

Working: Nonprofit-Style

by the editors

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THIS ARTICLE IS MEANT AS A KIND OF A collective self-portrait because, as you will see, many of our readers have helped us to shape it. It is a representation of ourselves as nonprofit workers: rural and urban and suburban, older and younger, across the country, and in many different fields of endeavor. The people and places are different, but their experiences are knit together by the common theme of ardor for their work and their communities.

Generally, we have noted that the mainstream media characterizes the nonprofit workforce in two ways; (1) through exposés of exorbitant salaries and bad behavior on the part of a minority of nonprofit leaders and (2) through a kind of “What a saint” lifestyle-page profile. Since most of us are neither saints nor mercenaries, that leaves a lot of us wishing that the cartoonlike caricatures would stop and give way to a more accurate and nuanced view of our hardworking, skilled, and committed workforce.

So here is our effort to bring you “Working: Nonprofit-Style.” What follows is a series of interviews not aimed at making any particular point, but rather designed to provide a view of how we develop ourselves and our communities in the context of our jobs. The interviewees here tend to work in smaller or midsize organizations (we hope future coverage can reflect a broader sample of organizational size). Interspersed in this article





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is sometimes surprising information drawn from research about our national nonprofit workforce, its diversity, and its compensation.

The Zen of the Nonprofit Career Path

People working in nonprofits—even in jobs that require specific skill sets—often end up in positions they did not plan to occupy. Below, two artists discuss the journeys they took to their administrative positions.

Christa Stiner: Rising to the Position—and the Challenges

“I started out in a pit orchestra playing bassoon,” says Christa Stiner, “and then I worked in a box office, and then I became the orchestra manager for a musical theater company, and then I became the business manager for the musical theater company, did a little work in public relations and marketing for a small dance company, and then I became the general manager for the musical theater company. Then I jumped to being an administrative assistant for a much, much larger ballet company and worked my way up through the ballet company, from production assistant to accounting assistant to production manager to finance director.”

Stiner, who makes \$80,000 as the director of finance for the 28-year-old San Jose Repertory Theatre, operating with a \$6 million annual budget, readily admits to lacking a degree in accounting. But she clearly has a grip on the complexities of the number-cruncher role in this organization, which has 200 employees. She talks knowledgeably about the challenges of public accountability, internal transparency, and engagement in budget processes as well as how she approaches managing the mix of earned and contributed revenue familiar to many arts organizations. How did she acquire her skills? “I’ve been working in nonprofit finance for about 15 years. I’ve learned virtually all my nonprofit accounting on the job, mentored by other finance directors. Anybody who has a love of numbers and an eye for detail and appreciates the structure of justifying one’s tax-exempt status can do this job.” But she notes that the job requires skills in critical thinking as well, “You have to be able to do a certain amount of analysis and ask good questions and be aware of what’s going on around you,” she says.

This unconventional training for high-skill jobs

is not uncommon in nonprofits, which are often resource-stretched environments. Good managers are often on the lookout for workers whose talent and aptitude might be developed to cover more than one role, and this search sometimes leads to employees finding joy in unexpected roles.

Stiner says that the most fulfilling aspect of her job is “being right in my projections. Doing the modeling and being successful in being able to forecast accurately.” This would be music to the ears of most executive directors.

Habib Lorient-Bettaieb: Artist at Work

When asked about his workplace at TITAS, Habib Lorient-Bettaieb is quick to describe the brilliant, multicultural performing-arts tapestry that is the essence of his Dallas-based nonprofit organization’s mission. His list of past and forthcoming artists tumbles out enthusiastically: American Ballet Theatre! Steve Reich! Twyla Tharp! Kodo drummers of Japan! China’s Shaolin Warriors! Benin’s superstar and UNICEF goodwill ambassador Angélique Kidjo! MOMIX! Portugal’s fado chanteuse Mariza! Les Grands Ballets Canadiens de Montréal! The Afro-Cuban All Stars! Alonzo King’s LINES Ballet! He extols the virtues of each and says, “What we do appeals to all sorts of folks; we have people of all ethnicities, of all ages, and of all economic and educational backgrounds. TITAS audiences provide a pretty good representation of what America is really all about.”

Lorient-Bettaieb started as an artist, studying music composition in college. “It’s something that remains at the core of who I am,” he says. “However, talent alone has never assured anyone a career in a specific field—royal courts are no longer around to support composers, commissioning them to write music, so instead I became a program officer at the Missouri Arts Council, a state arts agency, where I oversaw the music and dance grant programs. Then, I hopped on the other side of the fence, joining my first nonprofit organization as general manager of the St. Louis Ballet, and after that I joined Metro Theater Company, considered by our peers as one of the leading five theater companies in North America that produce original theater pieces for young people and families.”

