

Calling It Quits

Older nonprofit leaders struggle alone with making the decision to step down

By Michelle Gienow

Cassandra Flipper has led Bread & Roses, a San Francisco arts group, for 13 years. She's about to turn 70, and says that now is a good time for a change, both for her and her nonprofit.

Her board knows she is thinking of leaving, and Ms. Flipper has attended a retirement-planning seminar for nonprofit executives. Even with such deliberate preparations, however, she says the path from being a CEO to whatever comes next is poorly defined for senior nonprofit leaders like her who are ready to move on.

Older nonprofit leaders, she says, "have to manage the process carefully." But, she adds, "when and how to even start the process of managing the process—unfortunately, that's just a best guess."

Many other veteran nonprofit CEOs are also struggling to figure out when to retire, a new study finds—and most of them are not getting much support or guidance from their boards or fellow chief executives because the subject of stepping down is generally considered taboo.

"Leaving well is a leadership function that we don't prepare for or even feel comfortable talking about," says Frances Kunreuther, co-director of the Building Movement Project. The New York group helped conduct in-depth interviews with 40 nonprofit leaders from a broad

range of organizations as a follow-up to a study a year ago of more than 300 executives who were 55 or older.

The project is intended to help nonprofit groups navigate a staggering exodus of their leaders in the next decade or two as baby boomers—some of whom started and now lead many of the nation's charities and foundations—decide to step down.

Says Ms. Kunreuther: "Right now, leaving is a case-by-case process each person is inventing as they go, because we as a field lack a basic outline, much less best practices, of how to approach it."

Transition Concerns

This ad hoc approach to leadership transition could hurt the organizations that older leaders head, the study suggests.

Veteran leaders told researchers they feared that starting a conversation with their boards about retirement plans might relegate them to "lame duck" status long before they actually left their jobs. They worried that the board might try to take over the top responsibilities prematurely—or even push them out the door before they're ready.

And about three out of four of the participants in the new study expressed concern that their groups would have difficulty both finding the right successor and sustaining good financial health after they're gone.



A Smooth Transition Takes Planning

When Alene Valkanas retired seven years ago and Ra Joy took over, she served as his mentor and led their organization through a process to refresh its image, changing the group's name and logo.

The researchers say that nonprofits need to provide more support for leaders near retirement age and create more flexibility to accommodate veteran workers who want to contribute to a cause without the burdens of full-time leadership. But older leaders and their boards say it's not easy to find the time to plan for departures, says the study.

"Nonprofit boards and lead-

ers can be so stressed and busy getting everyday mission work done that long-term exit planning simply doesn't happen," says Phyllis Segal, vice president of Civic Ventures and one of the authors of the new study.

'It's Time to Go'

One consequence of a failure to talk about retirement in the nonprofit world is that it can be

hard to figure out when is the best time to go.

In the study, nonprofit leaders who had retired or were getting ready to said they could tell it was time when they began lacking the energy and enthusiasm for work they once enjoyed.

Many said they were worn out by the draining double demands of constant fundraising and the steady need to demonstrate to donors the results of the charity's work. Others simply wanted to take on a new and different challenge elsewhere.

And sometimes leaders may decide it's better to quit while they are ahead.

Alene Valkanas, now 72, retired seven years ago from a 20-year career running what is now called Arts Alliance Illinois, an advocacy group.

Although she found herself worn down physically and emotionally, in part because she commuted to the office in Chicago from the home she shared with her husband in Michigan, she was hitting a peak professionally. Her organization was in good financial shape, and a national arts-advocacy award had been created in her name.

"I thought to myself, It doesn't get better than this—it's time to go," she says.

Ms. Valkanas prepared for her exit by identifying and then serving as a mentor to her successor, Ra Joy. She also led the

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A Social-Service Leader Seeks the Right Moment to Share His Exit Strategy

Paul Castro has spent 33 years—his entire career, since law school—at Jewish Family Service of Los Angeles. When he arrived he planned to finish a short-term project there and then move on.

Instead, he says, he fell in love with the organization's mission.

Now, after spending the last 13 years at the group's helm, the 61-year-old is ready to plan an exit that benefits both him and the charity.

And yet, even with all the stars in alignment—the organization is stable with a healthy balance sheet, a solid succession plan is in place, and he has a personal plan for his life in retirement—Mr. Castro has not told his board exactly when he wants to retire.

"I'm sure they are wondering when I'm going to bring it up, but I am not quite ready to start that conversation," he says.

