
TRANSITION TOOLS

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2,252 views | Apr 2, 2018, 12:58pm

How To Switch From Corporate Work To Nonprofit Work



Nancy Collamer Contributor
Next Avenue Contributor Group 

Personal Finance

Retirement coach, author and blogger for NextAvenue.org



Credit: Shutterstock

During his corporate career, Neil Gluckin, 69, worked in communications and marketing at big name firms like UBS and JP Morgan. But after leaving his full-time job in 2014 and not yet ready to retire, Gluckin decided to explore nonprofit work options. So he enrolled in [Encore!Connecticut](#), a four-month program (cost: \$3,950) run by the Non-Profit Leadership Program of the University of Connecticut.

Gluckin says the program taught him “that managing a not-for-profit organization effectively takes skill, courage, imagination and a thick skin.” He hopes to soon land a consulting gig that will let him combine what he learned with skills he developed in his corporate career. Odds are, he will. Nearly ¾ of Encore!Connecticut’s 150 alumni are employed at Connecticut nonprofits.

For advice on how to shift from corporate to nonprofit work, I recently interviewed Encore!Connecticut’s chief: David Garvey, director of nonprofit leadership at UConn. We talked about trends in hiring, challenges faced by nonprofits and tips for job search success. Highlights of our conversation below:

Next Avenue: What new encore hiring trends are you seeing?

David Garvey: More of our alumni are working on a project or consulting basis [including four of the nine most recent graduates]. In some cases, those projects lead to employment offers. But just like at for-profit companies, nonprofits seem to be relying more heavily on freelance and project workers.

The second trend, at least in Connecticut, is an increased acceptance of encore talent. Age discrimination still exists, but it feels less than when we first launched the program seven years ago.

Almost every week, I hear from an organization looking to hire encore talent. That’s partly a reflection of a strong economy, but it also reflects a change in attitudes towards older workers.

What are some of the challenges encore job seekers face when making this transition?

Even though nonprofits are more accepting of older workers, you still need to convince them you're the right person for the job. One of the best ways to do this is to offer to take on a short-term, but high-level project, such as putting together a strategic plan. You'll gain valuable experience for your resumé and it will help convince hiring managers that you're seriously committed to making this transition.

Second, even if you have strong business credentials, it's important to understand that nonprofits can be quite different from the for-profit world. You can't just strut into an interview and say: 'I know how to correct the problems of this small nonprofit.' Much of what you've done in the corporate sector might very well be relevant, but there's that nuanced 20% that requires you to listen and learn first, before you can have an impact.

Finally, if anyone thinks that working for a nonprofit is automatically going to be easier than working in corporate, they are mistaken.

You can't paint one as good and the other as bad. Nonprofits can be wonderful. But they often expect you to do the same work you did before, only with far fewer resources. That can prove surprisingly stressful.

What practical suggestions do you have for people who want to shift into the nonprofit world?

Build up your nonprofit networks. Talk to your friends and ask them for referrals. Use the LinkedIn search feature to identify people in your network who work at nonprofits of interest. Then, reach out to them to set up informational interviews. You just never know where those conversations will lead.

Also, tailor your resumé to be more nonprofit-friendly. Try to reframe your experience in the corporate sector in ways that will be easy to understand by the nonprofits you'd like to work for.

For example, if you were responsible for generating five million dollars in sales, highlight your customer relationship and sales skills. That skill set could be very attractive to nonprofits looking to expand their donor base and increase fundraising efforts.

I also recommend putting a summary line at the top of the resumé that clearly states your interest in making this transition. For example: *Having worked 25 years in sales the corporate sector, I am looking to now transition my talents to the nonprofit sector.*

Finally, even though this shift can take a while, don't give up. There really is a growing awareness and appreciation of the skill sets that a seasoned encore professional can bring to different organizations.



Nancy Collamer Contributor

Nancy Collamer is a retirement coach and author of *Second-Act Careers: 50+ Ways to Profit From Your Passions During Semi-Retirement*. Sign up for her free second-act care...

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5 Tips to Switch to a Nonprofit Job

A career reinvention coach on how to transition from the corporate world

By [Randi Bussin](#)

June 25, 2018



Credit: Adobe Stock

Shifting from the corporate to the nonprofit world is a lot like contemplating a major move – the new town seems prettier, the grass there looks greener.

Yet if you haven't researched your new town or prospective home, the reality could take you by surprise. Maybe the school system is floundering, the taxes are high or the home's roof leaks. The same holds true for a change to the nonprofit world; it requires self-reflection, research and flexibility before hiring the moving truck.

Read these five tips before making the switch to a nonprofit job:

1. Assess why you want to work in the nonprofit sector. You may have a passion for saving animals or fighting climate change. Or you may just be tired of lining a corporation's pockets. But it will help to know what your motivation is. Reflect on the following:

- Which subsector of the not-for-profit arena interests you the most? (for example, the environment, affordable housing, human services...)
- Are you interested in working with a direct service organization or an intermediary?
- Have you researched different nonprofit business and impact models?
- Do you have a specific learning agenda for all that is encompassed in nonprofit work?
- How much direct-service or program-related work do you want to have? Or do you prefer having a back-office administrative/general management role (such as finance or operations)
- Do you have particular skills or strengths that you would bring from the corporate sector to the not-for-profit sector?
- What are your values and how might a not-for-profit help you honor those?
- What do you think you can get in the nonprofit world that you can't in the for-profit arena?
- What might you miss from the for-profit world?

Also, just like you need a down payment for a new home, make sure to evaluate your financial situation when considering a switch to nonprofit, and determine if you can absorb any potential salary loss you might experience. You can research compensation levels through publicly available Internal Revenue Service 990 forms.