Perhaps because of the realization that good art always needs sponsors—even if they are not

Diversity within Nonprofit Leadership

For good reason, the issues of race and diversity in leadership and staffing have increasingly surfaced within nonprofits and in philanthropy. Despite serving a multihued nation that is rapidly becoming majority-minority, the nonprofit sector is pretty white, especially at the top levels of leadership. In Congress and in state legislatures, lawmakers question whether the tax exemption should be used to support a sector that does not look like it's diversifying rapidly.

What do we know about this issue? Apparently, not as much as we should. Recently foundations in California resisted efforts that would have required these organizations to report on the racial and ethnic makeup and leadership of their grantees. When we talk about specific racial or ethnic minorities, it's not even clear that we all mean the same thing—much less what constitutes a “people-of-color-led organization.”

The most recent pertinent data comes from some diverse sources that look at slices of the nonprofit sector:

- According to a 2004 survey of 2,200 nonprofit organizations, conducted for the Annie E. Casey Foundation, if you're a nonprofit executive director, the odds are more than half that you're a middle-age white woman. Of respondents, 84 percent were white, 10 percent African American, and 4 percent Latino, though just about half of the organizations served racially mixed or predominantly African-American communities.
- CompassPoint's 2006 study of nonprofit leadership characterized executives as 82 percent white, 7 percent as African American, 4 percent as Latino, 4 percent as Asian/Pacific Islander, and 3 percent as other. The statistics reflect 1,932 survey responses, based on a national sample focused on five regions.
- Statistics on some nonprofit subsectors also do not look exceptionally diverse. While the nation's nonprofit community development corporations (CDCs), for example, trace their origins in part to civil-rights groups frequently established and led by racial and ethnic minorities, today's community development corporations are led predominantly by nonminorities. A 2005 census of CDCs conducted by the National Congress for Community

Economic Development classified 69 percent of CDC executive directors as white, 22 percent as African American, 7 percent as Latino, 1 percent as Asian American, and 2 percent as Native American or Alaskan—a far cry from the neighborhood demographics these CDCs serve.

- Statistics on foundations responding to Council on Foundations surveys show disproportionately few professional foundation jobs held by minorities, a trend that only worsens for higher-level positions. For all full-time paid foundation staff, 76.8 percent were white in 2006, only 11.4 percent were African Americans, Latinos account for 5.7 percent, and Asian/Pacific Islanders account for only 4.8 percent. For program officer positions, only 4.2 percent were black men, compared with 12.8 percent black women, 16.3 percent white men, and 52.4 percent white women, 3.0 percent Hispanic men, 4.3 percent Hispanic women, 3.8 percent Asian/Pacific-Islander women, and less than 1 percent Asian/Pacific-Islander men. For chief executive officers and chief giving officers, 1 percent were black men and 1.8 percent were black women, compared with 41.8 percent white men and 51.8 percent white women. (Source: The Council on Foundations' *Grantmakers Salary and Benefits Report 2005* and the executive summary of the 2006 edition.)

Who's examining this issue? Sporadic “national” surveys—based on relatively small, often less-than-robust samples and studies of nonprofit subsectors, which rely on weak survey numbers themselves—reveal a central truth: while we don't know the specifics, we know that racial and ethnic minorities are underrepresented in the nonprofit sector, even where the target populations are racial and ethnic minority communities.

Where does this take us? This may be the workforce issue of the day. In state legislatures and in Congress, lawmakers have noticed the racial and ethnic asymmetry between the composition of the workforce—and particularly the leadership—and the communities served by the nonprofit sector. The pressure is building—not just for better data, but also for racial and ethnic equity in the tax-exempt sector.

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royalty—Loriot-Bettaieb ultimately went back to school to hone his fundraising skills and knowledge, attending the Fundraising School at the Center on Philanthropy at Indiana University. And with his broad experience and added education under his belt, he joined the ranks of TITAS as its director of development with a modest salary (in big city terms) of \$50,000.

Unfortunately, over his very rich and productive career, Loriot-Bettaieb has not been blessed with much in the way of employer contributions to his retirement. "It's the Bank of Habib financing Habib's retirement!" he says. "None of us go into this field to retire a millionaire. We just do it for the love of it and the joy and hope it brings our fellow man."

Summer Shimabukuro: The Richness of Organic Diversity

Summer Shimabukuro, a member of the local Shimabukuro-Dodge family known for its activism, works for MA'O Organic Farms (a project of Wai'anae Community Re-Development Corporation) in Wai'anae, Hawaii. The endeavor, which engages young people in organic agribusiness, is one of several networked economic development efforts around the Hawaiian Islands. Many of these projects have been established explicitly to help youth learn and develop from a cultural base that is uniquely Hawaiian.

Shimabukuro is 28 years old and makes a bit less than \$40,000 a year as the farm's director of education, although she is paid through a local community college. Above a lot of background noise caused by youth in the program getting settled in for the day, Shimabukuro described her job for us.

