the Spring of 2004, as the first Millennials graduate from college and enter the workforce fulltime, parents and employers and the generations that they will be entrusted to care for will be wondering... *What will they do with their lives?*

While all sectors of society are vested in the choices these Millennials will make, for the nonprofit sector the stakes are particularly high. The Millennials will graduate just as nonprofit organizations are beginning to see their Baby Boom leaders retire.

And they will enter the workforce and start accumulating potential philanthropic dollars just as nonprofit organizations begin to feel the full effects of the stock market decline and economic recession that shepherded in the start of the millennium.

To survive and flourish, the nonprofit sector needs the Millennial Generation’s top graduates — for its new crop of front-line workers, for its next generation of leadership, and for the millions of volunteer hours and private charitable dollars upon which it depends.

## BACKGROUND

Exploring the recruitment and retention of the next generation of nonprofit sector leadership, this research focused on three populations: individuals responsible for human resources at nonprofit organizations, college seniors, and career counselors at four-year colleges.

The project's objectives were:

- to investigate the challenges nonprofit organizations face in recruiting and retaining talented younger workers and identify opportunities for overcoming those challenges;
- to better understand the career choices of college seniors, their attitudes towards work in the nonprofit sector, and the resources they use for job hunting and advice; and
- to evaluate the capacity of college career centers — potentially critical “gatekeepers” to the nonprofit sector — to serve students interested in nonprofit sector careers, and determine the best ways to build that capacity.

The study design incorporated qualitative and quantitative data collection techniques, including: (1) focus groups with human resource directors and executive directors at nonprofit organizations, college seniors, and career counselors in the Pittsburgh region; (2) a print survey of nonprofit organizations in the Pittsburgh region; (3) a national telephone survey of college seniors; and (4) a national print and online survey of directors of offices of career services at four-year colleges nationwide.

## NONPROFIT ORGANIZATIONS

*In a small organization, when there is a vacancy, your time goes in part to filling the void caused by that vacancy. You don't have time to allocate to finding a replacement. You're stretched a little thin.*

— Executive Director of a Nonprofit Organization

To better understand how individuals responsible for hiring practices at nonprofit organizations recruit and retain talent — especially for junior-level positions — researchers held focus groups with executive and human resources directors at nonprofit organizations. These leaders proved to be profoundly committed to their organizations and passionate about their missions, but deeply worried about recruiting, training, and retaining the skilled, committed, and diverse workers they need. Salaries, stress, and burn-out are serious workforce development challenges for these leaders, but they believe their organizations offer, in return,

flexibility, a positive work environment, and the chance to feel good about one's work.

In addition, participants — especially from smaller organizations — felt overwhelmed by the time required to review resumes, interview candidates, and reference-check applicants. While it depends in part on the economy, participants generally considered the quality and diversity of applicants for junior-level positions inadequate.

The nonprofit organizations reported that while they used a full range of recruitment strategies, networking yielded the best results. Recruitment networks, however, did not always include college campuses: only 30 percent of participants used career centers, and assessments were quite mixed. Employers avoided college career centers because they believed their positions were too specialized and required more experience, they did not have the capacity to reach out to colleges, and/or colleges

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did not respond professionally to their inquiries. But participants had overwhelmingly favorable experiences with college interns and saw internships as an excellent strategy for developing their full-time employment pools.

A 2003 survey of more than 400 nonprofit organizations in the Pittsburgh area, commissioned by The Forbes Funds and conducted by Kevin Kearns of the University of Pittsburgh, found that staffing is a major concern for nonprofit organizations in the region. More than 60% of respondents considered it very or somewhat difficult to retain direct service personnel and volunteers. Just about one-half said the same of clerical support and middle managers. According to this survey, approximately two-thirds of nonprofit organizations in the region use college interns, but only one-third of organizations had participated in a career fair or recruited from regional colleges when they had a full-time entry-level position open. Use of interns is significantly correlated to the likelihood that an organization will recruit full-time staff from a college campus.

Recommendations for the recruitment and retention of talented young workers for nonprofit organizations include:

- Make the job as challenging and rewarding as possible;
- Review salaries and bring them as close to market rates as possible;
- Be creative with other benefits;
- Professionalize HR activities and collaborate with other organizations;
- Use the internet to recruit;
- Build internship programs and participate in Federal Work-Study programs;
- Develop relationships with faculty members at area colleges; and
- Connect with offices of career services at area colleges.

## COLLEGE SENIORS

*I think that having work that matters is incredibly important. You're helping people and that sort of thing. Initially, I'm not going to be doing that. My initial work is going to be to make the money, so hopefully I can do that later on.*

— College Senior

To gather information on how young people make career decisions and think about the nonprofit sector, researchers held focus groups with seniors from four-year colleges and universities in the Pittsburgh area. The discussions focused on students' attitudes towards public service; perceptions of nonprofit, government, and for-profit jobs; and experiences with internships, volunteering, and nonprofit sector employer recruitment and job placement activities on college campuses.

These conversations with college seniors showed that the pressure to repay college loans led many students to rank salary as one of the most important factors when pursuing their first full-time jobs.

The mission of the organization, flexibility, and opportunities for advancement were other very critical factors. Students primarily view jobs in two categories: for-profit companies, and “everything else,” including nonprofit organizations and the government. They do not consciously decide to seek work in one sector or another. Rather, they measure potential employers and careers based on the nature of the work and other factors.

While participants described a stereotypical nonprofit sector employee much more favorably than a for-profit company or government employee, the majority of participants were targeting the for-profit sector for employment. Those students who volunteered or held internships at nonprofit organizations had a clearer perception of how these organizations operate, and their experiences strongly influenced their feelings about the sector, both favorably and unfavorably.

Students perceive career services offices mainly as a place to review job listings and get help with

résumés, cover letters, and interviewing techniques. They felt that other career-related services were inadequate or simply unavailable through these offices. They will turn to academic faculty before career services counselors or parents for advice about employment and assistance with job decisions.

The majority of students planned to leave the Pittsburgh region, both “for a change,” and because they believed that there are more job opportunities elsewhere.

A recent telephone survey by Paul Light of New York University and the Brookings Institution showed that college seniors care more about finding meaningful work and being able to help people than they do about high salaries. However, benefits, job security, and repaying loans are important to most college seniors surveyed. In addition, although the majority of college seniors would consider a public-service job — especially one in the nonprofit sector — most said they knew “not too much” or “nothing at all” about finding such a job. In Light’s survey, college career counselors were the least likely to be called “very helpful” sources of career advice for students.

Recommendations for college students interested in nonprofit sector careers (as well as those who may not have considered this path) include:

- Start early. Begin building relationships with faculty members, program directors, and offices of career services during the first and second year of college.