2. Learn from others' experiences. Talk with professionals living in the "nonprofit village" to learn about two areas: moving to the not-for-profit sector and a particular organization you want to explore. You might want to find out how they made the move and what helped them succeed. Use these meetings to learn more about the sector and to hear about potential opportunities for strategic volunteerism or full-time roles.

If you are targeting a particular organization, networking meetings can help you identify the strengths and challenges of this employer, its culture and who does what.

3. Show potential employers that you know what you're getting into and that you understand the differences between the for-profit and nonprofit sectors. A nonprofit position doesn't necessarily result in less work stress, according to the Bridgespan Group,

an organization dedicated to building leadership for the nonprofit sector. It's just a different *type* of stress. And you may work as hard as or harder than in the private sector.

Nonprofits typically incorporate input from a variety of stakeholders in fulfilling their mission and decisions are often made by consensus. So, demonstrate to potential employers that you have experience working with multi-disciplinary teams and have a good understanding of the nonprofit business models.

Nonprofit executives perform many varied functions, because nonprofits run leaner than corporations. As a result, you would most likely need to wear many hats at your new job and teach yourself skills. "The thing that impresses me most when a candidate is looking to transition is his or her ability to sell me on how their skills will translate and a genuine, deep understanding that they know what they're getting into and why they want that," said Kathleen Yazbak, Founder of Viewcrest Advisors (<https://viewcrestadvisors.com/team>). "When I know a candidate is interested for all of the right reasons and has figured out how to be helpful to an organization doing this important work, I listen."

4. Beef up your portfolio of nonprofit experience before switching into this sector. You can do this in many ways before leaving your corporate position. A board position or volunteer role can make you look more qualified and attractive to a potential employer.

While they may not be formally advertised, part-time consulting opportunities abound in the nonprofit sector. Also, recruiters who exclusively serve the nonprofit sector will have inside information and, of course, jobs.

5. Translate your business skills to fit the nonprofit world and communicate these transferable skills in networking conversations, your LinkedIn profile and resumé and job interviews. In the nonprofit world, many stakeholders (such as the board of directors, donors or volunteers) have a key role in decision-making. If you can manage effectively through influence and collaboration, you'll be an asset to the team. Make sure you communicate this in your go-to-market materials.

In addition, creativity, flexibility and innovation are valued highly in nonprofits because resource constraints demand these skills. It's often about doing less with more in the nonprofit world. Highlight these strengths as well if you have them.

"Similar to the private sector, nonprofit organizations experience different stages of evolution — including, but not limited to, start up, growth, mature and turnaround," says

Janet Albert of [Bridge Partners LLC](#). “An executive from the private sector who can effectively translate his or her business skills, leadership style and cultural competence relative to those will most likely have greater success in not only getting an interview with an executive recruiter or a nonprofit hiring manager but a higher likelihood of job satisfaction and success, as well as delivering on the mission of the organization.”



By [Randi Bussin](#)

Randi S. Bussin is a career reinvention coach and founder of [Aspire!](#), a coaching firm specializing in personal brand and career reinvention.

Next Avenue Editors Also Recommend:

- [Find a Nonprofit Job Matched to Your Passions](#)
- [Rework Your Resume for Nonprofit Jobs](#)
- [5 Questions When Looking for a Nonprofit Job](#)

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Making the Leap: From Corporate World to Non-Profit



Leila Toplic [Follow](#)

Apr 13, 2017 · 6 min read

How we spend our time is more important than the amount of money we earn. By now, we've all heard that science links altruism to sustaining and increasing happiness. Research also shows that people working in the non-profit sector are more satisfied with their jobs and life. And, opportunities are not lacking—non-profit sector hiring has been accelerating according to non-profit HR report from 2016. Volunteering is strong too—25.3 percent of US adults volunteered with an organization in 2014, contributing an estimated 8.7 billion hours.

At a time when the world is facing so many challenges, you might be feeling the urge to do something to help solve the problems you're reading about or seeing around you—homelessness, poverty, discrimination, lack of access to basic human rights like education or healthcare. Maybe, you've been in private sector for a while, possibly donated, or even volunteered at a non-profit. Now feels like the right time to dedicate yourself to something more meaningful, something that gives you the opportunity to contribute to a better life for all.

Where do you start? What do you need to know before you make the leap? Those are the same questions I was asking myself just a few years ago as I was looking to switch from #corporate to #non-profit sector.

I've always been interested in social impact and often found small ways to support social causes while focusing on other things full time—completing my studies or launching products in private sector. My passion for helping underserved is rooted in my own experience of being a refugee and refugee teacher. After college, I made the decision to get business experience in private sector, pursuing another passion of mine—technology. During that time, I stayed committed to #socialimpact, just not full time. And, at some point that wasn't enough. It took me 13 years to find my way to non-profit sector and commit full-time. (If you are interested in my path, take a look at my [LinkedIn profile](#).)

Since I made the leap into the non-profit sector 3 years ago, friends and friends of friends who are currently working in the corporate sector have been asking for advice. One of them suggested I share my learnings in a blog post. It's important to note that others might have a different non-profit experience, but these are a few of my observations.

First, I think it's helpful to debunk some myths about the differences between non-profit and for-profit sectors. I was pleasantly surprised to find that there are more similarities between the two sectors than originally thought.

Non-profits are not just charities: Non-profit 501(c)(3) organizations don't have to depend only on charitable donations, they can also have earned revenue. Revenue-producing services or products enable a non-profit to be less reliant on donor funding as a sole source of support for its social mission and become more self-sustainable over time. This is also good news for those with a business background—skills like business development, sales, finance and marketing are highly valuable in the non-profit sector. You will, however, need to adapt your skills to this new context of social good.

