



NONPROFIT EXECUTIVE LEADERSHIP AND TRANSITIONS SURVEY 2004

RESEARCH BY MANAGANCE CONSULTING IN COLLABORATION WITH TRANSITIONGUIDES
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The following organizations were invaluable partners in this survey.

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- The Support Center for Nonprofit Management
- United Way of America
- United Way Services of Greater Cleveland in collaboration with The Cleveland Foundation
- Volunteers of America

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Managance Consulting was formed in 2000 by Denice Rothman Hinden, President, to provide a range of custom designed consulting services that strengthen organizations that serve communities. The fusion of management and performance permeates all of Managance Consulting's services, because we believe that strengthening management enables socially responsible organizations to achieve results that make a real difference for their clients and customers. Our core business services are: Strategic Thinking and Planning, Business Planning, Leadership Transition Planning, and Results Measurement Planning. You can learn more about what we do at our website, www.managance.com.

Introduction

Nonprofit organizations are the social workhorses of our communities—meeting the needs of the young, the old, and the disadvantaged, feeding the hungry, housing the homeless, and providing us with arts and recreation. Many people rely on their local nonprofit organizations, whether as a staff member, volunteer, participant, or recipient of services. Nonprofits are vital to the social, civil, and economic fabric of our communities.

Because nonprofits have a social welfare mandate as opposed to a profit mandate, often a higher percentage of their resources are allocated to providing services than are allocated to building infrastructure or supporting management functions. This can leave nonprofits particularly vulnerable in turbulent times of change. In addition, the thin management structure of many nonprofits means that those nonprofits rely even more heavily on a single individual—the chief executive officer of the organization—for success in accomplishing their missions. This tendency is accentuated when the chief executive officer is also the founder of the organization, the person whose passion and commitment have made the organization a reality.

Given the thin management structures, the lack of resources dedicated to infrastructure systems, and the passion and commitment often found in executives, it isn't surprising that the period of time between the departure of a current executive and the hiring of a new executive director or chief staff officer is fraught with risks.

At the same time, this period of executive transition also provides a unique moment for organizations to look at their vision for the future strategically and to seek an executive who will help move them toward this vision. Transitions offer opportunities for building new capacity, strengthening the vision for the future, adding diversity to the organization's leadership, and addressing other organization challenges. The opportunity to diversify the leadership of nonprofits is particularly salient given that 84% of executives are Caucasian only 42% of the nonprofits that they lead serve primarily white communities, and US communities are becoming more diverse.

Further, research has shown that an “era” of transition is looming as baby-boomers (who lead many of our successful nonprofits) are reaching retirement age.

Approximately 77 million baby-boomers make up over half of the current work force. In comparison, there are only about 38 million “Generation Xers” to take their place.¹

Prior Research

Since 2000 the Annie E. Casey Foundation has supported pioneering research to understand the potential scope of executive leadership transitions in the nonprofit sector and to identify and develop practices for assisting nonprofits to successfully manage these transitions. The emerging practices resulting from this work are becoming commonly referred to as Executive Transition Management (ETM). The Foundation is also exploring its role in assisting its grant recipients to move successfully through the organizational challenges posed by leadership transitions.

In addition there is a growing body of knowledge about executive transitions in nonprofits developed by the Neighborhood Reinvestment Corporation, CompassPoint Nonprofit Services, and the Maryland Association of Nonprofit Organizations and supported in part by the Annie E. Casey Foundation. Conducted during the last decade, this research highlights the risks of failed or unsuccessful transitions, noting that poorly managed executive transitions incur high costs to organizations and communities. For example, repeated executive turnover often leads to extended periods of under-performance. In extreme circumstances, otherwise healthy organizations playing a vital role in their community may go out of business, leaving broken commitments and a lack of community services.

This research also indicates that most transitions (as many as 60%) are non-routine and occur due to an organizational crisis or the departure of a founder or visionary leader. It identifies other critical issues associated with executive transitions. For example, *Daring to Lead*, a research report by CompassPoint in 2001, discovered that 35% of executives plan to leave their jobs within two years and that nearly two-thirds of executives are in the top position for the first time. Most disturbingly, the study found that fewer than half plan to take on another executive director position. The existing research and direct work by TransitionGuides and others with more than 200 nonprofits during executive transitions over the last

Method and Response Rate

three years confirms that a growing number of executive transitions are inevitable, and that there are many pitfalls as well as opportunities ahead.

Method and Response Rate

This survey provides baseline data about the rate of transitions in nonprofits and the career paths of current executives. It was conducted primarily through a web-based survey instrument. However, paper surveys were available upon request. Some respondents requested hard copies and completed the paper surveys. The survey was self-administered.

The survey was promoted by The Annie E. Casey Foundation, 11 of its national partners in the Neighborhood Transformation/Family Development National Campaign, and 7 local partners. (For the complete list of partners see Appendix B.) In all, 9,000 nonprofit organizations were invited to respond to the survey. More than 2,200 responded to the survey. The response rate was 25%.

Finally, survey respondents come from every state in the United States and every region represented in this report had over 130 respondents. Specifically, 38% of respondents are from the Midwest, 31% are from the Northeast, 19% are from the Southeast, and 6% each are from the West Coast and Rocky Mountain/Southwest regions. (See appendix for which states are included in which regions.)

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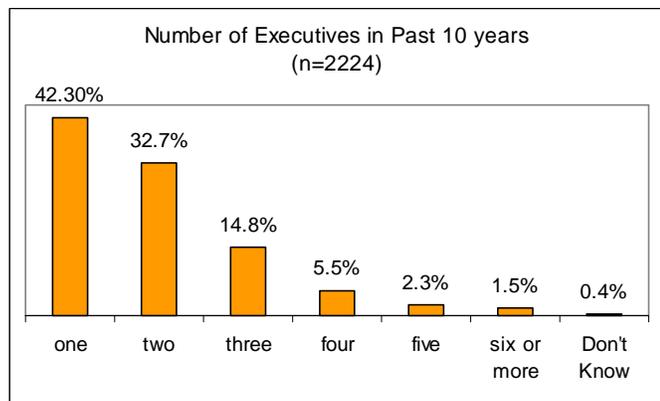
Notes about Findings

Where there are statistically significant differences among regions of the country, regional comparisons are shown among the Southeast, Northeast, Midwest, Rocky Mountains/Southwest, and West Coast. There is a list of states included in each region in the Appendix. More comparison data is available in Appendix A including comparisons of responses in specific cities to all respondents. Other statistically significant differences by the size of the organization are also noted. Where percentages do not add to 100%, the missing percentage did not respond to the question. N represents the number of respondents to each question.

