



# Nonprofit Leadership Alliance

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## Who Is at the Top in the Social Sector? Examining Career Paths of Nonprofit Executive Leaders

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### Introductory Comments and Methodology

Given the nonprofit sector's role of providing crucial, oftentimes life-saving, services to the community, it is critical that we better understand the person who sits in the top-ranking position at the more than one million nonprofit organizations operating in the U.S. This knowledge is even more important with the impending leadership deficit created by the retirement of the Baby Boomer Generation. As many as 10,000 Baby Boomers turn 65 each day<sup>a</sup>; in the nonprofit sector specifically, 67% of Baby Boomers in leadership positions indicated a plan to retire within the next five years<sup>b</sup>. At the same time, nonprofit sector hiring is expected to outpace private sector hiring over the next five years<sup>c</sup>; *if current trends continue, the sector may need to replace every existing senior executive position within the next eight years<sup>d</sup>.*

The sector struggles with dedicating sufficient resources to talent recruitment and training. Studies show that as many as 68% of nonprofits do not have a formal succession plan to fill anticipated openings<sup>e</sup>. Without a strategy in place, executive turnover, while inevitable, may have adverse impacts on nonprofits and their missions<sup>f</sup>.

The top-salaried position in nonprofit organizations, frequently labeled executive director (ED), chief executive officer (CEO), chief professional officer or president, is crucial to long-term success in the nonprofit sector<sup>g</sup>; in fact, effective leadership is the most important predictor of organizational sustainability and success<sup>h</sup>. The complex responsibilities of nonprofit executives include everything from high-level strategic engagements to facilities maintenance<sup>i</sup>. Successful CEOs must be well versed in the intricacies of constituent engagement, volunteer management, organizational productivity, as well as have a deep knowledge of the industries in which their organizations operate.

In an effort to better understand our sector's leadership, the *Who Is at the Top in the Social Sector* study maps the typical career pathways for nonprofit CEOs, examining the common skills and experiences that helped position these leaders for success.

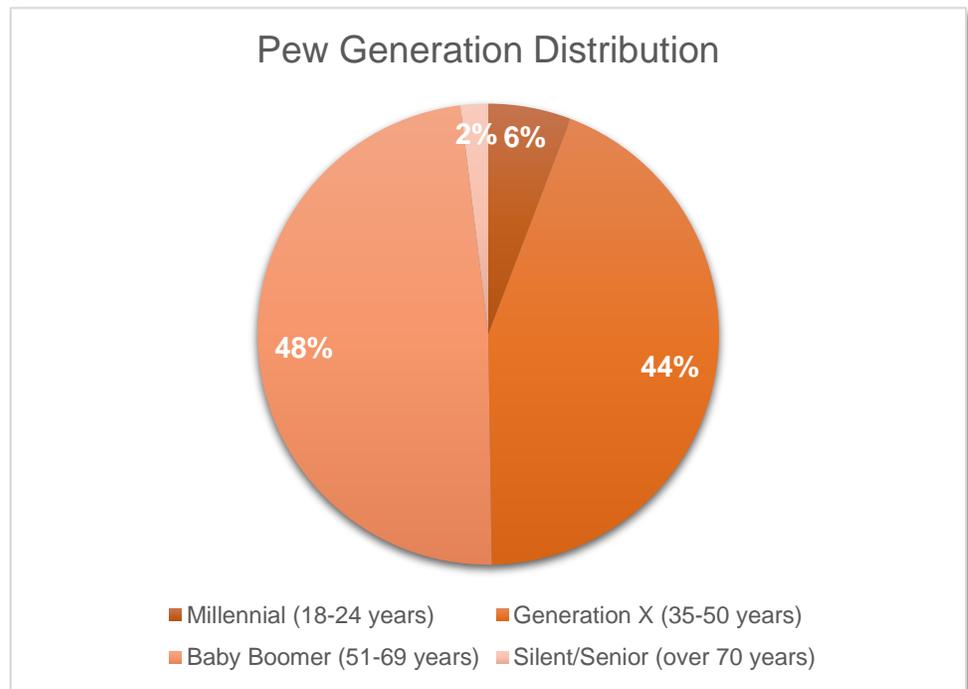
The study sample includes the LinkedIn profiles of 272 randomly selected regional and local leaders from 12 national nonprofit organizations, such as Boy Scouts of America, Boys & Girls Clubs of America, Camp Fire, Catholic Charities, Feeding America, Girl Scouts, Goodwill, Make-A-Wish, Ronald McDonald House Charities, Volunteers of America, YMCA and YWCA. These organizations were selected because they operate on a national scale with more 8,300 affiliates combined.