They use modern technology and business practices: I thought they'd be outdated and bureaucratic but non-profits can and do use some of the same business practices and methodology that for-profit companies have, including fiscal year planning, KPIs, value proposition

and positioning frameworks. Non-profits use modern productivity tools to plan, manage, and implement their programs—from Asana, Confluence, Box or Dropbox, to Google, Microsoft, and Apple products. For those of you used to business practices and tech tools, this is helpful considering that everything else will be new and require onboarding and adjustment.

Non-profits get stuff done: Non-profit is not where bored housewives go to spend their time. Employees in the non-profit sector work as hard as those working in the private sector, sometimes even harder. They are resourceful, used to doing more with less, and many are doing multiple jobs—Marketing and Partnerships, Product and Business Development—these jobs are similar to what you find in the for-profit startup world.

For-profit organizations can do good: And, not just through traditional Corporate Social Responsibility (CSR). In addition to cash grants, corporates can support social causes with expertise such as access to technical expertise, resources like products or employee volunteers, and business practices like diversity in hiring.

Now for the part you probably expect. And, the reality.

The people you work with: Will not be clocking in for their 9–5, they feel very “called” to be there, they are working on projects that closely align with their personal values, they are on a shared mission. And, they are diverse. Possibly more diverse than the private sector. And, I am not talking only about gender, age, ethnic background. I found non-profits to be melting pots of people from different sectors—academia, philanthropy, business, non-profit, public service. That diversity of experiences and perspectives can be incredibly valuable to a non-profit as long as there is a shared language and processes for getting work done.

The people you work for/audience you serve: Working at a non-profit requires a silent layer of empathy, every decision you make, you’ll make on behalf of other people or cause. So, launching a Minimum Viable Product (MVP) of your product or offering in non-profit space—where target audience is underserved and vulnerable like ‘opportunity youth’ or people living below the poverty line—is very different from delivering an MVP to an audience that has the ability to choose and resources to put up with the inadequacies of your MVP. ‘Failing

forward' is not the best approach in the non-profit space. Instead, start with empathy for your audience and do the extra work to make it easier for them out of the gates.

Your financial compensation: Will be lower. Be prepared to take a paycut and forgo increase of income over time. So, make sure that it works for your lifestyle for the long haul not just for a few months. Also, expect adjustment in perks like professional development, team events, conferences. Professional development will happen on the job. You will learn as you try different things, ask questions, or access the abundance of resources on the web and in your community. And, don't forget to take time to reflect on your learnings and share them with your colleagues.

Before you make the leap.

Take time to understand why you want to go into non-profit sector. It's important that you make the change because you believe in the non-profit mission and want to serve others. Explore what areas motivate you the most. Is it women, education, international development, U.S.-based work, healthcare, workforce development, other. And, do the inventory of skills and networks you can bring to a non-profit.

My personal experience of being a former refugee, teacher, and later activist for women's rights informed my decision. More recently, doing the 'flower exercise' from 'What Color is Your Parachute' book written by my friend Gary's late father, provided clarity around my interests, skills, and values.

Lastly, consider getting experience in non-profit sector as non-staff—a volunteer, contractor, through your employer. This will help you test and reaffirm your 'reason', learn how to serve, bridge your private sector 'way of doing things' to the non-profit context, and build your non-profit part of the resume. And, don't forget to network and talk to your friends who work in the non-profit sector.

There's more to share on this topic and don't hesitate to reach out if you want to talk.

In closing...it can be really tempting to do nothing and stay on the sidelines. If there is one thing you take from this post is that you should at least try it. If you go into the non-profit sector, you will become cross-

sector minded even if you don't stay for a long time and that's already a plus for any job in private sector. If non-profit 9-5 is not for you or not for right now, there is a happy medium like contributing from your current vantage point in private sector—#volunteering, donating (don't forget gift matching!), raising funds for a cause by running a race, or making your business practices more socially conscious by hiring opportunity youth. Another option is to consult, which is what I'm doing right now. Just do something. It counts.

The Challenges-and Rewards- of Transitioning to the Nonprofit Sector

Since the mid-1990s, increasing numbers of individuals have chosen to leave significant careers in the for-profit sector to pursue senior management opportunities at nonprofit organizations.

These bridgers—individuals whose professional experience comes wholly or primarily from for-profit companies prior to entering the nonprofit sector—make the switch for reasons both personal and professional.

Some individuals bridge out of a desire for more meaning in their lives. This desire is often prompted by a personal experience, such as the start of a new life stage (e.g. early retirement or empty nest), or by an external event such as a college or family reunion, or the attacks of 9/11. Other bridgers want to cultivate a new or lifelong passion for a specific cause, such as reforming the foster care system, protecting the environment, or building affordable housing. Still others bridge to pursue professional opportunities within a nonprofit organization that are not as easily found in the for-profit sector.

Understanding the rewards and challenges that bridgers experience in making the transition from the for-profit to the nonprofit sector has been an important part of our work at Bridgespan. The themes that emerge and the voices you hear in this article reflect our extensive experience with bridging—including in-depth interviews with dozens of bridgers, seminars with over a hundred prospective bridgers, and search and advisory work for more than a hundred nonprofit organizations.

That said, these perspectives do not represent the entirety of the bridging experience. Bridgers' experiences vary widely depending on each individual's personal and professional background, as well as the nonprofit into which s/he transitions.

"I make less money now, but I am much better paid."