Key Findings

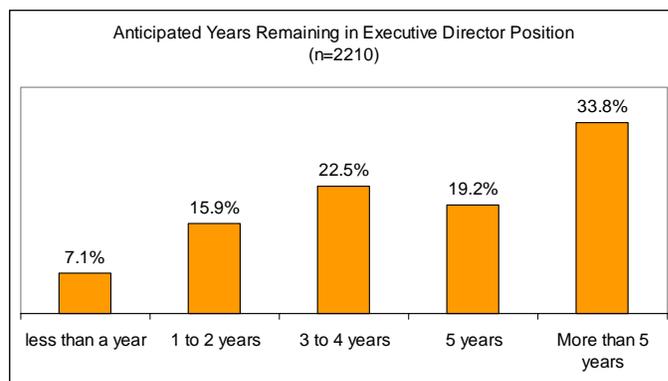
Executive Director Stability & Transitions

A majority of nonprofit organizations have had relatively stable leadership over the last 10 years, with 75% having had only one or two executives. This relative stability is somewhat diminished by the 25% of organizations which have had three or more executives in the last 10 years.



In comparing nonprofits by region, there are a few significant differences. Nonprofits in the Northeast had only one executive in the last 10 years more often than other regions; 47% in the Northeast compared to an average in all regions of 37%. Nonprofits in the Southeast, West, and Rocky Mountain/Southwest had more than one executive in the last 10 years more often than other regions, with between 61% and 63% having had 2 or more executives in the past 10 years in comparison to 57% across all regions.

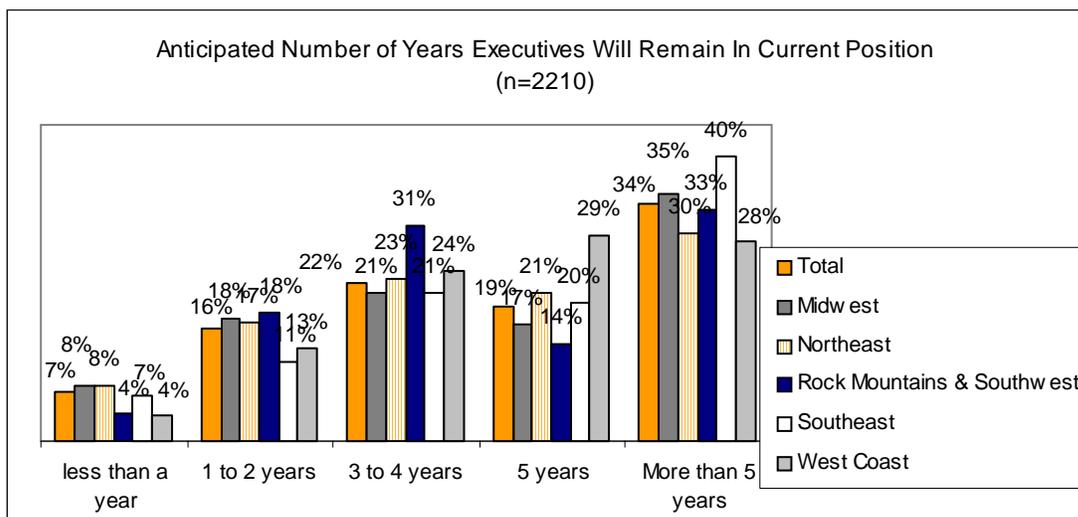
There will be more transitions in the next 5 years than there have been in the previous 10 years, indicating an increasing rate of transitions.³ Twenty-three percent



of executive directors indicate they plan to leave their current jobs in the next 2 years (2004 to 2006) and 65% plan to leave by 2009. In comparison, 57% of nonprofits had experienced an executive transition between 1994 and 2004. This is consistent with other research, which shows a transition rate of 10% per year in the near term. The rate then increases through 2020. The rate of transition also varies by size of the organization with small organizations experiencing transitions more often than large organizations.³

In comparing nonprofits across regions, organizations in the Southeast will retain executives for a longer period of time with 60% of executives in the Southeast planning to stay in their positions for 5 years or more in comparison to an average of 53% of executives in all regions planning to stay in their positions for 5 years or more. None of the other variations by region were significantly different from the average of all respondents.

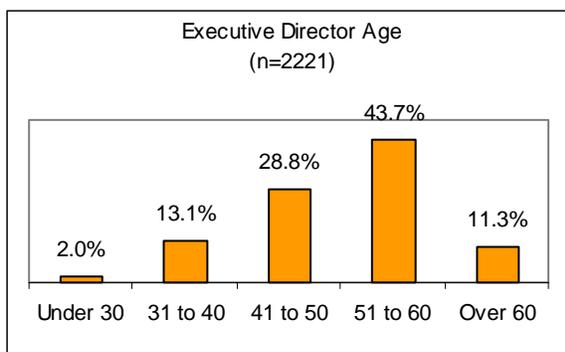
There is evidence that baby-boomers (who are the executives of most of our nonprofits and are currently in their 40s and 50s) will retire from the nonprofit



sector in two waves. Forming the first wave, a little over half of the baby-boomers (57%) in nonprofit executive director positions say they plan to leave by 2010, though they may remain a resource to the field as consultants or in other part-time roles. The second wave will be formed by the other 43% of baby boomer executives as they reach age 62, the age when work force participation drops precipitously.⁴ Even if baby-boomers remain working past age 62, they are likely to significantly reduce work hours. Four out of five of the baby-boomer executives who are staying in their current positions for more than 5 years plan to retire after leaving their positions. If recent transition patterns hold, most of these transitions will occur by 2020, when all but the youngest baby-boomers will have reached 62.

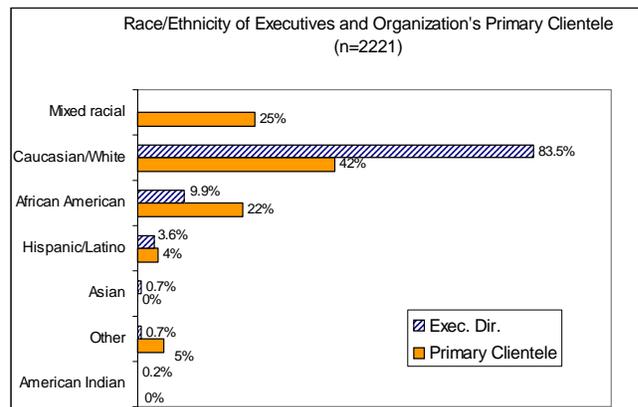
Characteristics of Executives

The average nonprofit executive director is a white woman in her 50s with about 6 years of experience as an executive. The pool of executive directors is heavily weighted toward those over 40 years old, with 84% over this age and a significant number (55%) over 50 years of age.



