

Leadership Transitions in Nonprofit Organizations:

A Background Paper

Johanna Berglein

Center for Nonprofit Strategy and Management

School of Public Affairs

Baruch College

City University of New York

December 6th, 2007

In the context of the fast growing nonprofit sector, leadership turnover is of pressing relevance. Leadership transition in the nonprofit sector is understood as the result of an increasing need for leadership talent. The Bridgespan Group (a nonprofit consulting firm) predicts a need for at least 330,000, and possibly up to 1.25 million, new senior nonprofit managers in the near future. The questions the sector must face are: What forces nonprofit executives out of their jobs? What keeps new leaders from filling these positions? Three major surveys and additional research on this highly discussed topic supplied the information for the following discussion. The most relevant points are:

- During the last four years between a third and a half of nonprofit executives in New York City left their positions.
- Many departing executives want to stay associated with the nonprofit sector.
- The generational gap between the baby-boomers and the next generations can be expected to be less an issue of generational size, and more the challenge of preparing emerging leaders appropriately and turning the accomplishments of one generation over to the next.
- Survey respondents viewed a combination of professional and field related academic training as most effective. Academic degree programs leading to nonprofit management specializations are plentiful, and some educational

programs, such as Baruch College's School of Public Affairs Executive Education Program, with its community partnerships, address this need.

- Fundraising, budgeting, and strategic planning were identified as the most important skills for senior management positions.
- Executives who are not satisfied with their compensation are twice as likely to plan to leave their positions soon. Because compensation is budget-based rather than market-based, larger organizations pay significantly higher salaries, and therefore, these CEOs are more likely to be satisfied with their compensation.
- Structural difficulties, such as executive-board and executive-funder relationships, lead to burnout and early departures. Recent research demonstrates that executives who view the relationship with their board in a negative manner are more than twice as likely to plan to leave their positions soon, when compared with those who see the relationship with their boards in a positive light.
- Difficulties associated with funding overhead costs limit the ability to invest in good leadership.
- Nonprofit and for-profit U.S. corporations are similarly negligent in succession planning. Attention to succession practices is needed in both sectors.

- Since senior and middle management positions are potential successors for the executive director position, a lack of management structure deprives small nonprofit organizations of an important resource for future leadership.
- Executive transitions are a challenge, but also a chance to diversify the leadership cadre, and overcome the gender-gap in compensation practices.

Nonprofit Sector Growth

In a time where fast change is the only reliable rule and technology shrinks the globe to a village, the nonprofit sector is the new rising star in the economic universe. In many countries the growth rate of the nonprofit sector exceeds the overall growth rate of the economy. The UN's recently developed NPI Handbook recommended an enhanced way of measuring the nonprofit sector, including integrating the value of voluntary work. Twenty-six countries have already committed to implementing the NPI Handbook, and additionally nine countries implemented part of it. In Belgium for example, the nonprofit sector growth outpaced overall economic growth between 2000 and 2003 by a factor of 2:1 (6.7% versus 3.2%). In Canada, non-profit institutions account for nearly 8% of the country's GDP. Between 1996 and 2004, the U.S. non-profit sector's growth rate was 20% faster than the overall GDP.¹ With a growth rate of 36.2%, the sector grew from 1.1 million to 1.5 million organizations.² Between 1994 and 2004 the sectors assets grew from \$1.25 trillion to \$2.9 trillion. Still most nonprofits (70%) have an annual budget of

¹ Salamon, Lester (2007). Putting the Non-profit Sector and Volunteering on the Economic Map. UN-Chronicle. January 2007.

² National Center for Charitable Statistics. Number of Nonprofit Organizations in the United States, 1996 – 2006. Reviewed November 28th, 2007 from <http://nccsdataweb.urban.org/PubApps/profile1.php?state=US>

less than \$500,000 and every day, more than 100 new nonprofit organizations file with the Internal Revenue Service.³ Nonprofits employ 9.5% of the total employment in the U.S.; and with an annual growth rate in employment of 2.5%, compared to the for-profit sectors', of 1.8%, and government 1.6%,⁴ the nonprofit sector will likely become even more important as a career option in the future. To make this development successful, the question of leadership becomes even more relevant. Since the topic of executive transition in the nonprofit sector is frequently discussed and researched on local and national levels, this paper gives an overview of the discussion and its arguments.

