Talent Justice | Report

Investing in Equity
in the Nonprofit
Workforce

Fund the People Toolkit

ACKNOWLEDGMENTS

About the Center for Urban and Racial Equity:
The Center for Urban and Racial Equity partners with people and organizations to advance equity through policy, systems, institutional, community, and societal change. We work locally and nationally, across sectors and issue areas to bring an equity lens to long standing inequities in health, employment, criminal justice, housing, and civic engagement. CURE conducts research that documents gaps and opportunities for action, leads organizational change efforts, and facilitates training and learning programs that foster equitable policies, programs, practices, and environments. To learn more, visit **urbanandracialequity.org**.

About Fund the People:
Fund the People is the national campaign to maximize investment in the nonprofit workforce. To achieve this goal, we are making the case, equipping for action, and building a movement for talent-investing among funders, nonprofits, and the intermediaries that support them. Launched in 2014 and headquartered in Beacon, NY, Fund the People is a project of Community Partners, an LA-based fiscal sponsor organization. Our work is informed by a national Advisory Council of diverse leaders and a team of skilled staff and consultants. To learn more, visit **fundthepeople.org**.

TALENT JUSTICE REPORT
Investing in Equity in the Nonprofit Workforce

Table of Contents

Fund the People

INTRODUCTION

The nonprofit workforce engages millions of leaders, professionals, and volunteers to advance the public good. With over 12 million paid workers, nonprofits employ the third largest workforce, accounting for 10% of U.S. private sector employment.[1] Despite the size and impact of the sector, nonprofits face a chronic deficit of investment in their staff. As seen in the pages that follow, the under-investment in nonprofit people reinforces the exclusive, inequitable, and unsustainable nature of nonprofit work. This report examines the need for intentional investment in nonprofit talent with a focus on inclusivity, equity, and sustainability.

To understand the challenges, opportunities, and best practices for investing in workforce equity, Fund the People, in the summer of 2018, partnered with the Center for Urban and Racial Equity (CURE) to conduct the Talent Justice Study. In contrast to studies that have concentrated on the sector's dismal record on diversifying its executive leadership ranks, we took a broader approach by applying an intersectional racial equity lens to the entire career life-cycle of nonprofit professionals. Our study includes nonprofit employees at various positions and stages in their careers because talent-investing is needed at all levels. Executive directors do not make organizations run or social change happen all on their own - it takes teams, and beyond those teams, a pool of talent that strengthens the entire sector.

We explored the following dynamics of inequity associated with three key phases of nonprofit career development:

- **Access to Nonprofit Work:**
  How unpaid and underpaid apprenticeships and entry-level jobs contribute to exclusionary entry points into nonprofit work

- **Advancement and Retention:**
  How the uneven distribution of mentorship, professional development, compensation, and benefits makes nonprofit careers unsustainable

- **Ascension to Positions of Leadership:**
  How the lack of thoughtful investment in equity and inclusion before and during the process of executive transition, executive recruitment, and executive onboarding maintains an exclusionary top-tier of leadership in the sector

Our report does not simply place the onus for change on operating nonprofits themselves. We examine the critical role that philanthropic funders play in the problem, and, perhaps more importantly, the opportunity for grantmakers to be a powerful part of the solution.

The Talent Justice Toolkit released along with this report provides resources to facilitate action on the recommendations highlighted in the report. These Talent Justice tools are now part of Fund the People's overall **Toolkit**, which offers an array of resources to help funders, nonprofits, and others to maximize investment in the nonprofit workforce. With the publication of these resources, our intention is to contribute to an ongoing dialogue that advances intersectional racial equity in the sector. The results of this study complement, and in some instances, contradict, those of similar studies including Building Movement Project's *Race to Lead* report and the *Daring to Lead* series that have documented a persistent racial leadership gap in nonprofit organizations. Our findings underscore the need for the sector to move more swiftly to invest in talent in a manner that seeks to eliminate bias, racism, and white dominant organizational norms that inflict harm not only on nonprofit professionals of color, women, and young people, but on the sector as a whole.

Fund the People

KEY FINDINGS

1

Funders and nonprofits are making insufficient investments in practices that support workforce equity at access and advancement phases

Across a number of talent-investment practices that facilitate workforce equity, reported needs tended to outpace reported action being taken by both nonprofits and foundations. For example: 84% of nonprofit and foundation respondents stated that competitive salaries and benefits are needed for entry-level nonprofit jobs. Yet only 41% of foundations provide funding to grantees for these purposes. Only a slightly higher percentage (46%) of nonprofits reported investing in competitive salaries and benefits. In contrast to the access and advancement phases, talent-investments in the ascension phase generally outpace reported needs.

2

Funders and nonprofits differ on how to promote workforce equity

Nonprofit staff are more likely than funders to suggest increased compensation and competitive benefits, along with intentional succession planning, as the most effective ways to promote equitable access, advancement, and ascension in the sector. In contrast, funders favor paid internships and fellowships, formal mentorships, and well-functioning HR infrastructures as practices that facilitate workforce equity. Getting nonprofits and funders on the same page is critical to utilizing investments in ways that are most effective. Senior nonprofit leaders, however, are less optimistic about the potential for talent-investment practices to create an equitable playing field for people of color once they ascend to leadership in the sector. The diminished belief in these efforts among senior leaders might be attributed to first hand experience with the limitations of these practices, and the recognition of the scale of structural change needed to dismantle the systems, norms, and organizational cultures that produce race, class, and gender-based inequities in nonprofit workplaces.

3

Low pay is a barrier for younger workers

Young nonprofit (22-37 years of age) workers feel the pain of low-paying, entry-level jobs more than professionals from preceding generations did when they started their careers. Across different age groups, younger respondents are more likely to report financial barriers to entry than older respondents. Millennials are pinched financially in ways that previous generations were not, and may be more likely to perceive low-paying, entry-level jobs as a particularly high hurdle to scale to do mission-driven work.

4

Bias hurts careers of people of color

People of color report experiencing more barriers and unique challenges to access, advancement, and ascension to leadership in the sector than their white colleagues. When beginning nonprofit careers, for example, people of color were more likely to lack:

• **the connections with people in hiring roles**
• **recruitment events within their communities**
• **skills or experience needed to enter (or advance through) the field**
• **degree requirements for advertised positions**

Moreover, organizational culture was more damaging to—and noticed more by people of color—than whites. Nonprofit respondents of color perceived exclusionary organizational culture as a major roadblock to their advancement.

Fund the People

5

Exclusionary organizational cultures and "wait-and-see" funding hinder advancement of new americans

Nonprofit professionals with one or more foreign-born parents were significantly more likely to report exclusionary culture and practices as a barrier to advancement (43%) than either those born outside the U.S. (30%), or those with no immediate immigration experience (22%). Additionally, senior nonprofit leaders born outside the U.S. were significantly more likely to say that their ability to succeed was hindered by funders that took a "wait-and-see" approach to providing grant funding following their ascension to leadership.

6

"Woman's work" means low wages and unfair practices

The nonprofit sector is gendered, with the majority of employees identifying as women. In our sample, 82 percent of nonprofit professionals were women. The traditional role of nonprofits as providers of health and social services means the sector has become a highly-feminized part of the U.S. economy. That equates to low wages, increased emotional labor, and the highest paying jobs historically going to men, even though they are the minority in the field.[2] The impact of these trends on women of color are compounded by the pressure to conform in exclusionary work environments where they're asked to represent or be the voice of their racial or ethnic group.

The Need for Talent Justice

Our results of the research point to consistent patterns of systemic exclusion that inhibit the careers for people of color, women, and young professionals in many nonprofit organizations. Talent justice is necessary to address the long standing structural inequities that produce disparities experienced by nonprofit professionals of color and others across the sector.

> **Talent justice entails a set of practices and outcomes that utilize investments in nonprofit staff to advance intersectional racial equity across the nonprofit career lifecycle. Talent justice seeks to transform organizational cultures to maximize access, advancement, and ascension in nonprofit careers for people of color, women, young people, and other diverse constituencies that compose America.**

Embodied in the spirit of talent justice is a commitment to workforce equity, or the process and outcome of ensuring that a workforce is inclusive for people of color and other marginalized or under-represented groups at a rate representative of the community it serves and at all levels of employment; where institutional and structural barriers impacting employee attraction, selection, participation, retention, and ascension to leadership positions have been eliminated, thereby enabling opportunity for employment success and career growth.[3]

Fund the People works to maximize investment in the nonprofit workforce by advancing talent-investing - the intentional deployment of resources to support and develop professionals, workers, and leaders in the nonprofit workforce.

> **Talent-investing has multiple benefits including helping to shape organizational cultures that heighten staff morale and elevate performance.**

We believe that talent-investing is an essential ingredient for improving the performance, impact, and sustainability of diverse nonprofit leaders, organizations, and movements.

The deficits in workforce equity in the sector are related to a general lack of investment in nonprofit talent [4] that has compounding impacts on people of color and other underrepresented groups. For example, less than 1% of foundation grant dollars are invested in the nonprofit workforce.[5] The lack of resources and attention devoted to nonprofit talent has contributed to practices that lead to unpaid internships; biases in hiring and promotion; overwork and burnout; and poorly planned, inequitable executive transitions — all of which prevent organizations from truly embodying their commitment to social justice and the public good.

Our recommendations (pg. 34), and the accompanying Talent Justice Toolkit, offer specific strategies for investing in talent and advancing workforce equity across the nonprofit career lifecycle, including tools to help organizations design fair apprenticeship opportunities, reduce bias in hiring and performance evaluations, increase compensation, embrace diverse leadership styles, and challenge white dominant organizational norms.

SURVEY DEMOGRAPHICS

We received 1,480 completed surveys. Nonprofit professionals (85%) comprised the vast majority of our sample. Foundation staff represented 8 percent and consultants to nonprofit or philanthropic organizations, 7 percent of participants.

The top five organizational focus areas for nonprofit respondents were education (25%), human services (24%), social justice (18%), health/mental health (16%), and community/economic development (14%). More than half (55%) indicated their organization focuses on a single area, while 45 percent reported their organization focuses on two or more areas (Figure 1).

Figure 1.
Respondents by Organization Type

Organization Type	Percentage
Education	25%
Human Services	24%
Social Justice	18%
Health/Mental Health	16%
Community/Econ Development	14%
Arts/Culture	13%
Workforce Development/Employment	11%
Intermediary/Capacity Builder	10%
Environment	9%
Community Organizing	8%
Civil Rights	7%
Philanthropy Serving	4%
Religious	1%
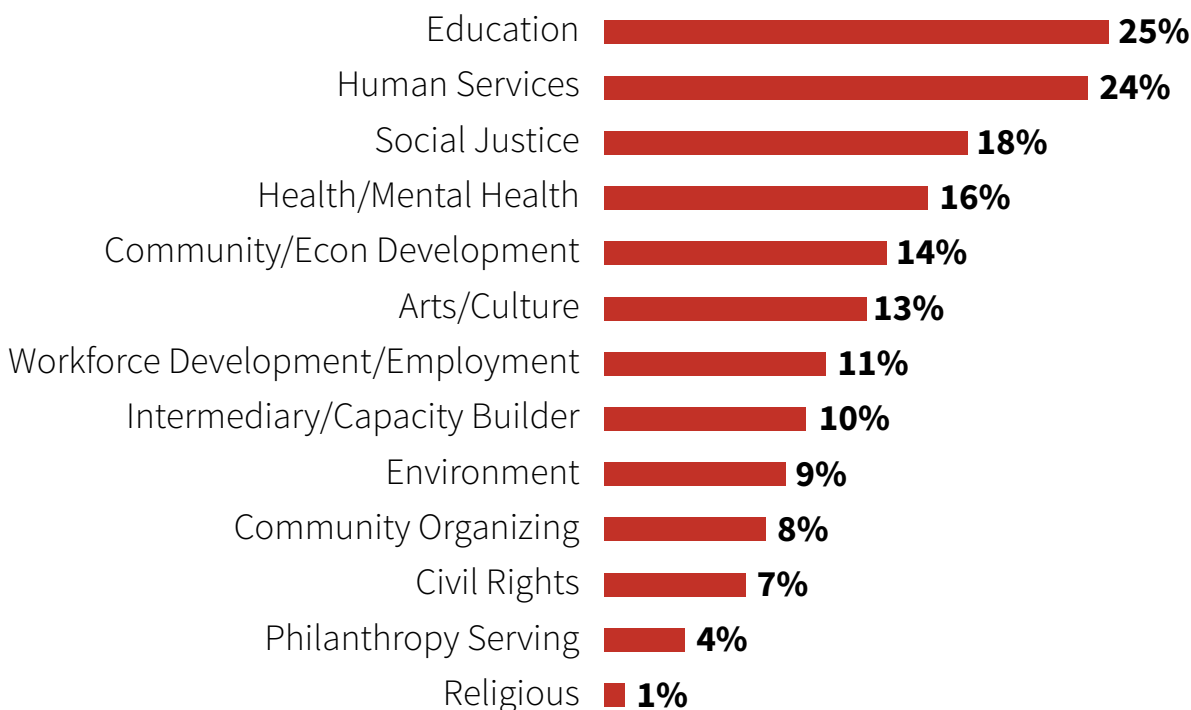
Sixty-two percent (62%) identified as white and 38% as people of color (Figure 2). Among respondents of color, 12 percent identified as multiracial, 10 percent as black, 8 percent as Asian, 6 percent as Latino, 1 percent as Middle Eastern, and 1 percent American Indian/Alaskan Native. Respondents were classified as multiracial if they selected two or more race/ethnicity identifiers.

