

# Turnover at the

Large numbers of nonprofit leaders are leaving their posts — and the competition to find new ones is ‘fierce.’

By JIM RENDON

**Some executives are leaving because of burnout. Others are taking the opportunity to move to larger groups.**

**F**LEECIA HATCHER began thinking about leaving the group she co-founded, the Center for Black Innovation, back in 2019. After the birth of her second child, she wanted to find a way to travel less and still help young Black entrepreneurs. But then the pandemic hit, and her thinking changed. “There was no way I could leave then,” she says.

The group had to make drastic changes, like turning its popular Black Tech Week into a virtual event. She and her husband had to care for a 1-year-old and were homeschooling their 6-year-old, adding more responsibilities. Mounting deaths from Covid-19 forced Hatcher to think about her own mortality. “If these are my actual last days, how do I want to spend them?” she asked herself. “What are the things I can put aside, and what are the things that are really hard that I could be approaching differently?”

The murder of George Floyd changed things, too. Suddenly corporations that had ignored her organization just months earlier were now knocking down the door to work with it. It only added to the emotional weight she was carrying.

In February 2021, she got two job offers. That spurred her to finally act, but it wasn’t easy. “There were many difficult conversations. [The center] was something I founded, and I was the face of it,” she says. “It was very hard.”

Last May, she started her new position as CEO of Black Ambition.

Hatcher isn’t alone. Experts report that many nonprofit leaders across the country are leaving their jobs, turning over at a remarkable rate.

“We’ve been around for 26 years, and I haven’t seen anything like this,” says Gayle Brandel, CEO of PNP Staffing Group, a nonprofit executive search firm. Some executives are leaving because of burnout or problems adapting to the remote work environment, she says. Others are taking the opportunity to move up to bigger organizations.

Younger executives can now vault into leadership positions.

All this churn has pushed salaries for nonprofit leaders up as much as 30 percent over the last two years, Brandel says. “As salaries keep increasing, the competition between nonprofits is fierce,” she says. “It’s an opportunity for a good executive to really be able to get the rewards that he or she wants.”

## Lots of Retirements

While no one has data on the turnover in the past year, nonprofit associations in New York, New Jersey, and California report seeing higher levels of leadership turnover than in past years. The same is true for organizations that provide services to and advocate for nonprofits across the country, including Independent Sector and the American Alliance of Museums.

The numbers can be striking. More than 30 of the 142 health and human-services groups in the Columbus, Ohio, area have lost their leaders or will soon, says Michael Corey, executive director at the Human Service Chamber of Franklin County.

Some leaders are getting ready to retire and likely delayed their exits because of the challenges posed by the pandemic. Now that things are stabilizing, they feel more comfortable handing the reins over to new leaders.

Many groups that provide housing and services to people with disabilities, mental illness, or substance-abuse problems were founded 20 or 30 years ago, and their founders are starting to retire en masse, says Tom Ryan, the former CEO of Fulton Friendship House, which provides those services in central New York. It merged with another, larger group after he left — one approach some smaller groups are taking to leadership turnover.

Museum directors stayed on during the pandemic because it was such a tough time for those

**MOVE POSTPONED**  
**Felecia Hatcher, now CEO of Black Ambition, stayed at her previous organization to help it navigate the challenges of the pandemic.**

# Top

organizations, says Laura Lott, CEO of the American Alliance of Museums. This January, 15 percent of the museum directors the alliance surveyed were not sure their institutions would survive. Many leaders who might have left in 2020 or 2021 delayed their departure and are leaving now. They spent two years fighting to keep their institutions from failing and their staff from getting sick and even dying, Lott says. “After two years of being nonstop, people need a break,” she says. “It’s created a group of folks who I’ve heard just say, ‘I don’t want to be a CEO anymore.’”

In the Memphis area, a lot of nonprofit leaders have left or are thinking about it, says Kevin Dean, the CEO of Momentum Nonprofit Partners, which provides training and services to groups there. Like many other Americans, nonprofit leaders are rethinking their priorities and wondering why they have put themselves under so much pressure. “I think we had a lot of unrealistic expectations for executive directors and CEOs of nonprofits,” Dean says. “They have to bear the burden of fundraising and human resources and accounting — and the potential wrath of their boards and foundations.”

The changes wrought by the pandemic and the push for equity mean that some nonprofits are fundamentally different organizations than they were in 2019. They might provide different services, driven by emergency needs like food or health information or cash. Most groups incorporated remote work in ways they had never considered, and many are incorporating diversity and equity into their missions. The protests for racial equity in 2020 also changed many groups’ and employees’ perspectives and expectations.

In some cases, those monumental changes require new leaders with different skills and visions, says Dan Cardinali, the outgoing CEO of Independent Sector.