He would like to talk more openly with his board about his plans and his concerns without being forced into a lame-duck role or a quicker-than-desired departure, he says.

"I do wish we could say 'Let's map out the next two or three years' without me needing to formally announce,'" he says. "But there is no precedent, no



Paul Castro says he's well positioned to leave but unsure of how to plan his departure.

safe harbor, to have that kind of conversation between CEO and board."

Financial Concerns

And yet, it should be an easy conversation for Mr. Castro to have. "Coming from an institution that has been around for 160 years, there is not so much the worry that my group won't be able to go on without me," he says.

His personal finances aren't slowing down his retirement plans, either.

He has a pension plan that leaves him with what he calls a "comfortable financial base" for the rest of his life.

Such security is unknown to most of the 40 people included in a new study commissioned by two nonprofits, Civic Ventures and the Building Movement Project. More than three in four of the participants told researchers that they were worried about their financial well-being after they leave their organizations.

"I feel fortunate," Mr. Castro says. "I recognize my colleagues at smaller or newer organizations might be facing much more dire circumstances with regard to retirement."

And he even knows what he'll do with his spare time after he retires: He'll seek a part-time job in academe, combining teaching with research on nonprofit governance, a topic that has long interested him. He also wants to continue service on multiple nonprofit boards, as well as travel and play more golf and tennis with his wife.

Lame-Duck Fears

So far, though, he's holding back. Before he formally announces his retirement date, Mr. Castro says, he wants to have two elements in place: a competitive internal candidate to suc-

ceed him and a clear sense of what his own next steps are.

And, he says, he doesn't know what ripple effects might follow his announcement. His group's succession plan deals with organizational issues during a leadership transition, he says, but such documents can't be expected to allay feelings of anxiety or insecurity that the group's longtime leader, its staff, and its board may experience.

Mr. Castro says he has watched other boards "panic and overreact" after a longtime leader acknowledged an intent to eventually step down, leading to bad feelings on both sides.

Many senior leaders like him, he says, worry that as soon as they begin to speak about leaving, the board will start second-guessing their decisions. That is an understandable reaction, he says, but "leaving should not be a dirty topic."

It is time, Mr. Castro says, for a shift in how nonprofits approach change at the top. Ultimately, he believes, the end of a leadership career should be as anticipated and celebrated as its launch—"not just a plaque and a handshake, but a positive point on the career continuum."

—MICHELLE GIENOW

Some Leaders Fear Their Organizations Will Falter Without Their Guidance

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organization through a process to refresh its image, changing its name from the Illinois Arts Alliance and creating a new logo and other marketing materials that would help Mr. Joy differentiate the organization from the one she ran.

"I realized in the 20 years I'd been leading it, I had become so personally identified with the organization that it was going to be difficult for my successor to lead effectively after me," Ms. Valkanas says. "I'm happy to say that he is now doing fabulously well."

Exit Steps

When longtime leaders feel ready to depart, they must also assess how their organizations might manage without them.

The veteran leaders interviewed said they often worried in particular that their nonprofits would have trouble attracting donations when they left, since personal relationships with donors are key to fundraising.

Some chief executives in the study said they were so worried that they built a financial cushion before they left, in some cases by holding multiple fundraising events tied to their exit.

Leaders interviewed for the study also said they redoubled efforts to make sure there was strong talent in place and to bolster the identity of their charities to make them better able to weather the change.

The nonprofit veterans said building a board that's geared to handle a leadership transition is equally important—particularly when the departing leader is also the group's founder.

Ms. Flipper's organization last conducted a search in 2000, when she was chosen to replace her charity's founder, the late Mimi Fariña. But Ms. Flipper's own impending departure has been eased by one board member who is a retired human-resources executive and is now



COURTESY OF GIRL SCOUTS OF AMERICA

Kathy Cloninger says she struggled at first to find a role after stepping down from Girl Scouts of the USA.

leading the CEO search. "It takes some of the mystery out of the process, to have this expertise," she says.

Time and Money

The report shows that planning for a next step after stepping down is key to a successful exit, both for organizations and for the departing leaders. Nonprofit veterans who left their jobs without at least a short-term plan in place reported feeling "lost" and "unsettled."

Ms. Valkanas notes that although nonprofit leaders tend to be self-reliant people, leaving can be an especially lonely process. Support is crucial, she says, and she suggests reaching out to peers—both those who have completed their departures and those who are still in their jobs but looking to leave—for perspective and guidance.

Leaders in the new study who had already made an exit said they sought help from therapists or coaches, support groups, and other sources like churches, friends, and family members.