Figure 2.
Respondents by Race/Ethnicity

12% Multiracial

10% Black / African American

8% Asian

6% Latino(a) or Hispanic
1% American Indian / Alaskan Native
1% Middle Eastern

38% People of Color

62% White
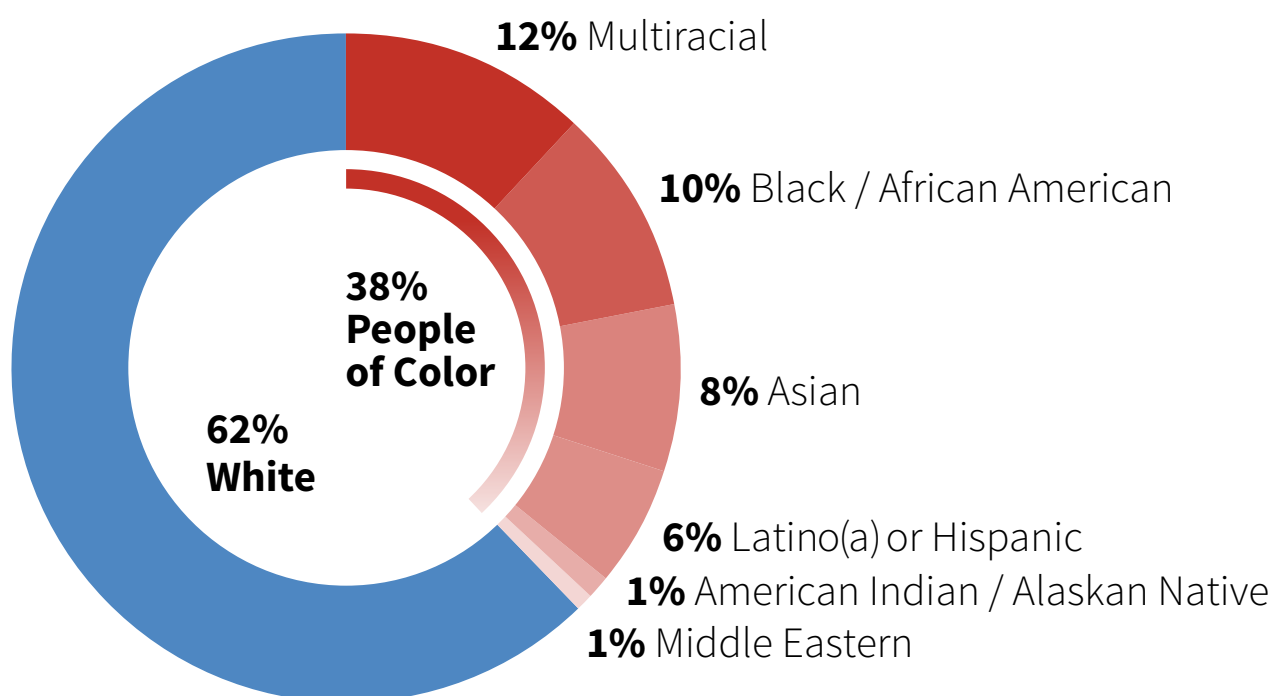
Eighty-two percent (82%) of respondents identified as female, 14 percent male and 3 percent as non-binary or transgender (Figure 3). Among nonprofit professionals, a lower percentage of white participants identified as male (13%) than did people of color (18%).

Most respondents (77%) identified as straight/heterosexual while 7 percent identified as gay or lesbian, and 16 percent identified as bisexual (Figure 4). Nearly half of the sample were millennials (48%), followed by Generation X (39%) and Baby Boomers (13%) as shown in (Figure 5). Most respondents, (Figure 6) earned a bachelor's (40%) or master's degree (48%).

Figure 3.
Gender
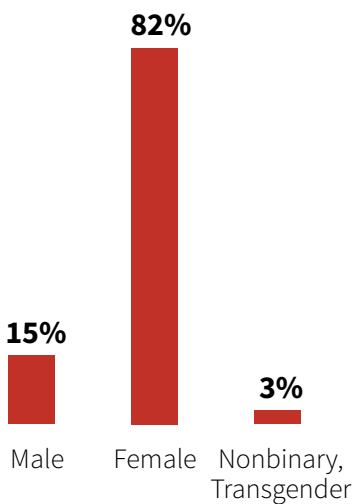
Figure 4.
Sexual Orientation
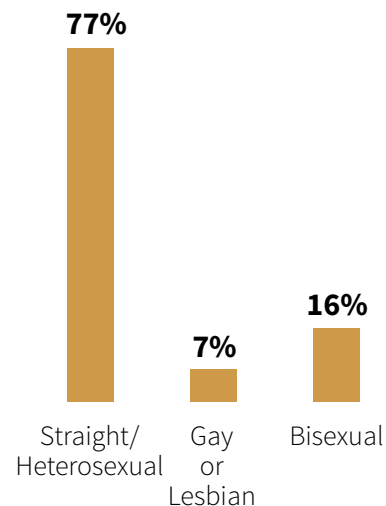
Figure 5.
Age
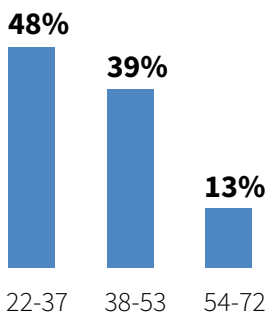
Figure 6.
Education
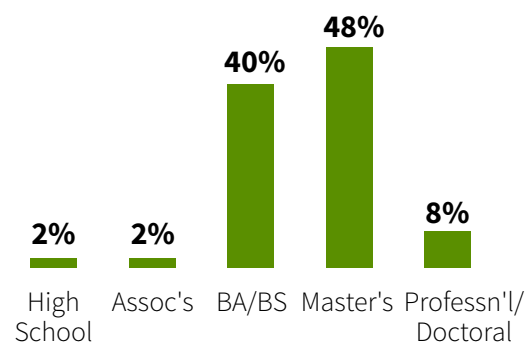
Income was distributed normally in the sample, with median income reported at $50,000 to $75,000 across all racial and ethnic groups (Figure 7). The majority (81%) of respondents were born in the U.S. or U.S. territories, while 8% were born in the U.S. to at least one parent who emigrated from another country and 11% born outside the U.S. (Figure 8). The majority of respondents did not report having a disability (93%) while 7 percent reported having a disability (Figure 9).

There were no statistically significant differences in sexual orientation, age, education level, income, or disability status across respondents' racial or ethnic backgrounds.

Figure 7.
Income

Income	Percent
$150,000 or more	6%
$100,000 to $149,999	13%
$75,000 to $99,999	18%
$50,000 to $74,999	33%
$35,000 to $49,999	19%
$25,000 to $34,999	6%
Less than $25,000	4%
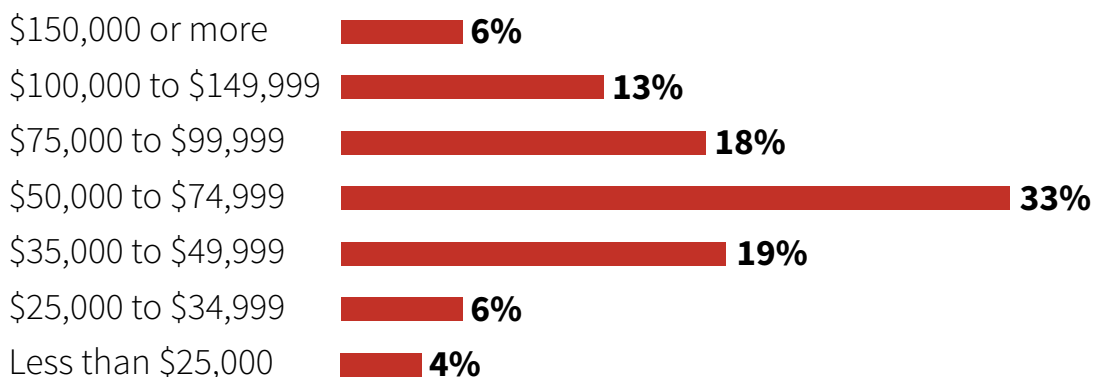
Figure 8.
Immigration Experience

Category	Percent
Born in US or US Territories	81%
Born in US, Parent emigrated	8%
Born outside US	11%
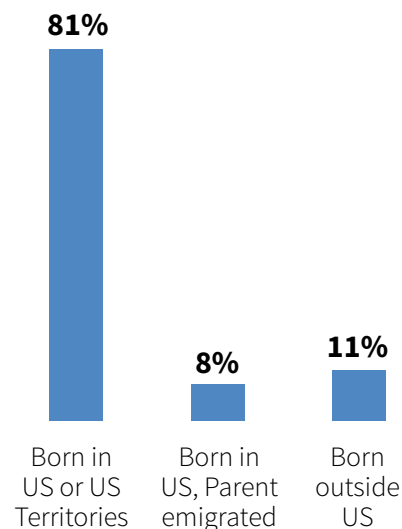
Figure 9.
Disability Status

Category	Percent
Yes	7%
No	93%
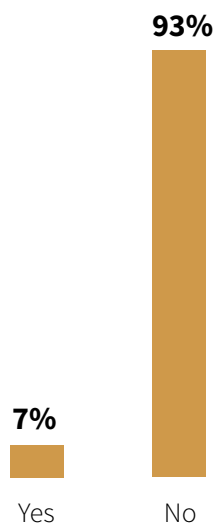
Figure 10 summarizes participants' role or positions within their organizations. Senior managers or directors made up the largest group of participants (32%). The high percentage of senior managers may explain the higher than average nonprofit salary reported in our study. There were no statistically significant differences in the distributions of roles by race or ethnicity.

Figure 10.
Position/Role Within Organization

Position/Role	Percentage
Asst./Receptionist/Admin. Support	4%
Line/Program/General Staff Position	23%
Middle Manager	22%
Senior Manager/Director	32%
CEO/Executive Director	17%
Board Member	1%
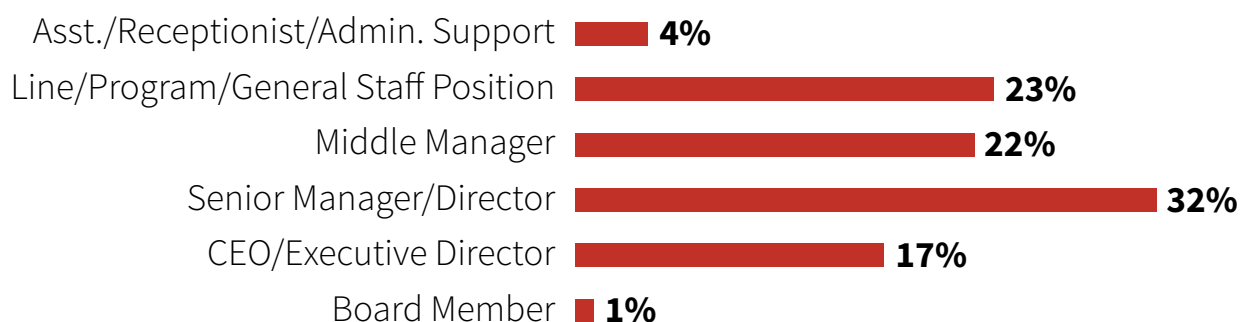
ACCESS

"Access to the sector"refers to the various ways that people begin their nonprofit careers. Common points of entry include apprenticeships, front-line service-delivery, and program-coordinator positions. Apprenticeships take the form of structures such as internships, fellowships, and youth-service opportunities such as AmeriCorps, all of which provide foundational training, education, work experience, and networks for early-career professionals.

We sought to understand how the practice of not paying, or underpaying apprentices in nonprofit organizations creates racial and socio-economic barriers to these opportunities. In addition to understanding the challenges nonprofit professionals face early in their careers, we learned which practices nonprofit staff, funders, and social sector consultants believe best support equitable access.

Barriers to Entry
People of color experience systemic inequities when pursuing nonprofit work.
As shown in Figure 11, white nonprofit professionals were less likely to report experiencing barriers to entry into the sector. In contrast, people of color were more likely to report lacking connections with individuals in hiring roles (40%), paid internship opportunities (36%), recruitment activities in their communities (28%), skills or experience for advertised positions (27%) and required educational requirements (15%). People of color were two times more likely than white respondents to say that degree requirements for advertised jobs hindered their ability to access nonprofit work.

People of color (21%) were also significantly more likely to report the low pay associated with programs such as AmeriCorps as a barrier to their entry into the sector.

