# THE CHRONICLE OF PHILANTHROPY



#### **EXECUTIVE LEADERSHIP**

*By Ben Gose* MAY 7, 2024

• he first dozen years of Chong-Hao Fu's career moved almost in lock step, as he took on increasingly challenging positions all centered on his passion for education.

He taught eighth-grade math, became a principal at a charter school, and then jumped to a new nonprofit that seeks to change the way schools handle professional development.

The real challenge came when the charity, Leading Educators, identified Fu as a potential successor to the founder. Fu was promoted to a position with unfamiliar assignments — negotiating new partnerships and raising money. As a newbie fundraiser, Fu admits he suffered from impostor syndrome.

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"When I first started, there was a lot of, 'Who am I to be making this ask?"

Leading Educators connected Fu to a fundraising coach who helped him overcome his doubts, and Fu took over as CEO in 2018. Now when he walks into meetings with foundations or donors, he does so with confidence. Blending passion and data, he champions the opportunity to invest in a charity whose effectiveness has been validated by six external research studies.

"The nonprofit CEO job is strange, right?" Fu says. "We effectively have to be able to walk and talk with teachers and students and understand the pressures that teachers are facing. And we also have to walk and talk with billionaires and help them make the best possible investments for social impact. It's a very weird set of tasks to do on a daily basis."

### The Top Line

- Nonprofit CEOs overwhelmingly say they love their jobs but that the demands of the role can be staggering.
- Some chief executives say being more candid and open with employees helps them combat the emotional strain of their work.
- Having an engaged board can make a big difference, especially when it comes to fundraising.

The *Chronicle* commissioned an exclusive survey of nonprofit CEOs to learn how they feel about their jobs, what they like about the work, and their greatest challenges. More than 350 chief executives shared their experiences. The results include some surprising findings.

While charity CEOs overwhelmingly say they love their jobs, they're simultaneously confronted with major challenges that range from work-life balance to the strains of fundraising and attracting strong talent. A third say they're likely to leave their job within two years.

Fu illustrates the apparent contradictions. He's passionate about his work, but he got so tired of watching work tasks spill over into the weekend that he began drawing up his weekly calendar on Saturday mornings.



DELANOE JOHNSON FOR NEW PROFIT

Chong-Hao Fu, CEO of Leading Educators, thinks about his role in three-year increments: "I am constantly asking myself whether I'm still the right person for the job."

"When you sit down on Saturday, you tend to start with the personal things," Fu says. "It helps me draw the boundary lines."

And while he's committed to Leading Educators, he says, "I think of the job as making three-year commitments" — in line with the length of the charity's strategic plans.

"I am constantly asking myself whether I'm still the right person for the job," Fu says. "It's a demanding job, and it's also a job where I feel like you have to have a fire for it. ... And I would say, during the pandemic, and especially from the polarization, things have gotten a lot heavier."

# 'Wake-Up Call' or Business as Usual?

Nearly two-thirds of the nonprofit leaders in the *Chronicle*'s exclusive survey say the country's polarization — over politics, race, and culture — is making their work more difficult. Nearly 40 percent of leaders say fundraising demands are a significant source of job dissatisfaction.

Over all, nonprofit leaders' job satisfaction is high. Nearly all chief executives agree that the benefits of their job outweigh the negatives (97 percent) and that they feel tremendous satisfaction in their jobs as nonprofit leaders (96 percent).

Yet nine in 10 leaders say they feel tremendous pressure to succeed, and nearly as many (88 percent) agree with the statement that "the demands made on nonprofit CEOs, executive directors, and presidents are never-ending."

A third of survey participants say they are likely to leave their current organization in the next two years. Twenty-two percent say they are likely to leave the nonprofit world altogether. Retirement is the No. 1 reason chief executives say they are likely to leave, but other top reasons include salary, the challenge of finding resources, and the demands of the job.

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"That is a huge wake-up call for boards," says Sara Garlick Lundberg, a nonprofit executive search and leadership consultant at DHR Global. "With a third of nonprofit CEOs thinking about leaving, boards have got to be focused on building their bench and planning five years out for potential successors."

Nearly 60 percent of the respondents in the *Chronicle*'s survey say they struggle to achieve a work-life balance. But Lundberg says that's nothing new for nonprofit leaders.

"Most CEOs know it's a 24/7 job — work-life balance has always been a struggle," she says. "What I see more today is CEOs trying to adapt to the changing expectations."