"I do everything from the front line all the way up to upper administration, so I get a taste of everything," she says. "A typical day would start in the morning at 7:00. I check in with the youth, we usually do a chant. We have about 30 college interns that co-manage the farm and whom we support in college. I help with morning announcements and take the time to check in with as many as I can. I like to see how they're doing, how school is going, and hear about their home lives. I see it as day-to-day counseling and case management, which is great to be able to do, because I get to work on the ground with our interns, hear their concerns, see if there are any changes the program needs to make in order to better empower them,

and really get to watch them grow.

"I usually have a few meetings during the day. We do a lot of networking where we work with other organizations and our partner schools on various projects for our education program. So I'll usually have one or two meetings to discuss collaborations, I check in daily with our executive director and also help oversee our education team, which consists of two education resource specialists and myself. One specialist focuses on our college programs, and the other focuses on our high-school and intermediate programs. I check on how things are going with their current activities and how I can best support them in what they're doing. That's pretty much in a day. I do a lot of program designing and evaluation of our programs. A lot of that is just concept stuff on the computer and constant dialogue with MA'O education and farm staff. I also help with special events like fundraisers and am just learning how to write grants."

For Shimabukuro, the diversity of tasks isn't onerous because these tasks are integrated and allow her to monitor the progress of cause through to effect. "Every day I feel like I'm making a change," she says. "Every day I feel like I'm making a difference. We really are on the ground, in the classroom, at the farm, working with them every day. And if I see things that aren't working on the ground level, I have the—I don't know if *power's* the right word—to change things very quickly. So you have a really, really quick feedback loop. It's great."

This is made possible, she says, by a sense of shared leadership. "I think a lot of that has to do with native models of leadership," she says. "We really view leadership as being the person at the bottom of the totem pole that's supporting the workers above you. I think that has a lot to do with the way that Kukui and Gary, the founders, lead. A lot of times it's about supporting us. It's a very democratic working environment, and it's very intellectually rigorous. Every day in the office, for at least an hour, you'll hear us heatedly arguing over stuff: about the education system, about the homeless problem, about how we can better do things. Always talking about numbers, and research, and what was in the news that day. I love it. I really feel like I can be very creative, and I'm surrounded by people who are very intelligent, always asking questions, and who care."

Small Organizations

Peggy Baker: Small Is Manageable

On the other side of the United States sits the oldest continuously operating museum in the United States, the Pilgrim Society and Pilgrim Hall Museum in Plymouth, Massachusetts. For the past 13 years, 60-year-old Peggy Baker has acted as librarian and director. Making \$60,000 a year, she epitomizes the kind of person one might expect to find in this role. She boasts two master's degrees, one in library science and one in Latin. She is a self-professed history buff, and in explaining her choice of workplace, she says, "If you're in Plymouth and you're a history person, you do Pilgrims."

Sleepy image aside, however, most museums are no walk in the park to manage. But Baker points to place and size as factors that make this museum a desirable place to work. First, of course, Plymouth is a big tourist destination, and Pilgrims figure large in visitors' interests. So there is a ready-made audience of 25,000 to 30,000 per year. Second, local supporters make up an active cadre that is attached to the historical traditions and tourism base of the community and that does the necessary committee work. Finally, the museum has stayed at a manageable budget size at just less than \$500,000.

Baker credits the size of the institution with making her job manageable. "I thoroughly enjoy the size," she says. "I have worked at much larger institutions where I did not have the variety of challenges that I have now and found that I did get rather bored. And that is something that I have never, ever had to worry about here. At the same time, I'm not operating solo, so I don't feel overwhelmed. There are enough staff people around me that I can afford to go on vacation without worrying myself sick. I can afford—if I have to take a sick day or have jury duty—I can cope with life without feeling that I'm overwhelmed by the job."

Ana Aguirre: When Resources Are Stretched Thin

Not everyone, however, is having a stress-free time working in a small setting. When she came to the United States from Peru, Ana Aguirre had a background in psychology. Since that time, she has worked at United Community Centers Inc. (UCC) in Brooklyn, New York, first as a health

educator and then as the executive director. Along the way, she earned a master's degree in public health from Hunter College.

In 1954, tenants in two New York city housing projects formed UCC and built a membership organization that since its inception has involved families and individuals from the community of mixed racial, ethnic, and religious backgrounds in a wide range of programs. UCC's mission is to provide first-rate services that meet the needs of families and to involve adults and youth in campaigns for social change as a vehicle for learning about and resolving community problems.

After listing a truly awesome range of UCC programs, from day care to HIV education, English as a second language, immigration assistance, and organizing to prevent foreclosure, Aguirre notes that what the organization has taken on in reaction to community needs does not often allow members of the 35-strong staff to take a night off. "You stretch, you take a lot of stuff home, and you work from home on weekends, especially when you have to put together proposals," she says. "And sometimes you cannot take all of your vacation at the same time because you cannot be away for too long."

"I think that many smaller organizations are stretched thin and don't have the resources they need. I think that foundations consider us too small and therefore incapable to do a good job, so the money goes to much larger organizations. But small organizations like ours are much closer and more grass roots and more connected to the community than the large ones. Foundations should reconsider small organizations and invest in building capacity. You cannot expect to run a quality program without putting money in less glamorous expenses like overhead costs."