Although only a slightly higher percentage of people of color, compared to white respondents, indicated that they were discouraged from a nonprofit career by people they know, this barrier emerged as a theme in interviews. When families or friends expressed hesitation or concern about nonprofit work, it was largely driven by the sector's reputation for low pay. For people of color, intentionally entering a career, where the compensation is low and the demands are many, is viewed as impractical. Without the support of families and friends, people of color may become disheartened and not enter the sector at all.

Figure 11.
Barriers to Accessing Nonprofit Work, White vs. People of Color
(Bolded Statements Indicate Significant Differences)

Barrier	White	Person of Color
Entry level jobs did not pay well	53%	59%
I lacked connections	29%	40%
Internship opportunities were not paid	32%	36%
Entry level jobs offered poor benefits	29%	32%
There was no recruiting in my community	17%	28%
I lacked skills or experience	19%	27%
People I know discouraged me	24%	25%
Opportunities like AmeriCorps were underpaid	16%	21%
I did not meet the degree requirements	7%	15%

■ White
■ Person of Color
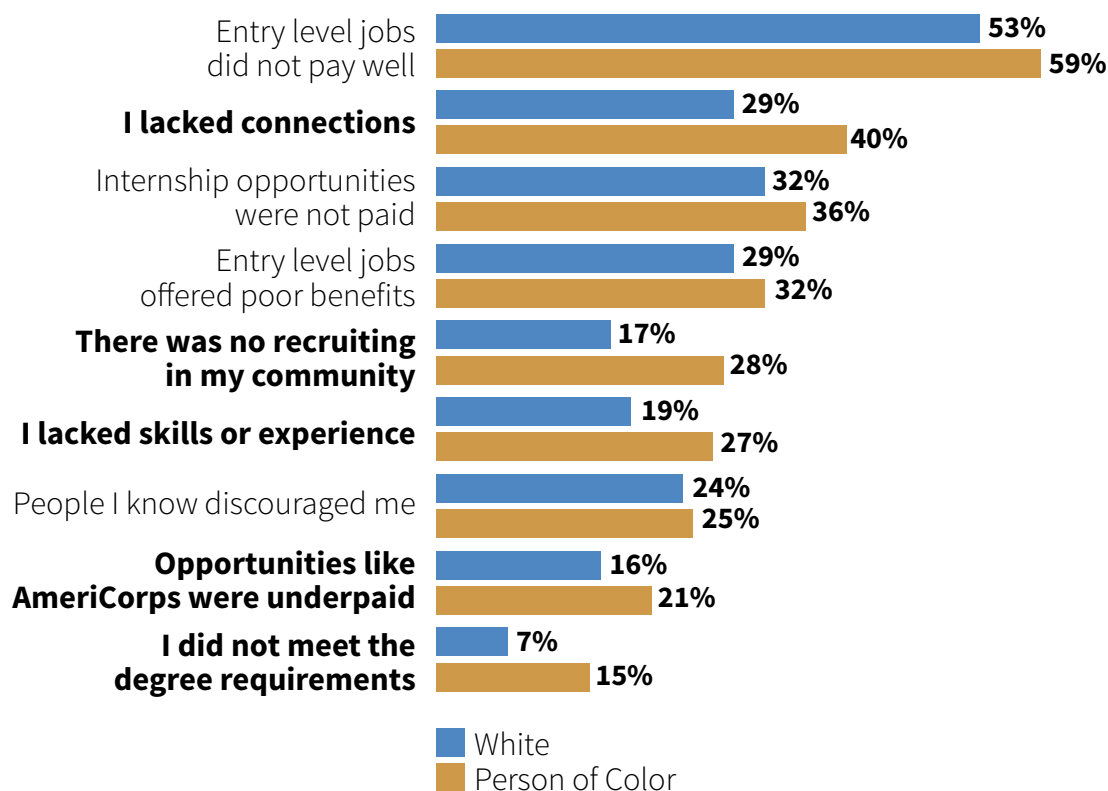
*Degree requirements and low pay pose financial burdens, especially for people of
color and young professionals.*

Educational requirements are not only a barrier for people of color (Figure 11), but a major barrier for those
without college degrees. Respondents without college degrees were significantly more likely to report that degree
requirements for advertised jobs posed a challenge when entering the sector than college graduates (Figure 12).

Figure 12.
Barriers to Nonprofit Work, by Education Level
"I did not meet degree requirements for available positions"

Education Level	Percentage
High School	50%
Associate's Degree	31%
Bachelor's Degree	9%
Master's Degree	5%
Professional and/or Doctoral Degree (PhD, J.D., MD, etc.)	3%
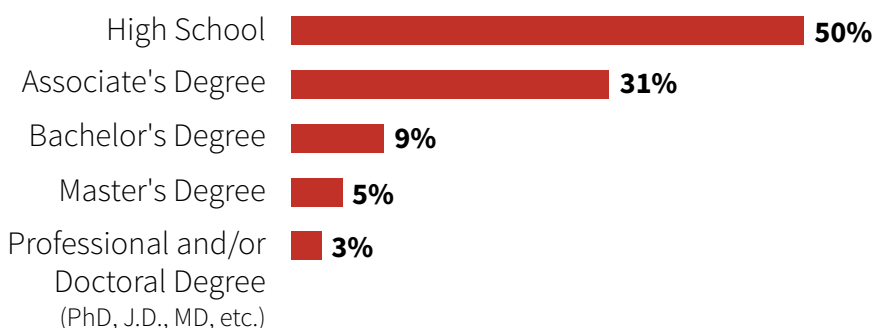
Young nonprofit professionals more frequently cited service corps programs and paid internships/fellowships
as opportunities that facilitated their entry into the sector compared to older nonprofit professionals (Figure 13).
Across age groups, the biggest obstacle to accessing the sector was entry-level jobs that did not pay well, with
younger respondents (nearly 60%) more likely to report this as a barrier than older respondents (Figure 14). As is
consistent in other studies of millennials, younger employees are often struggling with student loan debt and rising
costs of housing, health care, and childcare. Millennials are pinched in ways that previous generations were not, and
consequently may be more likely to perceive low-paying, entry-level positions as a particularly high hurdle to overcome.

Figure 13.
Experience with Apprenticeship Programs, by Age

	Age 22-37	Age 38-53	Age 54-72
Jobs and Service Corps Programs (e.g. AmeriCorps)	21%	8%	5%
Paid Internships or Fellowships	21%	12%	9%

© 2019 Fund The People
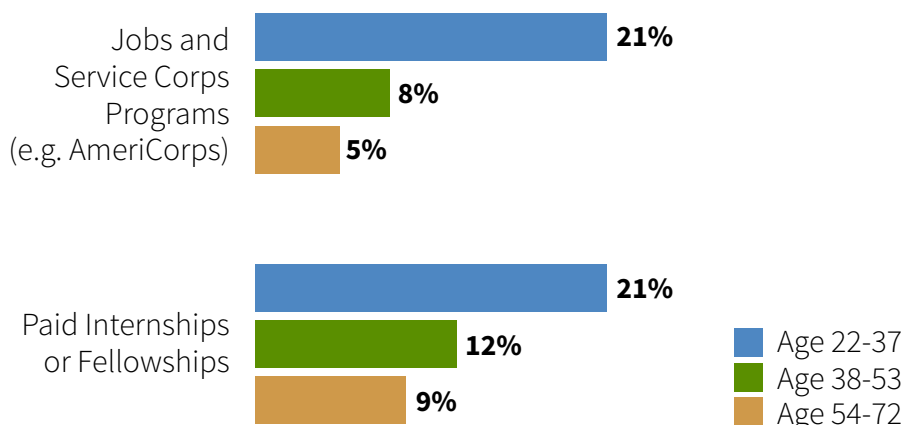
Figure 14.
Barriers to Accessing Nonprofit Work, by Age

People I Know Discouraged
Me from Nonprofit Work
- 27%
- 16%
- 9%

I Lacked Connections
- 35%
- 25%
- 8%

I Lacked Required Skills or
Required Years of Experience
- 28%
- 11%
- 4%

Entry Level Opportunities
(e.g. AmeriCorps) were
Underpaid
- 24%
- 8%
- 1%

Entry-level Jobs
Did Not Pay Well
- 57%
- 42%
- 22%

Internship Opportunities
Were Not Paid
- 40%
- 20%
- 8%

Legend:
- Age 22-37
- Age 38-53
- Age 54-72
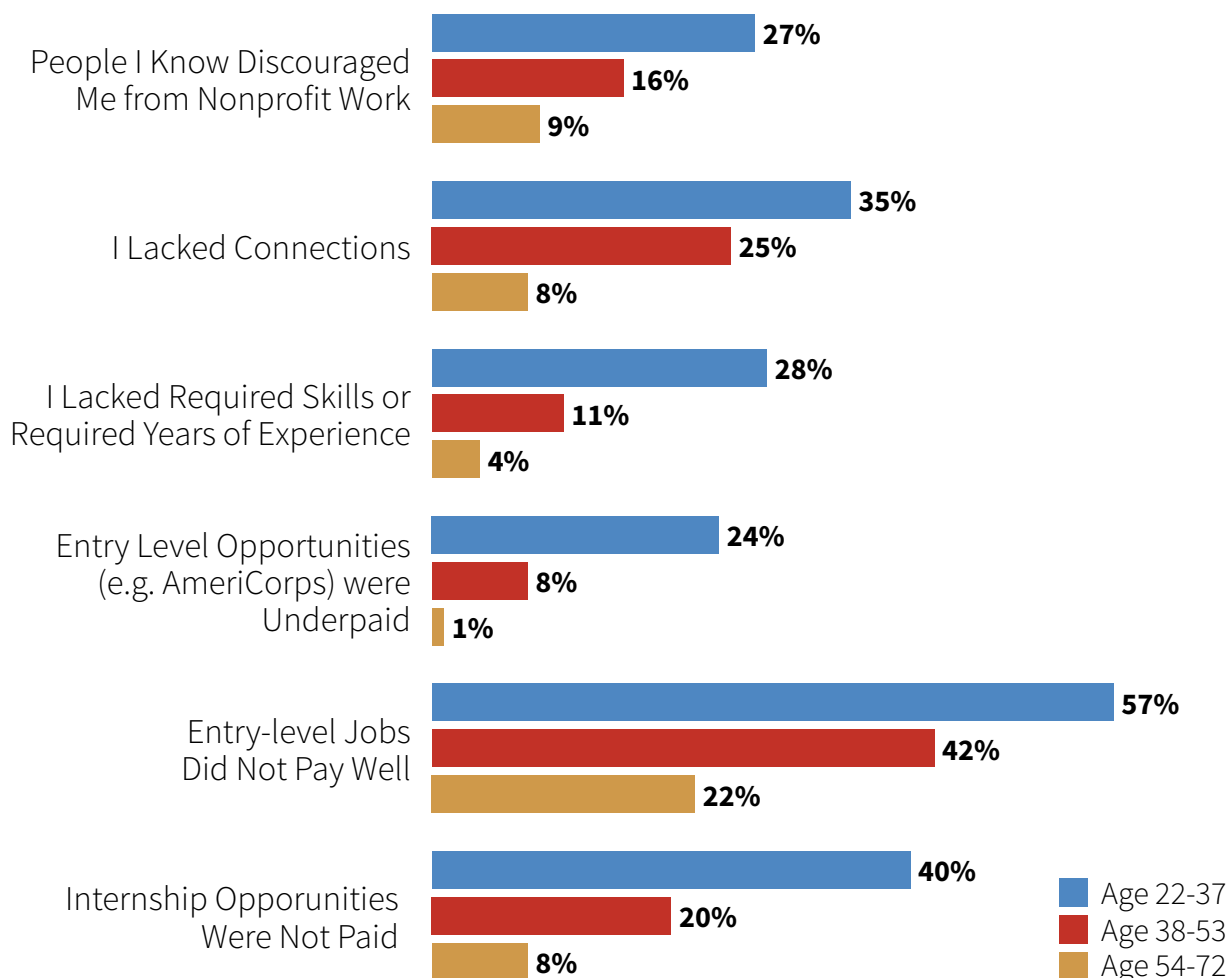
Talent-Investments that Facilitate Access
Personal networks, hiring based on lived experience, and paid apprenticeship opportunities open doors to nonprofit careers for people of color.

White and nonprofit professionals of color generally reported similar experiences regarding talent-investment practices that supported their access to the sector (Figure 15), but there were some notable differences. Overwhelmingly, knowing someone in the field helped to open doors to nonprofit work for both white respondents (48%) and people of color (55%) early in their careers. Although people of color typically have less social capital than white counterparts, our data suggests that when available, access to networks that assist with employment opportunities are especially helpful for people of color that might otherwise experience systemic exclusion in the labor market due to educational requirements and racial bias.[6]

Respondents of color (14%) also more frequently reported that competitive starting salaries facilitated their access to the sector compared to whites (10%). People of color (21%) were more likely than whites (15%) to report that hiring

based on lived experiences helped them launch their nonprofit careers. This finding supports a growing recognition that an equitable approach to hiring requires looking beyond traditional educational requirements, which tend to create barriers to employment for people of color and those from low-income backgrounds.