- Pursue volunteer and internship opportunities with nonprofit organizations. Work-study students should try to secure placements at nonprofit organizations in the community.
- Tap Offices of Career Services for information on nonprofit sector careers. Provide positive feedback on helpful programs and push for more when representation and services seem inadequate.
- Network. Schedule informational interviews with nonprofit sector leaders in the community, identify and cultivate a mentor, and talk with family and friends.
- Conduct research. Learn about the nonprofit sector and the organizations that comprise it. Establish realistic salary expectations and determine “bottom line” salary requirements needed to repay student loans and still live reasonably comfortably.
- Be prepared for every interview. Communicate the skills, flexibility, and commitment to mission that nonprofit organizations want.

Many of these recommendations apply to all students in a job search, regardless of their field or sector of interest. However, data indicate that offices of career services and other established resources are better equipped to help students interested in for-profit sector jobs. As a result, students interested in public service may have to be more aggressive, independent, and creative in their career development efforts.

## OFFICES OF CAREER SERVICES (OCS)

*My staff is not able to dispense advice about nonprofit careers. We’re not familiar enough with the nonprofit arena. I think it’s partly due to insufficient effort on our part and partly due to lack of sufficient exposure to, and relationships with, nonprofit organizations.*

— Director of an Office of Career Services

To gather qualitative data to support the national on-line and print survey of college career services

professionals, researchers held a focus group with directors of OCS at Pittsburgh area colleges and universities. Participants addressed student, faculty, and OCS staff perspectives on nonprofit sector careers; obstacles to building student awareness and interest in the sector; the quality and quantity of nonprofit sector career resources available to counselors; the strength of connections to local and national nonprofit sector employers; and how services and networks could be improved, especially vis-à-vis nonprofit sector career counseling.

The conversation showed that OCS staff perceive profound student disinterest in nonprofit sector careers and attribute this to low salaries, lack of career advancement, and students' very limited knowledge of the sector. However, OCS directors also have limited nonprofit sector knowledge. They want more information on nonprofit sector jobs — especially non-entry-level positions — and stronger connections to nonprofit sector employers. Approximately one-half of career counselors stated a need for better resources on nonprofit sector careers.

Data from a national survey of college career services professionals reinforced these focus group findings. Respondents said that college seniors need more and better information about nonprofit sector careers. Nearly three-quarters of career services professionals said college seniors had little or no understanding of the range of nonprofit sector career options. Career center directors' assessment of the helpfulness of their nonprofit sector career services and the strength of their connections to nonprofit sector employers — relative to their for-profit services — was strikingly low. Most respondents (81%) said their students would like to have more nonprofit sector career-focused programming. However, career services offices are limited by staff time and money.

The survey showed that nonprofit sector representation at career fairs and other career center programs is low. Only one-quarter of career centers offered a nonprofit sector career fair. Nearly one-half of career centers (44%) said that representatives from the nonprofit sector accounted for 5% or fewer of the individuals at their workshops and other career

programming. In addition, nonprofit sector job postings and other resources are limited. Approximately one-third of respondents said that 10% or fewer of their listings are nonprofit sector jobs, and more than one-half of respondents said that 10% or fewer of their resources are devoted exclusively to the nonprofit sector.

Like the nonprofit sector at large, college OCS are making do with limited budgets and over-extended staff. Promoting nonprofit sector careers to college students presents added obstacles in the counseling practice. Recognizing that time and resources are limited, in order to strengthen nonprofit sector career programming, OCS should:

- Educate staff about the nonprofit sector and provide relevant professional development opportunities;
- Build the nonprofit sector section of their libraries;
- Deepen and institutionalize connections among OCS and key players on campus;
- Hire an intern to assess and expand nonprofit sector career services in the OCS;
- Consider appointing a staff member to spearhead nonprofit sector program initiatives;
- Collaborate with regional colleges on nonprofit sector career fairs and other programs; and
- Work with the alumni affairs and development office to raise targeted funds for nonprofit sector services.

## CONCLUSIONS

As is often the case, the research undertaken by this initiative found cause both for celebration and concern. Many of the Millennials who are about to graduate from college and enter the workforce believe deeply in public service and think that nonprofit organizations perform it the best. However, the perception remains — among college seniors and the individuals charged with helping

them make career decisions — that the nonprofit sector does not offer viable career paths. The risk, of course, is that we are losing the talented young workers so needed to lead our organizations in the years ahead.

Building nonprofit sector knowledge and positive first-hand experiences is critical to addressing the sector's workforce development needs. Appropriate

programs must target nonprofit sector leaders, young professionals, and key “gatekeepers” to nonprofit sector careers.

- Nonprofit organizations need information on the benefits of stronger relationships with colleges in their region and beyond. They need concrete strategies on how to target appropriate colleges and build relationships with academic departments, service learning initiatives, work-study and internship programs, and offices of career services. Managers at nonprofit organizations — especially small and mid-size agencies — need trainings and other resources to help them professionalize their human resources activities, pool resources when possible, and plan for their future workforce needs. They need adequate funding to compensate interns with reasonable stipends and provide full-time employees with livable salaries.
- College students need basic and up-to-date information about the nonprofit sector, salaries in the sector, and strategies for finding public service volunteer, internship, and job opportunities. Information should introduce students to the sector quite broadly, but also address nonprofit sector work by specific issue areas or fields. College students can be reached through all of the work- and volunteer-related programs on campus, as well as through relevant academic departments, nonprofit management programs (for example), and the campus and national media outlets students access.
- Office of career services (OCS) professionals need the same information as college students, developed to recognize that they, too, approach career counseling by fields, not sectors. OCS directors need a tool kit on how to assess and expand their nonprofit sector-related career resources, fairs and workshops, and job listings. They and their staff need access to professional development opportunities that will allow them to better understand — and speak more enthusiastically about — the opportunities within

the nonprofit sector. Corporations provide a critical revenue stream to financially-strapped career centers. Colleges and the philanthropic community must join forces to help reduce the costs associated with nonprofit sector programs. OCS must not see nonprofit sector outreach as an unrecoverable cost.

Perhaps most importantly the Pittsburgh region’s nonprofit sector must view its next generation workforce needs as a “collective goods” issue. The entire sector requires talented, committed workers who are able and willing to live on the salaries nonprofit organizations can pay. One way to recruit and retain young professionals — who are now graduating from college with ever-increasing levels of debt — is for the sector to take “collective action” on loan forgiveness programs.

Based on these findings, a coalition of key stakeholders affected by workforce issues should develop a pilot initiative (modeled on loan repayment assistance programs) to serve graduates working in low-paying nonprofit sector jobs. These leaders would incorporate into their initiatives materials aimed at educating young professionals about the sector and facilitate their entry into its workforce.

These advocates and innovators will want to share their findings and experiences widely. They will have recognized that today’s new recruits to nonprofit organizations are the executive directors of tomorrow, entrusted to care for and lead the agencies providing the services upon which the Pittsburgh community depends.