"But it goes back to capacity. You have less, so someone has to do five things that other places might distribute among more staff. A large organization might have a human resource department or even a tech department to fix your computer or someone that will clean your bathroom. Those are luxuries in a small organization. Fortunately we have very dedicated staff."

Aguirre does what's required to keep things moving day to day in this small, complex agency. "Even though I am the director, I do programs, so usually in the winter it might be that early in the morning I'll be with another coworker doing a presentation on women's health in one of the

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schools,” she says. “Coming back, I might meet with an administrator at the day care to go over the budget, write a report for a foundation, struggle with the city to have a contractor fix our heating system, and things like that. Afternoon might be a meeting with other organizations about a joint organizing project or writing a grant or writing our reports.” Aguirre, who makes \$71,000 a year, says that the agency offers no pension contributions because its budget doesn’t allow for them.

Eleanor Drewniak: Shuttle Diplomacy

Most of the nonprofits in the United States are small and local. Their budgets tend to be modest, and staff members do multiple jobs as they are needed. Eleanor Drewniak is the poster child for this kind of nonprofit work. With a salary of \$30,000 a year, she is the director of the Eastern Shore of Virginia Coalition against Domestic Violence, which serves Northampton and Accomack counties. Drewniak describes the area as a long peninsula and two islands, so her work requires a good deal of travel. The organization is small, with three full-time and one part-time staff position, and she describes all staff as needing cross-training so that they can cover for one another.

Drewniak says she has come to appreciate that diversity of task. “Each day is a new challenge, never the same,” she says. “Every day, we do problem solving because each domestic violence situation is different. We assess each situation, and then we discuss what we can try to do about it. And so, although I try to do as much administrative work as I can get in, I can’t do the same thing every day, because I work with different people every day: our clients, survivors, conquerors—or whatever they call themselves by the time they leave.”

The work, she says, is complicated by its geography. “There is a lack of resources for our clients in such a rural area because there is lack of employment, lack of permanent housing, lack of transportation,” she says. “It’s a very small area, so you can’t just say, ‘I’m going to go to my domestic support group,’ because probably everybody in the whole county will know what you did last night. So we have to think outside the box to be able to assist. But [with] the lack of resources, it’s very difficult to spread ourselves so thin to educate the community, to serve the clients, to be a part of our state alliance, and be actively

involved because we’re so isolated. We try to be seen or else we’re easily forgotten.”

There is no doubt that Drewniak and her staff are under constant pressure, with dire consequences for a failure of judgment. But she notes that some of the anxiety is relieved through the culture of the workplace. “We are fortunate that the employees here are like family,” she says. “Although we might have our differences, we work very closely together, and it’s very rare that you really find a workplace that if something is wrong with you and they talk to another employee about you, a person is not necessarily complaining about you but concerned. ‘What do you think is wrong with her today? Do you think she’s ill? Do you think she’s had a bad night? OK, let’s go ask her.’”

From Unpaid to Paid

Constance Vergowven: Groomed Talent

Because nonprofits can engage volunteers in their work, they can recruit from their ranks and develop promising talent. If you really keep this part of your resource base thriving, you can identify tested, knowledgeable, and trustworthy board members among volunteers, and you’ll also identify fabulous staff in the making.

When a volunteer gives back for services he or she used, it brings an extra dose of grounding, passion, and commitment to an organization. Constance Vergowven now attends the School of Social Work at Rhode Island College, but she credits a volunteer experience with launching her onto her current path.

“I went to the Women’s Resource Center of Newport & Bristol Counties to give back what I had used,” she recalls. “I thought I was going to volunteer at the shelter to clean the basement. But when I arrived at the main office, I found myself standing there with this woman who I thought was also a volunteer. She was dressed nice. She had a suit on. I used to call it her Wickford suit; it had leather patches on the elbows. So I’m standing next to this woman, and my old counselor comes out. . . . She said, ‘Hi, how are you?’ I told her I was doing good and that I came to clean the basement at the shelter, and she asked me to answer the phone instead. I said, ‘Yeah, OK how do you do that?’

“Now, I had bleached hair, the roots were coming out, you know, torn jeans. I looked like crap pretty much. So she’s telling me how to

A Leadership Crisis

Some in the nonprofit sector have sounded an alarm about an impending nonprofit leadership crisis. By some counts, large proportions of nonprofit CEOs plan to jump ship, are ready to retire, seek better-compensated and better-benefited jobs in the for-profit sector, or feel so burned out that they simply can't take it anymore. By other accounts, too few nonprofit executives have moved on to make way for younger people to move up in the sector and assume leadership positions.

What do we know about this issue? You don't have to look far to find someone writing panicked "sky is falling" warnings-cum-analysis about the depth of the crisis facing the sector. The reality is that the information is limited, the sense of crisis is somewhat viral, and generalizations from the data are dubious.

