



A PODCAST WITH RUSTY STAHL | S4 EP7

## 5 Research Findings on Health of Nonprofit Workforce

WITH

Todd Butler & Caitlin Fisher  
Causewave  
Community Partners



INTRO: [00:00:04]

You're listening to the Fund the People podcast. I'm your host, Rusty Stahl. Each episode, we serve up nutritious, delicious alternatives to the nonprofit starvation cycle. We're the only show focused 100% on investing in America's nonprofit workforce. So whether you work in social justice, social service or something else, we've got something for you. The guests and ideas you'll get access to here will help you to drive equity, effectiveness and endurance, in the social sector. So let's get cooking.

RUSTY: [00:00:42]

Hello and welcome to another exciting episode of Fund The People podcast. Before we get started today I want to take a moment to speak directly to you, give you some important updates. First, I want to invite you to make a donation to support Fund The People. We are a nonprofit organization and our mission is to maximize investment in the nonprofit workforce. Most likely, if you're listening to this, that means you. If you work at a foundation, a non-profit, a university, that is you, the nonprofit workforce. And so, your donation will support the production of this ad free podcast which takes time and money to put together. Moreover, you'll support our array of education advocacy and influence efforts as we seek to get foundations, government and nonprofits themselves to provide more and better investments in nonprofit workers and healthy nonprofit workplaces.

You know we've been largely funded by generous grants from foundations since we launched in 2014 and I'm very appreciative of their support and we're working hard to diversify our sources of revenue, so I hope today you will become part of that community of supporters who help Fund The People drive our mission forward. To donate, just go to [fundthepeople.org](https://fundthepeople.org), click on Connect in the main menu and then click on the Donate button on the bottom left. Give 25 bucks, give 100 bucks, give 1,000 bucks, whatever feels good and significant to you. You can

also easily become a monthly, quarterly or annual supporter, so that would be just incredible, I would be so grateful. We accept our online donations through Network For Good and we are fiscally sponsored by an amazing organization called Community Partners out of LA. So, donating to Fund The People is safe, it's secure and it's extremely beneficial to us and to the sector. So thank you for your consideration.

Now, I want to give you a couple quick updates on what's happening. First, this season on the podcast we've started a special series called **Smashing The Overhead Myth Once and For All**. This series offers contemporary examples of how funders can reform their grant making practices to end the overhead myth, stop the nonprofit starvation cycle and intentionally invest in the nonprofit workforce and operations of grantee organizations. **So far we've had on Rodney Christopher of BDO to talk about Funders for Real Costs Real Change, a research and learning process that engaged major funders in thinking through their approach to overhead and indirect costs, that was season 4 episode 3. Then we had on two executives from the Ford Foundation to discuss how Ford has gone from an informal policy of 10-15%, whatever a program officer wanted or didn't think about for indirect costs in their project grants and they've moved from that to a formal policy of 20% and now they've just increased that to 25% or more.** And they've also shifted from a lot of project restricted grants to many, many more general operating grants. So you can hear about that and all kinds of other things happening in the Ford Foundation related to organizational development and overhead, that is on season 4, episode 5. **Coming up in the Smashing the Overhead Myth series, we've got the Annie E. Casey Foundation and the John D. and Catherine T. MacArthur Foundation, discussing changes they're making to better support operations and staff at grantee organizations.**

Now, it's exciting to have these important funders on the show. We're cheerleading them for making these important changes but we're not pretending it's all perfect or that it's all that is needed and we're asking some tough questions of them and we'll continue to challenge these and other funders to do more, to intentionally invest in the workforce of organizations and causes that they support. That's the update and I want to make sure you're enjoying that series and **if you have feedback for us on that or the other excellent guests and topics we've had on this season, or ideas for future folks to have on or topics to address, please do shoot me an e-mail, at [rusty@fundthepeople.org](mailto:rusty@fundthepeople.org).**

The other update I wanted to give you is that the beta test pilot for our new program: The Funding that Works Academy, keeps rolling through next month, May 2023. And later in the year we will be making our premier suite of courses, online courses, available on our website to you and to everybody out there in the field. We'll have a course for nonprofit professionals and of course for non-profit board members, we'll have a course for grant-making professionals and one for foundation board members and donors, and we have one for intermediaries that support nonprofits and funders. This course walks you through our whole framework which is a comprehensive transformative, yet practical mental model and approach to doing talent investing, whether you're a funder, a nonprofit or an intermediary. The courses will be flexible, they'll be affordable and they'll be scalable. You'll be able to pay and take a course on your own, as a team or as part of a cohort without leaving our website [fundthepeople.org](http://fundthepeople.org). So far, our pilot

participants (there's about 27 of them) are enjoying the opportunity to learn the framework and to discuss it with one another and they're giving us some substantive feedback to improve the experience for the next round of folks who take the courses. I can't wait to share this amazing new framework and set of courses with you through the Funding that Works Academy. So keep your eyes peeled on our email list and keep your ears open here on the show for updates on our public launch.

Okay. Now **let's get to today's conversation with Caitlin Fisher and Todd Butler of Causewave Community Partners.** You'll learn important findings in this episode from new research on the state of the nonprofit workforce, in this case looking at Western New York State. Causewave surveyed over 700 nonprofit workers and executives in the Rochester and Buffalo areas and they also held focus groups and interviews. **They share some dramatic findings about the crisis in recruitment, development and retention of nonprofit staff with a focus on mid-level, but really looking at the whole workforce, and they share some important recommendations in particular for funders.** So, here it is my conversation with Caitlin and Todd.