“Daring to Lead 2006”

Three major surveys that address the topic of nonprofit leadership transition are used as the main resources. The first much discussed report titled “Daring to Lead 2006,”⁵ is based on a national survey administered by Compass Point and the Meyers Foundation. “Compass Point Nonprofit Services is a consulting, research, and training organization providing nonprofits with management tools, strategies, and resources to lead change in their communities.”⁶ They are based in San Francisco and Silicon Valley. The Daring to Lead survey raises important questions about the future executive leadership of nonprofit organizations. Jeanne Bell, one of the authors, is Compass Point’s CEO. This national survey was conducted from spring through summer, 2005. Participating organizations

³ Passing the Torch. A Summary of the 2006 Philanthropy Summit. Keynote. Convened by the Center on Philanthropy at Indiana University.

⁴ Independent Sector. (2005) Nonprofit Almanac. Employment in the Nonprofit Sector. Retrieved October 28th, 2007. from <http://www.independentsector.org/PDFs/npemployment.pdf>

⁵ Bell, Jeanne; Moyers, R.; Wolfred, T. (2007). *Daring to Lead 2006*. CompassPoint, Meyer Foundation: Retrieved September 20, 2007, from the World Wide Web: http://www.compasspoint.org/assets/194_daringtolead06final.pdf

⁶ Compass Point. Electronic preference *About Us*. Retrieved November 06, 2007, from the World Wide Web: <http://www.compasspoint.org/about/index.php>

were invited via mail, email, and/or website homepage placement. Therefore, no overall number of executives in the study's universe was identified, and the researchers had no control over the sample. Nonetheless, 1,932 responses were received. In comparison with public information about the sector, the sample identified itself as under representing very small organizations, hospitals, universities, and large national organizations. Afterwards, 60 leaders from the Bay Area, Chicago and Washington, D.C. participated in focus groups. The outcomes indicate that many executive directors plan to leave their positions within the next five years, but most want to stay in the sector. Major contributors to executive burnout were reported to be the difficulties in the relationships with boards and funders, in addition to believing, that they are making significant financial sacrifices to lead nonprofit organizations. Professional development was seen as necessary, and most executives reported that they engaged in some form of professional development. Enhancement of fundraising was seen as the most important improvement needed but also the least favored activity. For the development of future leadership, active development of future executives, diversity, and competitive compensation were seen as critical factors.

“Nonprofit Executive Leadership Transitions Survey, 2004”

The second main source, the “Nonprofit Executive Leadership and Transitions Survey, 2004” was conducted by Managance Consulting, in collaboration with Transitionguides, which was funded in part by the Annie E. Casey Foundation⁷. Managance Consulting is a consulting firm based in Silver Springs, Maryland, with the

⁷ Teegarden, P. H. (2004). Change Ahead, Nonprofit Executive Leadership and Transitions Survey 2004. Annie E. Casey Foundation. Retrieved September 18, 2007, from the World Wide Web: http://www.aecf.org/upload/PublicationFiles/executive_transition_survey_report2004.pdf

mission to strengthen the management of socially responsible organizations. The author, Paige Hull Teegarden is Project Manager at Managance Consulting. The survey was fielded in 2004; and covered about a third each from the Midwest and Northeast of the U.S., a fifth from the Southeast, and about 6% from the Southwest. It was conducted as a web-based, self-administered survey. Of 9,000 invited nonprofit organizations, 2,200 responded. The principal findings were published in a summary, titled “Change Ahead”⁸. Their key findings state that the large Baby Boomer generation (at the time of the survey, in their 40s and 50s) comprises over 70% of nonprofit leaders. They predict a leadership transition in two waves. The first is happening today and will continue until 2010, while the second will have its peak in 2020. Further limited diversity in nonprofit leadership is a concern.