Sometimes the unsettled feeling a departing leader has is related to monetary concerns. More than three in four of the leaders interviewed were concerned about how sound their financial situation would be after stepping down.

Many said they were supporting family members, such as grandchildren or elderly parents, and it affected their decision about retirement.

Continuing to Give

But even financially comfort-

able leaders interviewed by the researchers expressed anxiety about having to develop a different identity once they separated from their jobs.

Kathy Cloninger, who in 2011 retired as leader of Girl Scouts USA (with a pension for life) after more than 30 years with the organization, says she carefully planned her departure.

And yet, she adds, "I had a nagging core worry no one would listen to me once I was no longer the leader, that my impact would be less. And if so, then what would I do with this body of knowledge I've built and the passion I still have to make the world better for girls and women?"

A year and a half after leaving, Ms. Cloninger says she is still adjusting to no longer having the bully pulpit of her national leadership role. But she has also identified ways she can continue contributing to her cause—for one thing, by taking on a new role as vice chair of the board of the National Council for Research on Women.

"You don't have to invent a whole new emeritus you," she says. "The work you've already done stays part of you even as you chart your new course."

"The Leadership in Leaving" is available free on the Web site of the Building Movement Project. The report, the second of four, will be followed by one late this year on what nonprofit leaders expect to do after retirement, and the last one in early 2014 will provide a final summary and recommendations. Go to: buildingmovement.org.

TACKLING TRANSITIONS

See how money plays a role in a charity founder's decision to retire, and get tips for making departures smooth. Go to:

@philanthropy.com/extras

TECHNOLOGY



ATLANTA SYMPHONY ORCHESTRA

The Atlanta Symphony Orchestra raised more than \$13,000 in a month to digitize its archives.

Web Drive Succeeds for Atlanta Symphony

RUNNING A KICKSTARTER CAMPAIGN helped the Atlanta Symphony Orchestra raise money to preserve its archives and attract new supporters.

The orchestra has boxes and boxes of video and audio tapes, photographs, and other documents that it needs to catalog and digitize.

New to Kickstarter, the organization started small. It set out to raise \$5,000 to convert three videos of Robert Shaw, the group's acclaimed former music director, leading the symphony in concert and to buy a scanner and digitize 1,000 photographs.

The group met its fundraising goal in just two days; by the end of the 30-day campaign it had raised \$13,590. Of the 130 people who contributed, 105 were new donors.

Turning to the public through Kickstarter offers a great way to gain "immediate feedback" about donor interest in a project, says Stanley Romanstein, CEO of the Atlanta Symphony Orchestra: "You can tell very, very quickly whether it's going to take off."

FOR MORE INFORMATION: Go to kickstarter.com.

Text Donors Will Give More, Poll Finds

DONORS who give via text message would like the option of making larger gifts through their mobile phones, according to a survey of more than 20,000 text-message donors.

Eighty-five percent said they would be willing to give \$25 to \$50. Mobile contributions are now limited to \$10 each.

The survey found that people who make donations via text message also give using other methods. Online giving ranked highest as the donors' preferred method of giving, followed by special events and text messages.

Forty-two percent of survey participants reported annual contributions of more than \$250. And roughly 85 percent said that making a small gift via text message would not make them less likely to make a larger donation through another method, such as online or by direct mail.

The study was sponsored by the mGive Foundation, the charitable arm of a Denver company that provides text-message fundraising services.

TO GET THERE: Go to mgive.org.

Knight Seeks Ideas to Improve Health

INNOVATIVE PROJECTS that use data and information to help improve public health will share \$2-million in the next Knight News Challenge.

Officials at the John S. and James L. Knight Foundation say they hope to be surprised by the ideas submitted, but they gave several examples of the kinds of projects they expect to see. Among them: efforts to let people track their personal information and combine it with public data to make more informed choices about their health.

Knight, which focuses on journalism and media, worked with the Robert Wood Johnson Foundation, the California HealthCare Foundation, the Bill, Hillary & Chelsea Clinton Foundation, and the Health Data Consortium to design the program.

The foundation will accept submissions September 3-17.

FOR MORE INFORMATION: Go to knightfoundation.org.

—NICOLE WALLACE



Mary Dickey has retired from her position as Vice President for Communication at Odyssey Networks, the non-profit multi-faith media organization, to focus on her work with various New Jersey non-profits, including Bridges and Family Promise. Dickey became a consultant to Odyssey in 2001 and joined the staff in 2006.