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at [www.forbesfunds.org](http://www.forbesfunds.org).**

# EXPLAINING EMPLOYEE RECRUITMENT AND RETENTION

BY NONPROFIT ORGANIZATIONS: A SURVEY OF PITTSBURGH AREA UNIVERSITY GRADUATES

SUSAN B. HANSEN, LEONARD HUGGINS, and CAROLYN BAN  
University of Pittsburgh • December 2003

Why do recent college graduates select jobs in nonprofits? And what can these organizations do to improve recruitment and retention of these employees? To answer these questions, a secondary analysis was conducted of a survey of recent (1994 or 1999) graduates of three Pittsburgh-area universities: Duquesne University, Carnegie Mellon University, and the University of Pittsburgh. This study contrasts the demographics, job values, work histories, and future plans of graduates currently employed by nonprofits (N=572) with those employed by government (N=101) and in the private sector (N=954). The nonprofit category also includes employees of medical and educational institutions. We relied on respondents' self-placement with respect to a question about their current sector of employment.

## CLASSIFICATION OF RESPONDENTS BY SECTOR

Currently working	N	%
Self-employed	68	3.8%
In the military	13	0.7%
Working for government	101	5.6%
Nonprofit	573	32.0%
Working for nonprofit employer	122	
Working for educational institution	321	
Working for a hospital or other medical facility	130	
For-Profit	958	53.5%
Other:	78	4.4%
Working for public company/corporation	62	
Other (unspecified)	16	
<b>Total</b>	<b>1791</b>	<b>100.0%</b>



## MAJOR FIELD OF STUDY OF GRADUATES, BY SECTOR

	N	Nonprofit (N=572)	For-Profit (N=963)	Government (N=101)
		————— PERCENTAGES —————		
<b>Major Field</b>				
Education	148	85.8	10.1	4.1
Social Work	17	70.6	23.5	5.9
Medical & Health Studies	127	67.7	27.6	4.7
Psychology	57	59.6	28.1	12.3
Public Administration	33	54.5	33.3	12.1
Humanities	133	42.9	50.4	6.8
Library & Information Science	42	38.1	54.8	7.1
Social Sciences	86	37.2	51.2	11.6
Business Administration	269	11.5	85.9	2.6
Engineering & Computer	277	9.4	85.2	5.4
Law & Legal Studies	69	1.4	73.9	24.6

*Note: Percentages sum across and represent the proportion of nonprofit, for-profit and government employees for each category listed in column 1.*

**Demographics and education:** We found that employees of nonprofits were significantly more likely to be female, African-American, Duquesne University graduates, and originally from the Pittsburgh region. People who remained in Pittsburgh after graduation (i.e., “Stayers”) were also more likely to be employed by nonprofits than were the “Leavers” who were employed outside Pittsburgh at the time of our survey. Those who majored in education, social work, medical/ health sciences, psychology, or public administration were most common among nonprofit employees. People with Masters (other than MBA) or Ed.D. degrees were more likely to be employed by nonprofits. We found little difference in age among these three groups, but nonprofit employees were significantly less likely to report yearly earnings over \$50,000.

**Motivations for nonprofit employment:** Many people opt for careers in the for-profit or nonprofit sector at a fairly early stage in their careers, when they select their major field of study. Students with majors in social work, medicine, education or psychology are likely to have careers in the nonprofit sector, while business majors, lawyers, and engineers are more likely to work for a for-profit employer.

In our previous study we developed a “job values” scale to assess the factors recent college graduates look for when they make decisions about where to work and where to live. We asked our survey respondents to rate each of these, from “very important” to “not at all important” for their selection of a job.

## JOB VALUE RANKINGS FOR NONPROFIT AND FOR-PROFIT

	Nonprofit (N=572)		For-Profit (N=954)		Government (N=101)	
	MEAN	RANK	MEAN	RANK	MEAN	RANK
Interesting/ challenging job	<b>3.80</b>	1	<b>3.85</b>	1	3.72	1
A chance to help others	<b>3.52</b>	2	2.80	11	3.33	2
Opportunity for advancement	3.32	3	<b>3.65</b>	2	3.3	3
Employer benefits	3.30	4	<b>3.39</b>	4	3.27	4
Cost of living/ housing	<b>3.22</b>	5	3.10	5	3.14	5
Good roads, easy commute	3.19	6	3.08	6	3.13	6
Starting salary	3.18	7	<b>3.43</b>	3	3.12	8
Closeness to family	<b>3.10</b>	8	2.80	12	<b>3.13</b>	7
A region with cultural attractions	2.99	9	2.89	7	2.91	9
Opportunities for continuing education	<b>2.98</b>	10	2.64	13	2.69	14
Flexible job/ hours	2.92	11	2.85	9	2.79	10
Quality of public schools	<b>2.88</b>	12	2.57	16	2.70	13
Physical setting; geography, climate	2.80	13	2.89	8	2.75	12
Ethnic/ cultural diversity	<b>2.78</b>	14	2.60	14	<b>2.78</b>	11
Outdoor recreation	2.73	15	<b>2.84</b>	10	2.60	16
Job for spouse/ partner	<b>2.72</b>	16	2.56	17	2.56	17
Being close to friends	2.68	17	2.60	15	2.63	15
Having lots of young people	2.47	18	2.48	18	2.30	18
Lots of nightlife	2.17	19	<b>2.33</b>	19	2.05	19
Availability of child care	1.93	20	1.82	21	1.98	20
Nationally ranked sports teams	1.81	21	1.85	20	1.71	21

Scale: very important = 4; somewhat important = 3; not so important = 2; not at all important = 1.

**Bold** = significant difference in means ( $p < 0.05$ ) compared to other groups.

The table above shows the mean values for the 21 elements we used in our “job values” scale. Top-rated for all three groups is an “interesting or challenging job.” Although the overall rankings are fairly similar, several differences between mean scores stand out. It is not surprising to find that those in nonprofits are considerably more likely to value a job that offers a “chance to do good or to help others”; this ranks second overall for them, but 11th for for-profit employees. And those working for nonprofits are also more concerned with closeness to family, opportunities for continuing

education, and good-quality public schools. By contrast, those in for-profits place a higher value on starting salary, benefits offered by the employer, and opportunities for advancement.

Government employees hold values similar to nonprofit employees, but rank a job with ethnic or cultural diversity as more important, and are somewhat less concerned with continuing education or starting salary. They fall close to nonprofits in their ranking of a job that allows them to help others. Government employees are much less concerned

than people in for-profits with high starting salaries, and they place a lower value on a flexible job, the physical setting, or outdoor recreation than do the other groups.

Only a few significant differences in job values emerged among different types of nonprofits. Educators gave particularly high rankings to the quality of public schools. Employees of general nonprofits placed more emphasis on a job in an area with rich cultural offerings. This probably reflects the fact that many of these people work for museums, the music industry, or other arts organizations. Access to child care was more important to people working for educational institutions. By contrast, people in medical or health fields were similar to for-profit employees in their concern with salary, benefits, housing costs, and jobs offering opportunities for advancement or easy commutes. But they were still more concerned with a job doing good or helping others than were for-profit employees.

