

Generation Next Understanding San Diego's Nonprofit Leadership Challenge

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Making the Case

Data from the studies:

- University of San Diego **68%** of areas E.D.s planning to leaving within **next five** years (Deitrick and Creager, 2006)
- CompassPoint National Survey **75%** of E.D.s report planning to leave in next five years (Daring to Lead, 2001, 2006)
- National Survey of nonprofits sponsored by AECF, **65%** E.D.s planning to leave next 5 years (Teegarden, 2004)

Making the Case...

- New England Executive Transition Partnership, **71%** “*imagine*” they will leave their current positions w/in five years (2004)
- United Way of NYC **45%** of human service providers funded by UW planning to leave in next 5 years (Birdsell and Muzzio, 2003)
- Calgary Centre for Non-Profit Management, **82%** in next five years; of these **66% NOT retiring** (2005)

So what does this mean

Making the Case

The Nonprofit Leadership Deficit (Tierny 2006)
Based on...

- Growth of nonprofit organizations...
- Anticipated retirement rates of E.D.s and senior managers...

Estimates that **640,000** new senior managers will be needed in the next decade.

Implications

Closer Look at Daring to Lead 2006

- 17% of those leaving want to retire; most (70%) plan to stay in the nonprofit sector.
- Those in larger organizations more likely to want to stay than smaller organizations.
- When Boards are supportive and help lead, ED more likely to want to stay.
- Half those 60+ are not interested in retiring.
- New E.D.s will have different needs.

Uncertain Changes Ahead

- Many nonprofits were formed in the 1960s and 1970s (influx of government and foundation \$, new tax codes).
- Nonprofits facing challenges: less government money, more competition, more difficult political environment.
- Nonprofit leaders in the Baby Boom generation and older looking forward wondering about what's ahead for them.

Leaders: Baby Boom +

AARP Study (50-70 yrs., employed full/part)

- 85% have not retired
- 45% plan to work into their 70s
- 18% will work as long as they are able
- 15% had retired but returned to work
 - Money
 - Health benefits

Leaders: Baby Boom+

Baby Boomers:

- Living Longer and healthier
- Have energy and interest to continue work.
- May not have savings or retirement benefits from their job, or adequate health care if leave current positions.
- May want to work less but stay in organizations/field.
- “What would I do?”

Next Generation of Leaders

Looking ahead...

- Less people in the next (Gen X) cohort - 35% fewer than in Baby Boom generation.
- They are followed by Gen Y (Echo) which has as many people/more than the Baby Boom.
- Operating in a different context

The Next Generations of Nonprofit Leaders

Information from

- *Up Next: Generational Change and the Leadership of Nonprofit organizations (2005).*
- Meetings with younger/older leaders of nonprofits sponsored by AECF.
- Reading and literature about generational changes in leadership across all sectors.

The Next Generations

- Younger directors and staffers dedicated and committed to their organizations based on
 - What they experienced/witnessed
 - Desire to help others
- More likely to have worked in for-profit sector.
- Professionalization of sector
 - More likely to be well-educated
 - Have more student debt
- Different leadership styles than previous generations
 - More team oriented
 - Less traditionally hierarchical

Next Generations Challenges

- Recognition of Contributions
 - Hard to be visible
 - Still a kid
- Race dynamics
 - New generations statistically more diverse
 - No longer black/white paradigm
 - Still few people of color in leadership pipeline
- Career Ladders
 - No room at the top
 - Look at other options

Next Generations Challenges

- Harder to Live on Nonprofit Salaries
 - Cost of living here in many places
 - Salaries especially outside of ED jobs still low

- Work/Personal Life Divide
 - Work to live vs. live to work
 - Family time especially younger men
 - Findings from for-profit sector

- Reluctance to be an E.D.
 - Job expectations/salary
 - Dealing with board/funders
 - Is it a doable job

The Next Generations: Supporting New Leadership

Understanding different views between generations.

- Culture of work team vs. hierarchical command/control
- Criteria for advancement and compensation
- Recalibration of work to allow for healthy personal/family life.
- Different issues in immigrant communities
- Pay your dues vs. earning your keep.

Generational Recommendations

- Invest in younger leadership
 - Value their ideas
 - Identify and nurture younger leaders of color
 - Look at salaries and benefits
 - Pass on information and introduce networks to younger leaders -- knowing the ropes and the people
 - Think creatively about how the executive director job might look in the future rather than what it has been in the past.

Generational Recommendations

- Make it viable for Baby Boom + leaders and staff members to move on by...
 - Helping to plan for their succession.
 - Having someplace to go where their experience and knowledge is valued
 - Examining financial implications (retirement or other benefits plans)
 - Creating space to think, talk about and plan for their own future (groups, sabbaticals, fellowships).

Final Thoughts about “the problem”

How we think about the future of nonprofit leadership depends on how we frame the “problem” we are trying to solve.

Here are some different (and not mutually exclusive) ways to think about the issue.

Thinking about the Future

- We need to replace current leaders that may leave or retire:
 - Training new generations to replace current leadership.

- The current way the E.D. job is structured will not work in the future
 - Finding ways to make the position more doable; changing expectations of the job.

Thinking about the Future

- There are people ready and able to take over leadership but they are overlooked.
 - Learning to recognize the talents and perspectives of new generations of leaders.
- The way our current organizations operate is becoming outdated; we will need new types of organizations.
 - Identifying leadership that will re-conceptualize how organizations can be structured for maximum impact.

Thinking about the Future

- Older leaders can't leave.
 - Focusing on help for aging leadership to find ways to move out of their positions in healthy ways for themselves and their organizations.

- Older/younger leadership have not worked together on preparing for the future
 - Creating opportunities for honest and creative intergenerational dialogue to prepare organizations and leaders for the future.

Think about It!!

Most important message is to start thinking and planning.

- With your board
- With your funders/grantees
- With your staff members
- With yourself!