Having "listened deeply" to the nearly 2,000 survey responses of nonprofit executive directors in eight cities, the authors of *Daring to Lead* sounded the alarm that three-fourths of nonprofit leaders planned to leave their jobs within five years and almost one-tenth were already in the process of doing so. Approximately one-third of surveyed executive directors got their jobs as a result of their predecessors having been fired or otherwise forced out, with the authors' implication that a similar dynamic could befall the current crop of directors. It isn't clear from the study whether the three-fourths planning to leave includes directors who anticipate that they will be fired or forced out. But the authors highlight the characteristic sources of job wanderlust among directors: boards aren't supportive, don't sufficiently value directors' work, and don't understand directors' jobs or their own (particularly in the area of fundraising). These factors combine for a classic recipe of executive director burnout.

In *The Nonprofit Sector's Leadership Deficit*, the Bridgespan Group, a nonprofit consulting firm, issued an analysis of nonprofits with annual revenue greater than \$250,000, projected growth rates for nonprofits by size, examined likely turnover in seven staff leadership categories, applied estimated retirement and turnover rates to these nonprofit positions, and reached a highly publicized conclusion: over the next decade, these organizations would have to find as many as 640,000 new managers to replace departing leaders and fill new jobs. That amounts to 2.4 times the number currently employed.

Who's examining this issue? Several entities exploring the leadership deficit question—and the broader issue of nonprofit staff turnover—happen to be consulting firms that provide assistance to nonprofit clients

with recruitment and retention. It makes sense for these firms to generate this kind of data, in part to demonstrate their knowledge of the field but also to create a market for their services by invoking the mantra that there's a leadership crisis. Directly and indirectly, these studies and others rely in large part on surveys of leaders who explain what they think they might do in the future, not empirical analyses of actual nonprofit executive director turnover that has taken place.

Where does this take us? The nonprofit leadership shortage jeremiads lead one to think that the nonprofit sector is in freefall and that executive directors have one foot out the door everywhere you look. Perhaps a less frenzied characterization is that nonprofit executive directors have tough jobs and face challenges—particularly in the areas of fundraising and human resources—that create burnout. But after departing their jobs, most nonprofit executive directors stay within the sector. In some instances, perhaps as viewed by younger people, some churn at the director level creates opportunities for new leadership development. Finding ways of dealing with stress and burnout would be a productive arena for inquiry and action.

What we do know is that executive leadership in nonprofits takes special skills and that we are able to home-grow these skills. In their 2007 *Nonprofit Quarterly* article "Peak Performance: Nonprofit Leaders Rate Highest in 360-Degree Reviews," Jean Lobell and Paul Connolly detail comparisons of nonprofit and for-profit leaders using 360-degree evaluations from supervisors, peers, and direct reports. The study found that nonprofit leaders outperformed their for-profit counterparts on several aspects of leadership that correlated with emotional intelligence and the ability to collaborate and negotiate in the face of resource constraints. In his accompanying commentary on the article, management guru Jim Collins, author of *Built to Last* and *Good to Great*, asserts that the aspects of leadership in which nonprofit executives are shown to excel suggest that they have accurately chosen to develop skills that are "legislative." They rightly rely less on concentrated "push" power and more on persuasion, political currency, and shared interests to create the conditions for the right decisions to be made.

This suggests that we may want to stop looking over the fence and attend to our own garden, consciously developing and helping to authorize leaders who know the terrain. As the interviews in the accompanying article suggest, there are numerous talented people ready to work side by side with and ultimately to replace nonprofit leaders.

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answer the phone, and I'm trying to memorize it, and this woman Deb is standing right next to me, and she's writing everything down, so I'm thinking she's being the really kiss-ass fancy volunteer, because even though she introduced herself, I didn't know what an executive director was. I thought it meant fancy volunteer.

"So she's writing everything down, and I didn't want to look bad so I looked at her and asked, 'Can I have a piece of paper?' and she's like, 'Yeah, sure.' She gives me some paper, and then she gives me a pen. Now, I couldn't spell back then either, so I scribbled everything because I didn't want anybody to know that I wasn't smart, especially this fancy volunteer.

"Three months go by, and you need to understand I was treating Deb like I'd treat anybody else, which wasn't good back then. When I needed to be professional, I usually used my fake-bitch voice: 'Blah blah blah.' I never used my fake-bitch voice with Deb, because I never had a fear of her, of her being the boss. During this time, the volunteer director pissed me off because she decided that after my three months of dedication (I came to the center every day and answered the phone), she was replacing me with another volunteer. She didn't like me because other staff members liked me, so I left. Funny thing about this is that I didn't cuss her out when I departed. . . . So I started walking home and ended up calling the center from the corner store. I started crying, and I said to the shelter director: 'I'm not coming back there. That bitch is so mean to me all of the time!'

"The shelter director said: 'You have to come back.'"

"I replied, 'I don't have to do nothing.'"

"She then said, 'You have to come back; Deb just hired you.'"

"I said, 'Deb?'"

"'Yeah,' she said."

