

THE NEW LIFECYCLE OF WORK

LONG-TERM NONPROFIT LEADERS PREPARE FOR THEIR FUTURE



s long-term leaders in the nonprofit sector think about life after they leave their current jobs, two things become clear: They are not planning to move into traditional retirement, and they want to continue to contribute to the common good.

Findings from an online survey of long-term nonprofit leaders age 55 and older shed new light on forecasts made in recent years about the impact of demography on leadership in the sector. Studies a decade ago anticipated a large exodus of baby boomer and older leaders, raising anxiety that the sector was unprepared to put in place new leadership to succeed them.¹ With the recession, fears of a leadership deficit were replaced by concerns that aging leaders would be forced to stay in their positions while they rebuilt their savings—causing their organizations to stall and preventing younger leadership from advancing.²

This survey—conducted online in early 2012 by the Building Movement Project, Civic Ventures, and Clohesy Consulting—tells a different story. Long-term nonprofit leaders looking to the future are surprisingly consistent about wanting new ways to continue meaningful work, in positions that offer more flexibility and less responsibility. While this pull to leave their leadership positions and enter a new stage of work is accompanied by apprehension, long-term leaders are optimistic about their future. They know what they want even if they may not be sure how to get it or where they will land.

The survey findings include important implications for individuals, organizations and the sector as older leaders enter their encore stage of life:

- Aging nonprofit leaders need help—both organizational and personal—in navigating the exit from their current positions and finding ways to make their best contributions in new roles.
- Organizations should prepare to take advantage of this influx of long-term leaders who are seeking ways to use their skills to solve social problems and promote the common good.
- The nonprofit sector—nationally and in communities—needs to consider the pathways that lead to paid and unpaid work that can make the best use of the experience, knowledge and eagerness to contribute that this leadership cohort represents.

The 2012 survey was conducted online by the Building Movement Project, Civic Ventures, and Clohesy Consulting as part of a larger research project to find out how older leaders view their future and the choices they are making.³ Two hundred and sixty-six (266) respondents completed the survey after meeting the age (55 years and older) and full-time leadership (five years or longer in a nonprofit) criteria. Seventy one percent (71%) have held leadership positions 11 years or longer, and 35% identified themselves as founders. Most (63%) are still in their leadership position. More information about the sample is described below.

KEY FINDINGS

1. Meaningful Work, Not Retirement

Older long-term nonprofit leaders want to continue contributing to the common good in meaningful social purpose work, in paid or volunteer roles, after they leave their current positions. They are embracing the idea of an encore stage of work for their decades after midlife.

- Ninety-five percent (95%) of long-term nonprofit leaders reject the traditional “golden years” vision of retiring from work to a life of leisure. The vast majority—sixty-seven percent (67%)—see the stage of life after midlife as “the beginning a new chapter” in which they “can be active and involved, start new activities, and use ... skills and experience to help others in a paid or volunteer position.” Compared to a nationally representative survey of similarly-aged adults, nonprofit leaders are twice as likely as the general population to embrace this “encore vision” of their next stage of life.⁴
- Even more see social purpose as central to their own future: 97% say that it will be important to feel that they are making a contribution to society after leaving their current position. In addition, even though they are concerned about financial security and health insurance (see section 3), more than 8 out of 10 (84%) rank meaningful work as more important in their future than earnings.
- Consistent with the overall national trend of working longer, over 60% of respondents expect to continue to stay in the paid workforce at least until the age of 70, and 8% say they do not expect to ever stop working for pay.

2. A New Stage of Mission-Driven Work

While survey respondents expect to continue working in the social sector, they are not looking for comparable leadership positions. Instead, they want to work in different ways where they are less in charge and have more flexibility and fewer responsibilities.

- Flexibility is key for those leaving long-term leadership. Ninety-seven percent (97%) describe flexibility as important in their next stage of work.

“This is a time when I speak of becoming comfortable with being on the circumference. I am not there yet—it is a struggle for someone like me who received so much satisfaction from what I did/do.”

- When asked to rank the order of importance, making a meaningful contribution was number one, with flexibility a close second.
- Only 8% consider a high level of responsibility important in their future work.

3. Making the Transition: Money and other Worries

Money tops the list of personal worries when asked about leaving their leadership jobs, with health insurance a close second especially for the baby boomers in the survey. But there are other concerns as well, mostly related to their place and identity as they enter into the next stage of work and life.