– *Tess Reynolds*, chief executive officer, *New Door Ventures*, and former high-tech consultant

It is important to remember that just as the for-profit sector encompasses a wide range of companies—from a mom-and-pop store to a multinational organization employing thousands of people—the nonprofit sector has an enormous range of organizations that vary in size, structure, culture, and of course, mission.

The rewards of bridging

Bridgers describe many rewards resulting from their move across sectors. These vary widely depending on the individual, but some often-cited benefits include: making a difference; working with passionate colleagues; and the opportunity to grow professionally.

For many bridgers, the desire to make a difference in the world marks the beginning of their journey to the nonprofit sector. For [Bruce Skyer](#), a combination of turning 40 and living through 9/11 prompted him to look for more satisfaction in work than increasing shareholder value. After becoming chief financial and administrative officer of the Nonprofit Finance Fund (NFF), he said, “I can see the impact I make on a daily basis by the people who come through my door. I get more fulfillment here in a day than I did in a year in the for-profit world.”

Barbara Brenner’s desire to become the leader of a women’s health organization was sparked by her battle with breast cancer. She said she was on medical leave from her 13-year career in law when she realized: “You don’t have much time in this world. I wanted to use mine to put my advocacy skills to work for women’s health.”

Brenner became executive director of Breast Cancer Action in 1995 and has seen the tangible benefits of her work as the organization has grown to over 16,000 members and supporters throughout the country under her leadership.

Growing up in Uruguay, Michael Chu’s childhood dream was to make a difference for Latin America’s poor. After attending college in the U.S., followed by several years of a highly successful for-profit career—including positions with Boston Consulting Group and KKR, a leading leveraged buyout firm—Chu had a chance to rekindle his childhood dream.

Chu became chief executive officer (CEO) of Accion International, a nonprofit provider of micro-credit programs in South America. As CEO of Accion, Chu participated in the founding of several microcredit financial institutions throughout Latin America. These included Banco Solidario, one of the premier microlending institutions in the world, which under his chairmanship became the most profitable bank in Bolivia. He managed Accion for five years before leaving to found a private equity firm focused on high-growth enterprises originating in Latin America.

In addition to the opportunity to make a difference for others, many bridgers said their sector shift has also made a positive difference in their daily work life. Mark Medema, who moved from a career in public finance to become director of

business operations at KIPP Chicago, said he was surprised to discover that his biggest reward from bridging turned out to be his nonprofit colleagues.

“They are passionate,” he explained, “They care so much about what they are doing—you feel honored to be near them. I didn’t know I would like the people that much.”

Bridgers said they have discovered other workplace rewards too, chief among them professional growth opportunities that they would not have had access to at their for-profit jobs.

For example, bridger Marshall Chapin, chief operating officer (COO) and chief financial officer (CFO) of Envision Schools, had the opportunity to build a charter school organization from the ground up—to build a team, and to develop and implement systems and processes that were scalable.

When Chapin left Envision to join a for-profit clean energy company, he reflected on his experience building the nonprofit into an organization with 90 employees: “Envision offered me a professional experience that I never would have found elsewhere. There’s no way I would have been able to walk into a for-profit company and get the sort of responsibility and on-the-ground experience that I enjoyed at Envision.”

The challenges of bridging

In addition to the many tangible and intangible rewards that bridgers receive from transitioning to a nonprofit career, we have learned that they can also face a multitude of challenges as they switch sectors. The types of challenges generally fall into the following categories:

1. Making do with fewer resources

The financial constraints under which nonprofits operate can surprise those coming from the for-profit sector, especially for those whose experience has been with larger corporations, as opposed to smaller, start-up companies.

“Many nonprofits are cash constrained and cash flow is everything,” said Chapin. “They have to watch expenditures very carefully and cut corners where they can. The culture shock comes in many forms. For example, stuff isn’t always clean and doesn’t always work. When your computer breaks, there isn’t necessarily a huge help desk IT [information technology] group to call, and you do a little bit of everything.”

Limited financial resources can restrict managers’ ability to hire staff and consultants to develop and carry out plans. One bridger from a software company recalled starting her chief financial officer position at a \$12 million

nonprofit: “It was surprising, the scarcity of resources. It’s the hardest job I’ve ever had. You’ve got a wealth of problems, you can’t hire anyone to help you address it...You can’t throw money at it, bring on extra staff, hire a consultant.”

Chu contrasted his experience in the for-profit sector with his time at Accion, noting that when he was at KKR, “If I had an idea on Monday, by Tuesday, I had the best relevant professionals in the world fleshing it out. By Wednesday, it would be in the hands of a great legal team. By Friday, we would be ready to green-light or red-light the project. In the nonprofit world, that same process can take two years.”

Without the cash to hire extra help, nonprofit leaders typically must perform a wide range of job duties. [John Latchford](#), CEO of Goodwill Industries of the Greater East Bay, who has hired many bridgers into his organization, said this can be the biggest transition challenge for some bridgers.

“You have to wear many hats in a nonprofit,” he said. “I find that bridgers from large companies are particularly susceptible to wondering why they have to perform certain tasks and responsibilities, because they had expected a support staff to do it. I had to come to grips with some of these issues when I transitioned over so I wouldn’t fail.”

Chapin’s bridging experience confirmed this reality: “You quickly realize that everyone does a little bit of everything because that’s just how life has to be and no one is above doing any of the dirty work.”

2. Dealing in real time with many stakeholders

Because nonprofits have multiple constituencies—including the staff, board of directors, volunteers, and members of the communities they serve—decision-making often involves gaining consensus from all these stakeholders. As a result, the process can be very slow. One bridger reflected, “A lot of times because of wanting to get consensus, decisions never get made...but it’s the downside of the environment for an admirable reason.”