The study's research questions focus on who is serving in the role of executive leader and the variables, including gender, education, generational grouping, career mission focus, sector experience, functional job experience, and decision to relocate, that may impact reaching this position.

## Study Results: The Characteristics of Nonprofit CEOs

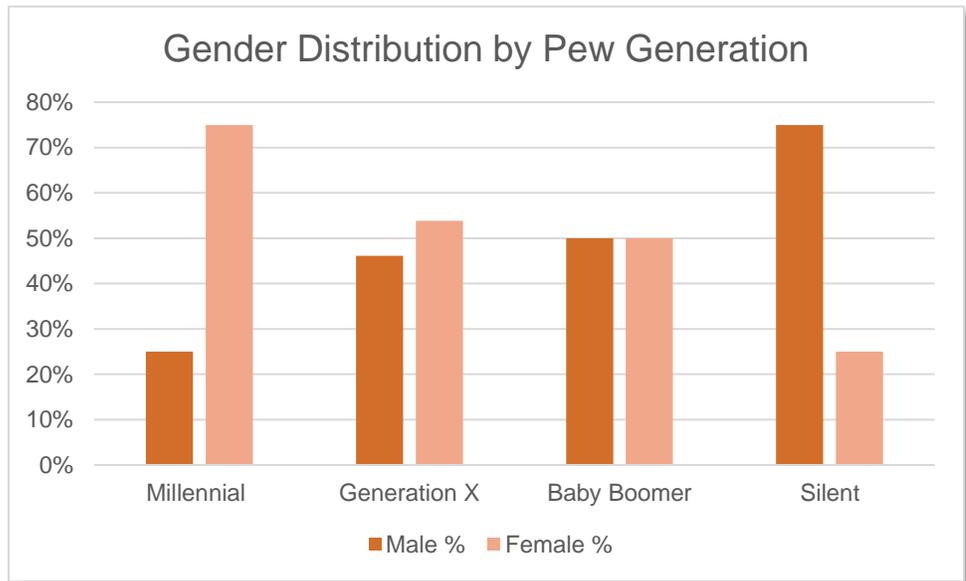
### Age and Gender

The average age of nonprofit leaders in this study was 52. The youngest executive profiled was 26 years old and the oldest was 76. The distribution by generation (as defined by the Pew Research Center) showed that the Silent/Senior and Millennial generations were least represented, while the Baby Boomer generation had a slight edge over the number of Generation X group members, reflecting overall workforce trends.



