

Healthy Nonprofit Leaders, Healthy Nonprofits

Foundations make grants to nonprofits with the best of intentions—to help nonprofits accomplish their charitable missions. But sometimes, core challenges within a nonprofit must be addressed before its program goals can be effectively achieved.

Nonprofit grantees can benefit greatly when foundations support their efforts to address internal challenges. The latest buzzword for a focus on core organizational skills and capabilities is called *capacity building*—addressing leadership, management, fundraising, program delivery, and other organizational issues. Foundations of all sizes are increasingly funding the capacity-building activities of their grantees.

Executive director burnout is a particular hazard for nonprofit leaders, and one that foundations can help to address. According to Dana Marcus, executive director of the Frieda C. Fox Family Foundation in California and a former nonprofit fundraiser, “Nonprofit executives are in a state of chronic overload, a kind of ‘underprivileged altruism’ in which they make do with donated equipment and try to get by without the tools they need to be effective and efficient service deliverers. They often work long hours, wear too many hats, feel the pain of their clients, and suffer from burnout.”

In fact, in a recent survey of nonprofit executive directors, those surveyed cited the following challenges in their jobs:

- ◆ The need for continual, extensive fundraising;
- ◆ Difficulty in attracting and retaining qualified staff;
- ◆ Unsatisfactory salary and benefits packages; and
- ◆ Too many job responsibilities.

Ideas for What to Fund

How can funders help their grantees to be as effective as possible? Even small amounts can go a long way toward alleviating the tremendous demands on executive directors. ASF members offer some suggestions:

Board recruitment, training, and development. Consider making a grant to allow the nonprofit to focus on board recruitment, training, and development. According to Marcus, “A strong, effective board is an enormous help to an executive director. Help your grantees to conduct a

board assessment to determine the interests and skills of board members and engage them in committees and other activities.”

Strategic planning. A grant to allow a nonprofit board and staff to have one or more off-site planning retreats can be invaluable. The grant would ideally pay for expenses such as a professional facilitator, a meeting facility, food, overnight accommodations, and perhaps even a temporary worker to answer telephones in the office while the staff are out.

Fundraising. Funding issues are the biggest challenge for most nonprofits. Marcus suggests a “fund development grant to help the nonprofit create and imple-

ment a new fundraising strategy.” This could include funds for a member of the staff to take a grant-writing course; a staff membership in a local association of fundraisers to access education, training, and networking; or an experienced development consultant to help the nonprofit refresh its list of viable funders and to refresh or re-write grant proposals, newsletters, and appeals. Says Amy Kincaid, former executive director of a small nonprofit, “I’ll bet the fantasy of a lot of small nonprofit heads is to have six months with a terrific development officer or business manager.”

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Multi-year grants. Multi-year grants tell nonprofit grantees that you are serious about investing in them. Multi-year grants also remove some of the pressure of year-to-year fundraising and give the grantee more time to show results.

Executive coaching. Kincaid describes her time as a nonprofit executive director as years of being “alone, overworked, and tired.” She worried about meeting payroll and wondered if anyone else was in this situation. She felt that she could not talk to board members because she worked for them and that she could not talk to her staff because they worked for her. She also felt she could not talk honestly with funders because it might make them less likely to fund to her organization. Even her spouse didn’t understand what her professional world was like. She needed someone she could talk to who could understand her situation and give guidance.

Funders can assist in these scenarios by paying for an executive director to have an executive coach. Local foundations might also fund discussion forums and support groups for the executive directors of their grantees. Bob Orser, founder and former executive director of CompassPoint Nonprofit Services and The Management Center, both in San Francisco, reinvented himself as the “Nonprofit Doctor” after 17 years on the job. He now counsels nonprofit leaders, many of whom are executive directors, helping new executive directors figure out what they are good at and where they need help, and helping experienced executive directors to reinvent themselves or avoid burning out.

Sabbaticals. Orser is a fan of foundation-funded sabbaticals for nonprofit executive directors, and several foundations offer sabbatical programs (see box to the right). He believes that sabbaticals give executive directors the chance to renew and refresh themselves and can sometimes prevent them from leaving an organization when they still have much to offer.

Succession planning. According to an Annie E. Casey Foundation survey of more than 2,200 nonprofit organizations, with results in line with several other surveys, 65% of nonprofits expect to go through a leadership transition by 2009, and most do not have a succession plan. To help, funders can make

grants to nonprofits to do succession planning. Most often this requires hiring a consultant who specializes in organizational development.

Funders can also provide transition funding in other ways. For example, the Annie E. Casey Foundation creatively offers one-day “Next Steps” workshops for executive directors of its grantee organizations. During these workshops, a team of expert consultants help the executive directors to start planning for their succession and create ways to continue to contribute to their organizations after leaving the executive director position.

Invest in younger leaders. Fifty-five percent of current executive directors surveyed by the Annie E. Casey Foundation are over age 55, but nonprofit leaders, especially founders, are not always known for mentoring the next generation of leaders for their organizations. Foundations can encourage this by funding fellowship and leadership development programs for young leaders and by creating forums for intergenerational dialogues.

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As partners, foundations and nonprofit grantees can make great strides toward healthy nonprofit work environments with realistic goals, not environments that encourage more to be done with less.

For more information on this topic, contact Deborah Brody Hamilton, Director of Member Services, at deborah@smallfoundations.org or 888-212-9922. Also, consider attending an Advanced Grantmaking Educational Program in 2006, which covers topics such as nonprofit capacity building and leadership. ♦

Foundations Offering Sabbaticals For Nonprofit Executives

Alston/Bannerman Program	www.alstonbannerman.org
Barr Foundation	www.barrfoundation.org
The California Wellness Foundation	www.tcwf.org
Durfee Foundation	www.durfee.org
Virginia Piper Charitable Trust	www.pipertrust.org
Windcall Resident Program	www.commoncounsel.org