“The Next Leaders: UWNYC Grantee Survey, 2003”

The third main source for this paper is “The Next Leaders: UWNYC Grantee Survey, 2003,”⁹ conducted by Baruch College’s School of Public Affairs in cooperation with United Way of New York City. Further support was provided by the Clark Foundation. Dean David Birdsell and Professor Douglas Muzzio of the Baruch School of Public Affairs are the authors of this report. The report assesses the nonprofit sector’s present succession management planning and executive development activity. In contrast to the Compass Point report, in which focus groups were used to look deeper into questions that

⁸ Teegarden, P. H. (2004). Change Ahead: (Summary) Nonprofit Executive Leadership, and Transitions Survey. Annie E. Casey Foundation; Managance Consulting in Colloration with Transitionguides. Retrieved September 18, 2007, from the World Wide Web:

<http://www.aecf.org/upload/PublicationFiles/change%20summary.pdf>

⁹ Birdsell, D. S.; Muzzio, D. (2003). The Next Leaders: UWNYC Grantee Leadership Development and Succession Management Needs. United Way of New York City and Baruch College School of Public Affairs.

arose from the survey results, Birdsell and Muzzio used focus groups prior to conducting the survey. The survey was developed from the topics that arose in the focus groups, fielded in New York City from February through April, 2003, and published in October, 2003. By surveying only United Way NYC grantee organizations, this survey is the only one with information on its total population and can be therefore seen as representative in this context. A sample of 314 executives and 292 pipeline leaders were chosen from 898 UWNYC grantee organizations, and were contacted, via a telephone survey by the Baruch Survey Research Unit. Pipeline leaders were defined as senior managers identified by the executive director of the organization as talented and aspiring to lead an organization, if provided with the proper experience and professional development. Outcomes indicate that both executives and pipeline leaders see the need to improve their performance in budgeting, communication, and fundraising. The size of the organization was seen as an important distinction and therefore the median gross revenue for each sector was determined, and groups were differentiated as below and above median revenue organizations. In particular, below median size organizations experience barriers to training, given that they have difficulties in identifying programs that meet their needs. They might further avoid professional development because of the fear that it will cause talented employees to leave. The high workload of staff often makes it difficult for them to attend training. The most valuable learning experiences would combine professional and academic training. Among pipeline leaders, a high level of commitment to the sector was found. The study concluded that capacity building needs more attention in the nonprofit sector, where professional development should be included as a natural element.

Leadership Deficit

In this paper, leadership transition in the nonprofit sector is understood as the result of an increasing need for leadership talent in nonprofit organizations. Various reasons are given for this growing need. The most alarming predictions have been made by the Bridgespan Group. In their paper, “The Nonprofit Sector’s Leadership Deficit”, they predict a need between 330,000 and 1.25 million new senior nonprofit managers in the near future.¹⁰ This estimate takes into account: Sector growth, retirement, transitions out of senior leadership and out of the sector, and the growth of senior leadership teams. The surveys reviewed all largely agree that there will be a turnover rate of about 10% annually for the next several years. A quick look at the for-profit world shows that nonprofits are not unique. In 1995, 10.5% of North American corporate CEOs left the office, with a peak in 2000 of 18%, and in 2005, over 16% of CEO left their positions.¹¹ In the Compass Point survey, 75% of executive directors stated that they plan to leave their jobs within the next 5 years, compared to only 45% in the local NYC market, as shown in the Baruch survey. A recent follow-up of the Baruch sample validated their predictions from 2003, saying that 45% of executives plan to leave within the next five years as right on target. As of October 2007, four years after the initial survey 43% of executives of the sample left their position. 37% of the organizations still exist, but have new executives, and 6% have either merged or ceased to exist. Executives of larger organizations are more likely to stay longer in their positions. 39% of EDs of larger

¹⁰ Tierney, T. J. (2006). The Nonprofit Sector’s Leadership Deficit. The Bridgespan Group, p 15

¹¹ Lucier, C., Kocourek, P., Habbel, R. (2006). CEO Succession 2005: The Crest of the Wave. Strategy and Business, Summer 2006.

organizations plan to stay more than five years in their positions, compared to 25% overall (Compass Point).