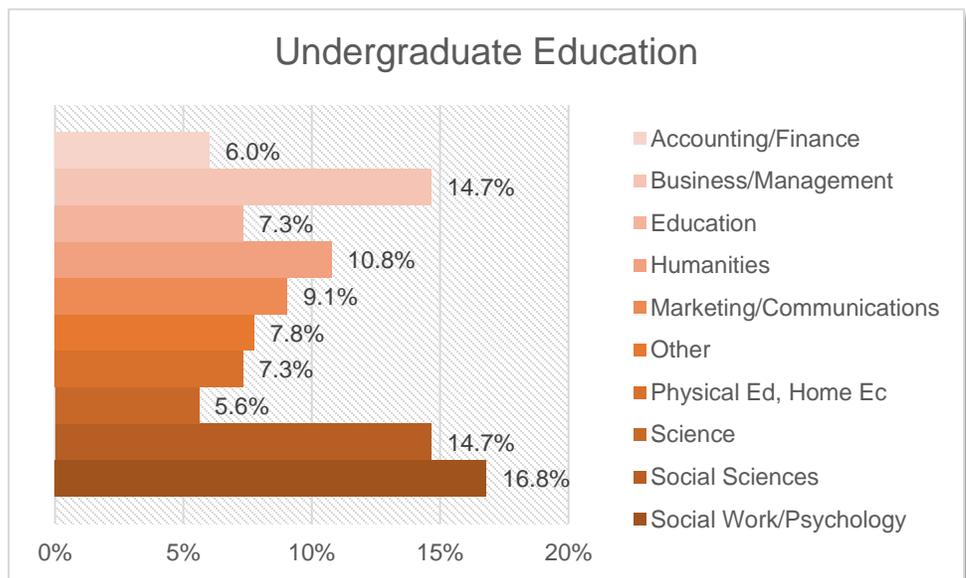
Adding gender to the mix highlights a generational difference in paid leadership roles in the nonprofit sector. The gender representation in the CEOs studied was close to even with 46% male and 54% female. For the small group of the Silent/Senior generation in this sample, more men than women were in the role. For the Baby Boomers, the mix of male and female was about even. However, women leaders were clearly emerging in the younger generations.

Nevertheless, for this sample, the time from first job to their current CEO position was nearly two years shorter for men than for women. A generational difference was also identified; members of Generation X had a shorter path to the CEO position, approximately 30 months less than other age groups.

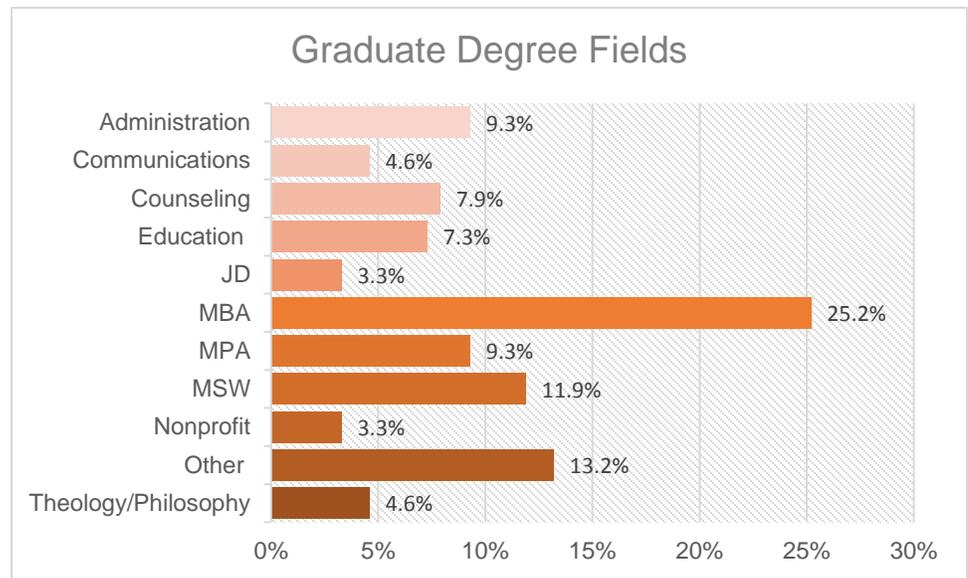


### Education

Indicating the importance of baccalaureate education today, 98% of the CEO profiles had undergraduate degrees. Areas of study varied widely, with the top majors being social work, psychology, other social sciences, and business or management. A number of other majors were represented as well.



Over half (56%) of the profiles studied indicated graduate degrees and 15% of these executives earned a graduate degree after acquiring their first CEO position. The average amount of time between baccalaureate and master's degree graduation was 8.2 years, with a range of 1 to 28 years. As with the undergraduate degrees, the area of study was broad with business administration, social work and other as the largest categories. The average length of time from completing their bachelor's degree to their first CEO start date was 19 years.