**Gender, job values, and salary:** Nonprofit employees in our sample included more women (66%) than men (34%). Women constituted 68% of the general

nonprofit employees, 65% of those in education, and 81 % of those in medical/health fields. By contrast, 58% of those in government and 41% of those in the for-profit sector were women. Although both sexes rated an “interesting or challenging job” as their top priority, and were equally concerned with salary and benefits, women were significantly more likely to value jobs that offered a chance to help others, and preferred jobs in a region with ethnic or cultural diversity and affordable housing. Women also gave higher ratings to closeness to family, jobs for a spouse or partner, job flexibility, and the availability of child care. But both men and women working for nonprofits were concerned with a job helping others and with the quality of public schools. As in our previous study, we found persistent male/female differences in salary, and these differences were even larger among nonprofits than for-profits.

**What best predicts choice of nonprofit employment?**

We performed a multivariate analysis to assess the influence of demographic, educational, and job-values factors on choice of nonprofit versus for-profit employment. We found that gender, a

**SALARY DIFFERENCES FOR MALES AND FEMALES, BY SECTOR**

	Percent earning over \$50,000		
	MEN	WOMEN	% DIFFERENCE
<b>For-profit</b>	<b>76.1%</b>	<b>54.0%</b>	<b>40.9%</b>
Stayers	66.5	44.4	49.8
Leavers	81.3	61.8	31.6
<b>Nonprofit</b>	<b>40.5%</b>	<b>16.7%</b>	<b>142.5%</b>
Stayers	40.7	14.7	176.9
Leavers	40.3	19.7	104.5
General nonprofits	29.7	13.2	125.1
Educational institution	41.2	13.2	212.0
Medical	54.2	26.0	109.5
<b>Government</b>	<b>43.6%</b>	<b>30.0%</b>	<b>45.3%</b>
Stayers	37.5	30.4	23.3
Leavers	47.8	26.9	77.7

desire to do good/help others, having a graduate degree, and emphasis on opportunities for continuing education best predicted nonprofit employment. Opportunities for advancement, education in a technical field, concern with salary, and a degree from Carnegie Mellon University, best predicted choice of for-profit employment by these recent area graduates.

**Job search methods:** Nonprofit employees reported that personal contacts, want ads, and faculty recommendations were most helpful in finding their present jobs. Professional association contacts and university career counseling were less helpful. Internships proved to be a better source of jobs for those working for nonprofits than for government or for-profit employees, and 60% of the nonprofit employees who had held internships reported that the internships led directly to job offers.

**Work history and future plans:** When we compared respondents' previous jobs with their current employment, we found that the majority of people remained in the same sector. Slightly more people left the nonprofit sector than converted to it from for-profit or government jobs. Those who left nonprofits were more concerned with salary issues; those who converted strongly preferred jobs offering a chance to help others.

Questions we asked about future job and location plans showed that more nonprofit than for-profit workers expect to stay with the same employer; more also anticipate holding the same position during the next five years. Employees of educational or medical institutions were least likely to expect changes, while workers in general nonprofits were more likely to expect to work for a different employer and in a different position in the next five years. This emphasizes the need for general nonprofits to improve factors that encourage retention within their organizations.

On the basis of our findings, our recommendations for recruitment and retention by nonprofits include the following:

- Identify potential nonprofit employees on the basis of current undergraduate majors, and establish relationships with faculty and student associations in fields. Education, social work, psychology, and medical fields are obvious choices.
- Improve job postings and organization visibility for potential recruits. This includes an increased presence and image at universities through building relationships with faculty and raising student awareness; and better Internet Web sites, including a regional nonprofit job clearinghouse or Internet site.
- University graduates who come from Pittsburgh are more likely to work for nonprofits. Keeping area colleges and universities affordable (lower tuition, more scholarships) may encourage more high school students from this region to remain here for higher education.
- Minority graduates are currently concentrated in education. Other types of nonprofits need to do a better job of recruiting minorities (African-Americans, Hispanics, Asian-Americans, foreign nationals).
- Since so many students are now graduating deeply in debt, loan-forgiveness programs may also help attract as well as retain nonprofit employees.
- Nonprofit employees rated an "interesting or challenging job" as their top priority. Nonprofits should emphasize real opportunities for leadership, creative problem-solving, and personal and professional growth for their employees at entry levels as well as more senior levels.
- Nonprofits need to do a more effective job of publicizing the challenging job opportunities they already offer, especially through university career counseling.

- While financial considerations are not as compelling for most nonprofit employees as they are for their for-profit counterparts, the salary disparities (especially for women) must be addressed in order to improve both recruitment and retention.
- Continuing education is a high priority for nonprofit employees. Nonprofit employers should consider helping their employees finance continuing education.
- Graduate programs in the region need to be accessible and affordable for nonprofit employees and for for-profit employees who might consider moving to the nonprofit sector.
- Men *and* women employed by nonprofits place greater emphasis on family considerations: child care, flexible jobs, jobs for a spouse or partner. Family-friendly policies may therefore help retain nonprofit employees.

Read the full report online  
at [www.forbesfunds.org](http://www.forbesfunds.org).

# WHAT THEY REALLY THINK:

## CONVERSATIONS ABOUT NONPROFIT WORK WITH PITTSBURGH'S YOUNG PROFESSIONALS

**SARA CHIEFFO, JACOB ISRAELOW, and DAVID SKILLMAN**

Coro Center for Civic Leadership • May 2003

Ten years from now, who will be the Pittsburgh region's nonprofit leaders? How will they be attracted to the nonprofit sector? And what are the points of entry for young professionals — workers aged 24 to 40 — who might bring significant professional work experience and skills to the nonprofit sector? We asked a group of more than 60 young professionals in Pittsburgh, currently in the nonprofit, public or private sectors, their thoughts on nonprofit work. We focused on the following questions:

- What are the perceptions and experiences of nonprofit work?
- How does a career in the nonprofit sector develop?
- What is successful in attracting individuals to nonprofit jobs?
- What are some ways to attract more talent to nonprofit jobs?

The responses of the young professionals were colorful and thought-provoking. Key findings include:

- The nonprofit sector provides extensive career opportunities to young graduates;
- Internships and board placements are successful ways of getting people involved with the nonprofit sector; and
- Nonprofit salaries, while a critical factor in making career decisions, do not need to be competitive with private sector salaries, but rather “livable.”

This study also added local weight to Paul Light's national findings about the attractiveness of nonprofit work. For instance, when compared to government and private sector employees, local nonprofit employees more often found their work interesting; strongly agreed that they got the chance

to do the things that they do best; strongly disagreed that their jobs were “jobs without futures;” and concurred that they were more often encouraged to take risks and try new ways of doing their work.