Baby-Boomer Retirement

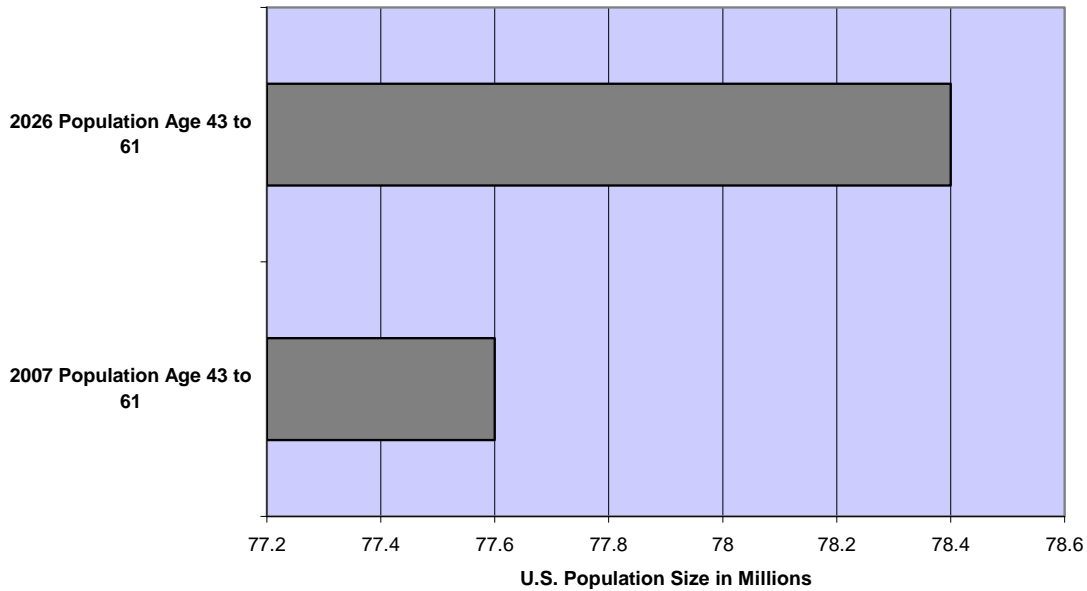
What forces current nonprofit executives out of their positions and what hinders pipeline leaders from taking over? One major concern in the current discussion is generational turnover. The large baby boom generation reaches retirement age and the following generations have to fill in. The Casey Foundation survey states that 55% of executives are over 50 years old and 38% of EDs plan to retire after leaving their current job. The Casey Foundation results expect baby boomers to retire in two waves: The first wave occurs today with 57% of baby boomers reaching retirement age by 2010. The second wave of 43% of baby boomers will reach retirement age (62) around 2020. The Bridgespan group predicts 18,000 executives will retire by 2016. Of those who plan to leave within the next 5 years, retirement is the most likely option (38% Casey Foundation, 17% Compass Point).

Generational Turnover

Will the retirement of baby-boomers (born between 1946 and 1964) result in a deficit of people available to do the job? Since not only birth rates influence the generational size, but also mortality rates and immigration, we might take a look at actual population projections rather than birth rates. Baby-boomers are now (2007) between 43 and 61 years of age. Some are close to retirement age but the youngest have nearly 20 more years of working life. There are over 77.6 million baby-boomers in the United States. Today, the next generation (today age 24 to 42) totals over 78 million. Population

projections for 2026 show that the baby-boomer generation will be between 62 and 80, (and therefore at retirement age) and will total over 63.6 million. The generation taking their place, then aged 43 to 61, is predicted to be over 78.4 million people.¹²

Comparison of Baby-Boomers' Age Range in 2007 and, the Next Generation in 2026



Therefore, there does not seem to be a generational gap in the size of actual people available in the workforce. Projections concerning the population pyramid show that the retirement of the baby-boomers will lead to growth of the retired population.¹³ Today 46 million people are age 62 and older. In 2026 this age range is expected to include 77.8 million people in the U.S.¹⁴ This demographic development will have an impact on the nonprofit sector since it provides many services for the elderly. But our question is: Do we prepare the emerging generation appropriately? Leadership ability is a

¹² Data source: U.S. Census Bureau, Population Division, Interm State Population Projections, 2005. File 3 Interim State Projections of Population by Single Year of Age: July 1, 2004 to 2030.

