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## Rethinking Nonprofit Jobs

Competition and the bad economy force charities to get creative

[By Caroline Preston](#)

At 66, Delle Willett is the oldest employee at the San Diego Natural History Museum, where she has worked as the director of marketing for a decade. And while her husband and friends have all retired, Ms. Willett doesn't have retirement in sight.

That's because the crumbling economy has put her family's investments in a tailspin, magnifying her concerns about the high cost of living in Southern California and of paying her son's college bills.

"I would like to continue earning while I can," she says. "Our investments are riding a roller coaster."

The financial crisis is shifting the calculus for people who work at charities, and those seeking to enter the nonprofit world. Older charity employees are staying put in their jobs, rather than retiring on schedule. More people from the corporate world are applying for positions at nonprofit groups. And younger nonprofit workers, already worried about their career prospects, fear they may have even less opportunity to move into higher-paid positions.

### 'Think Differently'

Nonprofit experts say the looming recession is intensifying trends that charities and foundations have faced for several years, such as the growing number of people who are working longer, the increased interest people leaving the corporate world are showing in nonprofit work, and the generational struggles between young and old workers.

This is an ideal time, experts say, for the charity world to come to grips with what those issues mean for organizations. If it doesn't, nonprofit groups may lose a talent pool of eager young workers and people who want to make a jump from business careers.

"This is an incredible opportunity to think differently about how we run our organizations," says Frances Kunreuther, director of the Building Movement Project, a group in New York that seeks to strengthen social-change organizations, and the author of *Working Across Generations: Defining the Future of Nonprofit Leadership*. "It's a wonderful time to think about how we can do more sharing of responsibilities, how we can bring in fresh ideas without getting rid of older people, and think more creatively than we currently do."

Already, competition for charity jobs is increasing. Careers in Nonprofits, a Chicago recruiting firm, has seen a 40-percent rise in applications in the last three months, many from people seeking a transition from the business world. Professionals for Nonprofits, a similar group in New York, has seen a 25-percent jump since the summer.

Charities that are hiring are also seeing greater interest in their jobs. The Astraea Lesbian Foundation for Justice, in New York, received 25 résumés in three days in late October for two positions, an events manager and a development officer, compared with the roughly three applications per week it normally receives in response to job postings. Tata Traore-Rogers, the charity's deputy director, says that almost half of those 25 applications were from people who were not employed in the nonprofit world.

Carolyn Cummings Altemus, director of diversity and executive recruiting at the Boy Scouts of America, in Irving, Tex., says that over the last month her group has seen a jump of roughly 35 percent in job seekers who want to begin "second careers" with nonprofit groups.

But the financial crisis has meant fewer available spots for those applicants. Not only are older workers like Ms. Willett postponing retirement, but people of all ages are being more cautious about moving from one job to another.

Already a few charities are laying off workers or imposing hiring freezes. Others are looking closely at their budgets, sometimes merging positions or relying on temporary workers.

"The big thing we're seeing is the combining of responsibilities into one title," says Ira Madin, vice president of Professionals for Nonprofits, a recruiting firm. "Human resources will do finance, finance will do human resources, marketing will do membership, membership will do PR."

Marc Freedman, founder of Civic Ventures, a San Francisco group that encourages older workers to seek "encore careers" with charities, says that the economic crisis is "crystallizing" a long-term trend: the shift toward lengthier working lives.

While he says that more baby boomers may choose to stay in their corporate jobs longer because of the downturn, others who might once have opted for full-fledged retirement may now seek new careers at charities so they can continue to earn money.

"There's a great opportunity here, beyond the current contraction," to get people into education, health care, and other fields facing a long-term shortage of workers, he says. "There's a talent-acquisition opportunity for the sector."

## **Finding Volunteers**

Yet, while the pool of people seeking full-time jobs is growing, charities may have a harder time recruiting volunteers amid the economic turmoil.

Scott Parkin, vice president of communications at the National Council on Aging, in Washington, says he worries that concerns about retirement will mean that fewer older people will seek unpaid opportunities with charities.

"Nonprofits should be worried not just about donations dropping but about the supply of volunteers, too," he says.

That said, New York charities may benefit from some unusual volunteer assistance from investors who are taking some time off from the markets.

Louise Greilsheimer, senior vice president for agency and external relations at the UJA Federation of New York, says she has spoken in the last two weeks with a handful of hedge-fund and finance executives who are getting out of the market and want to offer volunteer help to charities in their free time.

The financial experts, she says, have expressed interest in working with nonprofit groups' treasurers, helping them identify new sources of support and weather the financial storm.

"It's a great time to bridge this really rarified level of people into the lay side, the volunteer side of nonprofits," she says.

### **Challenges for the Young**

Meanwhile, older workers who remain on the job longer may cause added strife for younger employees, many of whom are eager to enter the nonprofit work force or move up within their organizations.

Griselda Macias, an assistant at the Education Trust, a Washington charity that seeks to improve the schools, says that an older employee at her organization recently decided to forgo retirement to work part time.

Ms. Macias, 23, worries that that might mean less responsibility for her.

The situation will be even more difficult for young people applying for jobs for the first time.

Nancy Lublin, chief executive of Do Something, a New York charity that encourages young people to volunteer, says that recent college graduates will face a particularly difficult time finding a job, but that they should not feel defeated.

"Not even Starbucks is hiring right now," she says. "My suggestion is what a fantastic time to take off and go work at a hospital in Africa or get that work experience in Thailand."