Eighty-four percent of executives are white; 10% are African American; and 4% are Hispanic/Latino. Deputy directors are slightly more ethnically and racially diverse than the executives. Fifteen percent of deputies are African-American compared to 10% of executives. Asian and Latino/Hispanic representation is similar among deputies and executives. In comparison, 42% of the organizations serve primarily white communities, 22% serve predominately African-American communities, and 25% serve mixed communities.

Fifty-eight percent of the executives are women. Women more often head smaller organizations in terms

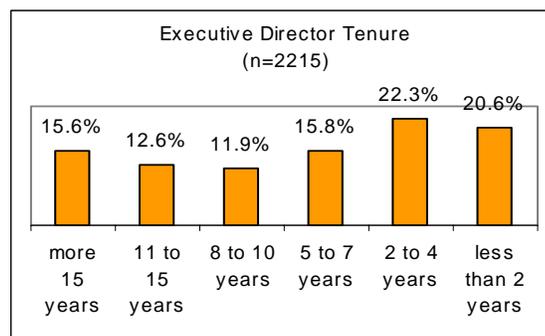


of both staff and budget than their male counterparts. The median number of staff for female-led organizations is 6 to 10, whereas for men it is 21 to 50, and the median budget for female-led organizations is \$500,000 to \$1 million, whereas for men it is \$1 million to \$2 million. On average, women also earn less than men; making \$60,000 to \$69,999 compared to men's \$70,000 to \$79,999.

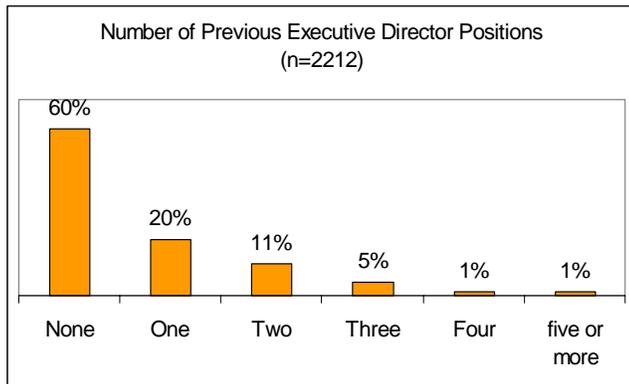
There is a range in the tenure of current executives. Forty-three percent of executives have been in their current positions for 4 years or fewer. Twenty-one percent have been on the job for fewer than 2 years. On the other hand, 28% have been in their jobs for over 10 years. This distribution demonstrates that nonprofits have a pool of relatively new leadership as well as long-time leaders in the field.

Nineteen percent of executives indicate that they helped found their organizations. Taking into account the overlap between long time executives and founders, 34% of respondents either helped to found their organizations or have been in their positions for over 10 years.

Almost half (47%) of executives have a Master's degree. Another 35% earned a Bachelor's degree and did not pursue further education. Twelve percent have either a Doctorate or Law degree.



Career Paths of Executives

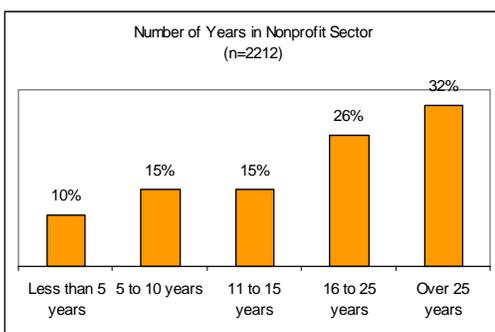


A majority of nonprofit executives are in their position for the first time (60%). Many (42%) have had experience at some point in their careers in for-profit companies, and 73% have over 10 years experience in the nonprofit sector. When asked about their future plans, a minority (11%) anticipates moving into government or for profit businesses. Twenty-one percent plan to take another executive job and 38% plan to retire or semi-retire.

The current pool of executive directors includes about a third (38%) who have been executives in the past. Twenty percent have had one other executive position and 18% have had more than one other executive position.

While more than half (60%) of executives are in this position for the first time, 73% have over 10 years of experience working in the nonprofit sector, and 32% have over 25 years in the sector.

The career path for most executives includes significant work in nonprofits, but also includes experience in multiple sectors at earlier points in their careers. Sixty-one percent worked for a nonprofit immediately before becoming the executive director. The next

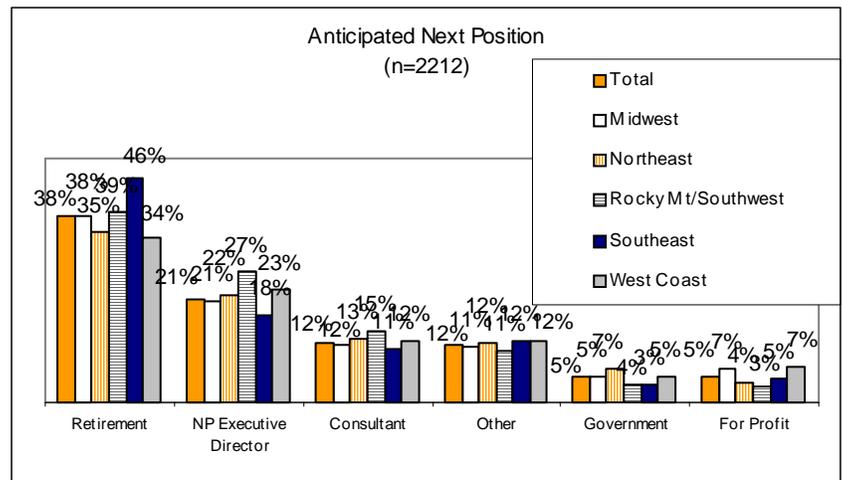


highest percentage, 12%, came from a position in a for-profit business. Eight percent came from a

government position.

In terms of other experience, executives have moved among multiple sectors in their careers. Forty-two percent have worked for a for-profit company at some point in their careers, 31% have worked in education, 29% have worked in government, 27% were self-employed, and 12% have been consultants.

Finally, a third of respondents (35%) indicate they are planning to move into other sectors when they leave their current positions. Twenty-one percent are planning to take another executive director position in the non-profit sector and 38% are planning to retire or semi-retire. Twelve percent of respondents anticipate becoming a consultant and another 5% indicate an interest in government or the public sector. A greater number of older executives plan to retire or semi-retire when they leave their current positions than do younger executives.



Comparing anticipated next positions across regions, more executives in the Southeast are planning to retire or semi-retire after leaving their current positions than in other regions (46% in comparison to an average of 38%), and more executives in the Rocky Mountain/Southwest area are planning to take another executive position (27% in comparison to an average of 21%). Other differences among regions are not significantly different from the average of all respondents.