While programs such as AmeriCorps are valuable in training entry-level nonprofit staff, their low wages are considered a barrier to entry to the sector for people of color as shown in Figure 11. According to the AmeriCorps Vista website, stipends are intentionally low so that members can live at the same economic level as the communities they serve.[7] Some have argued that AmeriCorps living allowances should be raised or the sector risks continuing to lose qualified individuals before they enter the talent pipeline.

Figure 15.
**Opportunities that Facilitated Access to
Nonprofit Work, White vs. People of Color**
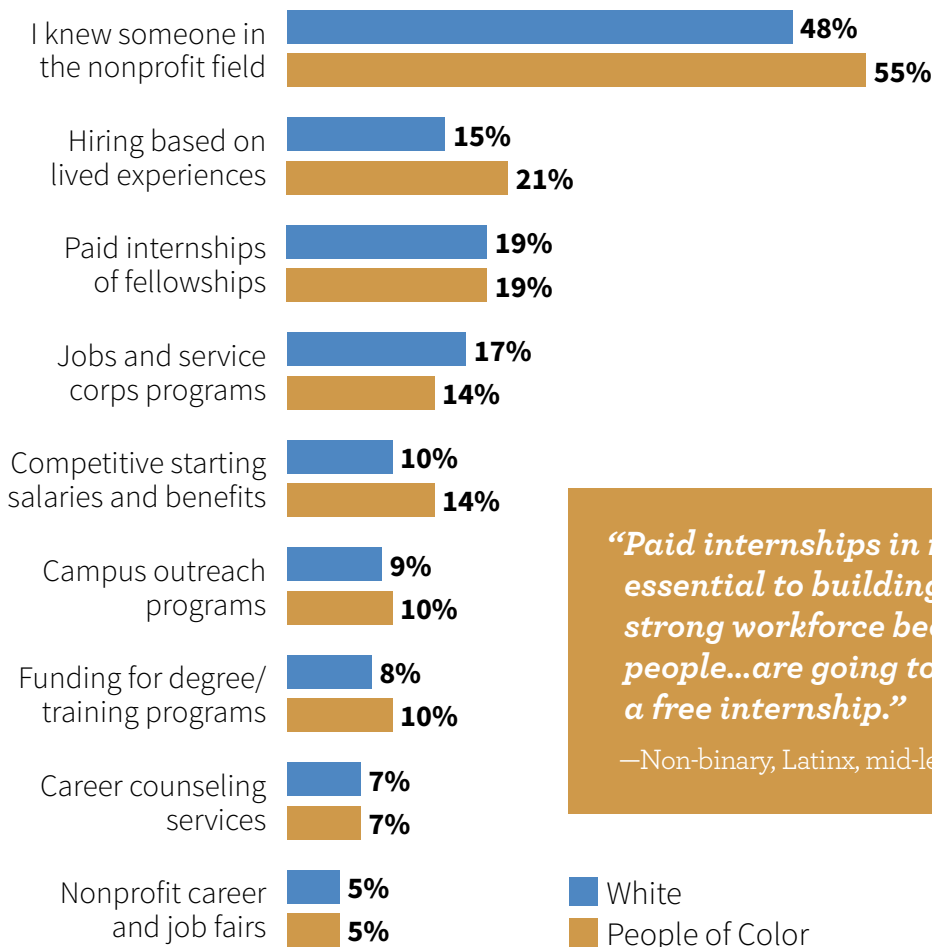
"Paid internships in my mind are essential to building a diverse and strong workforce because very few people...are going to be able to take a free internship."

—Non-binary, Latinx, mid-level nonprofit professional

When asked what practices participants believed were most effective in facilitating equitable access to nonprofit work, both white and people of color respondents prioritized hiring based on lived experiences, competitive starting salaries, paid internships, and fellowships (Figure 16). Overall, white respondents are more likely than people of color to believe that these practices along with unpaid internships, campus outreach programs, job fairs, and service corps programs are effective strategies for promoting equitable access to the sector. While supportive of these practices to a lesser degree (Figure 16), people of color, as shown later in other sections of this report, view the need to address exclusionary organizational culture and racial bias as critical for advancing workforce equity in the sector.

Figure 16.

**Perception of Talent-Investment Practices that Best
Advance Equitable Access, White vs. People of Color**
(Bolded Statements Indicate Significant Differences)

	White	Person of Color
Hiring based on lived experiences	50	41%
Competitive starting salaries and benefits	47%	41%
Paid internships or fellowships	40%	37%
Unpaid internships	37%	32%
Campus outreach programs	25%	17%
Nonprofit career and job fairs	21%	15%
Jobs and service corps programs	20%	14%
Funding for degree/training programs	9%	6%
Career counseling services	3%	3%
Don't know	6%	9%

Fund the People
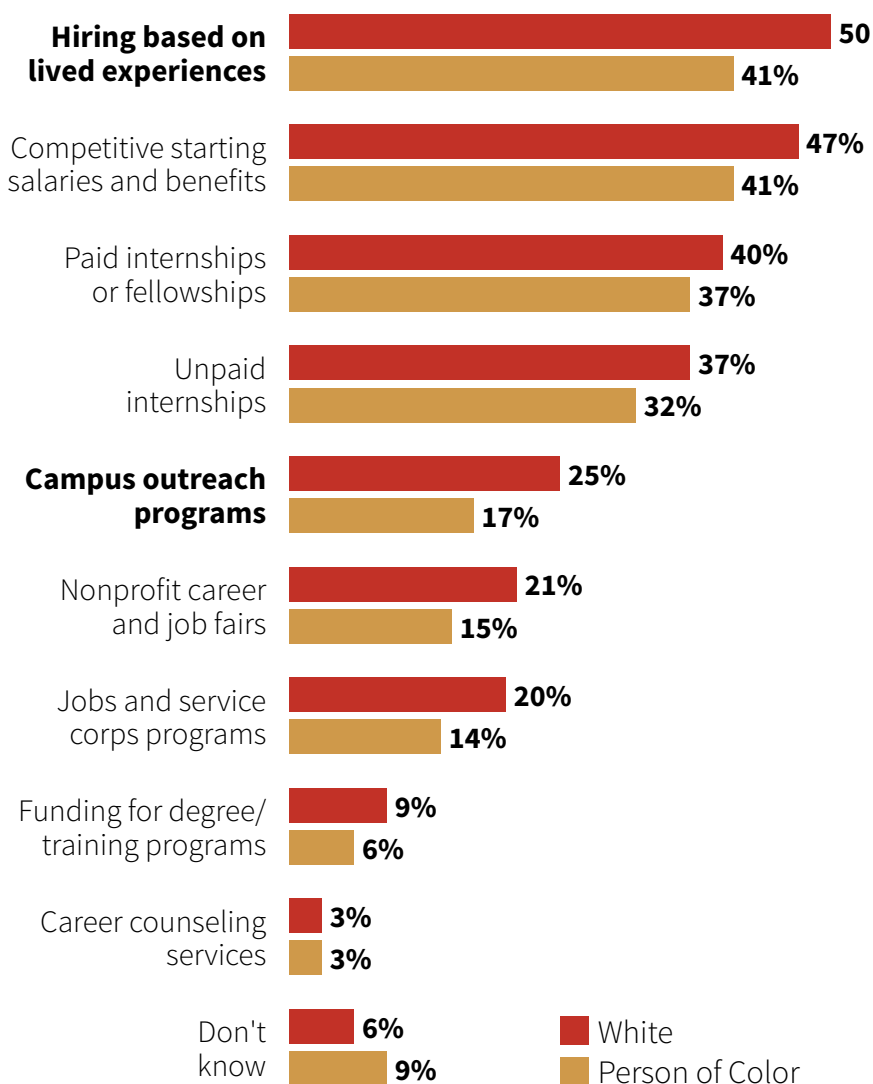
Talent-Investments Fall Short
Reported needs outpace current talent-investments by funders and nonprofits.

Figure 17 summarizes the practices that respondents perceive are currently being implemented by nonprofits and foundations (orange and blue bars), contrasted with respondents' perception (red bars) of what is most needed to support equitable and inclusive access to the sector. Reported needs tended to outpace the actions being taken by both nonprofits and foundations. ***For example, 84% report competitive salaries and benefits are needed yet only 41% of foundations say they provide funding to grantees for these purposes.*** A slightly higher percentage (46%) of nonprofits are currently investing in competitive salaries and benefits. Similarly, 71% indicate that paid internships and fellowships are needed to facilitate equitable and inclusive access to careers in the sector yet only 41% of foundations and 40% of nonprofits say they are directing resources to paid apprenticeships.

There is also considerable divergence in what funders and nonprofits say is needed, compared to their current invest-ment levels, in training and educational opportunities for nonprofit employees. Thirty-nine percent (39%) of funders and nonprofits state that funding for degree, certificate, and training programs is important for supporting equitable access to the sector, however, only 8% of nonprofits are currently providing funding for educational and training programs for their employees. Twenty-two percent (22%) of foundations say they currently provide funds to grantees for these programs.

Figure 17.

Current Nonprofit and Foundation Investments vs. Perceived Need for Investments—Access
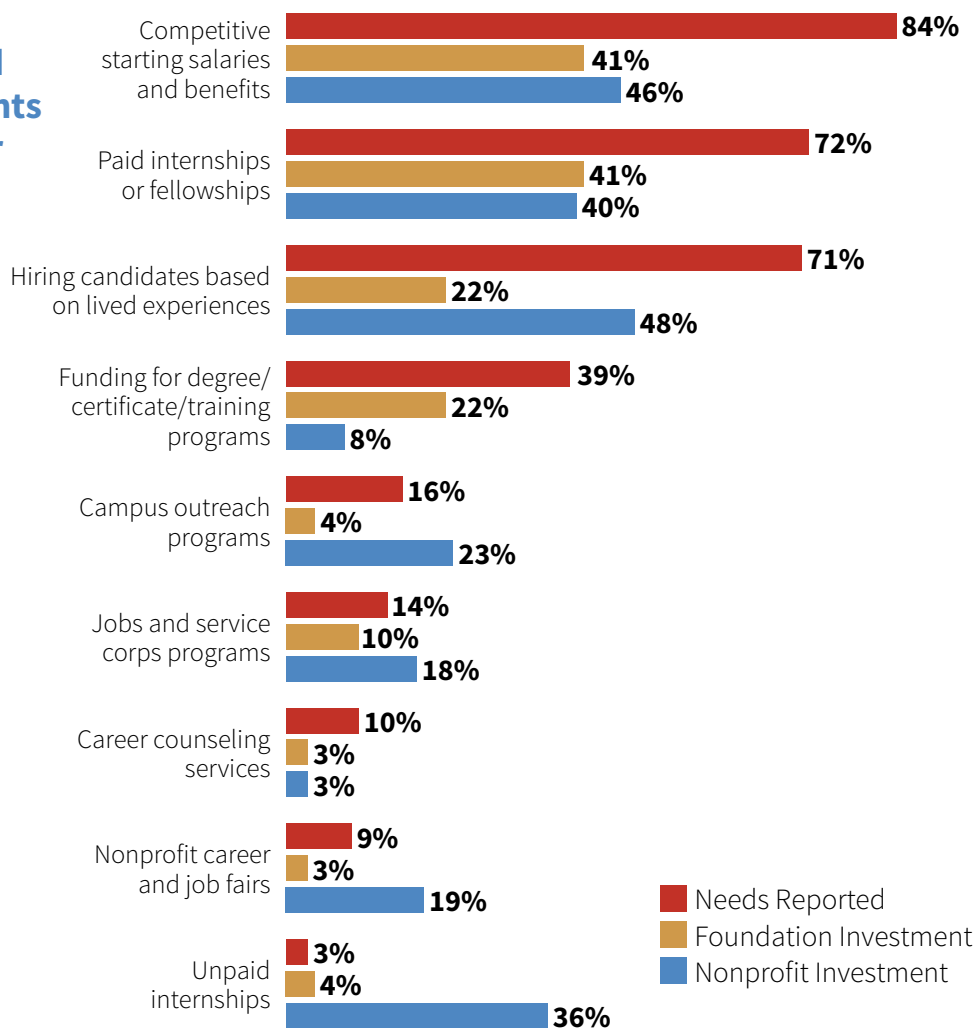
Disagreement About Barriers to Entry
Nonprofit, Funder, Consultant Perceptions Vary.

