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The Next Crisis: Nonprofit Leadership Exodus

By Kris Putnam-Walkerly

Nonprofit leaders are exhausted. Many were planning to leave even before the start of 2020. There were the white boomers trying to retire, the young leaders of color trying to navigate cultures not ready to put them in power, and the many in-between “ready to cry uncle” because of the never-ending steep uphill climb.

These are the people on the front lines of your mission, people who philanthropy and society needs. So, in addition to providing emergency COVID funding and supporting longer-term recovery, what can you do to support the people we desperately need to lead this work, so that they ascend, stay and thrive? Here are five ways—none of which leads with spending money—taken from my new book, *Delusional Altruism: Why Philanthropists Fail To Achieve Change and What They Can Do To Transform Giving*.^{2,3}

1. Lead with an abundance mindset. The philanthropy sector generally leads with a scarcity mentality, hindering talent, stalling creativity, and hijacking opportunities to create systemic change. And it seeps into just about every aspect of philanthropic giving. A scarcity mentality leads to reports like the Nonprofit Finance Fund’s 2018 State of the Nonprofit Sector

Survey,⁴ with the majority of responding organizations experiencing a rising demand for services, struggling to offer competitive pay to their employees, and citing “financial stability” as a “top challenge.” With such a climate in 2018, how can we expect them to meet any bumps in the road, let alone the challenges dished out in 2020? Instead of expecting everyone to get by on a shoestring, nonprofits need funders who lead with abundance. This means focusing on strengthening relationships, talent, technology, capacity and operations. It means offering unrestricted, multiyear funding. It also means understanding that it’s not just about spending money. Funders need to think big and foster
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Gates Foundation grant funds women’s philanthropy research

The Women’s Philanthropy Institute at the Indiana University Lilly Family School of Philanthropy will use a \$1.9 million grant from the Bill & Melinda Gates Foundation to support research under its Giving By All initiative, which is focused on growing giving, and helping donors give more effectively and strategically.

The WPI’s research under this initiative has focused on a wide range of topics, from retirement to impact investing to giving to benefit women and girls, the group said. The new Gates Foundation grant will allow the Institute to expand this research and provide a deeper understanding of gender differences and their effects across philanthropy. Upcoming research will explore giving patterns among millennials and Gen Zers, how women and men engage with crowdfunding and more.

The grant will also support the WPI’s work to translate research findings to practice, including developing materials for practitioners, presenting to relevant audiences and working with partners to gather case studies and best practices, the organization said.

For more information, visit <https://bit.ly/3jfR0U1>. ■

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a culture of generosity and mutual support.

2. Embrace inclusion. Solving entrenched social problems requires that we come together to identify common goals, including voices and solutions across a broad spectrum, and that we do this with

an abundance of empathy, trust and tolerance. We can't do that if leaders of color feel underfunded, underrepresented and undervalued. As Carly Hare, the executive director of CHANGE Philanthropy, a coalition of philanthropic networks whose vision is to transform and challenge philanthropic culture to advance equity, benefit all communities and ignite positive social change, says, "We need to remember that we are all entering conversations about inequities from different places on our life journeys. We need to allow people the grace to be themselves, be vulnerable, feel discomfort, and heal so that together we can have courageous conversations. If we don't do that, we stay in a delusional state. We stay ignorant." And effective and diverse leaders will continue to defect.⁵

3. Build trusting relationships. As human beings, we depend on trust to guide us in new relationships and help us see it through even when the going might get tough. Securing that mutual willingness to see things through in tough times is both the reason to establish trust and the reward for doing so. Know that you'll need to work to remove the debilitating influence of power dynamics. Even if you aren't aware of it, you can bet your grantees are. Donors get to choose which causes they support, whom they fund and what they expect will happen with those funds. Getting beyond those dynamics takes time and a willingness to be open, vulnerable and make mistakes. There's a kind of intimacy that comes from admitting weaknesses or failures to others, and a type of honesty that emerges when both funder and grantees explore weaknesses and failures by learning and changing together. And having effective partnerships with grantees will also put you in an excellent position to tackle another insidious and far too common debilitating power dynamic among nonprofits: abusive board members. An article written last year by Joan Garry in the *Chronicle of Philanthropy* details how this dynamic harms people and the nonprofit sector.⁶

4. Invest in talent and racial equity at the same time. A donor once told me she would not allow grant dollars to pay for personnel costs of their grantees! You read that right. She will fund a program, but not the employees who run the program. She might fund a tutoring program, but funds could not be used to pay the tutors. Or she would support policy advocacy, but her grant could not be spent on the advocates. She's not alone. Only about 1% of foundation dollars are allocated to nonprofit talent and leadership development. This puts too much pressure on executive directors and leaves up-and-coming leaders in the

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organization unsupported. Equally important and related is the need to invest in the recruitment and advancement of people of color at every level in their careers. There are plenty of resources to help, like *Fund the People's Talent Justice Report*.⁷

5. Leverage untapped resources. You could start by examining the Billionaire Census 2020 released by Wealth-X in June.⁸ It reveals that just over 10% of the world's billionaires have donated or pledged support in response to COVID. That leaves about 90% that haven't yet donated! What if these individuals want to do something, but nobody has given them a clear call to action? Who better than well-connected philanthropies to effectively tap this group or their financial advisors? Like your asset base, their net worth undoubtedly took a hit. But 2020 has also likely given them a clearer sense of their privilege and the many problems that need solving right now.

Just when we need leaders the most, the nonprofit leadership exodus will accelerate. As the Nonprofit Finance Fund's CEO Antony Bugg Levine said in the *Wall Street Journal* this past spring,⁹ "the system sets them up to be fragile." With over half not having money reserves for more than a month to three months, he thinks many won't make it. This isn't a surprise. Their uphill climb just got that much steeper. But the solutions are right in front of us. The pandemic is laying bare so many wrongs and how things must be made right—like putting people and social justice at the center of our work. We must acknowledge and shift culture and power dynamics. We must disrupt these longstanding patterns of scarcity. By changing how the philanthropic sector operates in fundamental ways, nonprofits will not just limp along in a near-failure state, bleeding leaders along

the way. Instead, funders will help position people and organizations to succeed. ■

For more information

Kris Putnam-Walkerly is a global philanthropy advisor, speaker and award-winning author of *Delusional Altruism: Why Philanthropists Fail To Achieve Change and What They Can Do To Transform Giving*.³ For more information,

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Lawrence Foundation accepting grant applications for variety of nonprofit programs

The Lawrence Foundation is currently accepting proposals for funding under its general grant program.

The next deadline for funding is October 31, with grants ranging between \$5,000 and \$10,000.

The foundation's funding interests are diverse and include both program and operating grants. Grant categories are as follows:

- environment (open to U.S. headquartered organizations operating programs in the United States or elsewhere in the world),
- human services (U.S. only),
- disaster relief (open to U.S. headquartered

organizations responding to disasters in the United States or elsewhere in the world on an occasional basis) and

- other programs (open to U.S. headquartered organizations operating programs in the U.S. or elsewhere in the world).

Applications are welcome from nonprofit organizations that qualify for public charity status under section 501(c)(3) of the Internal Revenue Code, as well as public schools and libraries.

For more information visit <https://thelawrencefoundation.org>. ■