Management Capacity & Salary and Benefits

Many nonprofits have some staff in senior management positions, which may serve as a training ground for executives. However, fewer small organizations

have any form of middle management than do either medium or large organizations. About one third (36%) of all responding organizations have a deputy director or someone they consider to be the second in charge, and a majority (74%) have program directors. The deputy directors are younger and more ethnically diverse than the executives.

The table below shows the distribution of organizations with the most common types of senior and middle management. Thirty-six percent of all responding organizations have deputy directors, 45% have fundraising personnel, 74% have program directors, and 56% have a finance director. This layer of management allows individuals to build skills and experi-

Most organizations offer retirement and health benefits to executives and staff. Specifically, 64% of

organizations offer their executive retirement benefits to which the organization contributes, 79% offer employer-paid health insurance, and 73% offer retirement benefits to

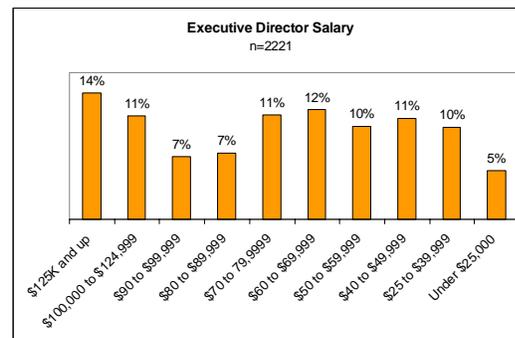


Table: Middle Management by Size of Organization

	All	0 to 5 FTE	6 to 20 FTE	Over 20 FTE
Deputy director	36%	13.0%	33.5%	56.5%
Fundraising/Development director	45%	12.0%	46.0%	69.0%
Program director	74%	46.0%	77.9%	93.7%
Finance director/CFO/Controller	56%	15.0%	54.0%	89.7%

ence and to potentially move into leadership positions in the future. However, middle management positions are less common in smaller organizations. Only 13% of small organizations (under 5 FTE) have a deputy director compared to 56.5% of large organizations with over 20 FTE. This trend holds for other management positions as well as is shown in the table.

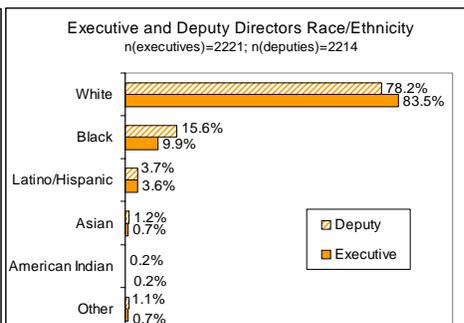
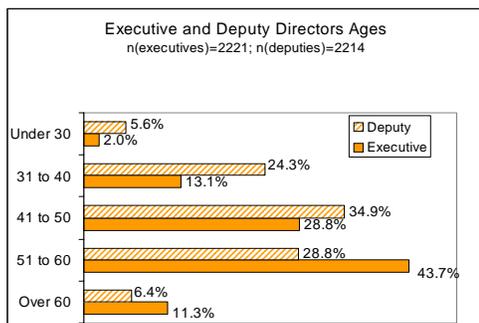
The deputy directors are younger than executives--30% are under 40 compared to 15% of executives. Further, deputy directors are more diverse--15% are African-American compared to 10% of executives.

Almost half (44%) of executives earn \$40,000 to \$80,000. Salaries fall into three primary categories: under \$40,000 (15%), between \$40,000 and \$80,000 (44%), and over \$80,000 (39%).

staff as well as to executives. Benefits are also related to the size of the organization with a larger percentage of large organizations offering retirement and health benefits than medium and small organizations.

Comparing salaries across regions, Northeast executives are paid slightly more with 47% earning over \$80,000 compared to an average of 29% and executives in the Midwest are paid slightly less with 20% earning under \$40,000 in comparison to an average of 15%. Other salary differences among regions are not statistically significant.

When comparing deputy director salaries to executive salaries, deputies are paid significantly less with 24% of deputies earning under \$40,000 compared to 15% of executives and 26% of deputies earning over \$80,000 in comparison to 39% of executives.



Transition Support & Succession Plans

Very few organizations used external assistance when they hired their current executive. The most commonly used resource was an executive search firm, used by 10% of organizations. Another 8% used consultants to help with the transition

Table: Types of Assistance During Last Transition

Executive search firm	10%
Management support organization	4%
External human resources professional	6%
Consultant	8%
Specifically mentioned help of their national affiliates	1%

Among respondents 68% formed a board committee to manage their executive search process, but only 24% examined strategic direction and 12% interviewed external stakeholders, two key aspects of an organization development and holistic model of managing transitions. In 21% of the cases, the board did not do an external search and hired an internal candidate.

Forty-four percent of organizations have some succession plans. A succession plan was defined in the survey as providing guidance on what to do during a planned or unplanned departure of the current executive. Of those who have succession plans, the most common characteristic (in 46% of plans) is to groom new leadership from within the organizations. Forty-two percent say that their plan details who will take on specific aspects of the executive's job and 40% indicate that the plan calls for cross training of employees. Eleven percent of organizations have identified a potential successor among the staff of the organization.

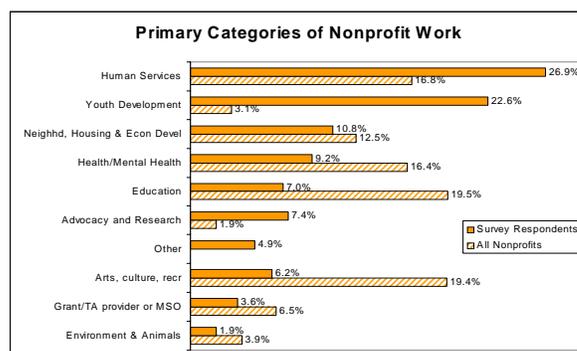
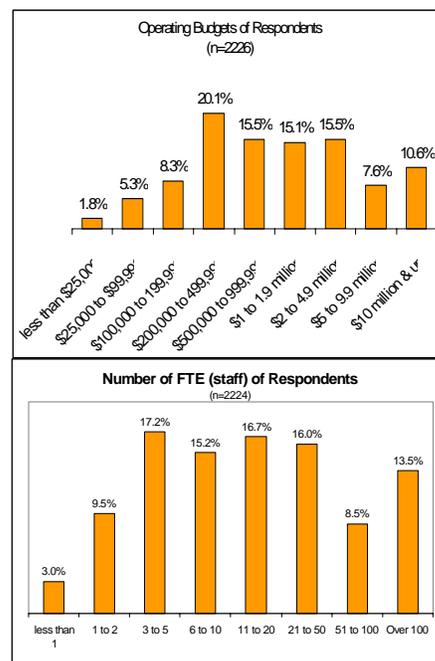
Organization Characteristics

The organizations that responded to the study evenly represent small, medium, and large organizations. About one third of respondents were from small organizations with budgets under \$500,000 (36%) and 6 or fewer staff members (29%); about one third are from medium-sized organizations with budgets of \$500,000 to \$2 million (31%) and 6 to 20 staff (32%); and about one third are from large organizations with budgets over \$2 million (34%) and over 20 staff (38%).