¹³ Data source: U.S. Census Bureau. Population pyramids and demographic summary indicators for U.S. Regions and Divisions. Retrieved November 25th, 2007 from <http://www.census.gov/population/www/projections/regdivpyramid.html>

¹⁴ Data source: U.S. Census Bureau, Population Division, Interm State Population Projections, 2005. File 3 Interim State Projections of Population by Single Year of Age: July 1, 2004 to 2030.

matter of education and experience, therefore the sector needs to prepare the next generation in both ways. Education leading to nonprofit management degrees has been studied by Roseanne Mirabella of Seton Hall University. She counts 114 graduate degree programs with a concentration in the management of nonprofit organizations in the United States. Graduate programs with a nonprofit management specialization can be found in all major U.S. cities. Nearly half of the programs are MPA degrees, typically housed in schools of public affairs. Less common ways lead from nonprofit specializations in MBA programs (8%), 15% are building out of a Master of Social Work, and 11% from Master of Arts. Leadership readiness also depends on opportunities to experience leadership as one moves through her/his career. Tensions in the intergenerational communication of nonprofit workers evolve from different life backgrounds and leadership styles. “Up Next”, a publication of the Annie E. Casey Foundation, gives further insights and suggestions for anyone interested in the difficulties of the social aspect of this generational leadership transition.¹⁵

Leadership Development

Baruch, in particular is asking the question on how to prepare people with different backgrounds for the challenging positions as nonprofit executives? The Baruch survey emphasizes on identifying leadership development needs. Only 39% of below median organizations, but 52% of above median organizations, pursue professional development for senior staff. Fundraising, budgeting, and strategic planning were identified as the most important skills for senior management positions. Baruch

¹⁵ Kunreuther, F. (2005). Up Next. Generation Change and the Leadership of Nonprofit Organizations. Executive Transitions Monograph Series. Volume 4. The Annie E. Casey Foundation.

respondents viewed a combination of professional and field related academic training as most effective. Besides the main difficulty of financing leadership development programs, an obstacle for smaller organizations was the fear that training of staff would possibly encourage them to leave instead of staying to take on greater leadership in their organization. Based on the results of the Baruch study, executive education programs with nonprofit partners were developed to address the need for the combination of practical and academic education. Under the umbrella of UWNYP, the program involves two cohorts of 25 students in a noncredit program as well as January entering classes with 25 students sponsored for 18 credits toward the MPA degree. Further included are partnerships with, the Hispanic Federation, the Partnership for After School Education (PASE), and the Greater New York Hospital Association, and various public sector partnerships.¹⁶ Since only 62% of executives have a master or more advanced degree (Compass Point), the leadership transition might be an opportunity to further professionalize the field. As a recent Baruch Alumni survey showed, it is worth it to pursue a MPA degree, since 45% of graduates worked in the Nonprofit sector after graduation and the most common income level rose from \$35,000 to \$65,000 per year.

Working Conditions

Of those who plan to leave within the next year, 91% do not plan to retire but will work elsewhere (Compass Point). The Baruch study states that 93% want to stay in the sector after leaving their current position. Therefore, retirement is an understandable

¹⁶ Birdsell, D., Ruecker, A. (2006) Community Partnerships in Executive Education: Opening the Umbrella. Baruch College School of Public Affairs/CUNY.

concern, but not the major reason for short term departure plans. Working conditions appear to have a great impact on the future plans of nonprofit leaders.