In Figure 18, nonprofit staff (86%) more frequently cited competitive starting salaries and benefits as the best practice for supporting equitable and inclusive access, while foundation staff (81%) most commonly cited paid internships or fellowships. These differences demonstrate a clear dissonance between the needs of nonprofits and the perceptions of those with the resources to support them. Funders appear more interested in backing short-term fellowships and internships than in providing grantee organizations with the financial support for better pay and staff training. Other recent studies, such as those conducted by the Bridgespan Group and Center for Effective Philanthropy, identify major differences between what nonprofits say they need to recruit and develop talent, and the types of support foundations actually provide.[8, 9]

Figure 18.
Perception of Practices that Best Advance Equitable Access, by Role in Sector

Competitive starting salaries and benefits
- 70%
- 75%
- 86%

Paid internships or fellowships
- 76%
- 81%
- 71%

■ Consultant to Nonprofits and/or Funders
■ Foundation/Grantmaking/Funder
■ Nonprofit
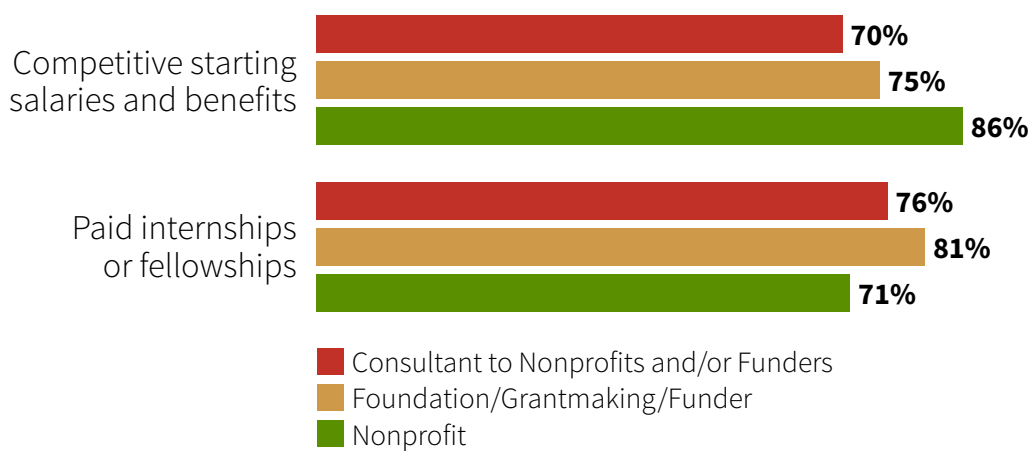
In open-ended responses, nonprofit, foundation, and consultant respondents emphasized other important strategies for attracting and hiring diverse talent. These practices include recruiting from within the community served by the organization, evaluating implicit biases in hiring, redacting information on applications such as the names of colleges and universities, and establishing more inclusive hiring criteria such as giving credit for lived experience and not just conventional education credentials.

ADVANCEMENT

We sought to better understand the challenges nonprofit workers face during the "advancement" phase of their careers, and how unequal distribution of social and financial capital hurts retention and career progression. By social capital, we refer to formal and informal mentoring, "sponsorship" (vouching for, opening doors, offering advice, etc.), networking opportunities, and access to professional networks. Financial capital includes assets such as wealth, wages, fringe benefits, lack of educational debt, and retirement savings.

Barriers to Advancement

Burnout, limited room for advancement, and poor salaries and benefits make remaining and progressing in the sector difficult for all nonprofit talent. People of color, however, experience even more barriers including exclusionary organizational cultures and less mentoring, training, and access to professional networks.

There is consensus among white (64%) and nonprofit professionals of color (64%) that heavy workloads leading to burnout make remaining in the sector difficult (Figure 19). Similar percentages of people of color and white respondents also reported limited room for promotion in nonprofit organizations and poor salaries and benefits as major challenges to advancing their careers. People of color, however, are overwhelmingly more likely to report experiencing barriers to retention and growth in the sector. Respondents of color more frequently cited limited room for advancement (56%), poor leadership and management (45%), exclusionary organizational practices (44%), an inability to save for retirement or pay student loan debt (40%), limited or no opportunities for mentorships (40%), and limited or no internal cross-training (37%).

In open-ended responses, participants shared other barriers that significantly limited their ability to advance in the sector. These barriers include institutional racism and bias among leadership, nepotism and lacking the network connections to influence promotion or retention decisions. In interviews and focus groups, nonprofit professionals of color who had difficulty establishing key mentoring relationships cited issues with poor management and/or frequent leadership turnover. Without connections, they indicated how they had a difficult time gaining access to opportunities they might have under more stable leadership. In these discussions, people of color also emphasized the importance of competitive salaries and work-life balance. While both people of color and white survey respondents indicated that low salaries and heavy workloads leading to burnout were the reason some abandon the nonprofit world altogether, people of color appear to be experiencing this stress more profoundly. The heavy workloads associated with nonprofit careers are complicated by the reality that the burden often falls to the lone person of color to represent the voice of their community, which is a commonly acknowledged scenario in nonprofit organizations. This emotional labor is often undervalued and performed without offers of additional benefits or compensation.[10]

Qualifications needed to advance careers in sector pose greater hurdle for people of color.

People of color further along in their careers are more likely to report not having the credentials to advance to the next level (Figure 19). There is a five point percentage difference between white and people of color respondents reporting that they lacked qualifications to move ahead in the sector. The same educational requirements that pose a challenge for people of color when first entering the sector, may continue to a lesser extent, to prevent their advancement to more senior roles in nonprofit organizations. However, we found no statistically significant differences in education between white and nonprofit professionals of color in our sample. As we outline in the ascension to leadership section of this report, other factors beyond education, such as the ability to cultivate relationships with funders, is often colored by biases held by white board members and leaders that contribute to less diverse executive leadership in nonprofits. These biases may be internalized and shape the perceptions of people of color as they assess their qualifications for senior roles in the sector.[11]

Figure 19.

Barriers to Career Advancement, White vs. People of Color

(Bold Statements Indicate Significant Differences)

Barrier	White	Person of Color
Heavy workload / burnout	63%	64%
Limited room for advancement	53%	56%
Low salaries / poor benefits	51%	50%
There is poor leadership and management	36%	45%
Organizational culture is exclusionary	23%	44%
Can't save for retirement / pay student debt	37%	40%
Limited / no mentorships	24%	40%
Limited / no internal cross-training	29%	37%
Limited support to attend conferences	29%	30%
Limited / no access to professional networks	12%	17%
Lack qualifications to advance	10%	15%

Practices that Facilitate Advancement

*Inclusive organizational cultures and intentional efforts to hire and develop
diverse staff help create the conditions for people of color to advance in the sector.*

When it comes to factors that helped nonprofit professionals get ahead in the sector, respondents of color (Figure 20) cited equitable and inclusive organizational culture (32%), efforts to hire diverse staff (29%), and formal mentorships (19%); while white respondents more commonly pointed to skill-focused training (42%). People of color when asked which practices participants believe are most effective in facilitating advancement in the sector, were less likely than whites to view a well-functioning human resources department, skills-focused training, and networking opportunities as resources that would support their advancement within the sector (Figure 21).

Figure 20.

Opportunities that Supported Career Advancement, White vs. People of Color
(Bold Statements Indicate Significant Differences)

	White	People of Color
Informal mentorships	53%	47%
Leadership training and development	43%	46%
Access to networking opportunities	49%	45%
Competitive benefits packages	39%	36%
Competitive salary increases	35%	32%
Equitable / inclusive organizational culture	23%	32%
Skill-focused training and development	42%	31%
Offered work-life balance, no burnout	31%	29%
Hiring / developing / promoting diverse staff	15%	29%
Memberships in professional organizations	30%	23%
Formal mentorships	10%	19%
Funding for degree / training programs	9%	15%
Well-functioning HR infrastructure	17%	14%

Figure 21.

Perception of Talent-Investment Practices that Best Support Advancement for People of Color, White vs. People of Color
(Bold Statements Indicate Significant Differences)
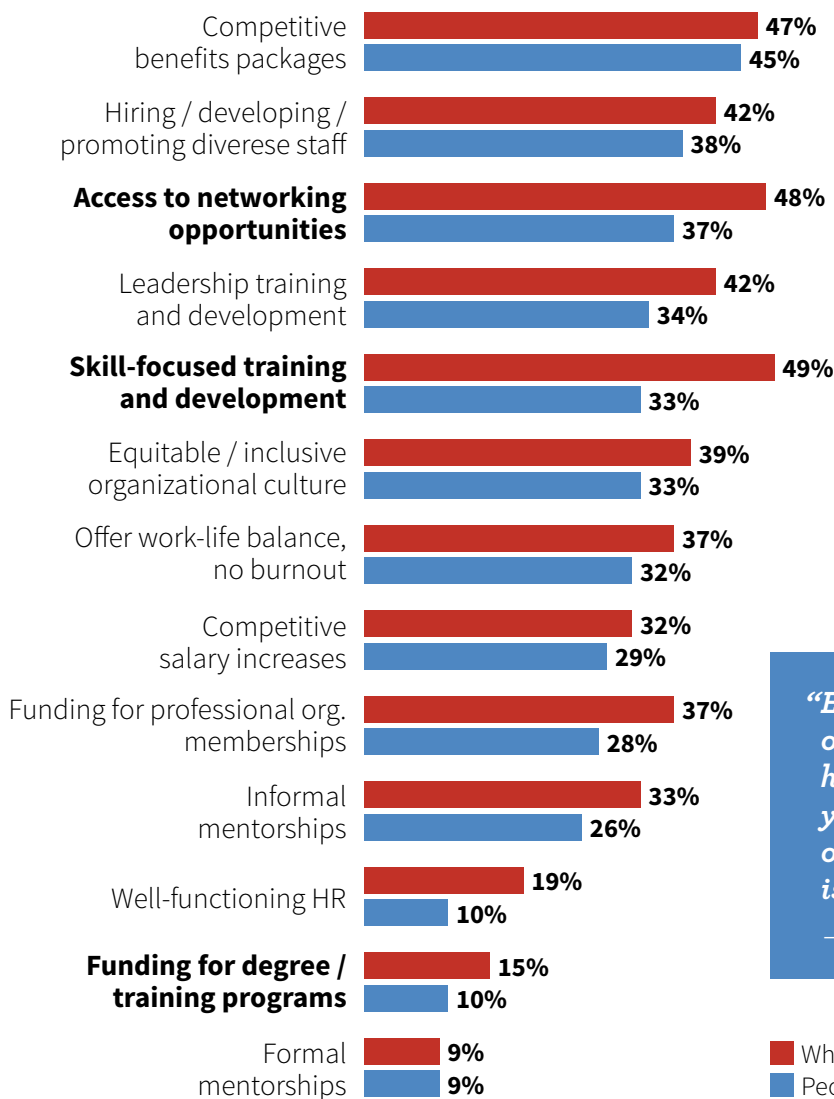
Practice	White	People of Color
Competitive benefits packages	47%	45%
Hiring / developing / promoting diverese staff	42%	38%
Access to networking opportunities	48%	37%
Leadership training and development	42%	34%
Skill-focused training and development	49%	33%
Equitable / inclusive organizational culture	39%	33%
Offer work-life balance, no burnout	37%	32%
Competitive salary increases	32%	29%
Funding for professional org. memberships	37%	28%
Informal mentorships	33%	26%
Well-functioning HR	19%	10%
Funding for degree / training programs	15%	10%
Formal mentorships	9%	9%

White
People of Color

"Even if you're sitting on the board of an organization that deals with hunger, don't talk about the fact that you experience trauma.... Bringing our real lives and real selves to work is [considered] unprofessional."

—Non-binary, Latinx, mid-level nonprofit employee

It is clear from the top barriers and talent investment practices identified by people of color, organizational culture is critical to their ability to advance in the sector. In the survey, focus groups, and interviews, nonprofit professionals of color indicated their careers were harmed when the work environment was exclusionary, and pointed to that as a common barrier to advancement and retention. Nonprofit professionals of color reported that an unsupportive culture can produce a disconnect between the mission of that organization, and the day-to-day experience of the organization, particularly when the workplace is structured around white majority norms.

Nonprofit organizations often mirror the dominant culture and can be disconnected from the people they serve. People of color and those from other underrepresented groups often struggle in white dominant environments, and feel pressure to render their marginalized identities invisible when at work.[12] As one interview participant noted, *"Even if you're sitting on the board of an organization that deals with hunger, don't talk about the fact that you experience trauma.... Bringing our real lives and real selves to work is [considered] unprofessional."*

Exclusionary Culture and Immigrants

Respondents' perceptions of practices that support people of color being retained and promoted did not differ much by age, gender, sexual identity, education, or disability status. However having an immigrant experience (Figure 22) did prove to be a significant factor. Those surveyed who were children of one or more foreign-born parents, were significantly more likely to report exclusionary culture and practices as a barrier to advancement (43%) than either those born outside the U.S. (30%) or those with no immediate immigration experience (22%). For second-generation respondents, being an American closely tied them to the immigration experience of their parents, and may create a more keen awareness and sensitivity to the contrast between white majority cultural norms that pervade some nonprofit workplaces, and the cultural norms embraced by their own families and communities.

Figure 22.
Impact of Exclusionary Organizational Culture, by Immigration Experience
(Bold Statements Indicate Significant Differences)

**I was born in the U.S. or U.S. territories
One or both of my parents migrated to the U.S.** — 43%

Born outside of the U.S. or U.S. territories — 30%

I was born in the U.S. or U.S. territories — 22%

Current Investments Fall Short of Needs
Funders and nonprofits are not doing enough to address workplace inequities that hinder the advancement for people of color in the sector.

Figure 23 summarizes the practices (orange and blue bars) that are currently being implemented by nonprofits and foundations. The orange bar—unfulfilled "needs"—represents what nonprofit respondents and foundation respondents believe is most needed to facilitate the advancement for people of color in nonprofit organizations. The data shows the actual implementation or current levels of investment in the listed talent-investment practices are not keeping up with reported needs.