“In some ways, it’s an incredibly healthy re-

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sponse to both an opportunity and a set of challenges,” Cardinali says. “It is disruptive and, in the short term, inefficient. In the middle and long term, I’m hopeful that it will be actually a profound accelerator in our ability to be a force for the common good, for a thriving and healthy country.”

### Long Searches

Finding a new CEO in this environment is no easy feat. Some nonprofits report that search firms have turned them down because they are so busy. Salaries are up and incoming leaders may be weighing several job offers, leaving organizations to compete for talent.

Some groups are struggling to meet high salary demands. But often they are not willing to hire someone who would accept a lower salary but that the organization might have to train, says Doug Sauer, the former CEO of the New York Council of Nonprofits, who recently retired after 42 years with the group. He says many groups lack the patience to develop a leader’s skills. They have a “what are you going to do for me today mind-set,” Sauer says. When boards approve big pay packages for CEOs, he says, it creates questions of equity for those who are not executives.

A big increase in salary was just one of the challenges that the Mothers’ Milk Bank Northeast faced in its executive search. In late 2020, the

board realized the group had outgrown its founder and hired consultants to help it determine how best to move forward, says Jen Riley, the organization’s board chair. In time, the board found a new role for its founder.

The skills the organization required in a leader were unusual for charity executives. The group is a nonprofit, but it generates revenue from its milk. It works with volunteer donors and processes the milk according to FDA guidelines. The organization’s new leader started in January, but it wasn’t easy to find someone with the right expertise.

In January 2021, the milk bank hired an interim CEO because it knew that the search would not be quick. The staff was overworked and fatigued, Riley says, and some left because of the leadership change. The interim leader was able to keep the nonprofit running and strengthen ties to other organizations while the group searched for a permanent replacement. But challenges remained. “She wasn’t able to smooth over every bump, and it was hostile at first,” Riley says. “It was tough for her.”

The group searched for a new CEO from March until October. Despite the length of the search and the services of a search firm, the board committee had only seven candidates from which to choose.

Three were quickly eliminated and one dropped out, leaving only three strong ones to choose among.

When it came time to consider salary, the board committee realized that it had likely been underpaying its previous CEO. To hire its new leader, the organization had to increase the salary by about \$60,000. That was on top of the cost of the interim CEO, consultants, and search firm.

“Our budget is not balanced,” Riley says, although she says the search is not the only reason for that. “It’s been very costly.”

### ‘Boards Should Never Settle’

It’s not unusual for groups to bring in an interim leader when a CEO leaves. Some tap a board chair or another top executive to take over while the board conducts its search. And sometimes — as in the case of Mothers’ Milk Bank Northeast — it is an outside professional. Jan Cohen, a consultant, just finished her 19th interim director job in March. The shortest lasted just 10 weeks. The longest — 17 months.

Having an interim director takes pressure off a board to find someone right away. “When boards panic, they settle,” she says. “And boards should never settle.”

An interim director who isn’t angling for the permanent job can be more objective, and board members may be better able to trust the interim leader’s assessments. “I’m a neutral person just trying to help the organization move forward now,” Cohen says.

She has learned that sometimes outgoing directors gloss over problems or mistakes. The first thing boards should do with a new interim director is dig into the organization. She meets one-on-one with staff to understand any problems or issues. It’s not a time to pursue new strategies or make big changes, Cohen says; it’s an opportunity to get everything running as smoothly as possible.

Getting operations in order can make the nonprofit more competitive in hiring a new chief executive, says David Harris, managing partner at Interim Executive Solutions. It may help attract a talented leader in a competitive job market where candidates may have more than one offer, he says.

Jennifer Caballero is trying out the interim CEO role for the first time. She had been the board chair of the California Association of Museums and the marketing director at the Skirball Cultural Center. When the association’s longtime leader announced her plans to leave, Caballero realized that she, too, wanted to do something different. In March, she left her job to become the association’s interim director.

“It appealed to me,” Caballero says, “because it had a beginning, a middle, and an end — and some professional growth.”

### In Demand

The current turnover frenzy has created opportunities for people of color to either move into positions of leadership for the first time or move to a leadership role at a larger organization. “Leaders of color, we are the folks that people want,” says Sharyanne McSwain, COO of Echoing Green. “When C-suite positions open, I think boards are definitely coming out saying, ‘Hey, we need a leader of color for this particular institution.’”

Almost daily, Ana Marie Argilagos, CEO of Hispanics in Philanthropy, fields requests for recommendations for Latino candidates for leadership positions. Sean Thomas-Breitfeld, co-executive

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COURTESY OF JAN COHEN

### IN-BETWEEN LEADER

**Jan Cohen just finished her 19th stint as an interim leader. She says the goal of an interim isn’t to make big changes but to uncover problems and get the organization running smoothly.**

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director of the Building Movement Project, also gets calls from recruiters seeking candidates of color for leadership posts.