Compensation

Compass Point says that two in three executives believe they have made a significant financial sacrifice to lead nonprofits. Executives who are not satisfied with their compensation (33% of Compass Point respondents) are twice as likely to plan to leave their positions soon. Because compensation is budget based rather than market based, larger organizations pay significantly larger salaries, and therefore these CEOs are more likely to be satisfied with their compensation. With annual budgets under \$100,000, the smallest organizations pay their executive director an average annual salary of \$26,143, compared to an average of \$135,402 for executives leading organizations on the other end of the scale (annual budgets of \$10 million and more - Compass Point). Compass Point finds that, in organizations with 1- 4 paid staff, 69% of executives believe they need a raise in salary compared to only 46% of executives in organizations with 100 and more staff. Nonetheless as the Nonprofit Times salary survey shows, with an expected average increase of approximately 3.37%, executive salaries in general are barely keeping up with inflation.¹⁷ Bonuses are also a rare occurrence in the nonprofit world. In its salary survey, the Nonprofit Times finds that 78% of organizations do not give bonuses to top executives. Another important part of compensation are healthcare and retirement benefits. The Casey Foundation survey found that 79% of nonprofits offer employer paid health insurance to executives and 64% offer executives retirement benefits to which the organization contributes. Compass Point finds a correlation between organizational size and the contribution to executive retirement funds. Only 27% of

¹⁷ Hrywna, M. (2007). *NPT Salary Survey*. February 1, 2007 The Nonprofit Times

organizations with 1 – 4 staff contribute to the executive director’s retirement, while 86% of organizations with over 100 staff do so.

Turnover in Smaller vs. Larger Organizations

Differences in the work situation between small and large nonprofit organizations lead to more frequent executive transition in smaller organizations. The Compass Point and Baruch College surveys agree that executives of larger organizations are more willing to stay longer in the job. Compass Point states that 39% of leaders of organizations with 100 or more paid staff plan to stay more than five years, while only 21% of EDs with only 1-4 paid staff and 19% with 5-10 paid staff are willing to stay that long.

Executive-Board Relations

Closely related to workplace frustration are difficult board and funder relationships. Compass Point says that dissatisfaction with the board/executive relationship was a strong theme in the survey and the focus groups, as well. However, the overall assessment of the board/executive relationship does not look that discouraging. 65% (Compass Point) of executives feel personally supported by their boards, and 38% (Compass Point) experience a strong strategic partnership. However the Compass Point states: “CEOs who are unhappy with their boards are more than twice as likely to be planning near-term departures as those who have positive perceptions of their boards.” They support this statement with data, stating that 45% of leaders who plan to leave soon feel that their board does not understand their job well and 40% of them do not feel personally supported by their boards. On the other hand, of CEOs who want to stay in

their jobs only 27% feel that the board does not understand the executive's job and only 19% do not feel supported by their board. For those engaged board members who want to support their executive directors more actively, 73% (Compass Point) of CEOs chose stronger fundraising as the board improvement that would be most helpful.

Executive-Funder Relations

Another difficult relationship relates to the burden of financial responsibility. Compass Point focus groups identified the funder–nonprofit dynamic as a leading cause of burnout among nonprofit leaders. In addition to the discussion over appropriate outcome and efficiency measurements, the difficulty associated with funding overhead costs limits the ability to invest in good leadership. In 2005 only about 20% of foundation funding was dedicated to general support.¹⁸ The Bridgespan Group states: “Leadership capacity is what matters most to the long-run effectiveness of any organization, including nonprofits.”¹⁹ As case studies of innovative leadership development through Grantmakers’ show, funders can successfully engage in leadership development. Three main characteristics of leadership development improving nonprofit performance were identified. First, strengthening the leadership capacity through cross-organizational networks. Second, creating opportunities to apply acquired knowledge to real challenges, and third, provision of ongoing support rather than one-time training.²⁰

Thin Management Structure

¹⁸ The Foundation Center, *Highlights of Foundation Giving Trends*, Foundations Today Series, 2007 Edition.