The differences between nonprofit and foundation respondents are less prevalent in the advancement phase than in the access phase of the nonprofit life cycle. There are, however, some notable divergences in the data. First, the need for a well-functioning HR infrastructure and equitable organizational cultures outpace their corresponding investments by nonprofits and funders. Although 30% of nonprofit and foundation respondents agree that a well-functioning HR

infrastructure is important for workforce equity, only 16% of foundations report providing funding for grantees to support efforts in this area. A similar percentage (16%) of nonprofits report they're currently investing in practices to strengthen their HR infrastructure. Similarly, 60% of foundation and nonprofit respondents state that equitable and inclusive organizational cultures and practices are needed; however only 38% and 26% of nonprofits and foundations, respectively, say their organizations are currently investing in these practices. In general, nonprofits appear to make investments in several practices at rates higher than those reportedly needed, notably including benefits packages (46% implementation; 26% need) and informal mentorships (31% implementation, 17% need).

Figure 23.

**Current Nonprofit and
Foundation Investments
vs. Perceived Need for
Investments—Advancement**

**Equitable and inclusive
organizational culture**
- Needs Reported: 60%
- Foundation Investment: 26%
- Nonprofit Investment: 38%

**Hire, develop, promote
diverse staff**
- Needs Reported: 50%
- Foundation Investment: 26%
- Nonprofit Investment: 41%

**Competitive salary
increases**
- Needs Reported: 47%
- Foundation Investment: 18%
- Nonprofit Investment: 31%

**Leadership
training**
- Needs Reported: 35%
- Foundation Investment: 43%
- Nonprofit Investment: 40%

**Formal
mentorships**
- Needs Reported: 33%
- Foundation Investment: 14%
- Nonprofit Investment: 9%

**Well-functioning HR
infrastructure and culture**
- Needs Reported: 30%
- Foundation Investment: 16%
- Nonprofit Investment: 16%

**Competitive
benefits packages**
- Needs Reported: 26%
- Foundation Investment: 24%
- Nonprofit Investment: 46%

**Offer work-life balance,
promote wellness**
- Needs Reported: 24%
- Foundation Investment: 18%
- Nonprofit Investment: 36%

**Skill-focused
training**
- Needs Reported: 22%
- Foundation Investment: 30%
- Nonprofit Investment: 45%

**Access to networking
opportunities**
- Needs Reported: 20%
- Foundation Investment: 38%
- Nonprofit Investment: 45%

**Informal
mentorships**
- Needs Reported: 17%
- Foundation Investment: 18%
- Nonprofit Investment: 31%

**Funding for degree /
training programs**
- Needs Reported: 13%
- Foundation Investment: 15%
- Nonprofit Investment: 13%

**Funding for memberships
in professional orgs**
- Needs Reported: 11%
- Foundation Investment: 26%
- Nonprofit Investment: 35%

Legend:
- Needs Reported
- Foundation Investment
- Nonprofit Investment

Nonprofit and foundation professionals, and consultants who work with them, were of differing opinions about the practices they believe best support retention and advancement for people of color in the nonprofit sector (Figure 24). Foundation professionals more frequently mentioned a well-functioning human resources infrastructure (38%) and a supportive organizational culture as fostering conditions for advancement, while nonprofit employees more often cited competitive benefits packages (29%) and competitive salaries (50%). Foundation staff more often cited formal mentorships (49%) than nonprofit professionals and consultants.

Figure 24.

Perception of Practices that Best Support Equitable Advancement, by Role In Sector

Competitive salary increases: 28% Consultant, 32% Foundation, 50% Nonprofit
Formal mentorships: 32% Consultant, 49% Foundation, 32% Nonprofit
Competitive benefits packages: 13% Consultant, 15% Foundation, 29% Nonprofit
Well-functioning HR infrastructure: 34% Consultant, 38% Foundation, 28% Nonprofit

■ Consultant to Nonprofits and/or Funders
■ Foundation/Grantmaking/Funder
■ Nonprofit

"Some of the most important things that funders can do is to show that [diversity] matters to them"
—White female foundation professional

ASCENSION

For the ascension phase, we explored the dynamics of inequity in executive transitions to leadership. When organizations hire people of color and/or those from other historically marginalized groups to succeed long-serving white CEOs, the new leaders are too often set up to fail by their boards and funders. For example, funders can destabilize an organization and damage the perception of a new leader by taking a "wait-and-see" attitude before deciding to renew funding based on whether or not the incoming executive is perceived as successful. This is a complex issue related to race, relationship-based fundraising, power, trust, communication, and the exhausting and dysfunctional nature of many executive transitions. Succession planning, sabbaticals, funding that spans the transition period and offers an exit ramp for outgoing executives along with an extended onramp for new executives, and related talent-investment practices can be useful tools for making people of colors' ascension to nonprofit leadership positions smoother and long-lasting.

Barriers to Ascension

People of color and immigrants experience more challenges, including bias and discrimination, after assuming leadership roles in nonprofit organizations.

Similar to the access and advancement phases, people of color were more likely to report barriers as they ascended to leadership positions (Figure 25). The challenges more frequently experienced by people of color as they assumed leadership positions include poor support for new leaders (42%), feeling pressure not to make mistakes (36%), current leadership that does not vacate (29%), a lack of relationships with funders (28%), a "wait-and-see" approach used by funders (21%), and bias and discrimination in hiring or performance evaluations (19%).

Senior executives of color more frequently pointed to the failure of their predecessor to fully depart the organization as an impediment to them rising to the top. They were also more likely to report being unable to see themselves in a leadership role, and a lack of relationships with funders and organizational partners. It may be that the perceived paucity of relationships and/or social capital sowed doubt about a person of color succeeding in the executive realm. Alternatively or concurrently, whites and other people of color who serve as board members, funders, or even nonprofit employees may view candidates of color as lacking social capital, particularly when it comes to the pivotal duty that executive directors have to raise what may be millions of dollars for operational funding. As one survey participant noted, *"Leadership plans that transition power to [people of color]"* have been key. Many respondents added that a board willing to step out of the way and allow new leaders to make their own choices, is critical to the success of a nonprofit leader. Others noted that programs designed specifically for leaders of color, as well as mentoring by the outgoing executive, make a huge difference. *"We had a transition team which included support for me as interim director... I had a life coach, and the prior executive director spent a ton of time transitioning relationships to me."*

Although foundation professionals in our philanthropy focus group stated they were unaware of funders taking a "wait-and-see" approach when a leader of color came to power, it is evident from the survey data that senior executives of color, as well as their white counterparts, experienced this phenomenon at least to some degree. One foundation professional of color shared a concern that, given the historically white leadership in the art sector, one of their grantee organizations might face a downturn in donations from white donors because a new leader of color had become executive director.
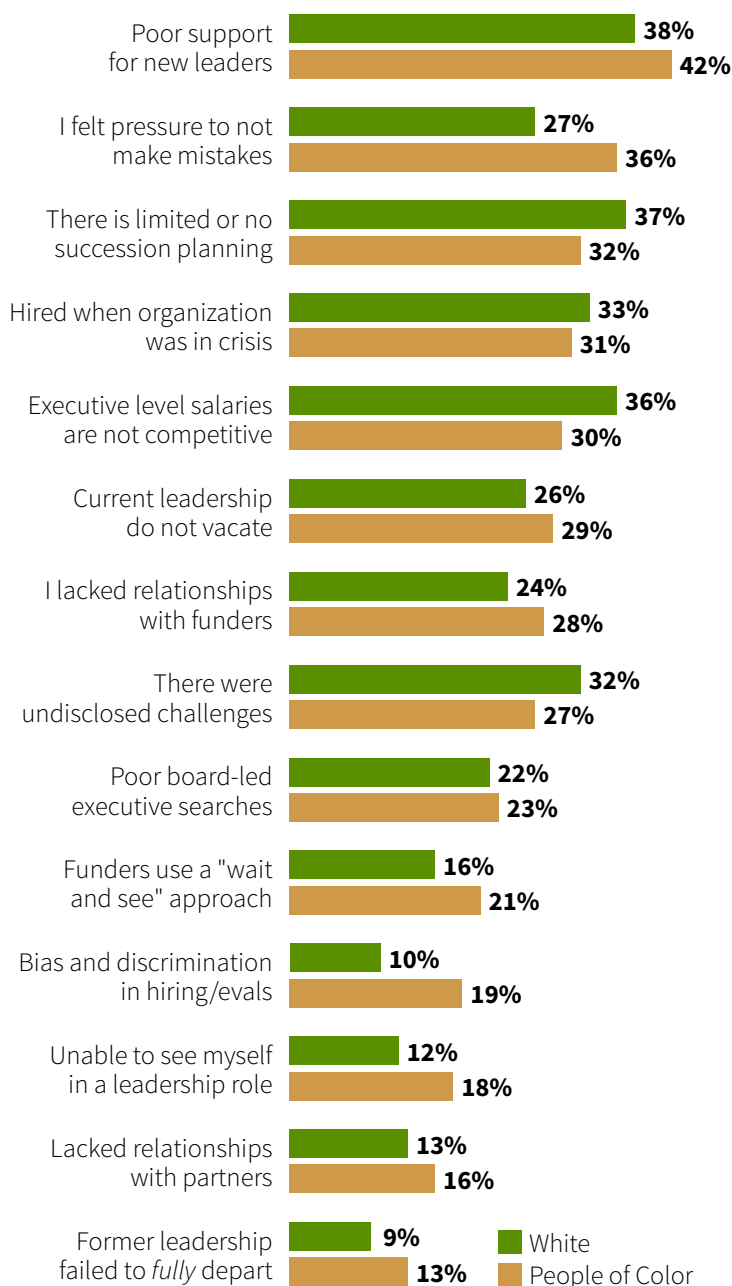

"I think it's important for board members and foundations to recognize that, for better or for worse, they are giving people a chance at leadership that they may not have had...but they're also giving them a really short hand. They're giving them a stacked deck."
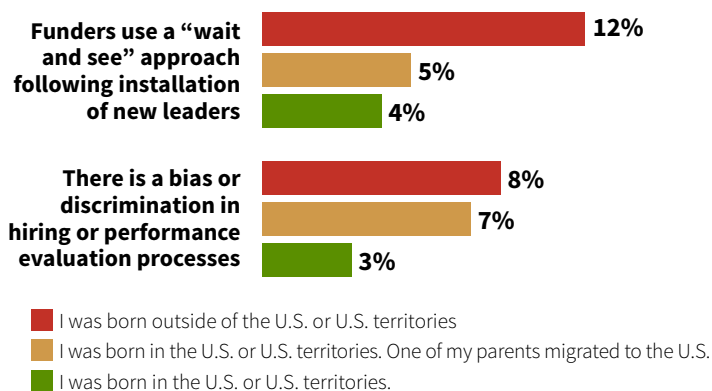
—Asian female nonprofit leader

Figure 25.
Barriers to Equitable and Inclusive Ascension, White vs. People of Color

Barrier	White	People of Color
Poor support for new leaders	38%	42%
I felt pressure to not make mistakes	27%	36%
There is limited or no succession planning	37%	32%
Hired when organization was in crisis	33%	31%
Executive level salaries are not competitive	36%	30%
Current leadership do not vacate	26%	29%
I lacked relationships with funders	24%	28%
There were undisclosed challenges	32%	27%
Poor board-led executive searches	22%	23%
Funders use a "wait and see" approach	16%	21%
Bias and discrimination in hiring/evals	10%	19%
Unable to see myself in a leadership role	12%	18%
Lacked relationships with partners	13%	16%
Former leadership failed to *fully* depart	9%	13%

Legend: White / People of Color

As summarized in Figure 26, respondents born outside the U.S. were significantly more likely to cite the "wait-and-see" approach to funding as a barrier (12%) relative to other groups. Conversely, those born in the U.S. to U.S.-born parents were least likely to say that bias in hiring and evaluation was a hindrance to their ascension.

Figure 26.
Barriers to Equitable and Inclusive Ascension, by Immigration Experience

Barrier	Born outside U.S.	Born in U.S., one parent migrated	Born in U.S.
Funders use a "wait and see" approach following installation of new leaders	12%	5%	4%
There is a bias or discrimination in hiring or performance evaluation processes	8%	7%	3%

■ I was born outside of the U.S. or U.S. territories
■ I was born in the U.S. or U.S. territories. One of my parents migrated to the U.S.
■ I was born in the U.S. or U.S. territories.