The tight nonprofit job market may also cause young people to rethink their postgraduate plans in other ways.

Tony Bowen, a senior at William Jewell College, in Liberty, Mo., who has studied nonprofit management, says he had planned to seek a job with a foundation after he graduates this spring. But now he's leaning toward graduate school — which he thinks he can pursue at no cost through a combination of scholarships and work as a graduate assistant — to wait out the bad economy.

"I don't want to have to settle for a position that doesn't pay as well just because it's my only option," he says.

The Wall Street meltdown is also taking some of the shine off corporate jobs, making nonprofit organizations more appealing to some young people. Suddenly, the lower pay at nonprofit groups doesn't seem quite so stark, say nonprofit recruiters and other observers of the charity world.

Kristen McCormack, faculty director of the nonprofit-management program at Boston University School of Management, says some of the undergraduate business students she teaches are considering nonprofit jobs for the first time.

"Before this, students would think they needed to make a tradeoff between a job that was mission-driven and making money," she says. "Now they're saying, 'Well, I could take a job that makes money but I could be laid off from that job tomorrow, so I might as well do what I really believe in.'"

### **Compensation Concerns**

But others say that the economic malaise may make people of all ages more concerned about wages than ever before.

"The financial reality out there is going to mean more pressure on people to look for higher compensation," says Marla Cornelius, projects director at CompassPoint Nonprofit Services, a nonprofit management-consulting organization in San Francisco.

While salary increases tend to be a casualty of tough economic times, recruiters say that, so far at least, pay at nonprofit groups seems to be growing at the same rate as in the past.

Brian Vogel, senior principal at Quatt Associates, a management-consulting firm in Washington, says that most of the charities he advises still plan to raise wages at the same level as last year, but that they are watching the financial crisis very closely.

"Only a minority are at this point actively freezing or reducing salaries," he says. "That could change in the next month or so, as we see how things develop."

Meanwhile, some people hope the economy's troubles will offer an opportunity to talk about a problem uncovered in some research studies: a growing divide between what executives and other nonprofit workers are paid.

The Economic Research Institute, in Redmond, Wash., found that executive salaries at social-service groups rose by 4.4 percent last year, compared with 3.9 percent for other employees. This year, wage increases were expected to be 4.2 percent and 3.7 percent, respectively.

Some experts say the gap was exacerbated by competition with the business world.

"We thought we had to pay executive directors commensurate salaries with the for-profit sector because they could get jobs elsewhere," says Ms. Kunreuther, of the Building Movement Project. "But now we have corporate people coming to the nonprofit sector, so what does that mean?"

But Susan Egmont, a recruiter in Boston who works with nonprofit clients, says she is less concerned about the pay gap than the potential that economic fears will cause charities to slash wages at every level.

"I hope very much there's not a retrenchment in the amount nonprofit executives are paid," she says. The wage gap "is not nearly the problem in the nonprofit sector that it is in the corporate sector."

### **Keeping Workers Happy**

Charity executives and nonprofit experts say it is critical that organizations take advantage of the hiring opportunities, when possible, and foster talent within their organizations.

For one thing, younger leaders may have fresh perspectives to offer. Some say the turbulent economy could provide a chance for young people to shine.

"People's ears are more open now," says Rosetta Thurman, 25, a consultant to nonprofit organizations and an adjunct professor at Trinity University, in Washington. "Young leaders can assert their leadership now and say, 'This is what I know, this is what I've learned, and I'd like to try this.'"

Greater autonomy can also be rewarding for many young workers. Allison Jones, who works in marketing and development at St. James School, a private institution in New York, says she isn't bothered that the charity's executive director has less time to devote to her now that she is more focused on raising money in a tight economy.

"Sometimes the best way to learn is when everything is less than perfect," says Ms. Jones, 22.

Nonprofit leaders say that charities need to think creatively about how they can still provide learning opportunities to young people, even as they may be facing difficult decisions about laying off young workers.

Carolyn Miles, chief operating officer at Save the Children, in Westport, Conn., says that her charity is trying to avoid "gridlock" in upper- and middle-level management positions by helping staff members make lateral moves within the organization.

"The positions might not be promotion opportunities but they are opportunities for people to build a whole new skill set," she says.

The economic downturn may cause many charities to consider cutting professional-development opportunities, but nonprofit experts say that would be a mistake.

"It will be harder and harder for younger individuals to find money from their organizations to do things like go to professional-development conferences," says Stephen A. Bauer, director of the initiative for nonprofit-sector careers at American Humanics, in Kansas City, Mo., which prepares college students for employment at charities. "That's too bad because that's one of the things we hear young people want most."

Charities can often find low-cost ways to keep young people engaged in the organization and its mission, experts say.

Daphne Logan, senior vice president of human resources and administration at Feeding America, the nationwide network of food banks with headquarters in Chicago, says her organization encourages employees to submit questions, including anonymous ones, to the charity's leader. Every employee also gets a chance to meet in a small group with the chief executive four times a year.

Most of all, though, nonprofit experts say charity officials should look outward for advice and shouldn't get too caught up with putting out fires. Tough questions about how the economy could affect staff positions and salaries shouldn't be dealt with in solitude.

"Executives are going to feel much more pressure simply to keep their organizations alive," says Ms. Kunreuther, of the Building Movement Project. "But the best solutions will come if we're open and creative and we think about how to get jobs done in different ways."

*Jennifer C. Berkshire and Candie Jones contributed to this article.*