¹⁹ Tierney, T. J. (2006). *The Nonprofit Sector's Leadership Deficit*. The Bridgespan Group, p. 19

²⁰ Enright, K. (2006) *Investing in Leadership. Inspiration and Ideas from Philanthropy's Latest Frontier. Grantmakers For Effective Organizations.*

Overhead costs are not only determined by the executive's salary but also include non-personnel expenses, administrative staff and middle management positions. It might not surprise anyone that the management structure is not very well developed in the nonprofit sector. Only 36% of organizations evaluated by Managance Consulting have a deputy director or some other position they would consider second in charge, only 56% have a finance director, and only 45% have fundraising staff. The most common management positions besides the executive are program directors (74% of organizations). Again the difference between small and large organizations is significant. Middle and senior management positions are more common in larger organizations. Only 12% of nonprofit organizations with 0 to 5 full time employees (FTE) have a Fundraising or Development director compared to 33.5% of organizations with 6 to 20 FTE and 56.5% of organizations with over 20 FTE. Only 15% of small organizations with 0 to 5 FTE have a Finance Director/CFO/Controller, but 54% of organizations with 6 to 20 FTE and 89.7% of organizations with over 20 FTE have senior financial staff. Since senior and middle management positions are potential pipeline leaders and potential successors in the executive director position, a lack of management structure deprives smaller nonprofit organizations of an important resource for future leadership.

Succession Planning

While the sector is facing massive leadership change in the near future – remember 75% of executives plan to leave their job within the next five years (Compass Point) –succession planning is not a common practice. Managance Consulting reports 44% nationally and, Baruch states that only 32% of executives in New York City say the

organization has a succession plan. Only 47% of nonprofit CEOs expecting to leave within the next year discussed succession planning with their boards (Compass Point). This is not only a nonprofit issue, but affects the for-profit sector in a similar way. The Harvard Business Review mentions that 60% of human resource directors of large U.S. for profit companies said their companies do not have an executive succession plan.²¹ An analysis of 1,800 successions in the for profit sector concluded that a well-groomed insider can be the key to sustainable success for a company in transition.²² Regardless of the thin management structure of nonprofit organizations, of those that have a succession plan, 46% state that new leadership will be established from within the organization, and 40% plan to do this through cross training of employees (Casey Foundation). Despite these plans, Compass Point's evaluation of prior succession practices shows that internal hires are the minority; slightly less than 30% of organizations with 11 to 100 staff are hiring their executives from within their own staff. In organizations with 1 to 20 staff, only 20% of executives were hired from staff, but in large organizations with over 100 staff, 42% of CEOs were hired from within.

Diversity and Discrimination

Executive transitions are a challenge, but also a chance to diversify the leadership cadre, and overcome the gender-gap in compensation practices. The outcomes in regards to diversity of executive directors vary. The two national survey generally agree on the percentage of white executives at over 80%, while the local sector in New York City is

²¹ Bower, J. (2007). Solve the Succession Crisis by Growing Inside-Outside Leaders. Harvard Business Review.

²² Bower, J. (2007). Solve the Succession Crisis by Growing Inside-Outside Leaders. Harvard Business Review.

more balanced with 60% white executives. In the City, 24% of nonprofit executives are African American, while nationally Compass Point finds only 7% and the Casey Foundation 10%. Hispanic/Latino and Asian executive directors are even more rare and do not exceed the 4% line in any national survey. The Casey Foundation reports the statistics of primary clientele in addition to the executives' race. While 22% of organizations serve African American communities, the survey finds only 10% of executives are African American. By contrast, 42% of nonprofits serve a white community, but 83% of executives are Caucasian. To date, the opportunity to diversify the field of executives has not been realized. As compass Point shows, executives age 45 or younger are just as likely to be white as their older colleagues. The evaluation of pipeline leaders of the Baruch survey, on the contrary, shows only 44% are white, while 31% are African American. Another aspect of diversity is gender. The majority of nonprofit organizations are lead by women. Women tend to lead the smaller organizations, while men are more common in leading large organizations. Regardless of the size of the organization, women experience wage discrimination in the nonprofit environment by earning less on every level. Compass Points shows that women usually earn six to eight thousand dollars less than their male counterparts.