- Asked about their “worries” in leaving their long-term leadership positions, three out of five of the total respondents report being worried about financial security (63%), and concerned about health insurance (60%). Baby boomers (aged 55-66) are more worried about financial security than respondents 67 and older (72% of boomers vs. 32% of older leaders). Consistent with their concern about financial security, over half (51%) report they are likely to use (or had already used) financial planning services in their transition to a new stage of work.
- While financial security is on the minds of most respondents, long-term leaders also worry about how they will feel once they leave. Over half (52%) are concerned about staying relevant; 42% say they are worried whether they will retain their sense of identity, and 36% express concern about being isolated.
- They also are concerned whether they will be able to find the future roles they want. Over half (52%) say they are worried about finding ways to make a contribution after they leave their long-term leadership position. Thirty four percent (34%) worry about finding a new position that pays enough.
- Despite these concerns, only 13 percent say that thinking about their future is hard.

4. Worries about the Organization

Respondents report more concern about the future of their organizations than they do about their own future as described in the previous section. *See Figure 1*

- Three out of four leaders are worried whether their organization will be able to continue to raise funds (77%), and remain sustainable (74%) after they leave.
- Perhaps not surprisingly, 77% are concerned about their organization hiring a good successor. Despite these concerns, only 30% report that their organization has

engaged in succession planning. And only eleven percent (11%) report raising money for a transition fund.

- Respondents are uneasy about the impact of their departure on other organizational issues as well. These include worry about their organization preserving gains (69%), maintaining relationships with key partners (59%), keeping up the quality of work (58%), and delivering on the mission (57%).

figure 1. | PERSONAL VS. ORGANIZATIONAL CONCERN



5. What Will The Next Stage Look Like?

Long-term leaders are envisioning—and beginning—new types of roles in their next stage of mission-driven work.

- When asked what they want to do next, respondents looking ahead are especially interested in part-time or volunteer positions (40%) rather than full-time work (19%), with the rest not being sure. However, more than half of the respondents who have already exited their jobs have ended up working full-time – though not necessarily in one full-time job.
- Respondents express interest in work that allows them to apply their knowledge and experience, such as serving on boards (65%), consulting (65%), working in a different role in another nonprofit (54%) and activism (52%). Two in five (41%) are interested in a different role in the nonprofit they have led. Fewer respondents said they are interested in working in either the for-profit (23%) or government (21%) sectors.

“I am a strategic planner by trade so this is easy and fun as an exercise BUT fears about finances and health care coverage tend to cause some confusion emotionally.”

- Leaders who have already left their positions are working in roles consistent with

these pre-exit interests. Most are working as consultants/independent contractors (82%), activists (68%) or board members (66%), or are involved in other nonprofits (52%). Twenty seven percent (27%) are working in a new role in the organization they led.

- Overall, respondents are not concerned about their external status – only 22% say they are worried about having prestige or receiving recognition after leaving their leadership positions.

6. The View From the Other Side: Experiences After The Exit

While the main focus of the survey was on the period of time before exiting a leadership position, those who had already made that transition report less worry. These respondents also commented on the challenges and benefits of their new roles.

- Long-term leaders who have already left their positions describe themselves as less worried about their next stage of work than those still in their jobs. After exiting, just over half (53%) say they are worried about overall financial security, compared to 62% of those still working. Those who have already left also are less worried about finding ways to make a contribution (40% compared to 50%), having a sense of identity (23% compared to 42%), and being isolated (24% compared to 35%). See Figure 2

figure 2. | WORRIES BEFORE AND AFTER LEAVING



- When asked in an open-ended question about what surprised them after leaving their leadership positions, 70% responded. Just under half (48%) of the comments were about difficulties they experienced, such as:

“I found myself surprised at how uncomfortable it is to not have a title.”

“The employment picture and my ability to compete is very uncertain...I get the “over qualified” a lot – which seemed after a while like a euphemism for too old.”

“The length of transition to another position and ramp-up to a consulting practice has surprised me.”

“I was surprised at how difficult it is to find ways to volunteer professional skills...Many are very quick to assume that unpaid work is not really valuable and that volunteers cannot be as competent as paid staff/consultants.”