The *Chronicle*'s findings follow a recent study by the Building Movement Project, which found that nonprofit leaders were leaving their jobs because of burnout and that aspiring leaders, especially those of color, were being "pushed" into top jobs to improve working conditions for themselves and others, rather than out of a drive to achieve greater impact.

Those findings are concerning to many nonprofit veterans.

## Being a Nonprofit Leader Is Hard



Source: 2024 Chronicle of Philanthropy State of Nonprofit Leadership Research Study • Get the data • Created with Datawrapper

"People aren't being pulled to leadership — it's not rewarding enough for people, so they see just the hardship," says Frances Kunreuther, co-executive director at Building Movement. "Why did people want to be leaders in the past? Because you could really do something — you could make things happen, you could help people, you could work with people in a collective effort. Where has that gone?"

This isn't the first round of hand-wringing about the future of nonprofit leadership. In the early and mid-2000s, both Thomas Tierney of the Bridgespan Group and CompassPoint's "<u>Daring to Lead</u>" series warned of leadership deficits and nonprofit executives who were heading out the door. In 2015, a *Boston Globe* op-ed — "The Crisis in Nonprofit Leadership" — predicted a mass exodus from leadership positions.

Libbie Landles-Cobb, a partner at Bridgespan who coaches nonprofit executives, says nonprofit leadership jobs have always been hard and turnover has always been high — much as it is in the for-profit sector.

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"What we're seeing is leaders who are heroes doing really hard jobs — things that are likely unfair to ask of people," Landles-Cobb says. "They're doing a great job — and then over time, they're having to make a change. I'm not sure the house is on fire any more than it has been for the last 30 years."

# **Open Approach to Leadership**

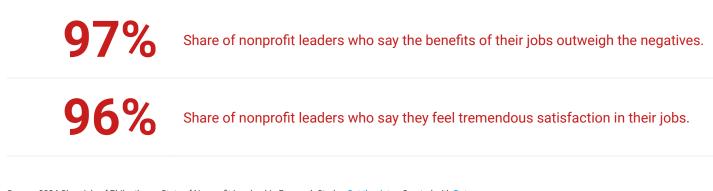
CEOs can make their own jobs more manageable by working with their boards to narrow their organization's scope. Jordan Shenker has worked for Jewish community centers for more than 30 years, including a stint as an executive consultant for the national association of such centers. "I would say that in almost every JCC that I went in and consulted with, one of my observations to the senior leadership was, 'Do less, but do it better," Shenker says.

The burden on nonprofit leaders is evident in the survey's finding that nine in 10 leaders say they feel tremendous pressure to succeed. Even as they're lonely at the top, leaders also face agitation from below — 50 percent of leaders at large organizations (with more than 50 employees) say staff demands for better pay and changes in the way the organization operates are a significant source of stress.

Some chief executives say they're combating the emotional strain they hold internally — as well as the stress they're under from employees — by being more candid and open with staff members about personal and organizational challenges.

ProInspire, a nonprofit consulting firm that works primarily with BIPOC charity leaders, benefited from greater foundation interest following the murder of George Floyd, as did many organizations focused on racial equity. But over the past year, such interest has waned. Three significant supporters of ProInspire said they were "shifting priorities," according to Bianca Casanova Anderson, a co-CEO at the charity. ProInspire operated with a budget deficit last year, and if it can't close that gap soon, layoffs may need to be considered.

### **Nonprofit Leaders Love Their Jobs**



Source: 2024 Chronicle of Philanthropy State of Nonprofit Leadership Research Study • Get the data • Created with Datawrapper

"Too often leaders of color are reluctant to share around the challenges of the job — there's a fear of being vulnerable," Anderson says. "I had to tell the team very transparently: 'We don't have line of sight to the remainder of budget, and if we don't have it by midyear, that has implications.' I'm sharing responsibility around the revenue needs and where the gaps are so that other people can also hold this."

Sara Cole quickly worked her way up the ladder at the YMCA, and after stops in Cincinnati and Rochester, she was named CEO of the Duluth Area Family YMCA, in Minnesota, in 2017.

"It's really important for me to do leadership in a different way than I saw coming up," Cole says. "I want to show up as a whole person. I'm openly feminist, openly antiracist — I get to do those things, and nobody tells me I can't."