## What Experience Leads to the CEO Position?

### CEO Experience

The nonprofit CEOs profiled had been in their current executive position for an average of six years with a range from one month to almost 33 years. More than one third (38%) held a CEO position prior to their current executive position. Their average age at attaining their first CEO position was 43.

More than 35% of the CEOs worked with the same organization (but not necessarily in the same geographic location) prior to taking on the executive role, with the average tenure being 11 years.

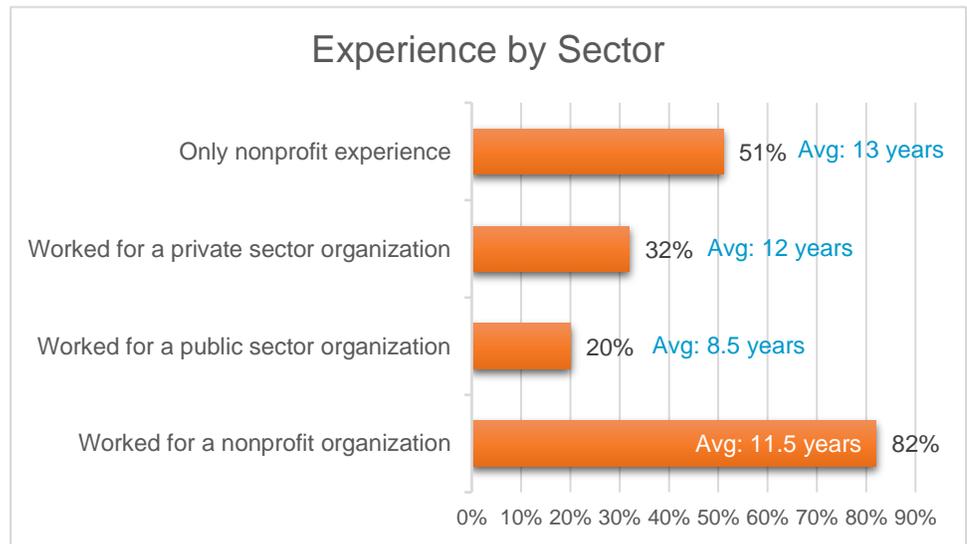
## Relocation

The decision to change geographic locations may be a factor in an executive's career path. Forty-four percent (44%) of the CEOs relocated to a new city during their career.

## Sector Experience

In looking at the five previous positions of the CEOs profiled, more than two thirds (69%) of the executives indicated their most recent position was at a nonprofit. Interestingly, 18% of the CEOs indicated no previous professional nonprofit experience prior to their current position.

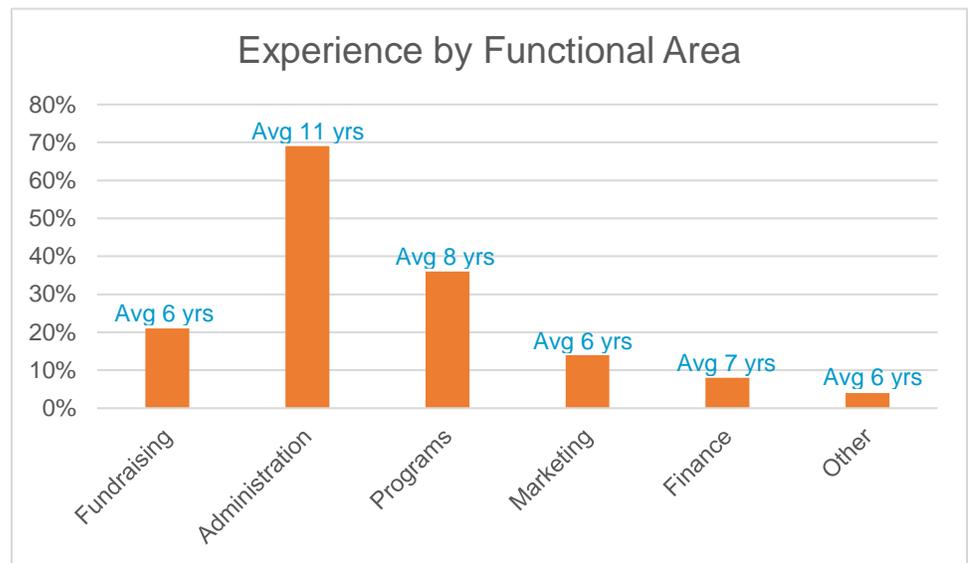
During their career, 82% of nonprofit executives indicated employment at a nonprofit organization for an average of 11.5 years, with 51% indicating only nonprofit experience. One fifth indicated experience with government agencies for an average of 8.5 years and one third held positions in the private sector for an average of 12 years. Focusing on the latter group, the findings show that those with for-profit experience took, on average, five years longer to reach their current position, suggesting that corporate experience is a slower path to the nonprofit CEO position.