An outgrowth of this inclusive approach is that nonprofits have many different definitions of success—and very few of them are tied to financials. Instead, success may mean an improvement in the nutrition content of food bank donations or an increase in children’s self-esteem.

[John Tarvin](#), interim president of Jumpstart for Young Children, explained, “At for-profits, it’s fairly clear that people are managing to the bottom line. It’s harder to reach consensus on what people are managing to in nonprofits. It’s a much more subjective environment.”

Many bridgers said it can be frustrating to not know how to measure success for their organization—and sometimes even for themselves. Noted NFF’s Bruce Skyer, “Each nonprofit organization defines success differently.”

3. Finding professional development opportunities

The less hierarchical management structure at many nonprofits can be a double-edged sword for bridgers. Because nonprofit managers have a broad range of duties, they may be able to take on more challenging roles than they would have in the for-profit sector. However, many nonprofits—particularly smaller organizations—do not have formal professional development programs, so individuals have to truly take ownership of their career development.

Mark Cole, a former management consultant and hospital administrator, has served as COO of New Door Ventures since 2001. He described his self-initiated professional development activities: “I talk with our CEO about fundraising, board management, and external partnerships. I’ve taken classes at CompassPoint Nonprofit Services, and am trying to find a good, solid colleague relationship in another organization that’s bigger than ours. Recently, my most important professional development has come from the strategic use of consultants and human resources, legal, finance, and real estate professionals that I have on a small retainer. I learn by working through situations with them. It’s all been really, really helpful, but it just takes time.”

4. Adjusting to nonprofit work hours and compensation

Some bridgers are surprised by the long hours often involved in working for a nonprofit. Although there is a range of expectations regarding work hours within the sector, James Firman, president and CEO of the National Council on Aging, warned that prospective bridgers “really need to understand that you’re not only going to work for less money, but you’re going to work as hard or harder than you did on your last job. And if you think anything otherwise, don’t go.”

In reality, salaries in the nonprofit sector—while typically lower than comparable for-profit positions—vary greatly depending on the mission, size, structure, and funding situation of a nonprofit and the responsibilities of the position within the organization.

[Tess Reynolds](#), CEO of New Door Ventures, said her transition to the nonprofit sector was made easier by not coming directly from an executive position in a publicly-held company. Instead, she had taken two steps in between: running a start-up, and then running her own consulting business. “Starting two businesses from scratch taught me how to operate at a high level with less staff and money,” she said. “I had been weaned off stock options and high-class travel and other executive perks. Joining New Door Ventures felt less shocking.”

Keys to successful bridging: Identify bridging opportunities

We have observed that there are some characteristics of nonprofit organizations that seem to translate into more bridger-friendly environments. Some of these characteristics are tied to developmental stages at which organizations are typically open to change. Others are connected to an organization's culture or mission. Here are some characteristics to look for in organizations:

Start-up organizations:

Start-up organizations often have not yet established their culture and processes, making them more open to ideas from outside the sector. When Paul F. Deninger was looking for someone to run WiredWoods, a nonprofit he had founded with a mission to spark a lifelong interest in technology among at-risk children, he turned to [Dana White](#), who had previously worked for him at an investment bank. Deninger believed White's technology background and skill set made her the right person for the position. She was able to shape the organization from the very early stages.

Entrepreneurial and high-growth organizations:

Nonprofits that are positioned at the brink of something new or in a period of rapid growth are often open to hiring people with a new set of skills or approaches. When Sue Meehan joined Year Up as director of finance, operations, and student services in April 2005, the organization was growing at an annual rate of 50 percent to 60 percent. She had experience as COO of a for-profit startup, helping it grow to over \$20 million in sales within nine years. Meehan said that when Year Up hired her, "the organization wasn't at a growth point to warrant a 'chief of this' or 'chief of that,' but they wanted to position my role to eventually split into chief financial officer and COO positions. There's a lot on my plate—any time an organization is growing this fast there will be a lot on your plate."

Organizations with a for-profit element:

There are growing numbers of nonprofit organizations that have for-profit businesses embedded in their service models. Some examples include microfinance institutions, organizations with social enterprises, and venture philanthropy funds. For example, New Door Ventures is a youth development organization that runs a silkscreen printing business and bicycle repair business to provide youth with employment opportunities. When New Door's board was looking for a new CEO, the directors specifically searched for and found in Tess Reynolds an individual from the for-profit sector who could help grow their social enterprises.

Organizations with operations that mirror a for-profit:

Nonprofits such as food banks achieve their social mission through operations-heavy delivery mechanisms. The Greater Boston Food Bank is one of the largest food banks in the nation, distributing over 25 million pounds of food annually to more than 600 hunger-relief agencies in eastern Massachusetts. Catherine D’Amato, president and CEO, suggested, “It might be easier for us to assimilate bridgers because we have to run more like a business than some other types of nonprofits do. We are a nonprofit, but we think of ourselves as a charitable business.”

Organizations with a history of hiring bridgers:

Organizations that have already hired and had success with bridgers in key management positions are often more open to hiring additional bridgers. In particular, bridgers with hiring authority within their organization may have a better understanding of the transferable skills of prospective bridgers and appreciate the contribution they can make in their own organization.

Keys to successful bridging: Inventory your skills and style

We have also observed that there are certain individual skills and character traits that can indicate whether a candidate is likely to have a successful bridging experience. Ideal bridgers are:

Able to translate their functional skills and management experiences across sectors

Janet Albert, former regional director of talent and recruiting at Bridgestar, explained, “In our experience, clients aren’t necessarily looking for bridgers. They are looking for a specific skill set. If that skill set can be found in a for-profit person, then they’ll embrace that person as a candidate.”