Survey respondents are more likely to be from large organizations than are organizations picked by random

from the nonprofit sector. In the nonprofit sector as a whole, there are many more nonprofit organizations that are small. According to IRS 990 forms, 43% of nonprofits had expenses of under \$100,000 in 2002; in comparison, 7% of survey respondents had operating budgets of under \$100,000. The survey and other research indicate that the rates of turnover among smaller nonprofits and the likelihood of upcoming transitions are even higher for these very small organizations.

Regarding specialties among nonprofits in the sector, the survey over-represents human service, youth development, and research and advocacy (advocacy includes civic engagement organizations in the survey), while under-representing education organizations, health organizations and organizations focused on the arts, culture, and recreation. A quarter of respondents are from human services organizations and another 9% are from health or mental health organizations, 23% are from youth development organizations, and 11% are from neighborhood economic development and housing organizations.



Highlights & Conclusions

Largest survey of its kind. With over 2,200 respondents from every state, this survey had two times as many respondents than the last national survey of nonprofit executives conducted by CompassPoint in 2001 or the interviews done for “The State of the Nonprofit Workforce”⁵ in 2002. It is over four times the size of the *Nonprofit Times* Salary Survey conducted biennially. It is also almost as large as the Abbott, Lander & Associates Salary and Benefits Surveys, which are focused primarily on compensation. While there are undoubtedly larger surveys of nonprofits on a range of leadership issues within specific geographic regions, we believe this is the largest survey in scope and in response rate of nonprofit executives about their career paths and anticipated leadership transitions.

Who Are the Leaders of Nonprofit Organizations?

A third of executives are either long-time executives or founders. Nineteen percent of executives indicate that they helped found their organizations, and 28% have been in their jobs for more than 10 years. Taking into account the overlap between the two groups, 34% of respondents either helped found their organizations or had been in their positions for over 10 years. Experience supporting organizations during transitions indicates organizations losing a long time executive or founder faces particularly challenging issues during the transition.

Most are first-time executives and less than a quarter plan to take another executive position in the nonprofit sector. A majority of nonprofit executives are in their positions for the first time (60%). Many (42%) have had experience at some point in their careers in for-profit companies, and 73% have more than 10 years experience in the nonprofit sector. In the future, only 21% plan to take another executive job, and 38% plan to retire or semi-retire after leaving their current positions. The career path for executives includes experience in a range of sectors and even once they have reached executive leadership positions in the nonprofit sector, most don't plan to remain as employees of the sector.

Women rule the nonprofit sector in terms of numbers but run smaller organizations and make less money than men. Women lead 58% of nonprofits. However, women more often head smaller organizations both in terms of staff and budget. The

median number of staff for female-led organizations is 6 to 10, whereas for men it is 21 to 50. The median budget for female-led organizations is \$500,000 to \$1 million, whereas for male-led organizations it is \$1 million to \$2 million. On average earn, they also earn less than men making \$60,000 to \$69,999 compared to men's \$70,000 to \$79,999.

There is limited leadership diversity in the sector. Eighty-four percent of executives are white; 10% are African American; and 4% are Hispanic/Latino. Deputy Directors are slightly more ethnically and racially diverse than the executives. Fifteen percent of deputies are African-American compared to 10% of executives. Asian and Latino/Hispanic representation is similar among deputies and executives.

What Does the Future Hold for Nonprofit Executive Transitions?

The sector is moving from relative stability to instability at the top.

Among survey respondents, 65% said they anticipate an executive transition within five years by 2010. In comparison, just 57% of nonprofits had experienced an executive transition in the *past 10 years (1994 to 2004)*. This is consistent with other research, which shows a transition rate of ten percent a year in the near term. The rate will then increase slowly.

Transitions will likely occur in two waves.

This study confirms earlier indications that many executives of nonprofit organizations are in their 50s (55% are over 50) and that these baby-boomer executives are going to leave the sector in two waves—by 2010 and then another wave by 2020. Forming the first wave, a little over half of the baby-boomers (57%) in nonprofit executive director positions say they plan to leave by 2010, though they may remain a resource to the field as consultants or in other part-time roles. The second wave will be formed by the other 43% of baby boomer executives as they hit retirement age. Four out of five of the baby-boomer executives who are staying in their current positions for more than 5 years plan to retire after leaving their positions. If recent transition patterns hold, most of these transitions will occur by 2020, when all but the youngest baby-boomers will have reached 62, the age when work force participation drops precipitously.⁶

Recommendations

How Prepared are Nonprofit Organizations for Transitions?

Senior management positions exist, but are not extensive in many places.

Many organizations have some staff in senior management positions, which may serve as a training ground for future executives. About one third (36%) of the organizations have a deputy director or someone they consider to be the second in charge. A majority (74%) has a program director. Smaller organizations have fewer middle management positions than either medium or large organizations.

Nonprofit organizations have relatively limited experience with transition planning; more have experience with succession planning.

Very few organizations used external assistance when they hired their current executive. The most commonly used resource was an executive search firm, employed by 10% of organizations. Another 8% used consultants. In terms of transition process, 68% formed a board committee to manage their executive search process, but only 24% examined strategic direction and 12% interviewed external stakeholders, two key parts of an organization development and holistic approach to managing transitions. On the other hand, 44% of organizations reported having succession plans.⁷

Benefits may be better than assumed. Among respondents, 64% of organizations offer retirement benefits to which the organization contributes, 79% offer employer-paid health insurance, and 73% offer retirement benefits to staff as well as executives.

Recommendations

Nonprofits, funders and intermediaries interested in using the coming increase in executive transitions to strengthen the sector should pursue both long and short-term strategies to address the transition patterns of baby-boomers leading most nonprofits in the country. The short term strategies might include:

- Raising awareness about the issue and the potential to use the moment of transition as a time to strengthen the organization
- Providing assistance to baby-boomers from other sectors looking for positions in the nonprofit sector
- Providing transition support and assistance for the growing number of transitions
- Explicitly seeking leadership positions for younger

leaders who might otherwise find many executive positions filled in the short term and consequently leave the sector

Longer-term strategies should be primarily focused around dealing with the leadership shortage that will impact all sectors between 2010 and 2020. Examples of strategies might include:

- Using current long-term, experienced executives to train younger leaders
- Providing leadership opportunities for younger members of nonprofit staffs (opportunities for growth in the field)
- Focusing on both recruitment and retention of younger workers
- Providing innovative means for baby-boomers to reduce hours but still be resources to the field

The sector should listen to younger leaders and staff and develop an understanding of what will motivate “tomorrow’s” leaders to stay engaged today. Further, women have been an important source of leadership for the sector. Moving forward it will be critical to talk with younger women about what salary and benefits will be necessary to attract them to leadership.