## METHODOLOGY

Our findings were extracted from a series of eight focus groups that we held with a total of 64 professionals between the ages of 24 and 46, with an average age of 32. The participants included 31 men and 33 women. We held two focus group sessions with each of the following four cohort populations:

- “Nonprofit” cohort: those currently working in nonprofits jobs, excluding hospitals and higher education institutions (n=16);
- “For-profit” cohort: those currently working in the private sector, ranging from large financial institutions and law firms to self-employed entrepreneurs (n=21);
- “Transfer” cohort: those with significant professional experience in both the nonprofit and either public or private sectors (some had experience in all three sectors) (n=15); and
- “Government” cohort: those currently working in governmental agencies (n=12).

Of note, participants were asked to rank knowledge of the nonprofit sector between 1 and 5, with 1 being low and 5 being high. The average answer was 3.5. Additionally, participants identified a range of personal experiences vis-à-vis the nonprofit sector, among them:

- 43 participants had searched for jobs in the nonprofit sector;
- 42 participants had worked in a nonprofit job, as an intern or as a full-time staff member;
- 34 participants served or had served on a nonprofit board;
- 26 participants studied course work relating to nonprofit organizations; and
- 17 participants read publications focusing on the nonprofit sector.

## FINDINGS

### **Nonprofit organizations present excellent professional development opportunities, especially early in one’s career.**

Across all four cohorts, participants suggested that nonprofit organizations allow young employees more responsibility earlier in their careers, accelerate skill development, provide exposure to many facets of an organization, enable employees to have a voice in the direction of the organization, and offer frequent contact with the organization’s executive staff. The scope of experiences working for a nonprofit organization is seen as diverse and satisfying, and ranges from “interacting with the board to

helping the little old lady who lives down the street with her tax assessment.”

Many frequently used the word “entrepreneurial” to describe the nature of nonprofit work. In part, this is due to the typically small sizes of nonprofit organizations, which create environments conducive to developing entrepreneurial skills.

Yet size alone does not account for the perception that nonprofit organizations present excellent professional development opportunities. One of the participants, a 38 year-old recent transfer from the private to nonprofit sector, asserted that “you

need a broader range of skills on a regular basis in the nonprofit sector: it requires more innovation, more risk-taking, and more creativity than for-profit jobs.”

**The tightly knit nature of Pittsburgh’s nonprofit community can be a barrier to attracting talented professionals.**

Networking is critical to getting a job in any sector, and this is especially the case in Pittsburgh’s nonprofit sector. Many commented on the struggle for those “not plugged in,” as one phrased it, to learn of nonprofit job opportunities. A participant who worked for a nonprofit organization outside the region commented on the difficulty in finding nonprofit work upon returning to Pittsburgh: “People, not experiences, help you to get a job.”

This sentiment was echoed from the hiring side: “No matter how many résumés you see, nine times out of ten you are going to hire an employee because someone put a résumé on your desk and said ‘Here, look at this.’” Another participant currently working in the nonprofit sector put it more bluntly: “In this region, network is king.”

From the perspective of many transfer and for-profit participants, the perception exists that the nonprofit community in Pittsburgh is insular and that nonprofits hire mostly from within; words used to describe hiring practices were “incestuous” and “snobbish.” One private sector professional said that he had recently searched for a job in the nonprofit sector, “but after four months of networking, I was so frustrated that I stopped looking and took a for-profit job instead.”

In the experience of others, nonprofit organizations emphasize the value of individuals’ networks as much as their skill-sets when considering candidates for a job. One participant working in a local government agency agreed how important connections are: “Even if I were to switch sectors, I would still be hired for the connections and relationships I’ve built in government.”

**Nonprofit professionals do not receive adequate training in key managerial skills.**

The perception exists that because nonprofit organizations rarely apply the same resources as for-profit companies to professional skill development among employees, management skills are not effectively developed among nonprofit professionals. A former nonprofit professional now working in the private sector stated the problem this way: “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.” Others commented that skill development happens effectively around a specific task, but not around organizational management.

Some participants acknowledged that their organizations do encourage and subsidize training with external programs, while others commented that they would have to finance this type of training themselves. However, according to one nonprofit professional who has been supported by her organization to attend external training, “[Courses] are never as valuable as real on-the-job training.”

**There are limited opportunities to develop a career within a single organization in the nonprofit sector.**

Both the small size and flat organizational structure of nonprofit organizations were noted as limiting career advancement within an organization. Participants spoke about the dissatisfaction of dedicating oneself to an organization but not being able to advance one’s career in the same organization. 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.” Participants in the for-profit discussions considered it a disincentive to take a job with an organization if there is little opportunity to advance.

For-profit and nonprofit participants observed a lack of middle management in nonprofit organizations, which, in their estimation, contributes to the lack of intra-organization



upward mobility. They suggested it is difficult to gain managerial experience until becoming an executive director. The typically long tenure of executive directors, they added, delays or even limits advancement within nonprofit organizations. Consequently, career advancement in the nonprofit sector most often occurs in lateral movement between organizations.

**Nonprofit work early in a professional career may limit future work opportunities in the private sector.**

Many commented on the fact that it is difficult to get a for-profit job coming from the nonprofit sector. A recent alumna of a leading public policy graduate school was advised by her school's career services counselor not to take immediately a nonprofit job if she ever wanted to work in the for-profit sector: "There is a stigma attached to working in the nonprofit sector first. I was told it would be extremely difficult to transfer from nonprofit to for-profit." According to her counselor, if she wanted to work in the nonprofit sector she could always get a job at a nonprofit organization after having private sector experience.

This stigma may be explained, in part, by private sector professionals' perceptions that nonprofit organizations, as participants stated, "lack professional standards," possess an "inability to think long-term" and "do not manage technical resources well."

**Direct experience with nonprofit organizations changes misperceptions about the sector; internships and board appointments are successful entry points.**

Many participants' first contact with nonprofit organizations came through internships or by sitting on a board, and in both cases the experience was illuminating. Many participants in the nonprofit cohort first entered the sector as interns, and the variety of career opportunities available in the sector was surprising to them. These introductions were effective starting points for nonprofit careers. In one discussion, seven out of ten nonprofit

professionals found their first nonprofit job through an internship.

Many in the private sector emphasized the effectiveness of programs that match for-profit professionals with nonprofit board opportunities. Those who first came into contact with the nonprofit sector by sitting on boards were often impressed by the caliber of work being done, the ambition and drive of leadership, and the high professionalism in the sector.

One participant working at a local financial institution describes his change in perception: "I never even thought of nonprofit work when I was in business school. I thought that I wouldn't find the work challenging, but through sitting on boards, helping with strategic planning and the governance side of nonprofits, my perceptions have totally changed. I have found despite what I had thought that there are business-minded nonprofit workers who could make it in the private sector. I wonder if they even know the full extent of their skill set." Additionally, recent board appointees were surprised at how much they could contribute. One participant with a background in mergers and acquisitions found herself as the expert among her board in discussing how to merge two nonprofit organizations.

