

Nonprofit Leaders Plead for Help on Retirement Questions

Older nonprofit leaders struggle alone with making the decision to step down

By Michelle Gienow

Cassandra Flipper has led Bread & Roses, a San Francisco arts group, for 13 years. She's about to turn 70, and says that now is a good time for a change, both for her and her nonprofit.

Her board knows she is thinking of leaving, and Ms. Flipper has attended a retirement-planning seminar for nonprofit executives. Even with such deliberate preparations, however, she says the path from being a CEO to whatever comes next is poorly defined for senior nonprofit leaders like her who are ready to move on.

Older nonprofit leaders, she says, "have to manage the process carefully." But, she adds, "when and how to even start the process of managing the process—unfortunately, that's just a best guess."

Many other veteran nonprofit CEOs are also struggling to figure out when to retire, a new study finds—and most of them are not getting much support or guidance from their boards or fellow chief executives because the subject of stepping down is generally considered taboo.

"Leaving well is a leadership function that we don't prepare for or even feel comfortable talking about," says Frances Kunreuther, co-director of the Building Movement Project. The New York group helped conduct in-depth interviews with 40 nonprofit leaders from a broad range of organizations as a follow-up to a study [a year ago](#) of more than 300 executives who were 55 or older.

The project is intended to help nonprofit groups navigate a staggering exodus of their leaders in the next decade or two as baby boomers—some of whom started and now lead many of the nation's charities and foundations—decide to step down.

Says Ms. Kunreuther: "Right now, leaving is a case-by-case process each person is inventing as they go, because we as a field lack a basic outline, much less best practices, of how to approach it."

Transition Concerns

This ad hoc approach to leadership transition could hurt the organizations that older leaders head, the study suggests.

Veteran leaders told researchers they feared that starting a conversation with their boards about retirement plans might relegate them to "lame duck" status long before they actually left their jobs. They worried that the board might try to take over the top responsibilities prematurely—or even push them out the door before they're ready.

And about three out of four of the participants in the new study expressed concern that their groups would have difficulty both finding the right successor and sustaining good financial health after they're gone.

The researchers say that nonprofits need to provide more support for leaders near retirement age and create more flexibility to accommodate veteran workers who want to contribute to a cause without the burdens of full-time leadership. But older leaders and their boards say it's not easy to find the time to plan for departures, says the study.

“Nonprofit boards and leaders can be so stressed and busy getting everyday mission work done that long-term exit planning simply doesn't happen,” says Phyllis Segal, vice president of Civic Ventures and one of the authors of the new study.

'It's Time to Go'

One consequence of a failure to talk about retirement in the nonprofit world is that it can be hard to figure out when is the best time to go.

In the study, nonprofit leaders who had retired or were getting ready to said they could tell it was time when they began lacking the energy and enthusiasm for work they once enjoyed.

Many said they were worn out by the draining double demands of constant fundraising and the steady need to demonstrate to donors the results of the charity's work. Others simply wanted to take on a new and different challenge elsewhere.

And sometimes leaders may decide it's better to quit while they are ahead.

Alene Valkanas, now 72, retired seven years ago from a 20-year career running what is now called Arts Alliance Illinois, an advocacy group.

Although she found herself worn down physically and emotionally, in part because she commuted to the office in Chicago from the home she shared with her husband in Michigan, she was hitting a peak professionally. Her organization was in good financial shape, and a national arts-advocacy award had been created in her name.

“I thought to myself, It doesn't get better than this—it's time to go,” she says.

Ms. Valkanas prepared for her exit by identifying and then serving as a mentor to her successor, Ra Joy. She also led the organization through a process to refresh its image, changing its name from the Illinois Arts Alliance and creating a new logo and other marketing materials that would help Mr. Joy differentiate the organization from the one she ran.

“I realized in the 20 years I'd been leading it, I had become so personally identified with the organization that it was going to be difficult for my successor to lead effectively after me,” Ms. Valkanas says. “I'm happy to say that he is now doing fabulously well.”

Exit Steps

When longtime leaders feel ready to depart, they must also assess how their organizations might manage without them.

The veteran leaders interviewed said they often worried in particular that their nonprofits would have trouble attracting donations when they left, since personal relationships with donors are key to fundraising.

Some chief executives in the study said they were so worried that they built a financial cushion before they left, in some cases by holding multiple fundraising events tied to their exit.

Leaders interviewed for the study also said they redoubled efforts to make sure there was strong talent in place and to bolster the identity of their charities to make them better able to weather the change.

The nonprofit veterans said building a board that's geared to handle a leadership transition is equally important—particularly when the departing leader is also the group's founder.

Ms. Flipper's organization last conducted a search in 2000, when she was chosen to replace her charity's founder, the late Mimi Fariña. But Ms. Flipper's own impending departure has been eased by one board member who is a retired human-resources executive and is now leading the CEO search. "It takes some of the mystery out of the process, to have this expertise," she says.

Time and Money

The report shows that planning for a next step after stepping down is key to a successful exit, both for organizations and for the departing leaders. Nonprofit veterans who left their jobs without at least a short-term plan in place reported feeling "lost" and "unsettled."

Ms. Valkanas notes that although nonprofit leaders tend to be self-reliant people, leaving can be an especially lonely process. Support is crucial, she says, and she suggests reaching out to peers—both those who have completed their departures and those who are still in their jobs but looking to leave—for perspective and guidance.

Leaders in the new study who had already made an exit said they sought help from therapists or coaches, support groups, and other sources like churches, friends, and family members.

Sometimes the unsettled feeling a departing leader has is related to monetary concerns. More than three in four of the leaders interviewed were concerned about how sound their financial situation would be after stepping down.

Many said they were supporting family members, such as grandchildren or elderly parents, and it affected their decision about retirement.

Continuing to Give

But even financially comfortable leaders interviewed by the researchers expressed anxiety about having to develop a different identity once they separated from their jobs.

Kathy Cloninger, who in 2011 retired as leader of Girl Scouts USA (with a pension for life) after more than 30 years with the organization, says she carefully planned her departure.

And yet, she adds, "I had a nagging core worry no one would listen to me once I was no longer the leader, that my impact would be less. And if so, then what would I do with this body of knowledge I've built and the passion I still have to make the world better for girls and women?"

A year and a half after leaving, Ms. Cloninger says she is still adjusting to no longer having the bully pulpit of her national leadership role. But she has also identified ways she can continue contributing to her cause—for one thing, by taking on a new role as vice chair of the board of the National Council for Research on Women.

"You don't have to invent a whole new emeritus you," she says. "The work you've already done stays part of you even as you chart your new course."

“The Leadership in Leaving” is available free on the Web site of the Building Movement Project. The report, the second of four, will be followed by one late this year on what nonprofit leaders expect to do after retirement, and the last one in early 2014 will provide a final summary and recommendations. Go to: buildingmovement.org.

How Nonprofits Can Smooth the Shift in Generational Leadership

Offer support.

Help veteran nonprofit leaders who are planning their futures and give them opportunities to meet and talk with peers at similar crossroads.

Prevent brain drain.

Prepare for the exit of longtime leaders while giving thought to how to benefit from the knowledge and experience of nonprofit veterans who will soon step down but want to continue contributing.

Accommodate part-time roles.

Rethink how an organization’s work is structured. Make roles more flexible to take advantage of the talents of older workers—who will be available in new ways—as well as younger ones.

Source: Building Movement Project