"'Deb?'"

"'Yeah, she's the executive director.'"

"'Oh . . . does that mean the boss?' I asked."

"'Uh, yeah,' she said."

"She told me Deb wanted to meet with me the next morning. So I went in, and Deb writes down my salary on a piece of paper and slides it across the desk like on TV. I pick it up, this little piece of paper, and it says \$7.50. I thought, 'Oh my God, that's so much money,' I said: 'You're going to pay me that to sit here and answer a phone? Oh my God, I'll do it for five bucks an hour.' And she's like,

'The first thing I'm going to teach you is not to ever say that to anyone; don't ever say you'll work for less than what you deserve.' And I was like, 'OK.' Oh my God, I couldn't believe I was getting \$7.50 an hour.

"All along, Deb just believed in me. A couple of months after Deb hired me, she gave me an old Mac that looked like a Barbie computer. She said, 'I want you to take this home and learn how to use it, because you're going to help build a database for keeping statistics on victims of domestic violence, and you're going to hook up with the data team at the Rhode Island Coalition Against Domestic Violence.' So I went home, and I said to my boyfriend; 'I think Deb sits around and gets high and thinks up things for me to do, because she thinks that I can really do this.' I was laughing. I couldn't even type, I didn't even know how to spell but, it didn't matter, I helped build that database because Deb thought I could."

Vergowven's experience as a volunteer and as a staff person provided her with a sense of her own capacities, which are vast. "I will always find passion in my work, no matter what I do," she says, "mostly because I had Deb. She'll deny this, but she taught me everything I know. . . . She did this for me because she believed in me."

Pay Equity

As we go to press, Congress is voting on the \$700 billion bailout bill. Sitting smack in the middle of that mess is the appalling fact that the average CEO of an S&P 500 company makes approximately 344 times the salary of the average American worker. This puts the embarrassingly high salaries of even the worst pay-equity offenders in the nonprofit sector in a different, though admittedly completely outlandish, context. Still, because of our public benefit purpose, any overcompensation of leadership causes the public to question the nonprofit sector's integrity. Most leaders in the sector, of course, are paid modestly and the differentials in pay within their workplaces are generally within a realm that most of us would see as reasonable.

Albert Jones and Jennifer Trotter: Shared Commitment

New Directions in Memphis is a 30-bed substance abuse treatment center that serves largely African-American men. Its executive director is Albert Jones, 58, who makes \$75,000 a year at

The Size and Trajectory of the Nonprofit Workforce

Are there reliable estimates of the proportion of the U.S. workforce that receives a paycheck from a nonprofit employer? Increasingly in the sector, organizations sense that working for nonprofits isn't inconsequential. Lots of people not only work in the sector but also see their career futures as bound up with nonprofits. But among the public, is the nonprofit sector's thick slice of the American workforce recognized, appreciated, and accorded its due economic—and political—significance?

What do we know about this issue? Through a combination of national entities, such as Lester Salamon's persistent data collection efforts at the Johns Hopkins Center for Civil Society Studies and surveys conducted by state nonprofit associations, the picture of the dimensions of the nonprofit workforce has begun to come into focus.

Salamon's *Employment in America's Charities: A Profile* used Bureau of Labor Statistics data to estimate nonprofit employment in 2004 at nearly 9.4 million workers, accounting for 7.2 percent of the total paid U.S. workforce. Of course, that isn't necessarily uniform throughout the nation: nonprofit workers were 11.7 percent of the workforce in New England and 11.5 percent in the Middle Atlantic states, but only 6.0 percent in the Southeast, 5.7 percent in the Pacific states, and 5.2 percent in the Mountain states, for example.

State associations of nonprofits and various think tanks have also run the numbers to demonstrate the sector's burgeoning share of the national economy: Indiana University's Center on Philanthropy, for example, says that one out of every 12 employed Hoosiers is paid by the nonprofit sector; and in 2005, using Salamon's BLS data, the Pennsylvania Association on Nonprofit Organizations (PANO) announced that one out of every nine Keystone State employees worked in the nonprofit sector.

Who's examining this issue? Salamon and his colleagues at Johns Hopkins deserve credit for their years of work with the BLS statistics to mine employment data of vital importance to the sector. But such numbers always raise questions about methodology and challenges to interpretation.

So Salamon's estimate that 7.2 percent of the workforce comprises nonprofit workers is challenged by the fact that this same workforce comprises only 6.6 percent (\$321.6 billion) in wages. Is this difference attributable to a wage gap across the board or to gaps in certain industries and differences in paid hours worked by nonprofit versus for-profit and government employees?

And despite a shaky economy and a stalling total U.S. workforce, is the nonprofit workforce growing? For the 2002–2004 period, Salamon calculated a 5.1 percent increase in paid nonprofit workers, compared with a -0.2 percent contraction in the nation's total employment during the period of "jobless recovery." His data suggests a robust and somewhat countercyclical nonprofit employment dynamic. But another report from OMB Watch suggests that in 2003 the pace of nonprofit job creation virtually stalled and that between July 2003 and July 2004 it grew only 0.5 percent.