**The need for a livable salary, rather than a competitive salary, is a critical factor for participant job choice.**

Regardless of life stage, participants generally expressed the need for "livable" wages, not necessarily wages competitive with the for-profit sector. One participant expressed the fear that nonprofit organizations were losing their top talent at the mid-points in their careers. He felt that nonprofit organizations did not offer salary increases that would allow workers to settle down and comfortably provide for their families. One participant stated adamantly, "Mid-tier salaries need to be increased if you want workers to commit for the long haul."

## RECOMMENDATIONS

### Recommendations to bring more talent immediately into the nonprofit sector:

*Create a critical mass of subsidized fellowships in nonprofit organizations for graduates of masters programs from local universities.*

- Our focus groups identified internships as a very successful method to draw recent masters program graduates (e.g., those from areas like Information Technology, Business, Law, Urban Planning, Public Policy) into the nonprofit sector.
- Master's degree holders were identified as being highly sought after for the type of project director /executive director track positions that will be needed during the next 5 to 7 years within the nonprofit community.
- The fellowships should be touted as opportunities to acquire great professional skills, gain organizational and sector exposure, and make a difference in the community. Such a fellowship could function like a medical "post-doc" residency for non-medical fields.

*Create an executive sabbatical program for for-profit sector executives wishing to work in the nonprofit sector.*

- This would be an in-kind donation of talent, rather than a monetary donation, and would encourage private sector leaders to share their skills.
- The experience would allow executives to further develop leadership and management skills in the context of a new organizational environment.

*Create student loan forgiveness programs for individuals who work for nonprofit organizations.*

- Across the board, participants supported loan forgiveness programs for recent graduates and suggested that such programs could play an important role in funneling increasingly debt-burdened graduates into nonprofit work.

- A variety of similar programs offered to teachers, health care workers, federal and local government workers, AmeriCorps and Peace Corps volunteers, and the legal community have had great success in attracting recent graduates to those fields.

### Recommendations to inform more people about the nonprofit sector:

*Host interactive and non-traditional information sessions about nonprofit organizations to introduce interested professionals to work in the nonprofit sector.*

- The format could be similar to "speed-dating" — representatives from nonprofit organizations would have an allotted time to spend one-on-one with an interested professional, and then each would move on to the next person. For example: there might be fifteen interested professionals (not working in the nonprofit sector) and fifteen representatives from nonprofit organizations, and they would each spend eight minutes with each from the other group over a period of 2 hours. The nonprofit representative would introduce the organization and share opportunities to become involved, while the interested professional would learn and ask questions.

*Create a "brown bag lunch" series among private sector firms to introduce for-profit professionals to nonprofit organizations and to volunteer opportunities.*

- Private sector participants indicated an eagerness to contribute their skills but were deterred by the difficulty in finding satisfying opportunities and the lack of readily available information about nonprofit organizations.
- The suggestion was made to sponsor nonprofit informational lunches at private sector institutions to introduce opportunities for corporate employees to volunteer their skills, especially legal and financial, to nonprofit organizations.

*Develop an immersion experience for young professionals interested in finding out more about the nonprofit sector.*

- A 24-hour experiential training session would introduce individuals to the nonprofit sector in a dynamic fashion. It might also offer the opportunity to shadow nonprofit executives and to interact with talented peers engaged in nonprofit work.

### **Recommendations to support those already in the nonprofit sector:**

*Increase funding for salaries and training.*

- Many focus group participants complained that nonprofit management and organizational capacity is not well supported by the philanthropic community (with some notable exceptions). The limited support for this capacity is a severe handicap for nonprofit organizations in training and developing their staff, in providing the necessary benefits for retaining staff, and in providing a wage necessary to sustain otherwise eager individuals struggling under school loans or family demands.
- Participants also made the point that salaries do not have to be competitive with the private sector; they simply need to be livable — in the sense that it would be possible to afford a home and support a family (which is easier to do in Pittsburgh than in places like San Francisco or New York City).

*Encourage increased funding for technology resources.*

- Technology resources were a frequently identified component of nonprofit overhead that is chronically under-funded. The productivity of nonprofit organizations is significantly curtailed due to a lack of modern computers, networking resources, and internet services — the same technological resources that have allowed the private sector unparalleled productivity growth

during the last decade. A rule of thumb for which the Bayer Center for Nonprofit Management advocates is that an organization should spend between 3% and 6% of its operational budget on Information Systems/Information Technology resources, and that properly updated end-user computer systems will cost an organization \$1,000 to \$1,700 per user.

### **A final recommendation to change perceptions about the nonprofit community:**

*Change the language that the nonprofit sector uses to describe itself.*

- The term “nonprofit” is a misnomer, and it serves to perpetuate misperceptions. Describing the sector as “nonprofit” creates a constant, implicit contrast with the for-profit sector (which is thought of as ambitious and entrepreneurial) and so may cause many to infer that nonprofit jobs are unprofessional or lacking of real work, and/or that the workforce is not ambitious.
- Nonprofit professionals and those who are otherwise associated with the sector could best promote the sector’s interest, and interest in the sector, by choosing to use language that more accurately describes the nature of the sector. For instance, nonprofit focus group participants described their work as “dynamic” and “compelling,” and their organizations as “mission-driven.” The Pittsburgh community’s adoption of alternative language to describe “civil society” or “the social sector” could spark new greater interest in, or at least increase respect for, public service-oriented careers.

# PASSING THE TORCH, SHARING THE LIGHT

On June 26, 2003, The Forbes Funds and The Coro Center for Civic Leadership co-hosted *Pittsburgh's Civic Leadership Revolution* — a leadership roundtable that attracted more than 300 grantmakers, nonprofit staff, trustees, and young professionals to the Senator John Heinz Pittsburgh Regional History Center for public learning and discussion about Pittsburgh's emerging civic leadership. Nationally-known civic leaders Suzanne Morse and Stacey Abrams joined such local leaders as Saleem Ghubril and Bill Strickland in inspiring and encouraging generations of older and newer Pittsburghers to welcome and prepare a new generation to serve our community ambitiously, creatively, and compassionately.

On February 6, 2004, The Forbes Funds and The Coro Center for Civic Leadership advanced this local “revolution” by co-hosting *Look Here! The Next Generation of Nonprofit Leaders*. Paul C. Light, author of *THE NEW PUBLIC SERVICE* and one of the nation's foremost scholars of the nonprofit sector's workforce, responded to findings from research commissioned by The Forbes Funds and presented by Ms. Shelly Cryer of the Initiative for Nonprofit Sector Careers at New York University, Dr. Susan Hansen of the University of Pittsburgh, and Ms. Sara Chieffo of the Coro Center for Civic Leadership. Local respondents included Ms. Suzanne Walsh of the Heinz Endowments, Mr. Daniel Horgan of America's Promise, and Mr. Evan Frazier of Hill House. The moderators included Ms. Aradhna Dhanda of The Forbes Funds, Dr. Carolyn Ban of the University of Pittsburgh's Graduate School of Public and International Affairs, and Ms. Michelle Pagano Heck of WQED Multimedia.