Bibliography

Bell, J.; Moyers, R.; Wolfred, T. (2007). *Daring to Lead 2006*. CompassPoint,

Meyer Foundation: Retrieved September 20, 2007, from the World Wide Web:

http://www.compasspoint.org/assets/194_daringtolead06final.pdf

Birdsell, D. S.; Muzzio, D. (2003). *The Next Leaders: UWNYPC Grantee Leadership*

- Development and Succession Management Needs*. United Way of New York City and Baruch College School of Public Affairs.
- Birdsell, D., Ruecker, A.** (2006) *Community Partnerships in Executive Education: Opening the Umbrella*. Baruch College School of Public Affairs/CUNY.
- Bower, J.** (2007). *Solve the Succession Crisis by Growing Inside-Outside Leaders*. Harvard Business Review.
- Compass Point.** Electronic preference *About Us*. Retrieved November 06, 2007, from:
<http://www.compasspoint.org/about/index.php>
- Enright, K.** (2006) *Investing in Leadership. Inspiration and Ideas from Philanthropy's Latest Frontier*. Grantmakers For Effective Organizations.
- Hrywna, M.** (2007). NPT Salary Survey. February 1, 2007 *The Nonprofit Times*
The Foundation Center, Highlights of Foundation Giving Trends, Foundations Today. Series, 2007 Edition.
- Independent Sector.** (2005) *Nonprofit Almanac. Employment in the Nonprofit Sector*. Retrieved October 28th, 2007. from:
<http://www.independentsector.org/PDFs/npemployment.pdf>
- Kunreuther, F.** (2005). *Up Next. Generation Change and the Leadership of Nonprofit Organizations*. Executive Transitions Monograph Series. Volume 4. The Annie E. Casey Foundation.
- Lucier, C., Kocourek, P., Habbel, R.** (2006). *CEO Succession 2005: The Crest of the Wave*. Strategy and Business, Summer 2006.
- Mirabella, R.** (2001). *Nonprofit Management Education Current, Offerings in*

University-Based Programs. Retrieved November 25, 2007, from . Seton Hall

University Web site: <http://tltc.shu.edu/npo/>

National Center for Charitable Statistics. *Number of Nonprofit Organizations in the United States, 1996 – 2006.* Reviewed November 28th, 2007 from <http://nccsdataweb.urban.org/PubApps/profile1.php?state=US>

Passing the Torch. *A Summary of the 2006 Philanthropy Summit. Keynote.* Convened by the Center on Philanthropy at Indiana University.

Salamon, L. (2007). *Putting the Non-profit Sector and Volunteering on the Economic Map.* UN-Chronicle. January 2007.

Teegarden, P. H. (2004). *Change Ahead, Nonprofit Executive Leadership and Transitions Survey 2004.* Annie E. Casey Foundation. Retrieved September 18, 2007, from: http://www.aecf.org/upload/PublicationFiles/executive_transition_survey_report2004.pdf

Teegarden, P. H. (2004). *Change Ahead: (Summary) Nonprofit Executive Leadership, and Transitions Survey.* Annie E. Casey Foundation; Managance Consulting in Colloration with Transitionguides. Retrieved September 18, 2007, from the World Wide Web: <http://www.aecf.org/upload/PublicationFiles/change%20summary.pdf>

Tierney, T. J. (2006). *The Nonprofit Sector's Leadership Deficit.* The Bridgespan Group.

U.S. Census Bureau, Population Division, Inteim State Population Projections, 2005. *File 3 Interim State Projections of Population by Single Year of Age: July 1, 2004 to 2030.*

U.S. Census Bureau. *Population pyramids and demographic summary indicators for U.S. Regions and Divisions.* Retrieved November 25th, 2007 from <http://www.census.gov/population/www/projections/regdivpyramid.html>