The increasing number of transitions provides an opportunity to increase the number of people of color in leadership positions in the nonprofit sector. At the same time, we should note that in the long term with the overall leadership shortage across sectors, talented people of color may become even more difficult to attract to nonprofits. Therefore, it is important to continue to be proactive and creative about attracting people of color into employment in nonprofits.

Nonprofits, with their lower salary structures and long working hours, may bare the brunt of the coming leadership shortage. While the survey suggests that the nonprofit sector is already making improvements in benefits packages, organizations need to continue this trend-regularly reviewing their compensation and benefits packages to ensure they are at market levels.

With forethought and planning, nonprofit sector can use the coming generational waves of transition to strengthen and diversify the leadership of the sector and ensure that critical nonprofit organizations are able to creatively and effectively serve America’s communities.

Endnotes

¹ Baby-boomers were born from 1945 to 1965; Generation Xers were born from 1966 to 1975; the baby-boom echo or Generation Yers were born from the late 1970s through 2000. The baby-boom echo may surpass the number of people in the original baby-boom. There were 98 million people born from 1976 to 2001.

² We compare the last 10 years to the next 5 years because 10 years provides a longer-range sense of the stability of the leadership in the sector (a specific question in the survey was “how many executive directors has your organization had in the last 10 years?”), while 5 years is the longest realistic timeframe to ask people about their specific employment plans.

³ In this survey small organizations have budgets under \$500,000 or 6 or fewer staff members; medium-sized organizations have budgets of \$500,000 to \$2 million or 6 to 20 staff; and large organizations have budgets over \$2 million or over 20 staff.

⁴ Dohm, Arlene. “Gauging the labor force effects of retiring baby-boomers.” In *Monthly Labor Review* July 2000. Washington, DC: Bureau of Labor Statistics.

⁵ Light, P. “The Content of their Character: The State of the Nonprofit Workforce” in the *Nonprofit Quarterly* Fall 2002. Boston: Third Sector New England.

⁶ Dohm, Arlene. “Gauging the labor force effects of retiring baby-boomers.” In *Monthly Labor Review* July 2000. Washington, DC: Bureau of Labor Statistics.

⁷ A succession plan was defined in the survey as providing guidance on what to do during a planned or unplanned departure of the current executive director.

Appendix A: Local and Regional Comparisons

Following are summaries of information by region. Further, if within each region there was a local sponsor, we included data from these local areas.

Summary of Executive Characteristics and Transition Information for the Midwest Region

The Midwest Region included Iowa, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, Ohio, Oklahoma, South Dakota, and Wisconsin.

	National	Midwest	Cleveland	Milwaukee
Organizations with 1 or 2 executives in last 10 years	75%	75%	72%	77%
Executives transitioning in next 5 years	65%	63%	65%	66%
Executives transitioning in next 2 years	23%	26%	28%	26%
Executives over 50 years old	55%	54%	51%	55%
Executives in position for over 10 years	28%	28%	27%	26%
Executives that are founders	19%	20%	18%	26%
Executives that are white	84%	84%	74%	84%
Serving racially mixed and/or communities of color	56%	46%	55%	46%
First-time executive directors	60%	61%	60%	60%
Executives with over 10 years in nonprofit sector	73%	73%	74%	69%
Executives planning to take another executive position	21%	21%	18%	20%
Executives planning to retire	38%	38%	37%	39%
Organizations with succession plans	44%	39%	25%	12%

* There were additional respondents from the Midwest that were not in either Cleveland or Milwaukee.

Summary of Executive Characteristics and Transition Information for the Northeast Region

The Northeast Region included Connecticut, Washington, DC, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

	National	Northeast	NYC	Pittsburgh
Organizations with 1 or 2 executives in last 10 years	75%	78%	75%	76%
Executives transitioning in next 5 years	65%	69%	70%	66%
Executives transitioning in next 2 years	23%	25%	30%	26%
Executives over 50 years old	55%	55%	54%	50%
Executives in position for over 10 years	28%	30%	32%	25%
Executives that are founders	19%	23%	24%	24%
Executives that are white	84%	83%	77%	85%
Serving racially mixed and/or communities of color	56%	56%	61%	38%
First-time executive directors	60%	63%	66%	68%
Executives with over 10 years in nonprofit sector	73%	76%	74%	70%
Executives planning to take another executive position	21%	22%	19%	25%
Executives planning to retire	38%	35%	33%	34%
Organizations with succession plans	44%	31%	25%	31%

* There were additional respondents from the Northeast that were not in either Greater NYC or Pittsburgh.

Summary of Executive Characteristics and Transition Information for the West Coast Region and for the Rocky Mountains and Southwest Region

The West Coast Region included Alaska, California, Hawaii, Oregon, and Washington. The Rocky Mountain/Southwest Region included Arizona, Colorado, Idaho, Montana, North Dakota, New Mexico, Nevada, Texas, Utah, and Wyoming.

	National	Southwest	West Coast
Organizations with 1 or 2 executives in last 10 years	75%	69%	68%
Executives transitioning in next 5 years	65%	66%	70%
Executives transitioning in next 2 years	23%	22%	17%
Executives over 50 years old	55%	50%	47%
Executives in position for over 10 years	28%	32%	22%
Executives that are founders	19%	16%	15%
Executives that are white	84%	77%	79%
Serving racially mixed and/or communities of color	56%	56%	50%
First-time executive directors	60%	47%	55%
Executives with over 10 years in nonprofit sector	73%	76%	73%
Executives planning to take another executive position	21%	27%	23%
Executives planning to retire	38%	39%	34%
Organizations with succession plans	44%	40%	37%

Summary of Executive Characteristics and Transition Information for the Southeast Region

The Southeast Region included Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

	National	Southeast Georgia	Jacksonville
Organizations with 1 or 2 executives in last 10 years	75%	77%	73%
Executives transitioning in next 5 years	65%	59%	42%
Executives transitioning in next 2 years	23%	18%	11%
Executives over 50 years old	55%	61%	58%
Executives in position for over 10 years	28%	27%	25%
Executives that are founders	19%	13%	13%
Executives that are white	84%	90%	85%
Serving racially mixed and/or communities of color	56%	54%	44%
First-time executive directors	60%	54%	51%
Executives with over 10 years in nonprofit sector	73%	64%	58%
Executives planning to take another executive position	21%	18%	12%
Executives planning to retire	38%	46%	44%
Organizations with succession plans	44%	38%	31%

* There were additional respondents from the Southeast that were not in either Georgia or greater Jacksonville.