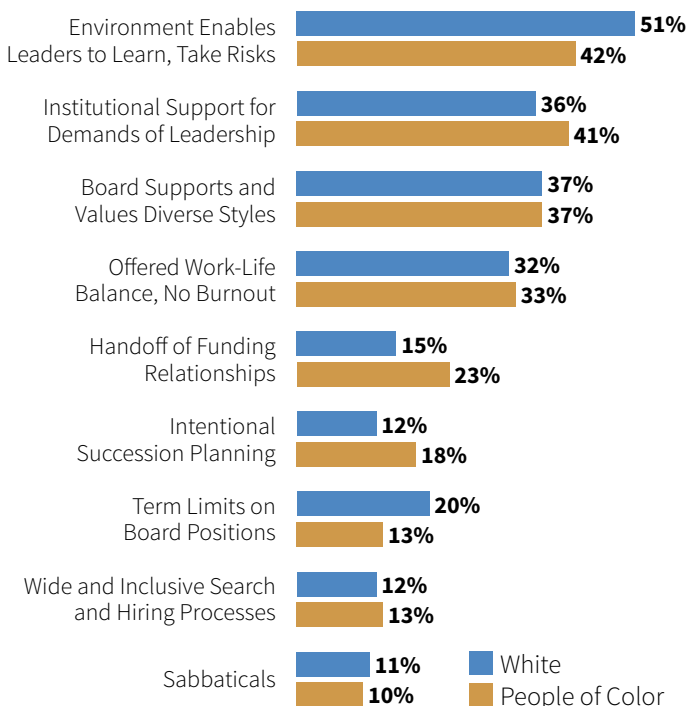## Practices that Facilitate Ascension to Leadership
Environments that encourage learning and risk-taking are critical for the success of new leaders, but are less often available to leaders of color.

Nonprofit leaders of color and their white counterparts report in similar order of frequency several practices that were key to their successful ascension to leadership (Figure 27). These include an environment that enables leaders to learn and take risks, opportunities to balance their work to avoid burnout, board support of diverse leadership styles, and institutional support for the demands of leadership. Of particular note is the nearly 10 point difference in white leaders (51%) reporting that they benefited from an environment that allowed them to learn and take risks compared to 42% of leaders of color reporting a similar experience. Although experienced less frequently by all leaders in the sample, intentional succession planning and transitioning of funding relationships from the current to new executive director were especially valuable for new leaders of color.
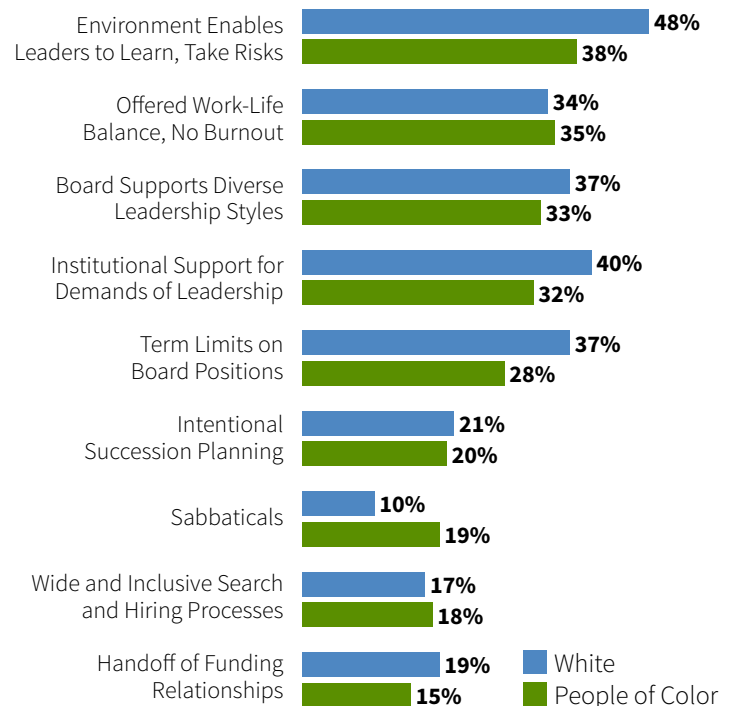
Fund the People

Across racial groups, respondents were similar in their perceptions of practices that facilitate equitable and inclusive ascension to leadership (Figure 28). However, sabbaticals stood out as a window of opportunity for people of color to assume leadership positions. Nearly 20% of people of color, compared to 10% of white respondents, noted that sabbaticals were important avenues to leadership.

Figure 28.

**Perception of practices that
Best Support Equitable Ascension,
White vs. People of Color**

Practice	White	People of Color
Environment Enables Leaders to Learn, Take Risks	48%	38%
Offered Work-Life Balance, No Burnout	34%	35%
Board Supports Diverse Leadership Styles	37%	33%
Institutional Support for Demands of Leadership	40%	32%
Term Limits on Board Positions	37%	28%
Intentional Succession Planning	21%	20%
Sabbaticals	10%	19%
Wide and Inclusive Search and Hiring Processes	17%	18%
Handoff of Funding Relationships	19%	15%

Figure 27.

**Opportunities that Supported Ascension
to Leadership, White vs. People of Color**

Opportunity	White	People of Color
Environment Enables Leaders to Learn, Take Risks	51%	42%
Institutional Support for Demands of Leadership	36%	41%
Board Supports and Values Diverse Styles	37%	37%
Offered Work-Life Balance, No Burnout	32%	33%
Handoff of Funding Relationships	15%	23%
Intentional Succession Planning	12%	18%
Term Limits on Board Positions	20%	13%
Wide and Inclusive Search and Hiring Processes	12%	13%
Sabbaticals	11%	10%

"We had a transition team which included support for me as interim director... I had a life coach, and the prior executive director spent a ton of time transitioning relationships to me."

—Latino female nonprofit executive

Fund the People

Current Investments and Needs

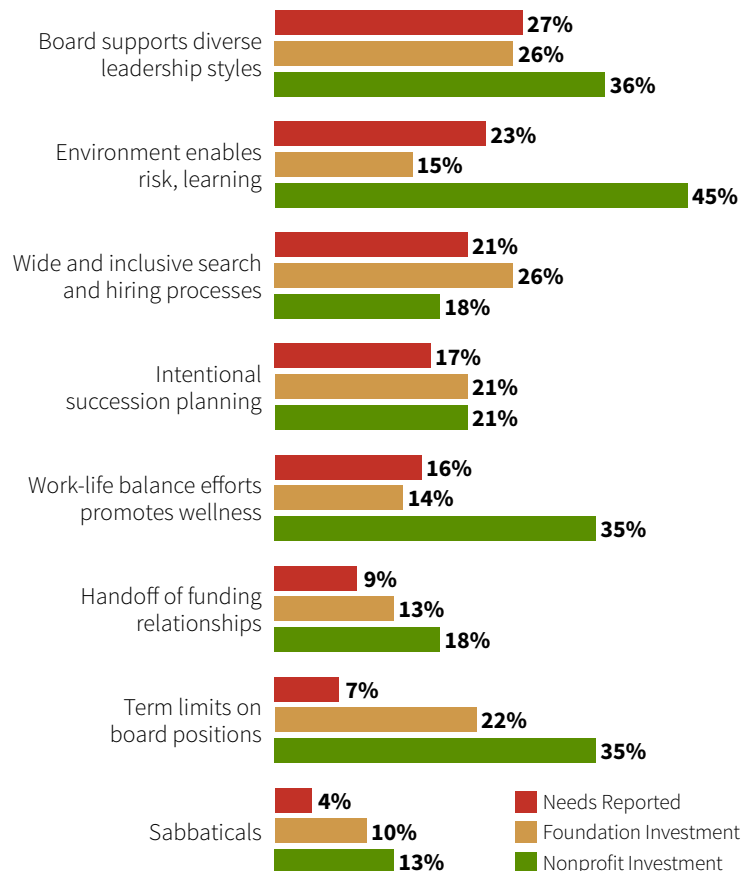*In contrast to the access and advancement
phases, talent-investments for senior
leaders generally outpace reported needs.*

Figure 29 summarizes the practices (orange and green
bars) currently being implemented by nonprofits and
foundations vs. respondents' perceptions (red bars)
of how effective these approaches are in arriving at
equitable and inclusive leadership. Those surveyed
were asked to pick the top strategies they believe
support diverse executive leadership in the nonprofit
sector. The red bar, classified as unfulfilled "needs,"
demonstrates a gap between the practices nonprofit
and foundation professionals believe foster equity for
people of color to ascend, and the level at which they
are actually implementing and supporting those
practices (orange and green bars).

In contrast to the access and advancement phases,
at the upper end of the nonprofit career lifecycle,
most investments appear to be implemented at rates
that outpace needs. Figures 17, 23, and 29 collectively
suggest that talent-investment needs are more likely
to be met at higher levels of leadership in nonprofit
organizations.

Figure 29.

Nonprofit and Foundation Investments vs. Respondent Needs—Ascension to Leadership

Category	Needs Reported	Foundation Investment	Nonprofit Investment
Board supports diverse leadership styles	27%	26%	36%
Environment enables risk, learning	23%	15%	45%
Wide and inclusive search and hiring processes	21%	26%	18%
Intentional succession planning	17%	21%	21%
Work-life balance efforts promotes wellness	16%	14%	35%
Handoff of funding relationships	9%	13%	18%
Term limits on board positions	7%	22%	35%
Sabbaticals	4%	10%	13%

*"Centering racial justice in your
mission and not having a racist
board provide the foundation for
equitable and inclusive leadership
in nonprofit organizations."*

—Black female consultant

In open-ended responses, the need to put racial justice front and center emerged as a strong theme. For example, one respondent noted that their nonprofit employer's intentional discussions about race and racism helped them to succeed at the executive level. One foundation representative stated that their investments in diversity, equity, and inclusive capacity building, helped to support the selection and development of leaders of color among their grantee organizations. As professionals ascend to leadership in the sector, several respondents pointed to the need to address implicit bias and structural barriers, as well as *"practices that dismantle white [supremacist] thinking and culture in the nonprofit sector."* Another respondent succinctly stated, *"centering racial justice in your mission and not having a racist board"* provide the foundation for equitable and inclusive leadership in nonprofit organizations.
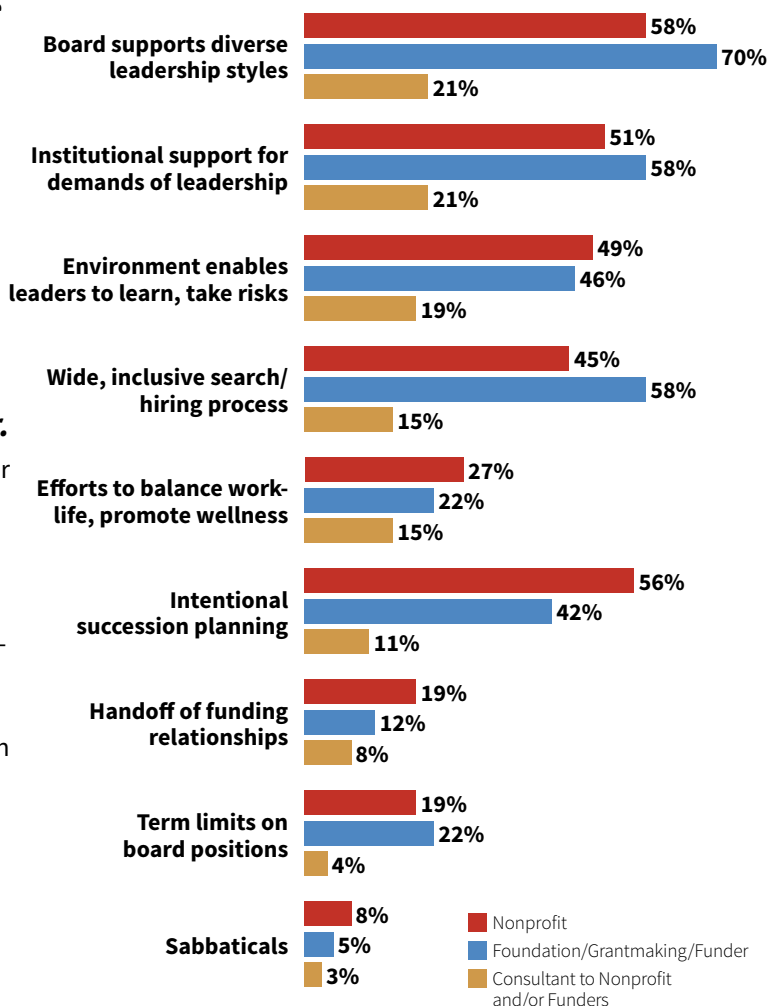
Nonprofit, Funder, and Consultant Views Vary

Senior nonprofit leaders are less optimistic about the potential for talent-investment practices to create equitable playing field for leaders of color.

Senior leaders at nonprofits, foundation staff, and sector consultants identified the talent-investment practices they believe best support equitable and inclusive leadership in nonprofit organizations. In all nine categories there were statistically significant differences; they are listed in order from respondents' most to least frequently identified practices (Figure 30). The overall pattern suggests that nonprofit leaders are generally less likely to perceive any of the strategies as being effective within the sector. It's likely that nonprofit professionals have more direct experience with the ways in which these practices may be poorly implemented. Conversely, it may be that respondents who do not work within a nonprofit organization are more optimistic about the potential of these efforts.