Where does this take us? Sometimes aggregation as "nonprofit" masks differences within the sector. According to Salamon's analysis, hospitals alone account for one-third of all nonprofit sector employment, health care for more than half of nonprofit paid jobs, and education for another 13 percent of jobs. Sixty percent of hospital employees work for ostensibly nonprofit hospitals. Thus the employment trends in the various components of the nonprofit sector may be as or more related to the economics of those industrial sectors (trends in health care, education, arts, museums, etc.) than to broader nonprofit trends.

the helm of this \$1.2 million agency. Jones describes himself as growing up in poverty in a small agrarian town in Mississippi. He has a master's degree in social work from the University of Tennessee. Having assisted the founder in developing the program concept for the agency and eventually becoming executive director in the third year of operation, he is passionate about ensuring that the program remains completely responsive to the cultural community it serves.

But now, as he tries to negotiate a new course while the organization shifts its major funding source, his job has become even more complicated. This change was visited on the whole field and necessitates not only a recalibration of systems but also a reexamination of program fit to ensure the program can adhere to the requirements of the funder and to meet the needs of the

community. Jones is enormously busy.

Working directly with Jones is Jennifer Trotter, his executive assistant and the only clerical staff person in this lean organization of 20. Trotter, who is "approximately" 35 and has been at the organization for 10 years, makes \$24,960. This salary supports her and her 14-year-old son. The benefits are fairly generous.

Originally in training as a nurse, Trotter has worked in health-care settings for virtually her entire career. After quitting nursing school to have her son, she did temporary work in local hospitals and then came to New Directions through a program run by Bridges, another nonprofit that provides job training. Starting as a receptionist, she quickly moved to administrative assistant. This critical job, as she describes it, is "a little bit of everything." She acts as office

**The volunteer director
pissed me off because
she decided that after
my three months of
dedication, she was
replacing me with
another volunteer.**

Vergowven's experience as a volunteer and as a staff person provided her with a sense of her own capacities, which are vast. "I will always find passion in my work, no matter what I do."

manager, helps the financial director with accounting tasks like payroll, which she handles completely, and does medical billing.

This last task is legendarily tricky. "It's a challenge, because when you send the clients to the insurance company, they may find that a little bit of something is wrong, and then I have to resolve it," she says. "You have to figure out whether it's on you or them. And 80 percent of the time, it is on them, but you can't say so. You just have to get to resolution." All aspects of her job, she says, involve making every dot connect. "A big part of my job is making sure that communication is seamless and that everybody that needs to be aware is aware of what is going on so that things that need to happen and go together are done in a timely manner."

Although she isn't directly involved in program delivery, Trotter believes in the effectiveness of New Directions. "Some of the clients come in, and they may have been on the street—homeless—and they weigh 100 or 125 pounds and by the time they leave, they look healthier, their faces are fuller, they have more life," she says. "It's a transformation right in front of our eyes." While she expected that she would be a stay-at-home mom during these years, Trotter is interested in continuing her work in health information systems.

Salary ranges are not only a confusing topic in the sector as a whole—where periodic press exposés of the highest paid place everyone else under a kind of free-to-the-public funhouse microscope—but they are often a confusing topic inside organizations where the social values we collectively claim are tested. In all sectors, compensation fairness is a more serious factor in motivating staff than is salary level. And in nonprofits, expectations are even greater that salaries should be fair. But when the organization avows economic justice as its *raison d'être*, the appropriateness of salary differentials becomes a particularly acute question. One nonprofit employee who preferred to remain unnamed provided us with her version of the resulting cognitive dissonance.

"It's a very sensitive subject within the organization: who makes how much," she says. "Of course everybody wants to make more, and the organization tries not to discriminate or place more weight on somebody's academic experience or opportunity than somebody else who has experience in the community. Income equity and work-

place justice is our work, and so the heartbeat of the organization is the people who are working with community.

"But at the same time, we're all individuals and we all have to do what we have to do to support our own families. And this is just speaking about my personal situation, because I'm a single mom raising two children on one income. At a certain point, I just had to tell the administrator and our general coordinator that I just could not continue making such a low salary. It's a conflict internally, because I'm in a position that is valuable to the organization, and you've got to bring money in to keep the organization going, but what I do is absolutely not more valuable to the community or to the organization on a functioning level as far as the quality of what everybody contributes. I had to look out for my own personal interests.

"The nonprofit that I work for now, almost everybody works more than 80 hours, but we can't afford to pay overtime. People do it because they're dedicated to the issues and because they're loyal to the organization and to the community. I would say that it's a difficult position for me to be in, because I don't feel like I'm underpaid any longer, but that's because I really just got to the point where, even though I wanted to stay with the organization, I could not stay at the salary that I was at because of my personal situation. It's hard to put my name out there identified with this organization and say, 'Oh, this is how much I make,' because I know that coworkers are really underpaid."