That is a big change. Studies show that leaders of color tend to run smaller organizations that do not receive as much funding as those led by whites

and are more likely to receive restricted grants. Leaders of color are often paid less than their white peers.

In April, Thuan Nguyen became CEO of AVID, a nonprofit that trains 80,000 teachers a year to better serve students. The thing is, he didn't want the job — at least initially. The board brought him to the organization in 2016 with the idea that he would take over and often nudged him that way with promotions. But he always made it clear he never saw himself as the face of an organization. During the pandemic, however, he led the arduous effort of moving the group's

huge in-person trainings online.

The organization faced the real possibility of failing — its only funding comes from putting on events. But as hard as the experience was for Nguyen, he realized it was more difficult for the staff. They worked so hard because they believed in the group's mission. Nguyen's desire to make the organization as valuable to teachers as possible, combined with the dedication shown by the staff, made him want to lead.

Nguyen is one of a small number of Asian American nonprofit leaders. He says he never thought much about the importance of that before. But that, too, may be changing. When the group announced his new role, he got a letter from someone who had attended the group's conference who is now a successful teacher. She told him his leadership role helped her to feel like she belonged. "I still don't know how to respond to this person because it was such a kind message."

Nguyen, however, is well aware of the challenges leaders of color face. It was important to him to do market research to understand what he should be getting paid and set the bar high.

"That was one of the first messages that I sent to the board when it came to my evaluation, compensation, or any of those components," he says. "I would not accept the role for less than, because it was important for anyone else that came after me, as well as just being a model for others stepping into the role."

### Dangers and Possibilities

Experts worry there could be hidden dangers for leaders of color who take the helm.

"I'm concerned that folks will make a jump into these institutions that aren't necessarily built

for us," McSwain of Echoing Green says. "They say they want a leader of color, but then they do nothing for their inclusiveness. They do nothing to support that leader of color. They just know that for purposes of the website and pictures, we need to have a person of color."

She says leaders in those positions may be expected to represent all Black people or to fix long-standing racial inequities within an organization.

"There's opportunity," says Thomas-Breitfeld of the Building Movement Project. "In that opportunity, there can often be peril as well."

One study his organization conducted found that leaders of color thought they were sometimes brought in to replace a white leader who had failed to address issues of racial equity within an organization. Those new leaders are often expected to clean up other problems as well.

Other observers hope this is the beginning of a major shift in the nonprofit world.

If in this time of great leadership upheaval, groups are seeking out leaders of color and properly supporting them, nonprofits may finally begin to look and act differently. "This is a huge opportunity for organizations and the sector as a whole to better reflect the diversity of our country and, even more importantly, the communities that nonprofit organizations seek to serve," says Anne Wallestad, CEO of BoardSource.

For the M.J. Murdock Charitable Trust, the qualities it was looking for in a new leader were determined in large part by the foundation's decision to be open about its next steps.

Steve Moore, the departing CEO, encouraged the foundation to think about where it wanted to go in the next decade. In June 2021, he decided he would retire in 2022. As part of that transition, the foundation decided to listen to its grantees before deciding what kind of a new leader it would look for.

Grantees said they wanted someone who would continue the group's practice of funding the operational growth and development of the organizations it supports — something that few foundations do. Grantees were hoping for someone with both business and nonprofit experience and a pool of candidates that reflected the diversity of the Pacific Northwest.

The group's incoming CEO, Romanita Hairston, has worked at a nonprofit, at the trust as a program director, and at Microsoft. She is also a Black woman. "Romanita has been on a trajectory of growth and thoughtful intentionality in the way that she interacts and leads wherever she's been that demonstrates a kind of competency that is just really encouraging, refreshing, and inspiring," Moore says.

Hairston knows she is different in many ways from most foundation executives, who tend to be older, male, and white. She is a Black woman and a mother.

She says the trust was not looking for a Black person for the role and that that would not be a good place to start a search. When she thinks about issues of diversity and inclusion, Hairston says she starts from being human. Being Black, a woman, and a mom are all parts of her identity. Hairston says she doesn't want to have to overemphasize any one element of her identity because it's all of them together that will allow her to be an effective leader for the trust. "All of those things have helped me to be a bridge builder and an ambassador," she says, "to sit at tables as a person with this unique point of view and to really create connections that others might not see because of their history and their experience." ■

*Emily Haynes contributed to this article.*



COURTESY THUAN NGUYEN

### NEW AT THE HELM

**Because leaders of color are often paid less than their white peers, Thuan Nguyen did market research to find out how much he should be paid when he became CEO of AVID, an education nonprofit.**

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