## Functional Experience

What kind of functional experiences best prepares individuals for the executive director position? The functional experience for these CEOs was broken into categories: Administration, Programs, Fundraising, Marketing, Finance, and Other. On the path to their current CEO roles, almost three quarters of these executives (69%) indicated working in administration in one or more of their last five professional positions. Other functional areas

represented include programs (36%), fundraising (21%), marketing (14%) and finance (8%).



### Career Mission Focus

While some professionals mainly seek roles that enable them to focus on a specific function or an area of expertise, others are primarily mission focused. Of the executives studied, 52% indicated a career mission focus. Popular mission areas included youth, women’s issues, the elderly, sports and recreation, safety net, social services and health care. This mission focus might prove to be beneficial as the data demonstrated that leaders with a mission-focused career had a shorter path to their current CEO roles by approximately 21 months.

### Cluster Analysis

Although there is no single “path” to the nonprofit CEO position, a cluster analysis of the dataset illustrates three typical career paths based on shared characteristics:

- ***Nonprofit Mission Enthusiasts*** tend to be male with a mission-focused career, significant nonprofit experience including CEO experience, a likeliness to relocate, and only a baccalaureate degree.
- ***Nonprofit Career Climbers*** are more likely to be female and have a graduate degree, significant nonprofit experience, and an unlikeliness to relocate.

- **Sector Switchers** tend to be female and have a graduate degree, significant private sector experience and less likeliness to connect with one particular mission.

## Summary Findings

The *Who Is at the Top in the Social Sector* study provides a snapshot in time, examining who currently serves in the executive director role and the career choices they made along the way. The CEOs of nationally-affiliated nonprofits shared several characteristics:

- ***The influence of gender is complicated:*** While our CEO sample showed an equal distribution of gender and increasing number of women in younger generations, the regression analysis indicated that males achieve the CEO position approximately two years before females.
- ***Most are Baby Boomers but Gen Xers are a close second:*** Average age is 52, but the range is wide: from 26 to 77 years
- ***They are educated:*** Almost all have a bachelor's degree; more than half have a graduate degree.
- ***Most are seasoned professionals:*** The average length of time from completing their bachelor's degree to their first CEO start day was 19 years.
- ***Succession planning in organizations is not typical:*** Nearly two out of three were hired externally. Of those hired internally, the average tenure at the organization was 11 years.
- ***Relocation is not unusual:*** More than 40% may have relocated during his/her career.
- ***Administrative experience is helpful:*** More than two thirds have previous administrative experience while more than one third have served previously as a nonprofit CEO.
- ***Focusing on a specific mission area places you on a path to success:*** More than half built a career in a specific mission area and reduced the time to reach the executive position.
- ***Corporate experience isn't the quickest path to the CEO position:*** Those with for-profit sector experience took five years longer to reach their current position.

*Note from the Researchers:* The use of LinkedIn profiles provided a rich data source on a variety of career-related variables. Nevertheless, several limitations are inherent. For example, the data are self-reported and dependent on professionals to enter and update their own information accurately and in a timely manner. In addition, most people don't include

more than five previous positions on their profiles, and dates are not necessarily reported in a consistent way. These data also were collected at one time, in November of 2015, offering a snapshot for a given point in time.

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