

ADVANCING EXCELLENCE:

Leadership



BONFILS-STANTON
FOUNDATION

A SURVEY OF COLORADO
NONPROFIT EXECUTIVES
2004

Introduction

*T*he growing social and economic importance of the nonprofit sector is being recognized throughout Colorado.

As the Bonfils-Stanton Foundation has examined our role in supporting and strengthening the sector, we have sought to identify those elements essential to advancing excellence in nonprofit organizations. We have come to appreciate that effective executive leadership is indispensable in enabling these organizations to thrive in an increasingly challenging and complex environment. We are interested in understanding how best to support current leaders in an anticipated time of change, as well as how to develop the next generation of nonprofit leaders.



The Colorado Nonprofit Executive Leadership Survey

With this in mind, the Bonfils-Stanton Foundation turned to leaders of nonprofit organizations for their insight and recommendations. In June 2004, we surveyed 375 executives of Colorado nonprofit organizations with budgets greater than \$100,000 – trying to learn how their achievements emerged from the interplay of myriad factors – including career path, experience, and access to resources.

The mailed survey probed variables such as formal and continuing education, as well as job training, satisfaction, tenure, advancement and succession. More than half of the 246 respondents added narrative comments, lending substance and specificity to our expanded understanding of the state of nonprofit leadership in Colorado.

COMMON TRAITS OF COLORADO NONPROFIT EXECUTIVES:

Age:	Over 50
Gender:	Female
Ethnicity:	White
Salary:	Between \$50,000-\$100,000 annually
Education:	A college graduate with an advanced degree
Experience:	Serving as a nonprofit executive for the first time
Origin:	Hired from outside the organization
Time in Position:	Four or more years



KEY FINDINGS:

- More than half of nonprofit executives are over age 50.
- Current nonprofit leaders are predominantly white; fewer than 8% are people of color.
- Nearly half of nonprofit leaders plan to leave their positions within five years, yet few of their organizations have succession plans.
- The primary reasons for executives leaving their current positions include new and better opportunities, retirement and burnout.

Summary of Survey Data

The following summary is based on statistical data from the 246 surveys completed and submitted to the Bonfils-Stanton Foundation. The nonprofit executives surveyed reflect the breadth and diversity of the sector in terms of organizational mission, size, and geographic service area.

PROFILE OF NONPROFIT EXECUTIVES

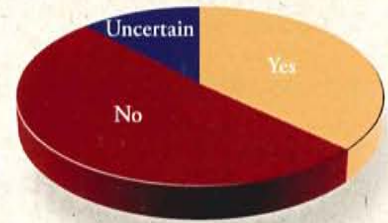
1. Length of Service

- 13% - less than 1 year
- 25% - 1-3 years
- 13% - 4-5 years
- 17% - 6-10 years
- 15% - 11-15 years
- 17% - more than 15 years



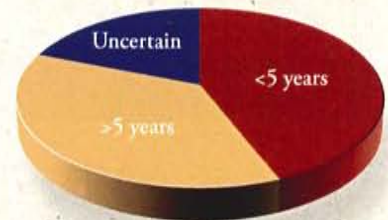
2. Career Goal to be a Nonprofit Executive

- 37% - yes
- 51% - no
- 12% - uncertain



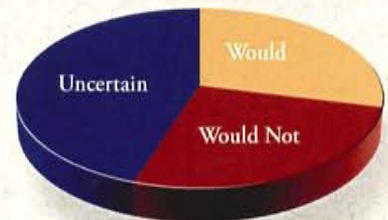
3. Expected Time Remaining in Position

- 44% - less than 5 years
- 37% - 5 years or more
- 19% - uncertain



4. Future Plans

- 29% - would seek another nonprofit executive position
- 26% - would not seek another nonprofit executive position
- 45% - uncertain



5. Gender

- 70% - female
- 30% - male

6. Age

- 8% - below 35
- 22% - 36-45
- 43% - 46-55
- 27% - 55+

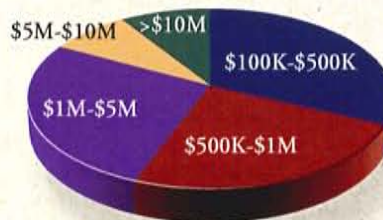
7. Previous Experience as a Nonprofit Executive

- 71% - no
- 29% - yes

PROFILE OF ORGANIZATIONS

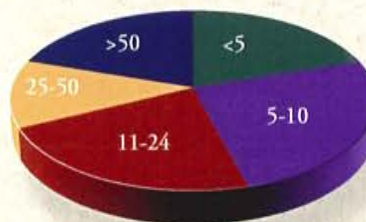
1. Annual Budget

- 32% - \$100,000-\$500,000
- 24% - \$500,000-\$1,000,000
- 27% - \$1,000,000-\$5,000,000
- 8% - \$5,000,000-\$10,000,000
- 9% - over \$10,000,000



2. Staff Size

- 20% - less than 5
- 26% - 5-10
- 22% - 11-24
- 12% - 25-50
- 20% - more than 50



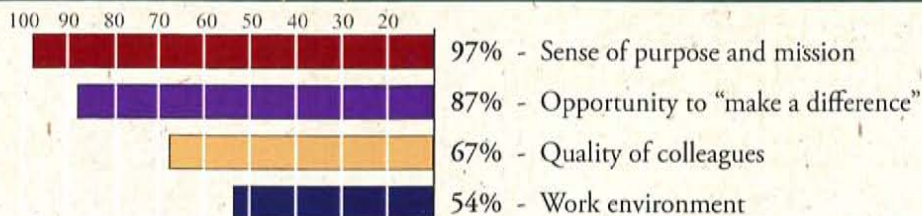
3. State of Organization

- 46% - mature and stable
- 35% - developing and stable
- 12% - mature and unstable
- 5% - developing and unstable
- 2% - startup