Appendix B: Survey Method & Questions

The nonprofit executive leadership surveys were conducted primarily through a web-based survey instrument. However, paper surveys were available upon request. Some respondents did request hard copies and completed the paper surveys. The survey was self-administered.

The survey was promoted by a variety of partner organizations to their networks and to nonprofits in their communities. First, The Annie E. Casey Foundation reached out to its national partners in the Neighborhood Transformation/Family Development National Campaign and invited these partners to include their local members/affiliates in the survey. Collectively, the networks affiliated with the national partners represent a significant share of the nation's health and human services field. Eleven of the national organizations participated in the survey, some including all local executive directors in the sample, others targeting specific subgroups. In all, 932 leaders completed the survey, offering significant insight into the leadership transition issues affecting this community. Specifically, the following Annie E. Casey Foundation national partners encouraged their affiliates and networks to participate in the survey:

- Alliance for Children and Families
- Big Brothers Big Sisters of America
- Boys & Girls Clubs of America
- Camp Fire U.S.A.
- Family Support America
- Girls Inc.
- Goodwill Industries International
- Points of Light Foundation and Volunteer Center National Network
- United Way of America
- Volunteers of America

In addition, Annie E. Casey Foundation grant recipients from 2002, 2003, or 2004 were encouraged to participate.

Finally, TransitionGuides solicited participation of local partners, as shown below, and worked with these partners to invite their networks and other nonprofits in their area to participate in the survey:

- The Bayer Center for Nonprofit Management (Greater Pittsburgh area)
- Georgia Center for Nonprofits (Atlanta and nonprofits across the state)
- Greater Milwaukee Foundation Donors Forum of Wisconsin and Helen Bader Institute for Nonprofit Management at the University of Wisconsin –Milwaukee (Greater Milwaukee)
- Nonprofit Center of Northeast Florida, in collaboration with the United Way of Northeast Florida, Community Foundation, the Jessie Ball duPont Fund, and the Jacksonville Children's Commission (Greater Jacksonville)
- The Support Center for Nonprofit Management (Greater New York City)
- United Way Services of Greater Cleveland in collaboration with The Cleveland Foundation

In all, 9,000 nonprofit organizations were invited to respond to the survey. More than 2,200 responded to the survey. The response rate was about 25%.

We used a variety of techniques to eliminate duplication in the data that would have arisen because of these various data collection methods. First we asked respondents if they had completed the survey before and used this to identify potential duplications. We also cleaned the data by sorting according to city and state and scanning for duplicate responses. In this way, we were able to eliminate over 50 duplicate entries.

Analysis Descriptions

In some cases, the percentages of the categories do not add up to 100%, because respondents did not answer the questions. All the graphs in the report are based on unique responses.

We did note an appreciable degree of differences among the small, medium, and large organizations in terms of past and impending stability of the organizations (Q11 and Q31). To test the statistical significance of the differences, a series of *t* tests were conducted. All results that were statistically significant at the 95% level are noted in the report.

Variable Descriptions

Seventy-three variables are identified in the survey questions. Following are the survey questions, possible responses, and coding used in data analysis.

1. Have you completed this survey within the last 2 months? 0 = FALSE; 1 = TRUE
2. Please tell us what city your organization is located in.
3. Please tell us what state your organization is located in using the 2-letter abbreviation.
4. The organization I lead received funding from United Way Services of Great Cleveland in 2002, 2003, or 2004. 0 = no; 1 = yes
5. The organization I lead received funding from Cleveland Foundation in 2002, 2003, or 2004. 0 = no; 1 = yes
6. The organization I lead received a grant from the Annie E. Casey Foundation in 2002, 2003, or 2004. 0 = no; 1 = yes
7. The organization I lead is a member/affiliate of United Way of America. 0 = no; 1 = yes
8. The organization I lead is a member/affiliate of Boys & Girls Clubs of America. 0 = no; 1 = yes
9. The organization I lead is a member/affiliate of Big Brothers Big Sisters of America. 0 = no; 1 = yes
10. The organization I lead is a member/affiliate of Girls Inc. 0 = no; 1 = yes
11. The organization I lead is a member/affiliate of NCCED. 0 = no; 1 = yes
12. The organization I lead is a member/affiliate of Points of Light Foundation & Volunteer Center National Network. 0 = no; 1 = yes
13. The organization I lead is a member/affiliate of Camp Fire USA. 0 = no; 1 = yes
14. The organization I lead is a member/affiliate of Goodwill Industries International Inc. 0 = no; 1 = yes
15. The organization I lead is a member/affiliate of Alliance for Children and Families. 0 = no; 1 = yes
16. The organization I lead is a member/affiliate of GA. 0 = no; 1 = yes
17. The organization I lead is a member/affiliate of Family Support America. 0 = no; 1 = yes
18. How many paid staff members are there in the organization? 1 = over 100; 2 = 51 to 100; 3 = 21 to 50; 4 = 11 to 20; 5 = 6 to 10; 6 = 3 to 5; 7 = 1 to 2; 8 = less than 1
19. What is the organization's current operating budget? 1 = 10 million and up; 2 = 5 million to 9.9 million; 3 = 2 million to 4.9 million; 4 = 1 million to 1.9 million; 5 = 500,000 to 999,999; 6 = 200,000 to 499,999; 7 = 100,000 to 199,999; 8 = 25,000 to 99,999; 9 = less than 25,000
20. Which of the following best describes the primary category of the organization's work? 1 = other; 2 = youth development; 3 = research; 4 = neighborhood revitalization; 5 = human services; 6 = health/mental health; 7 = environment; 8 = employment/job related; 9 = education; 10 = arts, culture, recreation; 11 = affordable housing development or management; 12 = advocacy
21. Please enter further details for the "other" item you entered above.
22. Please select the following that most accurately describes the organization's primary clientele. 1 = other; 2 = mixed racial and ethnic; 3 = American Indian; 4 = Asian/Pacific Islander; 5 = Latino or Hispanic; 6 = African American/black; 7 = Caucasian/white
23. Please enter further details for the "other" item you entered above.
24. How many executive directors has the organization had in the last 10 years? 1 = I don't know; 2 = six or more; 3 = five; 4 = four; 5 = three; 6 = two; 7 = one
25. When the current executive director was hired - executive search firm 0 = no; 1 = yes
26. When the current executive director was hired - management support organization 0 = no; 1 = yes
27. When the current executive director was hired - external human resources professional 0 = no; 1 = yes
28. When the current executive director was hired - consultant 0 = no; 1 = yes
29. When the current executive director was hired - other 0 = no; 1 = yes
30. Please enter further details for the "other" item you entered above.