Conclusion

We hope that you have enjoyed these stories and that they have helped give life to the other research that we have interspersed in this special section. We want to thank the hundreds of online readers who responded to our request for people willing to be profiled. We also want to thank the interns who contributed to this project, including Claire Gunner, Carolyn Pissari, and Stephanie Myrie. We were able to provide this rich cross-section because we got such a great response.

Comment on this article at feedback@npqmag.org. Order reprints from <http://store.nonprofitquarterly.org>, using code 150302.

Compensation

In the nonprofit sector, compensation is a loaded topic. The public often cringes at press reports that detail high nonprofit CEO compensation packages. In part, these numbers fly in the face of a sense of moral appropriateness and also prompt nonprofit workers to feel undervalued and tell themselves that they could make far more if they chose instead to work in the business sector.

But in the nonprofit sector, is compensation so much less than it is in the business sector? In a 2002 *NPQ* article, Lester Salamon reviewed employment data from 10 states in fields of work where nonprofits and for-profits compete (see figure 1). Salamon found that those working in the nonprofit sector were generally 18 percent less well paid than those in the for-profit sector. Still, the results may be attributable to those industries in which respondents work rather than to a difference between nonprofit and for-profit pay.

In fact, in some fields (hospitals, education, and child care, for example), Salamon found that compensation in nonprofits was generally higher than in these organizations' for-profit counterparts. In job training, by contrast, nonprofits pay a mere 62 percent of what for-profit institutions pay.

A later study by the Minnesota Department of Employment and Economic Development likewise found a similar variation of salary differentials by field (see Table 1).

These findings provide a very different view of the nonprofit compensation landscape. Complicating the picture a bit more, there are significant variations by state. In Salamon's study, he found that in Illinois, nonprofit workers in general were paid at around 69 percent of the salary of their for-profit counterparts. By contrast, in Florida, nonprofit workers were paid 105 percent of for-profit employees' salary.

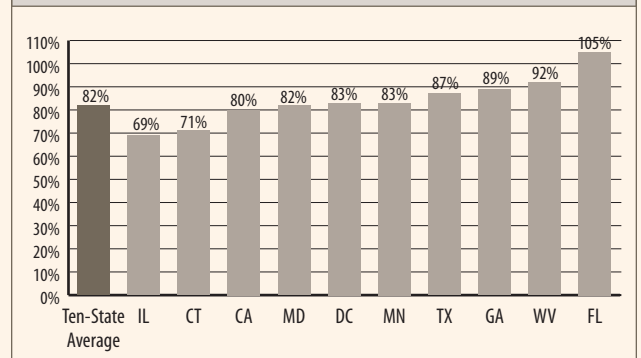
But What of Those High Nonprofit Executive Salaries?

NPQ has been fascinated by the question of what leads to unusually high compensation for a small group of nonprofit executives. Two studies stand out. In "The Price of Doing Good: Executive Compensation in Nonprofit Organizations," the authors Peter Frumkin and Elizabeth Keating maintain that executive compensation in nonprofits is not related to performance or organizational size but is "significantly higher in organizations where free cash flow is present." Another 2005 study supports these findings. In "Agency Problems of Excess Endowment Holdings in Not-for-Profit Firms," the authors assert not only that CEO and officer pay is greater for firms with excess endowments but that "excess endowments are associated with greater agency problems," including "lower expenditures on charity." The authors posit that in some nonprofits "large endowments [may] proxy for management quality and quality managers receive more pay" but that "firms with excess endowment are less efficient so that the data does not

Table 1: Median Hourly Wages for Full-Time Employees in the Twin Cities Metro Area 2006

Industry	Full-time Median Hourly Wage by Sector	
	Nonprofit	For-Profit
Arts, entertainment, recreation	\$20.01	\$16.78
Educational services	\$20.52	\$21.63
<i>Health care</i>		
Ambulatory health care services	\$21.40	\$19.71
Hospitals	\$25.02	\$20.08
Nursing and residential care facilities	\$14.09	\$13.89
<i>Social assistance</i>		
Individual and family services	\$16.61	\$11.56
Community food, housing, emergency and other relief services	\$15.99	\$18.40
Vocational rehabilitation services	\$14.71	\$18.93
Child day care services	\$12.81	\$12.25
<i>Other services</i>		
Religious services	\$17.53	\$15.73
Grantmaking and giving	\$25.03	\$26.20
Social-advocacy organizations	\$17.97	\$17.33
Civil and social organizations	\$16.09	\$15.23

Figure 1: Overall Nonprofit Wages as Percentage of For-Profit Wages



Source: John Hopkins Nonprofit Employment Data Project based on ES-202 Data

support the conjecture that high-endowment managers are more efficient."

These studies conjure Wall Street, where compensation and results are also poorly aligned, to say the least.

Where does this leave us? The nonprofit sector would do well to think about a collective compensation philosophy that is aligned with the nonprofit public benefit and purpose rather than chance, erroneous assumptions, and faulty frameworks.