Presented below are the inspiring words delivered by Ms. Stacey Abrams on June 26, 2003.

I preface this talk with a couple of explanations. I have discovered it is a dangerous endeavor to divide an audience by age. It is easy to classify one group as the young. It is a much more perilous task to find a term to describe the other half. So, in the spirit of great cowardice, I have studiously avoided even terms of art to describe those who by age or experience, have already attained the status of leaders. I'll just call you cool.

My second caveat is that I believe each of us here is a part of a war. A great, massive battle that has been waged for centuries, if not millennia. It has

no political foe, no polemic leader who can be burned in effigy. It is a war spoken of in every manner of religious text, be it the Bible, the Qu'ran, the Torah, or the Bhagavad Gita. It is the eternal human struggle to do right by others. It is the reason we sit gathered here today.

We are called to be agents of radical change in an era of silent revolution. And silence in a revolution is a dangerous thing. It suggests complacency and defeat and complicity. This conference exists to prove that our foes do exist, but that a revolution is in the works. We may not have a Bull Connor to

# SHARING THE LIGHT

rail against. Instead, we have the insidious tyranny of mandatory minimums and persistent hunger and the digital divide. No, the cameras do not capture ravenous dogs and angry officers with billy clubs. Today, they film, for first news at 11, young men gunned down in the streets, the erosion of civil liberties and lines at homeless shelters in an age of unprecedented wealth. Too many lives revolve around lack of access: to education, to economic parity, to health care.

Today, our lives are not only silent but also our vision has grown dim. Women and men of compassion and capacity, like those seated in this wonderful space have struggled long and hard, and on some days, it must be impossible to see a better tomorrow. But here, I think is where hope enters. Servant leadership, the truest path to victory, lies not in simply passing the torch. Its single promise rests in passing the torch and then, standing close and sharing the light.

We, in our collective human history, have never had a moment where time has broken neatly into before and after. Despite the machinations of historians, time is fluid and continuous, as is the struggle for equality for every manner of man, woman and child. Thus, it is incredible to me that we speak so readily of “passing the torch,” as though a mass of ready warriors will rise up and snatch the embers from wizened old fingers, and the worn bodies of past leaders will seek their ease in comfy rocking chairs.

For this revolution, for our revolution to see its way and speak its truth, it must center itself not only on the dynamic and invincible women and men of the present, but the ready and able young people too often relegated to its future. The revolution must find its now-warriors in the student activist and the teenaged mother seeking a voice. The warriors who fight the good fight today

must grab the hands of the unemployed and unacknowledged and unseen, and arm them with the tools of victory today. Our victory lies in our minds, our voices and our hands. The triumvirate of our triumph is the pen, the platform, and the path.

Leaders write eloquently and brilliantly about the issues facing our world. In their fashion, they find the heart of our struggle and name it, giving us not only an explanation for the dark thoughts that rumble in our minds, but also a prescription for change. And their brilliance can only be magnified when a million others take up their pens and scribe our lessons learned. Our foes, however named, know the power of the pen.

Which is why it is so difficult to learn to write, let alone publish. I don't believe illiteracy is a vast conspiracy, but I will say that those who have the greatest need to tell their stories often have the least access. Look inside a school in an inner city or a rural community. Outdated texts and underfunded teachers toil to bring reading and writing to those who dare not know its power.

The ones who deny access know that as long as the information is controlled and the method to discuss that which cannot be hidden, is confined, that we will languish in obscurity, not able to bring the demons of domestic violence and child exploitation to the page.

But Johann Gutenberg's printing press initiated a power dialectic the like of which has rarely been seen. With the initial premise that each person should possess the ability to communicate her idea to the masses, those who had dominion had an obligation to rebut that capability with an idea of their own. They limited entrée to the privileged few who had the requisite training and the financial resources to communicate. And the resulting

premise was that only a few should speak, could speak. And for nearly a thousand years, we have blindly followed this doctrine. We only read what we are told to read (witness Oprah's Book Club and the demise of the free press). And we only write when we've been credentialed so well that we've often lost the facility to speak to anyone other than those who have our same degrees.

But strong leadership belies that proposition. It writes clearly and openly and honestly about complex relationships. And it needs young leaders to write along side the familiar voices. Burgeoning leaders may not have all of the answers, but with the tutelage of those who have found a space, each person can fashion thoughts and theories and give louder voice to all.

My first publication came not as the result of youthful arrogance, but an attempt to improve a bad grade. Believe me, I did not know I could write something others would read. But my high school physics professor read my work and gave it to a friend of his at a college journal, who found it worthy of space in the *Journal of the Astronomical Society of the Atlantic*. The glow of seeing your words read by others does more than feed an ego. It expands a soul. At sixteen, I saw how my words, my thoughts, could reach others. Of course, it was a paper on astronomy published in an obscure physics journal, but it was a start. From there, sharing the light of those who have penned op-eds and articles and novels revealing the issues that pervade our society, I too have added my byline to the world. From Mesopotamian astronomy, I have expanded to write about funding education through IPOs, the challenges of ethical leadership, and the unrelated business income tax exemption. I have also written about the threat of environmental injustice in the guise of a romance novel.

With the pen and the encouragement to lift it now, when revolution is upon us, the young can tell their own stories about wealth disparity and domestic violence and give truth to the stories told about genocide in ignored nations, the subversive nature of tax shelters for the wealthy and the erosion of the Earned Income Tax Credit for the poor. We

don't have to publish tomes or in refereed journals. Tell your students, your mentees, your associates, to write op-eds for the *Pittsburgh Post-Gazette* about English-only legislation and book reviews on *Lanterns* by Marian Wright Edelman and articles for Newsweek on economic oppression.

Words are powerful, especially when committed to paper and disseminated to all. Pass the torch, yes, but hold it still and light their way to the power of the pen and watch the revolution gain momentum.

And as much as the written word is an imperative medium, so too is the spoken word, the platform. Each person in this room probably had ten other places to be and twenty other speeches to give. Just as Gregg and I have been given the opportunity to share our thoughts long before we were technically qualified to do so, so too should you do the same for the young women and men warriors who wait for you. In meetings, in conferences, in assemblies, prod and cajole and demand that they speak. Martin Luther King Jr.'s oratorical skills were not borne like Athena, fully-formed. He was tutored and critiqued and given an audience from an early age. We must tell our youth to speak. Are they not the vessels of our truths, the language of our stories? Make a place for young leaders to speak and listen and prepared to be amazed. Too many young people believe that they've got to be at least 35 before they have the credibility to take the stage or run for office or lead a group. Believe me, the ones we're fighting against are not going to wait that long to listen. And who will speak for us, but us? Do not let ego or past treatment blind you to the promise that surrounds you. Give a young person a place to speak and hear a mind sing.