[Mike Dunn](#), vice president/CFO of Outward Bound, described how he translated his for-profit experience into the nonprofit context: “Outward Bound was going through a geographic merger of the seven individual regional Outward Bound schools. In my prior company, I had taken three different family-owned businesses across the country and merged them. I got them on the same accounting platform and dealt with the East Coast/West Coast cultural issues that arose. There was an emotional similarity between that experience and what Outward Bound was looking for in a CFO.”

Entrepreneurial and innovative

Due to the resource constraints in the nonprofit sector, successful managers often must accomplish more with fewer resources. [Frederica Williams](#), CEO of Whittier Street Health Center and a former health care finance consultant, observed, “People have a perception that people in the nonprofit world don’t know what

they are doing. But I have had to be savvier here, because if you don't have resources, you have to be innovative and creative. Anyone who wants to be a leader, to be entrepreneurial, then the nonprofit world would be the best place to go."

Collaborative

Because there are so many stakeholders in the nonprofit sector, and executive power is more widely distributed than in most for-profits, it is important to be able to manage through influence and collaboration. Firman, who has hired several bridgers into his organization, provided his perspective: "Authoritarian managers and authoritarian delegators certainly don't fit in well here. I'd be surprised if they worked well in any kind of nonprofit organization. In a business where you have to manage by inspiration, you also have to be willing to roll up your sleeves and work, which some people aren't used to doing."

Adaptable and flexible

"I generally look for the ability to think critically and to adapt to different situations," said Latchford of his hiring process with prospective bridgers. "I want to see if they've got an adaptable mind because they are going to have to change their thinking quite a bit when they bridge over."

Tarvin of Jumpstart reflected on his own experience as a bridger: "To be successful, you have to be open-minded and flexible, and opportunities will appear...you can help shape and drive the organization."

Good communicators

Kathleen Yazbak, former managing director of national relationships at Bridgestar, emphasized the importance of being able to relate well not only to the staff, board of directors, and multiple stakeholders within a nonprofit, but also to members of the community and leaders of peer organizations. "When this does not happen," she said, "it can be a disaster."

Jaymie Saks, COO of Jewish Women's Archive, who bridged from a career in management consulting and business development, explained, "I've learned not to come on too strong with business rhetoric. In a nonprofit, you have more process; you have to get your ideas across differently."

Committed to the mission

"We require our employees to be very, very passionate," said Daniel McLaughlin, president and CEO of Envision Schools. "I'm not saying people in the private sector aren't, but I think we are looking for a different level of commitment than you would find in a typical private-sector employee."

Jan Dahms, who has worked for and consulted with numerous nonprofits since leaving the for-profit sector, emphasized the importance of passion, “I’m still working 13-14 hours a day. You have to love what you do, otherwise you’ll be constantly asking yourself, ‘Where is my bonus? And where are my stock options?’”

Self-aware and humble

Skyer said his bridging success was due in part to advice he received when he joined NFF: “I had been warned about not coming in as a bull in a china shop, as the ‘know-it-all’ from the for-profit world, and to be very conscious about how I suggested and made changes.”

[Brian Collier](#), a former lawyer who has held multiple nonprofit management positions, advised other bridgers, and particularly other lawyers: “Check your ego at the door. Understand that the nonprofit world has highly skilled and gifted people and people you can learn from if you’ll shut up and listen.”

The preceding lists of key characteristics for individuals and organizations obviously represent an ideal bridging model. Bridger candidates and nonprofit organizations should evaluate themselves and one another to determine whether each party has enough of the traits necessary for a smooth transition. Noted Yazbak: “In our experience, we’ve found the reality is no one organization or individual will have all of these traits. But keeping these traits as criteria is critical.”

Pathways to bridging

Despite the growth of the nonprofit sector and increasing interest among prospective bridgers, the sector as a whole lacks clear channels for accessing and assimilating talent. Personal networking remains an important method for identifying nonprofit opportunities and gaining entry into the hiring process of many nonprofit organizations. We have found bridgers can also make inroads by volunteering with nonprofits, doing nonprofit consulting, and researching job boards and working with executive recruiters.

1. Networking

[David Nelson](#), COO of National Foundation for Teaching Entrepreneurship (NFTE), spent more than two years looking for an opportunity to enter the sector. He utilized personal networks, such as an executive forum group, and applied for advertised positions. Despite his successful 30-year career at IBM, which included running some of the company’s biggest accounts in China, Nelson had a hard time getting his foot in the door. He finally connected with a woman who served on “a ton of boards” who introduced him to the founder and CEO of NFTE.

Serendipity played a role in helping Collier find his first nonprofit job after practicing law. He said he had been longing for more meaning in his work life when he learned from a close friend about a position overseeing government advocacy and legal administration for Daytop Village, a substance abuse organization. He recalled, “I had a close friend who was the right person at the right time.”

2. Volunteering with nonprofits

It is invaluable for bridgers to be able to show potential nonprofit employers that they have a track record of volunteering. Individuals have even occasionally been offered staff positions at organizations where they had been volunteers. [Christy Lueders](#), senior vice president and CFO of the YMCA of Greater Seattle, started out volunteering for the Y doing fundraising while working for a commercial bank. After three years of increasing volunteer involvement, she recalled, “One day, the CFO at the YMCA called me and said he was moving to the Houston Y and asked if I would be interested in interviewing for his position.”

