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Nonprofits hungry for new leadership

Wave of retirements looms; many lack succession plans

By **Sacha Pfeiffer** GLOBE STAFF MAY 18, 2015

For Jeanne DuBois, the end came after 20 years. For Ray Considine, it will be more than 25. Al Bashevkin, almost 30. And Jerry McCarthy will retire from his organization's top job after nearly four decades.

All of them are longtime leaders of local nonprofits, members of a generation who came of age in the tumultuous 1960s and '70s, channeled their idealism and political activism into socially conscious careers, and are now stepping down.

They are part of a looming wave affecting organizations of all sizes across the country: the expected exit of large numbers of veteran nonprofit executives, many of them baby boomers who shaped the charitable sector and whose departures create the risk of a widespread leadership vacuum.

Consider these findings from a new report: Nearly a third of New England nonprofit leaders surveyed say they plan to leave their jobs in the next two years, and almost two-thirds anticipate leaving within five years.

Yet 60 percent of their organizations do not have a succession plan.

"Those are sobering numbers," said Michael Weekes, chief executive of the Boston-based Providers' Council, a statewide association of human services organizations. "Society really depends on having a strong network of nonprofit organizations with strong leadership."

The trend is so pervasive and the decision to step down often so wrenching — one executive described her job as "in my soul, really" — that one Boston organization offers a course for nonprofit leaders called "Courage in Leaving." Yet many organizations, particularly smaller ones, are often loath to address the inevitable.

“Our succession plan is we don’t talk about it!” Bashevkin, 64, said with a laugh. In 1986, he founded Northern Berkshire Community Coalition in North Adams to improve the quality of life in the region and will step down next month.

“It’s not my place to pick my successor; that’s my board’s job,” Bashevkin said. “But my board, if left to its own devices, would have said to me, ‘What are you going to do, Al?’ And I don’t think my situation is different or unusual.”

In fact, his situation is common. At many nonprofits, leadership transition is a notoriously difficult topic to broach, said Hez Norton of Boston-based Third Sector New England, which offers the “Courage in Leaving” course and conducted the new report, due out next month. That’s particularly true for executives who founded the nonprofits where they work because “these organizations are their babies and the ‘what next?’ question is a big one,” she added.

Finding a new leader “is a big deal, and they know that,” Bashevkin said of his all-volunteer board. “But do they have the time, experience, and knowledge to take this on by themselves? Likely not.”

Adding to that concern, nonprofits — unlike many companies — rarely offer professional development or leadership training, which are typically viewed as unaffordable luxuries or frivolous overhead costs.

And at some organizations, the pool of in-house candidates is shallow because some left for other opportunities when it became clear the current leadership would remain in place for years. As a result, there may not be a sufficient bench of potential successors to replace exiting leaders.

As Weekes, of the Providers’ Council, puts it: “I don’t think we’ve done enough as a sector in preparing people to assume those roles.”

Leadership change at a nonprofit can be risky. Many organizations are deeply identified with their leaders, especially charismatic ones who drive fund-raising, and financial backers may withhold support if a nonprofit’s future looks uncertain. At organizations that depend largely on donations, even a few rocky years can be a death sentence.

To avoid bumpy transitions, some nonprofits are keeping former executives in consulting roles while they search for new leaders. At the Dorchester Bay Economic Development Corporation, which supports one of Boston’s poorest neighborhoods, Jeanne DuBois stepped down in February after having been executive director since 1995 but is serving as a senior adviser while the organization looks for a permanent successor.

To get ready for his departure at the end of this year, McCarthy, who since 1979 has been CEO of Northeast Arc, a Danvers nonprofit that helps people with disabilities, has begun to groom a member of his senior staff as his possible replacement.

But he says he remains “very concerned” that other organizations aren’t as prepared, “particularly as you look around boardrooms and see these people with white hair and know they’re approaching retirement in the near future.”

In the past decade, several studies have predicted mass departures of nonprofit leaders nationwide and detrimental consequences. So far, though, the turnover has taken place more gradually. That’s largely attributed to the recession having made it harder for many nonprofit leaders to retire, especially since they frequently have modest salaries and few retirement benefits.

Earlier reports “threatened that, oh my gosh, the sky is falling, the boomers are retiring, and there will be no one to lead the sector,” said Jennifer Chandler, a vice president at the National Council of Nonprofits. “Well, we now know that’s not true, but we still know we’ll be facing a huge leadership transition, and we still have concerns that the pipeline of leadership is fragile.”

To fill that pipeline, the sector is trying to identify and train the next generation of nonprofit leaders, many of whom will be culled from millennials and Generation Xers.

“The difficulty is you’ll have a huge loss of leadership and institutional memory, and the opportunity is you’ll have a lot of young people coming in better trained” than their predecessors were when the sector was less professionalized several decades ago, said Barry Dym, executive director of Boston University’s Institute for Nonprofit Management and Leadership.

Indeed, younger nonprofit leaders are expected to bring more academic credentials and managerial experience to their jobs than their predecessors initially did, reshaping the sector in the process.

“To step into these nonprofits now, which are pretty sophisticated and complex, will require a lot more business savvy than I needed when I started out,” McCarthy said.

One new nonprofit leader is 42-year-old Imari Paris Jeffries, who became CEO of the Italian Home for Children in Jamaica Plain last year after his predecessor had held the job for 35 years. Jeffries has two graduate degrees, had worked in nonprofit leadership positions before, and says he has “tried to be really careful at pacing change.”

But change will come. The new guard is expected to rethink how the sector has traditionally been run. That could include a push for higher compensation. “I think younger leaders are looking at my generation of leaders like we were crazy — overworked, underresourced, lower salaries, you name it,” said Marianne Hughes, who founded Boston-based Interaction Institute for Social Change in 1993 and stepped down three years ago. “They’re saying, ‘That’s insane and we’re not so interested in that,’ and I actually find that admirable.”

In the meantime, the sector is bracing for whatever changes its generational leadership shifts brings.

“Is it a crisis? I don’t think so. Is it something to be concerned about in certain areas? Possibly,” said Considine, 67, who since 1989 has been CEO of Health Resources in Action, a public health advocacy group in Boston, and recently began notifying clients that he will retire next year. “If it’s a significant dislocation, it potentially could have an impact. But how much an impact, we don’t know.”