Among the nine talent-investment practices supporting the success of nonprofit executives, the most striking differences were observed in institutional support for the demands of leadership. Only 21% of nonprofit respondents cited this practice compared to 58% of funders, and 51% of consultants. Similarly, the presence

of a board that supports diverse leadership styles was only identified by 21% of nonprofit leaders. In contrast, 70% of foundation staff, and 58% of consultants view this practice as important for creating the conditions for equitable and inclusive ascension to leadership.

Figure 30.
Perception of Practices that Best Support Equitable Ascension to Leadership, by Role in Sector

Practice	Nonprofit	Foundation/Grantmaking/Funder	Consultant to Nonprofit and/or Funders
Board supports diverse leadership styles	58%	70%	21%
Institutional support for demands of leadership	51%	58%	21%
Environment enables leaders to learn, take risks	49%	46%	19%
Wide, inclusive search/ hiring process	45%	58%	15%
Efforts to balance work-life, promote wellness	27%	22%	15%
Intentional succession planning	56%	42%	11%
Handoff of funding relationships	19%	12%	8%
Term limits on board positions	19%	22%	4%
Sabbaticals	8%	5%	3%

**Fund the
People**

CONCLUSIONS & RECOMMENDATIONS

The results of this study point to consistent patterns of systemic exclusion that inhibit the careers of people of color, women, young people, and immigrants in non-profit organizations. Even when people of color share the same educational backgrounds and income levels as their white counterparts, racial bias and inequity shape their career trajectory. Across all three phases of the nonprofit career life-cycle, people of color report experiencing more barriers and unique challenges to access, advancement, and ascension in the sector. In qualitative and survey data, people of color identified a preponderance of significant barriers, including: low salaries; poor leadership; limited prospects for advancement; heavy workloads that lead to poor work-life balance. In a sector primarily comprised of women, the impact of these inequities on women of color are compounded by additional pressures to conform in exclusionary work environments, represent or be the voice of their racial or ethnic group, and perform undervalued emotional labor without additional benefits or compensation.

The impact of exclusionary organizational cultures and practices were also hard felt by immigrant leaders in the sector. Nonprofit professionals with one or more foreign-born parents were significantly more likely to report exclusionary culture and practices as a barrier to advancement than either those born outside the U.S. or those with no immediate immigration experience (22%). Additionally, senior nonprofit leaders of color and those born outside the U.S. were significantly more likely to say that their ability to succeed was hindered by funders took a "wait-and-see" approach following their ascension to leadership.

Unpaid internships and the low-pay associated with early-career jobs also emerged as a significant way that commonly accepted practices in the sector reinforce systemic inequities by race and social class. Young nonprofit workers, for example, especially feel the pain of low-paying, entry-level jobs more than professionals from preceding generations did when they started their

careers. Younger employees are often struggling with student loan debt and rising costs of housing, health care, and childcare. Millennials are pinched in ways that previous generations were not, and consequently may be more likely to perceive low-paying, entry-level positions as a particularly high hurdle to overcome.

Talent justice is necessary to address the inequities experienced by nonprofit professionals of color and others across the sector. The inequities highlighted in this report prevent the talents of diverse professionals including people of color, women, immigrants, and young people from being fully realized and brought to bear in service of the organizations and the communities they serve. To build more equitable organizations that effectively leverage the talents of all nonprofit professionals, funder and nonprofits must be willing to invest in the transformation of sector-wide and organizational systems, cultures, and practices. Part of this work necessitates challenging who wields power in the sector and the exploitative practices that extract labor from employees in the name of doing more with less resources.

Strategies for promoting talent justice that emerged from this study are highlighted below. The accompanying Toolkit provides more details, resources, and case studies to help nonprofits and funders invest in creating racially just and equitable nonprofit workplaces.

Improve Compensation for Early-Career Professionals and Across the Nonprofit Career Lifecycle

Overwhelmingly, study findings indicate that people of color and young people are feeling burdened by unpaid internships and low-paying, entry-level jobs in the early phases of their careers. Foundations can invest in improving access to the sector by enabling grantees to host paid internships and fellowships, along with funding competitive starting salaries and benefits. Funders can also enable grantees to work with consultants who can help them develop rational, market-based compensation packages and pay scales. Efforts along these lines will help dismantle structural barriers that reinforce racial and economic inequities that may deter diverse talent from pursuing and launching nonprofit careers.

Design Fair Apprenticeship Experiences

In both qualitative and survey data, respondents identified paid internships, competitive starting salaries, and hiring based on lived experience as three key ways to facilitate equitable access to nonprofit work. The sector should approach internships and job corps programs as mutually beneficial relationships that provide meaningful training and professional experiences at a foundational point in a nonprofit professional's career. Nonprofits can reduce racial and socio-economic barriers to these opportunities through targeted recruitment strategies and fair compensation.

Challenge White Dominant Cultural Norms

White dominant culture often prioritizes perfection and formality, measurable outcomes, and hierarchical power structures. Most U.S. workplaces are guided by white dominant cultural norms, which are often unnoticed in organizations that are predominantly white, but also practiced in more diverse organizations. To advance talent justice, nonprofits should develop organizational cultures that truly value diverse backgrounds and experiences to make room for different types of thinking, management, leadership, and forms of evaluation.

Reduce Staff Burnout and Manage Stress

Nonprofits should think more holistically about the needs of their staff and develop structural and interpersonal opportunities to proactively address burnout and manage stress. Organizations can create a healthy and balanced organizational culture by clarifying goals and priorities for staff; no longer glorifying overwork; developing feedback mechanisms so that constructive and corrective criticism do not feel like attacks; and prioritizing staff safety and health. Additionally, nonprofits should focus on mediating conflict, supporting staff of color in achieving equity, and developing tools for white employees to address their biases.

Eliminate Bias in Recruitment, Hiring, and Performance Evaluations

Strategies for reducing racial bias in hiring, promotion, and performance evaluations should be part of an organization's commitment to making racial justice a top priority. Reducing the unintentional influence of bias can generate pools of racially diverse candidates for open positions and reduce the undervaluing and overly critical performance evaluations that marginalized employees often experience in workplaces. Implicit bias training, standardized interview processes, and clear and specific criteria for performance reviews are some of the steps organizations can take to interrupt bias.

Make Intentional Succession Planning a Priority

Poor succession planning is a major barrier to equitable and inclusive leadership transitions. Lack of opportunities at the senior-leadership level also hamper ascension, particularly for people of color. Improving succession planning was the most commonly mentioned practice for facilitating a fruitful transition into positional leadership in nonprofit organizations. This process can be better facilitated through intentional planning that includes building a diverse bench of potential candidates, training, and institutional support for new leaders, and transitioning or expanding funding relationships from current executive directors to high-potential senior staff and incoming executive directors. Foundations should also be mindful of the tendency to take a "wait-and-see" approach to funding when new leaders assume executive director and CEO positions. Both white and senior nonprofit leaders of color reported this as a practice, with people of color nearly two times more likely to say that this practice hinders successful executive transitions.

> **Across focus groups and interviews, improving succession planning was the most commonly mentioned practice for facilitating a fruitful transition into leadership in nonprofit organizations.**

Invest in Diverse Talent Wide and Inclusive Search Processes

Study participants emphasized the need for organization's to make a more concentrated effort to attract, develop, and promote individuals from diverse backgrounds. Foundations can partner with grantees to create a pipeline of diverse leaders by forming relationships with rising talent at grantee organizations and investing in coaching and leadership development opportunities within and beyond those institutions. Funders can also support the pipeline of talent within nonprofits by providing resources that enable organizations to invest in their talent at all levels. In addition to general support funds, foundations should provide more specific forms of backing to assist boards and search committees with the structural aspects of the executive transition and search process (e.g., hiring a search firm that demonstrates a commitment to and a successful track record with advancing equity in senior leadership, along with training opportunities for the top tier).

Use Sabbaticals to Develop New Leaders

Sabbatical programs that encourage executives to intentionally vacate their positions for a few months as part of the organization's leadership development strategy can provide opportunities to develop high-potential senior leaders. This planned vacancy allows others to temporarily step up and take over management responsibilities, trying on new roles in a relatively safe and supported context. This approach demonstrates a commitment to developing senior leaders from within an organization's own ranks and prepares potential leaders more effectively for ascension.

Place High-Value on Diverse Leadership Styles

Nonprofits must be willing to fully embody equity and inclusion and that means going beyond representation alone. Diverse leadership means using the right leadership style for a team, a moment, and a movement. An organization that values diverse leadership styles must be willing to redefine what leadership looks like, enable new leaders to be vulnerable and take risks, and be open to team-based and other leadership approaches that may be informed by generation, culture, gender, and other differences in experience and expertise.

STUDY METHODOLOGY

Data shared in this report were gathered three ways:

An Online Survey

Conducted over six weeks in the field, the survey was distributed via email, social media, and through our distribution partners. In addition to nonprofit professionals, the opportunity to participate was extended to funders and consultants that work with nonprofits and foundations. Questions were tailored to these three categories of respondents and their level of experience within the sector, allowing us to better understand to what extent perceptions regarding talent justice differed and converged based on personal experience.

Online Focus Groups

We held three 90-minute virtual focus group sessions. One included 12 entry and mid-level nonprofit professionals; a second session took place with seven senior nonprofit leaders of color; and a final one included 10 foundation professionals.

Stakeholder Interviews

Sixteen hour-long telephone interviews were conducted with five early career and mid-level nonprofit professionals; seven senior nonprofit leaders of color; and four foundation professionals.

Both the focus groups and the interviews involved an intersectional approach to sampling, with participants comprised primarily of people of color representing diverse racial and ethnic backgrounds, gender, sexual identities, and geographic locations.

Survey Data Analysis Procedure

Across all comparative data analyses presented, the reporting process followed two steps. First, to identify statistically significant differences between respondents from different groups, a multivariate GLM procedure was conducted, with a cutoff value set at F test values with $p < .001$. We used this stringent value because comparative tests are sensitive to large sample sizes (greater than 300 participants), and even minor or artifactual differences can turn out statistically significant at less stringent, but more typical values such as $p < .05$. Second, detailed descriptive statistics were obtained for those responses that were flagged as showing significance between group differences in responses (at a value of $p < .001$).

Qualitative Data Analysis

Focus group and interview data were analyzed for key themes to supplement the survey data. Key themes were identified by reviewing both the focus group and interview transcripts and audio recordings. The text from the transcripts for each qualitative data source was verified against audio recordings, and subsequently annotated and analyzed for the frequency of terms that were later mapped onto the overarching themes in the survey data, regarding barriers and best practices in the three nonprofit life cycle clusters (i.e., access, advancement, and ascension). A total of 1,890 unique terms were found in the annotations. The top 10% of frequently occurring words—189 terms—were used to guide the search for key terms.

ENDNOTES

1   Salamon, LM and Chelsea L. Newhouse. 2019. The 2019 Nonprofit Employment Report.
    http://ccss.jhu.edu/wp-content/uploads/downloads/2019/01/2019-NP-Employment-Report_FINAL_1.8.2019.pdf

2   Tancraitor, C. 2016. A Survey of Executive-based Compensation by Gender in Nonprofit Organizations
    in Southwestern Pennsylvania: Robert Morris University

3   Workforce equity definition adapted from Seattle Department of Human Resources

4   Center for Effective Philanthropy. 2018. Strengthening Grantees: Foundation and Nonprofit Perspectives.
    https://cep.org/portfolio/strengthening-grantees-foundation-and-nonprofit-perspectives

5   Fund the People. 2017. Less Than We Thought: A New Analysis of Foundation Investment in the Nonprofit
    Workforce. http://fundthepeople.org/toolkit/wp-content/uploads/2017/03/Less-Than-We-Thought.pdf

6   McDonald, S. and Jacob C. Day. 2010. Race, Gender, and the Invisible Hand of Social Capital.
    Sociology Compass 4(7):532-543.

7   Baucher, L. 2017. We need to raise the AmeriCorps living allowance. Here's why.
    http://www.ynpntwincities.org/we_need_to_raise_the_americorps_living_allowance_here_s_why

8   Landles-Cobb, Libbie, Kramer, Kirk and Betsy Haley Doyle. 2016. Smart Funding to Close the Leadership Deficit.
    https://www.bridgespan.org/insights/library/leadership-development/smart-funding-for-leadership-development

9   Center for Effective Philanthropy. 2018. Strengthening Grantees: Foundation and Nonprofit Perspectives.
    https://cep.org/portfolio/strengthening-grantees-foundation-and-nonprofit-perspectives

10 Kunreuther, Frances and Sean Thomas-Breitfeld. 2017. Race to Lead: Confronting the Nonprofit Racial
    Leadership Gap.

11 Kray, L.J. and Aiwa Shirako. 2012. "Stereotype Threat in Organizations: An Examination of Its Scope, Triggers and
    Possible Interventions." Pp. 173-187 in Stereotype Threat: Theory, Process, and Application, edited by Michael Inzlicht
    and Toni Schmader. New York: Oxford University Press.

12 Emerson, K. T. U. and Mary C. Murphy. 2014. Identity threat at work: How social identity threat and situational cues
    contribute to racial and ethnic disparities in the workplace. Cultural Diversity and Ethnic Minority Psychology, 20(4): 508-520.

Talent
Justice
Initiative