31. Board formed a committee to manage finding a new executive director. 0 = no; 1 = yes
32. Board engaged in some strategic planning before seeking a new executive or soon after the hire. 0 = no; 1 = yes
33. Stakeholders were interviewed about their perception of the organization. 0 = no; 1 = yes
34. Board convened, decided to forgo an external search, and hired an internal candidate. 0 = no; 1 = yes
35. Organization doesn't have a succession plan. 0 = no; 1 = yes
36. Details who will be responsible for each component of the executive director's job 0 = no; 1 = yes
37. Describes who will let other staff and stakeholders know about the change in executive leadership 0 = no; 1 = yes
38. Cross-training of staff so they can take on management and leadership responsibilities 0 = no; 1 = yes
39. Grooms new leadership within the organization 0 = no; 1 = yes
40. Other 0 = no; 1 = yes
41. Has a successor to the current executive director been identified from among the staff of the organization? 0 = no; 1 = yes
42. Mark all of the following positions that are currently filled - executive director/CEO/president 0 = no; 1 = yes
43. Mark all of the following positions that are currently filled - deputy director/COO/associate director 0 = no; 1 = yes
44. Mark all of the following positions that are currently filled - fundraising/development director 0 = no; 1 = yes
45. Mark all of the following positions that are currently filled - program directors 0 = no; 1 = yes
46. Mark all of the following positions that are currently filled - finance director/CFO/controller 0 = no; 1 = yes
47. Mark of the following which the organization offers - retirement plan to which the organization contributes 0 = no; 1 = yes
48. Mark of the following which the organization offers - retirement plan to which the employee contributes 0 = no; 1 = yes
49. Mark of the following which the organization offers - health insurance which is partly paid for by the organization 0 = no; 1 = yes
50. Mark of the following which the organization offers - health insurance which is paid for by the employees 0 = no; 1 = yes
51. Does the organization offer retirement benefits to staff other than the executive? 0 = no; 1 = yes
52. What is the age of the executive director? 1 = over 60; 2 = 51 to 60; 3 = 41 to 50; 4 = 31 to 40; 5 = under 30
53. What is the gender of the executive director? 1 = female; 2 = male
54. Please mark of the following which most accurately describes the executive director's race or ethnicity. 1 = other; 2 = American Indian; 3 = Asian/Pacific Islander; 4 = Latino or Hispanic; 5 = African American/black; 6 = Caucasian/white
55. Please mark the following that most accurately describes the executive director's current annual salary. 1 = 125,000 and up; 2 = 100,000 to 124,999; 3 = 90,000 to 99,999; 4 = 80,000 to 89,999; 5 = 70,000 to 79,999; 6 = 60,000 to 69,999; 7 = 50,000 to 59,999; 8 = 40,000 to 49,999; 9 = 25,000 to 39,999; 10 = 0 to 24,999
56. What is the highest level of education that the executive director has completed? 1 = other; 2 = doctorate degree; 3 = law degree; 4 = master's degree; 5 = bachelor's degree; 6 = AA degree; 7 = high school
57. What is the age of the deputy director/COO/associate director? 1 = we don't have a 2nd-in-charge; 2 = over 60; 3 = 51 to 60; 4 = 41 to 50; 5 = 31 to 40; 6 = under 30
58. What is the gender of the deputy director/COO/associate director? 1 = we don't have a 2nd-in-charge; 2 = female; 3 = male
59. Please mark the following which most accurately describes the deputy director/COO/associate director's race or ethnicity. 1 = we don't have a 2nd-in-charge; 2 = other; 3 = American Indian; 4 = Asian/Pacific Islander; 5 = Latino or Hispanic; 6 = African American/black; 7 = Caucasian/white
60. Please mark the following that most accurately describes the deputy director/COO/associate director's current annual salary. 1 = we don't have a 2nd-in-charge; 2 = 125,000 and up; 3 = 100,000 to 124,999; 4 = 90,000 to 99,999; 5 = 80,000 to 89,999; 6 = 70,000 to 79,999; 7 = 60,000 to 69,999; 8 = 50,000 to 59,999; 9 = 40,000 to 49,999; 10 = 25,000 to 39,999; 11 = 0 to 24,999
61. How long have you been in your position as executive director? 1 = more than 15 years; 2 = 11 to 15 years; 3 = 8 to 10 years; 4 = 5 to 7 years; 5 = 2 to 4 years; 6 = less than 2 years
62. Did you help found the organization? 1 = no; 2 = yes
63. Knowing that the future may be impossible to predict, how much longer do you imagine that you will stay in your current position as executive director? 1 = more than 5 years; 2 = 5 years; 3 = 3 to 4 years; 4 = 1 to 2 years; 5 = less than 1 year
64. How many previous executive director positions have you held? 1 = five or more; 2 = four; 3 = three; 4 = two; 5 = one; 6 = none
65. How many years have you worked in the nonprofit sector? 1 = over 25 years; 2 = 16 to 25 years; 3 = 11 to 15 years; 4 = 5 to 10 years; 5 = less than 5 years
66. Immediately prior to taking this executive director position, in which sector did you work? 1 = other; 2 = didn't work outside the home; 3 = nonprofit organization; 4 = government position; 5 = in school; 6 = other for-profit business/corporate sector; 7 = consulting firm; 8 = self-employed

67. Please select any of the following sectors in which you have worked - self employed 1 = no; 2 = yes
68. Please select any of the following sectors in which you have worked - consulting firm 1 = no; 2 = yes
69. Please select any of the following sectors in which you have worked - other for-profit business/corporate sector 1 = no; 2 = yes
70. Please select any of the following sectors in which you have worked - universities or public education 1 = no; 2 = yes
71. Please select any of the following sectors in which you have worked - government positions 1 = no; 2 = yes
72. Please select any of the following sectors in which you have worked - nonprofit organizations 1 = no; 2 = yes
73. Please select any of the following sectors in which you have worked – other 1 = no; 2 = yes
74. What do you anticipate your next position being? 1 = other; 2 = retirement or semi-retirement; 3 = a position in government or the public sector; 4 = a position in a for-profit company; 5 = consultant; 6 = director of finance at another nonprofit; 7 = program director at another nonprofit; 8 = deputy director or 2nd-in-charge; 9 = executive director of another nonprofit
75. If you are interested in being contacted with more information, please give us your name and email address

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