The power of the pen and the value of the voice are only enhanced when young people are placed squarely on the path to leadership. As a young woman, there are few phrases I loathe more passionately than "leaders of tomorrow." Leading tomorrow is a luxury we can ill-afford. AIDS and teen pregnancy and east African civil war and nuclear proliferation in nations without the resources to feed their populations will not wait for the future. Leadership, like good writing and good

speaking, are learned behaviors. When we consign young people to the role of secretary or gopher or to the silence of logistical assistance, we rob ourselves of soldiers in the fight. In the case of leadership, true leaders must replicate themselves to sustain our causes.

Membership on boards and committees and councils must go as often to the young person who has the drive to do good as to those who have earned those places from years of struggle. And too often, in these times, they are one and the same and under 35. For many of us, the battle began on our first day in a desegregated classroom or a childhood in a foster care or with an untutored appreciation for the difference between the haves and the have-nots. And this battle has not abated.

Cultivating creative leadership through current action is as much a matter of survival as it is prescription for success. And if any of you are at all like my parents or other leaders, you must be tired. Of being the only one or one of the few or one of many but the only one with any real ideas. Leaders must legitimize alternative approaches to social change. That means abandoning our old ways of anointment and appointment.

Specifically, it is about creating leadership and creating minds. Certainly, let the young come to you. But you must also go to them. Because, frankly, you're incredibly intimidating. For many young people, attempting leadership in a crowd such as this is the activist equivalent of meeting Muhammad Ali, Eleanor Roosevelt, and Aretha Franklin at the same time. Remember how you were at that age. Some of you were more audacious, but many of you had been taught your place by your elders. We're not trying to skip some of the steps, but we want to work. Now.

Bring young women and men with you and seat them beside you, not behind you. Let them sit at the table and exhort them to speak. Place them on national planning committees and international boards and in front of microphones and at the head of organizations. But don't leave us there by ourselves. Raise high the light, make us partners in the battle, and we will not disappoint.

My path to leadership was lighted by many, including the dearly beloved Mayor Maynard Jackson, who passed away on Monday. At the obscenely young age of 35, he had the impudence to run for mayor in the deeply segregated city of Atlanta. In 1973, Atlanta was on the cusp of emerging as a national city, but its poor, black population and its poor white population were shut out. Progress, it seemed, as always, had found those who needed it least. But Maynard was not content to wait for the passing of the torch, for the magical moment when anointment comes to make a young person a leader. But he didn't find success alone. He was guided by civil rights leaders twice his age, funded by a group of seasoned veterans, and young and older turned out on election day in November 1973 to cast their votes.

In 1992, in the wake of the Rodney King riots, the Georgia Bureau of Investigation, at the behest of then third-term Mayor Jackson, cordoned off the Atlanta University Center where I was a freshman at Spelman College. That night, at a town meeting, I argued with Mayor Jackson about the opportunities to engage youth in the City. Three months later, I was a senior assistant in the Mayor's Office of Youth Services. It was there that I decided I would return to Atlanta's City Hall to make my mark, and 10 years later, I re-entered 68 Mitchell Street as the Deputy City Attorney. Mayor Jackson recognized the exponential inefficiency in hoarding the light. In the spirit of true leadership, Maynard Jackson spent thirty years cultivating and illuminating others' calls for action, and he lit the way to leadership for many more than me.

Revolution is a life and death contest, with no concern for youth or inexperience. Just count our rising number in the prisons and in the grave. The demons that haunt this earth care nothing for age. Neither can we. To face our challenges, to forge our change, to foment revolution, we must use every resource at our disposal. And we must be extraordinarily resourceful. So give young people a place to write and speak and stand, pass the torch and share the light, and together, we can change the world!



## A BRIEF HISTORY

The Forbes Funds was established in 1982 to provide emergency financial assistance to nonprofit organizations that were experiencing funding interruptions or short-term cash flow problems. Under the leadership of its founding director, Elmer J. Tropman, The Forbes Funds provided management consultation to small nonprofit organizations and conducted regional research to identify unmet needs in the human service sector. The Forbes Funds provided an important service during a particularly turbulent time when many nonprofit organizations were struggling to adjust to a new domestic policy agenda as well as to significant changes in federal and state funding priorities and procedures.

By the late 1980s, The Forbes Funds, while continuing to provide loan guarantees, shifted its emphasis to long-term capacity-building in the nonprofit sector. During this time, The Forbes Funds focused on helping nonprofits improve administrative skills and infrastructure, with special emphasis on long-range planning and strategic management. Through its grantmaking, The Forbes Funds helped nonprofit organizations secure technical assistance on such matters as strategic planning, financial management, and board governance.

Beginning in 1996, The Forbes Funds advanced efforts to support management capacity-building and strategic planning, while also addressing such sector-wide issues as inter-agency partnerships and mergers. Additionally, The Forbes Funds provided support for local universities and colleges to train nonprofit staff and boards.

Beginning in 2001, The Forbes Funds embarked on an ambitious strategy to enhance the management capacity of the nonprofit sector, especially human service and community development organizations, through three inter-related sets of activities: grantmaking; applied research; and sector leadership activities. Accordingly, The Forbes Funds supports capacity-building initiatives for human service and community development agencies; funds research critical to responsive, innovative, and sound nonprofit management; and encourages and celebrates exemplary practices in the nonprofit sector.

*Envisioning Pittsburgh's nonprofit sector as innovative, informed, and engaged, The Forbes Funds advance capacity-building within and among the region's nonprofit organizations.*

## THE COPELAND FUND FOR NONPROFIT MANAGEMENT

The mission of The Copeland Fund for Nonprofit Management is to strengthen the management and policymaking capacity of nonprofit human service organizations to serve better the needs of their communities.

- Management Enhancement Grants
- Emergency Grants
- Cohort (Professional Development) Grants

## THE TROPMAN FUND FOR NONPROFIT RESEARCH

The mission of The Tropman Fund for Nonprofit Research is to support applied research on strategic issues that are likely to have profound effects on nonprofit management and governance, especially among human service and community development organizations.

- Applied Research Projects
- Annual Research Conference

## THE WISHART FUND FOR NONPROFIT LEADERSHIP

The mission of The Wishart Fund for Nonprofit Leadership is to encourage pioneering nonprofit leadership by promoting public learning and discussion about issues critical to ethical and effective management, as well as by celebrating exemplary practices.

- Leadership Roundtables
- The Frieda Shapira Medal
- Alfred W. Wishart, Jr., Award for Excellence in Nonprofit Management