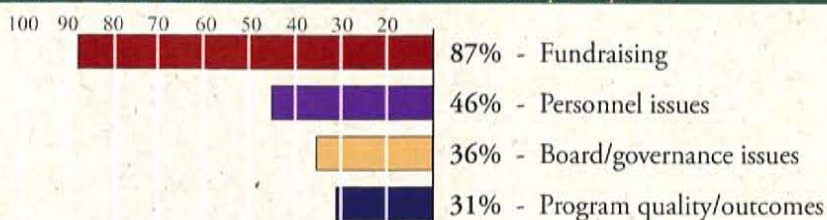
4. Geographic Location

- 44% - urban
- 31% - statewide or regional
- 11% - suburban
- 11% - rural
- 3% - resort

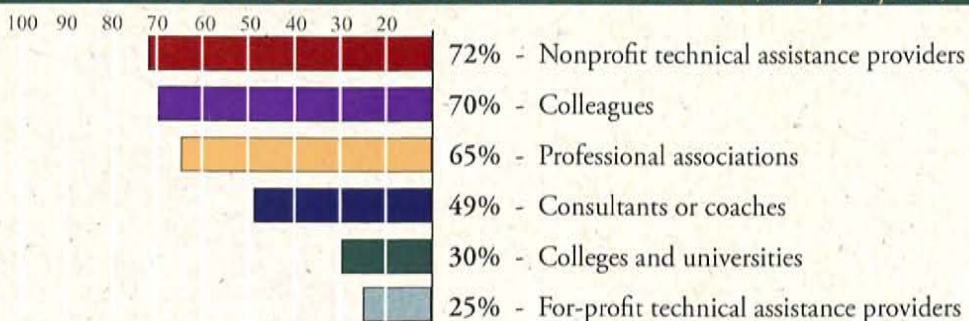
JOB SATISFIERS: (multiple responses)



MOST SIGNIFICANT CHALLENGES: (multiple responses)



RESOURCES MOST USEFUL FOR PROFESSIONAL DEVELOPMENT: (multiple responses)



KEY FINDINGS:

- 32% of nonprofit leaders have been in their positions more than 10 years while 38% have served 3 years or less.
- On a scale of 1 to 10:
 - 80% rate their job satisfaction as 8 or higher.
 - 77% rate their effectiveness as 8 or higher.
- Time to share with and learn from colleagues is the most requested professional development experience.
- Being a nonprofit executive is likely to be a one-time event.

KEY OBSERVATIONS:

- The job of nonprofit executives has become more complex, more demanding and less predictable due to many factors including:
 - demand for more services.
 - increased competition for resources.
 - increased scrutiny and accountability.
 - increase in number of nonprofit organizations.
- Success for nonprofit executives increasingly requires political savvy, business acumen, advanced fundraising skills, the ability to build partnerships, and a capacity for responding to and initiating change.
- Development of future leadership for the nonprofit sector presents opportunities for community stakeholders to engage in fresh thinking that results in innovative and responsive strategies.

Recommendations

Survey data and the accompanying narrative responses suggest that nonprofit executive leadership is a complex and changing issue. Effective leadership styles, skills and strategies vary widely, as do the challenges and demands experienced by the various organizations that make up Colorado's vibrant nonprofit sector.

While the issue is complex and effective solutions need to be multifaceted and flexible, the following recommendations emerge for consideration by nonprofit organizations, technical assistance providers, and funders as strategies to strengthen and support nonprofit executive leadership in Colorado:

- Evaluate effectiveness and impact of professional development programs and services
- Design and fund additional and alternative professional development strategies, with special attention to the needs of seasoned executives
- Develop a "pipeline" of emerging nonprofit leaders and provide opportunities for them to gain requisite skills and experience
- Adopt procedures to reduce the cost and inefficiencies of fundraising (e.g., Common Grant Application, multi-year grants)
- Focus attention on increasing diversity within the nonprofit sector, particularly at the executive level
- Study succession management needs and identify and disseminate best practices
- Create opportunities for recently retired nonprofit executives to mentor and support future leaders.

Next Steps

The value of this survey lies as much in the questions raised as in the conclusions drawn. We believe one undisputed fact is that change is on the horizon. This includes change in the people serving in nonprofit executive positions, change in the environment, and change in the responsibilities of the leaders. These changes bring both challenge and opportunity to better support our incumbent leaders, and to develop the pipeline of talent that will become the next generation of nonprofit leaders in Colorado.

The Bonfils-Stanton Foundation is investing an increasing amount of our resources in nonprofit effectiveness through grants designed to strengthen organizational infrastructure. Our experience with these partnerships has reinforced the overriding importance of effective executive leadership to nonprofit performance, financial viability and community benefit.

We share these data and recommendations with the intention of stimulating broad-based discussion that will result in a renewed commitment to the critical importance of nonprofit leadership development. We plan additional research and dialogue with nonprofit executives and their board members, foundation leaders, colleagues at colleges and universities, professional associations and technical assistance providers and will work with them to generate innovative strategies to support and develop our nonprofit leaders.

As part of this continuing learning process, we invite your thoughts and comments about nonprofit leadership issues and this report. Please share them by e-mail at bstanton@bonfils-stantonfoundation.org or by phone at 303-825-3774.

*Leadership is
the special
quality which
enables people
to stand up
and pull the
rest of us over
the horizon.*

JAMES L. FISHER



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