When *Roe v. Wade* was overturned, Cole posted about her own miscarriage and abortion on social media. After a controversy involving a transgender woman in a YMCA locker room in California, Cole again posted on social media, this time referring to her side passion as a licensed wildlife rehabilitation specialist. The critics of transgender individuals in bathrooms, she argued, were acting out of fear, just like the scared animals that occasionally scratch her as she tries to nurse them back to health.

"There's real power in sharing our own experiences," Cole says. "Unfortunately, as leaders we feel pressure to be our LinkedIn selves, as opposed to showing the kind of vulnerability that is comforting."

# **Unengaged Boards**

That CEOs want more help from their boards came through loud and clear in the *Chronicle* survey. While 95 percent of leaders say their relationship with the board is productive and that their board gives them

autonomy, nearly 40 percent say their boards aren't engaged. And fewer than a quarter of respondents say their board members are enthusiastic fundraisers.

## Many Leaders Plan to Leave Their Jobs

33% Share of nonprofit leaders who say they are likely to leave their current position in the next two years 22%

Share of leaders who say they are likely to leave the nonprofit world altogether in the next two years

Source: 2024 Chronicle of Philanthropy State of Nonprofit Leadership Research Study • Get the data • Created with Datawrapper

Melissa Greenblatt, managing director at the National Dance Education Organization, recently attended a training for nonprofit leaders. Near the end of the session, she says she and other leaders discussed challenges they'd had with their boards. Nonprofit board members are often drawn to serve because of their passion for the cause, but they may have little knowledge of or interest in the underlying business, Greenblatt and others at the training observed.

Like many membership organizations, NDEO survives on conference revenue and other earned income. Fundraising is almost nonexistent, yet some of its strategic objectives - such as reaching a more diverse audience and providing greater education about dancing with disabilities — will take both time and money.

The organization can bend only so much. Members of the organization sometimes ask for a free pass to the annual conference in return for helping to lead a session, but the charity must say no. The struggle to keep a small nonprofit afloat isn't always well understood by board members, Greenblatt and others at the training session decided.

"The paid staff has the deep, deep expertise, and yet the board has the power according to the way nonprofits are set up," Greenblatt says. "The consensus of this training group that I was with is, 'You know, we do this for a living. This is our career — nonprofit management.' We're running a business, and I think that's the biggest thing to get [board members] to understand. We treat it like a business."

CEOs say a highly engaged board can make all the difference — especially when it comes to fundraising.

Top executives are intensely focused on fundraising but are struggling to generate enough support. More than 60 percent of chief executives in the *Chronicle* survey say the time they spend raising money has increased significantly. Four out of five say it's becoming more challenging to secure the funds needed to do their work.

Big Brothers Big Sisters of Utah is facing a \$340,000 deficit, largely because of a 10 percent decline in support secured through fundraising events last year. At the March board meeting, Nancy Winemiller-Basinger, the charity's CEO, spent most of the night working with board members to plot a strategy for closing the gap in the \$4.6 million budget.

Winemiller-Basinger says she's constantly working to rebuild her board of 15 to 20 people and that the time investment is worth it. Her board members invite her in to their businesses and put together teams for the group's annual bowling fundraiser.

"You can have a good nonprofit on the shoulders of staff," Winemiller-Basinger says. "But you can't have a great nonprofit unless you have a group of dedicated people who are helping you connect to the community in real and diverse ways."

Even with the board's support, Winemiller-Basinger says, her organization faces an uphill climb to close its budget deficit. Economic uncertainty and inflation are making individual donors cautious, she says.

"People still don't have a sense of what's going to happen with interest rates, and there's a lot of economic uncertainty in the corporate sector — people are not hiring the way they were," Winemiller-Basinger says. "That economic uncertainty at the macro level leads to individual uncertainty. Nobody's feeling so confident that they would want to make a generous multiyear donation at this point."

# **New Leaders of Color**

Polarization is another concern for CEOs — including in the office. Some 28 percent of the leaders of large charities say that polarization is affecting their relationships with members of their own staff.



### TARA ANDREWS HUFFMAN

When new CEOs of color are brought in without a frank discussion of inequities within the nonprofit, they're often set up to fail, says Tara Huffman of BoardSource.

#### 5/7/24, 12:04 PM

#### A Really Tough Job: Nonprofit CEOs Work to Make Their Roles More Manageable

Tara Huffman, chief program and strategy officer at BoardSource, says the data may point to organizations that are hiring new leaders of color without addressing systemic inequities within the organization. When new CEOs of color are brought in without a frank discussion of those barriers, she says, they're often set up to fail. It's the board's responsibility to put those issues on the table, she says.