3. Consulting with nonprofits

As a result of his networking efforts to find a nonprofit position, Bruce Skyer landed a consulting project with NFF, working on interest-rate-management issues. Skyer recalled, “NFF had been without a CFO for a little under a year and I was aware of the open position. The consulting project wasn’t advertised as a steppingstone, but I felt there was a real opportunity to turn the project into a permanent position.” After two and a half months of consulting, Skyer became NFF’s chief financial and administrative officer.

4. Researching job boards and working with executive recruiters

There are a growing number of organizations focused on helping nonprofits identify and recruit talent, including numerous online job boards that post senior nonprofit positions. Additionally, more executive search firms, both for-profit and nonprofit, are specializing in finding and placing individuals in senior management positions.

Conclusion

Over the past decade, increasing numbers of individuals have begun searching for more meaning in their professional lives. Many have found rewarding, challenging, and fulfilling opportunities in senior management positions within nonprofit organizations.

At the same time, there is a growing **leadership deficit** in the nonprofit sector. This is due in part to the growth of the sector and to the approaching retirement of the sector's most experienced leaders, many of whom are baby boomers who rose to leadership through their involvement in the social change movements of the 1960s and 1970s.

The entry of individuals with significant for-profit experience holds great promise and poses great challenges for the nonprofit sector. There is a premium on leaders able to deliver breakthrough results on sliver-thin margins to address society's greatest needs. But the difficulty of adjusting to work in a mission-based environment, where resources are constrained and quarterly financials no longer define success and failure, can leave some entrants unsure of their moorings.

The stories and perspectives we've shared in this overview on bridging are based on our collective observations and experiences to date. We at Bridgespan look forward to conducting more comprehensive research into the experiences of bridgers and the nonprofit organizations that have hired them. In the meantime, we will continue our work to support and strengthen nonprofit organizations by enhancing the flow and effectiveness of passionate and highly skilled leaders into and within the nonprofit sector.

THE BRIDGESPAN GROUP

BOSTON 2 Copley Place, 7th Floor, Suite 3700B, Boston, MA 02116 USA. Tel: +1 617 572 2833

NEW YORK 112 West 34th St., Ste. 1510, New York, NY 10120 USA. Tel: +1 646 562 8900

SAN FRANCISCO 465 California St., 11th Floor, San Francisco, CA 94104 USA. Tel: +1 415 627 1100

MUMBAI Bridgespan India Private Limited Company, 1086, Regus, Level 1, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai, 400051 Maharashtra, India. Tel: +91 2266289639



www.bridgespan.org

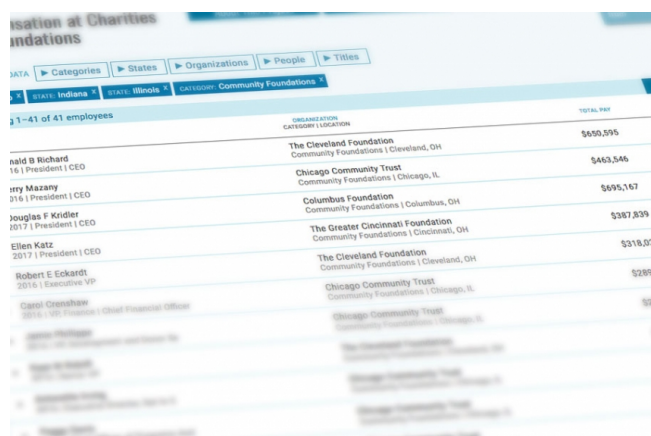
contact@bridgespan.org

ARTICLE

JUNE 05, 2019

New Chronicle Salary Database Underscores Big Disparities Among Nonprofits

By Michael Theis, Brian O'Leary, and Tyler Davis



The screenshot shows a web interface for the "Chronicle of Philanthropy" salary database. It features a navigation menu with options for "Categories", "States", "Organizations", "People", and "Titles". Below the menu, there are filters for "State: Indiana", "State: Illinois", and "Category: Community Foundations". The main content area displays a table with columns for "NAME", "ORGANIZATION CATEGORY | LOCATION", and "TOTAL PAY". The table lists several executives and their salaries:

NAME	ORGANIZATION CATEGORY LOCATION	TOTAL PAY
Richard B. Richard 16 President CEO	The Cleveland Foundation Community Foundations Cleveland, OH	\$650,595
Harry Mazany 216 President CEO	Chicago Community Trust Community Foundations Chicago, IL	\$463,546
Joerges F. Krider 2017 President CEO	Columbus Foundation Community Foundations Columbus, OH	\$495,167
Ellen Katz 2017 President CEO	The Greater Cincinnati Foundation Community Foundations Cincinnati, OH	\$387,839
Robert E. Eckardt 2016 Executive VP	The Cleveland Foundation Community Foundations Cleveland, OH	\$318,02
Carol Cronshaw 2016 CEO, President Chief Financial Officer	Chicago Community Trust Community Foundations Chicago, IL	\$289,100

A new *Chronicle* analysis of the salaries of more than 10,000 nonprofit employees and other officials who make at least at \$150,000 finds that people who work at hospitals and private colleges far out-earn their peers in other nonprofit categories.

The data, gathered from 860 organizations that raise at least \$35 million a year from private sources comes from the most recent available informational tax forms that nonprofits must file with the Internal Revenue Service. (*See all the salaries in our searchable*

database.)

The tax agency requires nonprofits to disclose salary information for all employees paid more than \$150,000 annually, as well as certain other "key" employees — such as former staff members who still receive paychecks and anyone who has significant oversight over an organization, such as board members, and who make \$100,000 to \$150,000. The IRS uses this data, at least in theory, to scrutinize excessive compensation and sweetheart deals awarded to nonprofit executives, board members, or other insiders. Such nonprofits can be subject to penalties.