- But 52% of the comments described the benefits of transitioning to this encore stage of their career:

“It was a scary decision to leave a very successful prior life filled with certainty and security ...But...[i]t has enabled me to find my ‘center’ and sense of intuitiveness and... those hidden strengths that I doubt I would have found if I had stayed in the land of predictability.”

“It has brought a new meaning to what a purposeful life means.”

“What surprised me most is that in my consulting practice I am making a difference in the lives of many more thousands of people through the diverse populations served by the organizations I help to grow and thrive ... Who knew that the encore career would actually reach more people and pay much more per hour!”

CONCLUSIONS

Older leaders in the nonprofit sector are pioneering a new encore stage of work and life as they leave their leadership positions. Instead of a mass exodus from the sector, this survey indicates that baby boomers and their predecessors want to continue working for the common good, seeking new ways to make their contributions, with less interest in authority and more interest in flexibility.

Though aging long-term leaders who have left their jobs are finding ways to continue working for the common good, the road to these new positions can be rocky. Given the anticipated scale of this change, the sector should develop strategies to help individuals prepare for their exit as well as their re-entry into new types of social purpose work, learning from those who have already gone through this transition.

Now is the time to recognize this new stage in the lifecycle of nonprofit leaders, develop resources that will support it, and talk to younger generations about what this new stage will mean for them. Preparing for these transitions will benefit individuals and organizations, and it presents the sector with an opportunity to retain experience that should not be squandered.

ABOUT THE SAMPLE

This report captures key findings from an online survey distributed widely through individual networks, organizations and associations throughout the nonprofit sector between January and March 2012. The survey was taken by 315 individuals, 266 of whom were asked to complete the survey because they fit the survey criteria (referred to as “respondents” in this paper).

Most (72%) of these respondents are baby boomers born between 1946 and 1960; 23% are “pre-boomers”, born between 1938 and 1945; 5% are in the silent generation born before 1937. Seventy percent (70%) are female and 30% male. Fifty-eight percent (58%) reported they are white; of the 19% people of color, 8% are African-American, 4% Asian/Pacific Islander, 4% Latino/a and 2% Native American/Alaskan Native; less than 2% are mixed race.

With respect to their leadership positions: most (79%) have been in leadership positions for 11 years or more, and 46% have more than 20 years in leadership positions. Thirty-five percent (35%) identified themselves as founders. Seventy-five percent (75%) of respondents are (or were before their exit) executive directors or CEO’s, with another 19% in senior management positions, and 6% middle managers. The sample was roughly divided into thirds between those who had no plans to leave (34%), those who were actively planning to leave (34%), and those who had left (32%, only 1% of whom had fully retired). Respondents report a wide range of salaries for their leadership jobs: 16% under \$50,000; 41% between \$50,000 and \$100,000; 32% between \$100,000 and \$200,000; and 10% over \$200,000.

With respect to the size of the organizations they have led: 22% reported their organization’s annual budget as under \$500,000; 18% reported budgets of \$500,000 to \$1 million; 29% reported budgets between \$1 and \$5 million, and 30% reported budgets over \$5 million. The functions of these organizations are diverse, ranging from direct health and human services (23%) to foundations (10%) to advocacy groups (9%) to arts (5%) to legal services (1%), among others with a focus on youth, women, civil rights, human rights and so on. Most were locally based (29%) or national in scope (23%); 11% were international and the rest work regionally or statewide.

ABOUT THE AUTHORS

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ENDNOTES

1. See Peters, Jeanne M.N.A. and Timothy Wolfred, Psy.D., Principal Investigators, *Daring to Lead: Nonprofit Executive Directors and Their Work Experience* (San Francisco, CA: CompassPoint Nonprofit Services and the Meyer Foundation, 2001); Bell, Jeanne; Moyers, Richard; and Wolfred, Timothy. *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership*. San Francisco: CompassPoint Nonprofit Services, 2006; and Tierney, Thomas J., *The Nonprofit Sector's Leadership Deficit*. The Bridgespan Group, 2006.
2. See *Recession turns a Graying Office Grayer*. Pew Research Center, 2009.
3. The research has been partially supported by grants from the Annie E. Casey Foundation, Atlantic Philanthropies and the Whitman Institute.
4. *Encore Career Choices: Purpose, Passion and a Paycheck In a Tough Economy*. A MetLife Foundation/Civic Ventures report based on Research by Penn Schoen Berland, 2011.
5. Less than 1% identified as transgender.



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