"When a CEO of color comes into the organization, they want to have that conversation," Huffman says. "They don't want everyone to pretend like the only thing you did was put a person of color in the seat and nothing else is going to change. It changes everything."

Amid a national backlash against diversity, equity, and inclusion initiatives, many charities are still struggling to create the same diversity in the C-suite that they have among their frontline staff.

At PBLWorks, a charity that advocates for project-based "real world" learning, more than half the staff are people of color, up from about 30 percent a decade ago, but the charity has had less success in diversifying its senior leadership. The charity has applied for a foundation grant to support a mentoring and leadershipdevelopment program for a group of diverse midlevel leaders.

"We're building capacity now so that when we have openings in the future, we can look for staff to be able to take on those senior and executive roles," says Bob Lenz, the charity's CEO.

### Fundraising Is a Source of Frustration

80%	Share of nonprofit leaders who say securing the money their organizations need is becon and more challenging
<b>62%</b>	Share of nonprofit leaders who say the fundraising demands of their jobs have increased
47%	Share of nonprofit leaders who are satisfied with the amount of time they have to spend r
24%	Share of nonprofit leaders who are satisfied with the amount of fundraising their boards (

Source: 2024 Chronicle of Philanthropy State of Nonprofit Leadership Research Study • Get the data • Created with Datawrapper

# **Plunging Toilets**

The *Chronicle* survey suggests that charity leaders are able to handle the demands of their job — but only by sacrificing personal time. At large organizations, 78 percent of respondents say they are able to stay on top of everything that needed to be done. But nearly 60 percent say they struggle to maintain a healthy work-life balance because of the demands of the job.

Some executives say the intensity of the workload can vary — especially for an incoming CEO.

Shenker, the Jewish community center executive, became CEO of the Peninsula Jewish Community Center, in the Bay Area, in early 2022. He filled six key leadership positions within the first 18 months, but he didn't hire for any of those slots during his first six months on the job.

"I needed to wait until I knew what I needed," Shenker says. "I needed to sort of roll up my sleeves and do a bunch of stuff. I would say in my first six months, there was not a whole lot of work-life balance."

His immersion in the organization helped him figure out its needs — he replaced an empty chief program officer position, for example, with a chief operating officer. That investment of time at the beginning of his tenure helped him assemble a senior team he now thinks is as good as that of any Jewish community center in the country.

"Hire good people, and get the hell out of their way," Shenker says.

Of course, that's a luxury enjoyed only by larger nonprofits. On many measures — including salary, the effectiveness of employees, organizational diversity, and support from boards — the CEOs of the smallest charities (under \$1 million budget) expressed less satisfaction than the leaders of the largest organizations (\$11 million and up).

John Stephens is the executive producer of the Little Theatre on the Square in Sullivan, Ill., a town of 4,300. Stephens heads the charity and is also its artistic director.





JOHN STEPHENS

John Stephens takes on myriad responsibilities as executive producer of the Little Theatre on the Square in Sullivan, Ill., a town of 4,300.

The Little Theatre, which has a \$1.6 million budget, relies on ticket sales and philanthropy to stay afloat. When that doesn't work, the charity borrows money, and then Stephens scrambles to raise money to pay off the loan. That balancing act influences his approach to his board — he'd like to restock it with younger people who could bring legal and marketing skills, but he won't remove less-engaged members who are among his largest donors.

"If they're only coming to the meetings every other month, but they're writing a five-figure check, I can't walk away from that," Stephens says.

The professional theater, now in its 67th year, once drew appearances from stars like Mickey Rooney and Leonard Nimoy. Now it relies mostly on young visiting actors who come for short stints and live in houses and apartments owned by the charity. When actors need a toilet plunged — or a therapist — Stephens gets the call.

"If I have a list of four items to do in a day, I may only get one of them done because of everything else that pops up," Stephens says. "But I love what I do."

Correction (May 7, 2024, 9:22 a.m.): A previous version of this article misspelled Libbie Landles-Cobb's first name as Libby.

A version of this article appeared in the May 7, 2024, issue.

*We welcome your thoughts and questions about this article. Please <u>email the editors</u> or <u>submit a letter</u> for publication.* 

**EXECUTIVE LEADERSHIP** 



### Ben Gose

Ben Gose has written for the *Chronicle* since 2002 and has done profiles of several major philanthropists.

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