ABOUT THE SALARY DATABASE

The *Chronicle*'s report on compensation includes pay for more than 10,000 people from 860 nonprofits, mostly from 2017 but in some cases 2016. The analysis examined Internal Revenue Service data on nonprofits with at least \$35 million in private support. The data was extracted from IRS Forms 990, which lists each organization's highest-paid staff.

While the *Chronicle* has made efforts to clean, clarify, and filter the data for presentation and analysis, it may contain filing errors and typos. So we want to hear from you. If you've spotted an error in our database, please reach out to us at research@philanthropy.com.

Nonprofits must do more than list salaries: They must reveal how overall compensation packages are composed for each employee, including breakouts for base pay, fringe benefits, deferred compensation, and more.

The *Chronicle* collected data for all nonprofits that raise at least \$35 million from private sources — individuals, corporations, and foundations.

Nonprofit pay levels have increasingly drawn concern from policy makers and others. In the tax law passed at the end of 2017, Congress approved a provision that levied a 21 percent tax on nonprofits that pay workers more than \$1 million. The *Chronicle* has identified 226 organizations that pay employees that much.

The Million-Dollar Club

In the *Chronicle* study, nonprofits reported average annual compensation of \$492,180 per key employee. But that's an average heavily skewed by top-dollar employees working at hospitals and medical centers as well as at private colleges and universities.

Key employees at hospitals and medical centers — many of whom are doctors who run private practices as part of their employment arrangements — earned an average annual pay of \$750,550, roughly 52 percent more than the overall average. Key employees working at private colleges and universities earn annual compensation of \$696,730, on average, 41 percent larger than average across all key employees and 84 percent larger than their peers at public colleges and universities, who earn an average of \$377,970 a year. Many of those employees are either doctors at university medical schools, investment managers, football coaches, or others who command high pay packages.

Average Pay for Key Employees

Hospitals & Medical Centers	\$750,549
Colleges & Universities (Private)	\$696,729
Colleges & Universities (Public)	\$377,969
Health	\$354,666
Arts & Culture	\$351,495
Public Broadcasting	\$339,682
Museums & Libraries	\$328,827
Other	\$322,624
Children & Youths	\$312,108
Public Affairs	\$304,211
Education	\$285,548
Environment & Animal Welfare	\$269,732
Jewish Federations	\$267,099
International	\$254,081
Social Service	\$250,139
Donor-Advised Funds	\$236,280
United Ways	\$235,962
Community Foundations	\$234,358
Religious	\$232,671

[Get the data](#) • Created with [Datawrapper](#)

Nonprofit experts say those kinds of high-dollar salaries at hospitals and medical centers aren't unusual because those kinds of nonprofits have to compete with for-profit institutions for talent and expertise. Nearly 20 percent of key employees working at nonprofit hospitals and medical centers earn more than \$1 million a year, the largest share of million-dollar pay packages among our causes.

Most important, compensation at nonprofit hospitals and medical centers is heavily influenced by lucrative practice agreements under which some doctors work.

"That's why the medical centers are really an outlier," said James Finkelstien, professor emeritus of public policy at George Mason University's Schar School of Policy and Government. "They're in a practice plan. A lot of their compensation is going to be determined in their practice plan, and the practice plans are often very lucrative."

Private Colleges

Private colleges and universities also have an abundance of key employees who earn more than \$1 million — 18 percent of all key employees earn that much, the second-largest share among all causes.

Compare that to their peers at public colleges and universities, of whom only 5 percent take home pay of more than \$1 million.

For instance, private colleges and universities in our database list 78 individuals with a "medical doctor" honorific. They earn an average of \$1.9 million a year. If you take them out of the equation, average pay for key employees at private colleges and universities drops from \$696,730 to \$641,928.

That average is probably in part because private colleges and universities also list 69 individuals with the word "coach" in their titles, mostly men's football and basketball coaches. On average, they earn \$1.8 million. If you remove them from the analysis, average annual pay drops from \$696,730 to \$650,120.

College Presidents and CEOs

A similar trend is at play for CEO compensation, though there's a slight reordering at the top. Private colleges and universities pay an average of \$1.8 million to individuals with "CEO" in their title, followed by hospitals and medical centers, who pay chief executives an average of \$1.7 million.

However, many college top executives don't go by CEO — our database includes only 28 with that title. Our database has 100 private higher-education presidents earning an average compensation of \$991,570 per year.

Average CEO Pay

Colleges & Universities (Private)	\$1,803,367
Hospitals & Medical Centers	\$1,737,966
Arts & Culture	\$872,955
Public Broadcasting	\$710,487
Health	\$625,815
Museums & Libraries	\$614,826
Public Affairs	\$562,060
Environment & Animal Welfare	\$516,985
Colleges & Universities (Public)	\$494,074
Other	\$483,906
Education	\$465,766
United Ways	\$453,757
International	\$444,501
Children & Youths	\$440,605
Jewish Federations	\$421,172
Donor-Advised Funds	\$386,243
Community Foundations	\$376,349
Religious	\$370,321
Social Service	\$300,774

[Get the data](#) • Created with [Datawrapper](#)

At the bottom of the key employee pay scale are United Ways, community foundations, and religious groups. Each is nearly in a dead heat for the smallest average key employee compensation, with United Ways reporting \$235,960 a year, community foundations \$234,340, and religious organizations \$232,671.

Community foundations, religious organizations, and social-service groups reported the smallest average CEO compensation. Average annual pay for key employees with "CEO" in their titles stood at \$376,350 at community foundations, \$370,320 at religious groups, and \$300,370 at social-service organizations.