All right, well everybody, I'm pleased to be joined today by Todd Butler, President and CEO of Causewave Community Partners and Caitlin Fisher, Project Director for the Nonprofit Talent Pipeline which is an exciting Causewave effort. And Causewave Community Partners is an organization that makes community stronger by bringing voice to diverse public issues and needs and building capacity within nonprofit. So, welcome to the show, Caitlin and Todd.

CAITLIN: [00:09:16] Thank you.

TODD: Glad to be here.

RUSTY: I really appreciate you making time to be here and bringing your smiles and really important messages and research to the show. So, I think people are going to enjoy this. You know, I mentioned the mission of Causewave but it's a pretty interesting and unique entity as far as I know. So, I'm curious, if you could just share a little bit about an overview of Causewave for us Todd. Sure.

TODD: Yeah, no, thanks Rusty. So, Causewave actually was founded in Rochester NY in 1950, and we were founded as the Ad Council of Rochester. And at the time, we really focused on being a way for the advertising industry to be part of community improvement, community betterment in Rochester, New York. That was an outgrowth sort of parallel to the National Ad Council, which we weren't part of, but had some of the same board members as that National Organization did as it was just getting started after World War II. But our organization really got started focused on the Rochester NY Community and focused on advertising. And for most of our history, that was really the work that the organization did. I've been with the organization since 2005 and around the turn of the century the organization made a decision that this talent matching that we were doing was really insufficient to meeting community needs, and so really got into the field of capacity building before a lot of people, frankly, were talking about capacity building. And so when I started, we had just started to implement some programs to work with

nonprofit organizations to help them have more impact on their mission. And that's, we've really leaned into that over the last 17 years and now we work with a couple hundred different nonprofits across the region to help them with any area of capacity building that they might need in order to grow the impact on their mission. Certainly, there's some areas that we don't do work directly in, but we have a pretty broad array of services and areas of expertise that allow us to work with, as I said, a couple hundred nonprofits every year.

RUSTY: Terrific, and what is the service area now? It started with a focus on Rochester, is it still?

TODD: Yep. So we do work pretty regularly in western and the Finger Lakes regions of New York State and the occasional project and Central New York and then the occasional project elsewhere. So we've done work in NYC, we've done work in St. Louis Missouri and Bethesda Maryland and the Carolinas, occasionally. So, we don't have any geographic limitations on the work that we do. Sometimes we'll have people relocate to other areas not find an organization like ours in their area and then ask us if we can come work with them, which we are always happy to do.

RUSTY: [00:12:04] Great. I ask that because today we're going to be talking about your research which is in the western NY region, but I do think it has ramifications and echoes across the country.

TODD: Sure.

RUSTY: So, glad you're here to give us the perspective from that region as well. So let's give people a little bit of sense of who you are. One thing that makes me happy today is to have Caitlin on, who I've known for years from philanthropy and from our mutual experiences in Emerging Practitioners In Philanthropy (EPIP). So Caitlin, why don't you introduce yourself first.

CAITLIN: It's great to be here, thank you Rusty. And great to kind of come full circle to be engaging in these conversations. I've been working in the nonprofit community really at the intersection of human capital and social good. And first did that within philanthropy at Hunt Alternatives Fund and then secondly at the greater Boston Chamber of Commerce, developing some leadership initiatives, both developing programs and delivering them. And now I've relocated to my hometown of Rochester NY and I've been working with Causewave Community Partners to really dig into needs of the nonprofit talent pipeline in western NY. And I've been so happy to be welcomed back to this community and also be able to contribute to what I hope to be a really strengthened future for the nonprofit work here.

RUSTY: I'm excited to reconnect with you on this too because what you did at Hunt Alternatives Fund with the Prime Movers Fellowship Program was just stellar and I've always known you to be a deep thinker about these nonprofit leadership issues. So I think Causewave is lucky to have you working on these issues and we're all lucky to have you working on these issues. So, thank you, Caitlin, for being here. Todd, why don't you share a little bit about yourself?

TODD: Sure. And thanks again Rusty for having us. My career has been mostly in the nonprofit sector. I worked with a couple of cultural nonprofits that worked for the Zoo here in Rochester and also worked for a living history museum called Genesee Country Village and Museum and those were in really marketing roles and that was kind of my background, my education. My undergrad education was in Marketing and Communications and so that was kind of my avenue into the nonprofit sector and have worked the bulk of my career at this organization, last 17 or 18 years I've been at this organization, and really have had the opportunity to see such a wide array of missions and such a wide array of community problems being tackled by passionate people in the sector that I'm just inspired by every single day. So, I feel really fortunate that I get to feel like I'm making a difference, but also doing it on such diverse mission areas, really all over the map. So, really happy to have the chance. And I also want to say thanks to Caitlin for being part of the team here because it was such a natural fit for her expertise and her background when this opportunity came to us. So it really seemed like it was meant to be.

CAITLIN: [00:15:04] Thanks Todd. Thanks Rusty.

RUSTY: Most welcome. So we're going to talk about your research findings today but first, Todd can you share the story of what led to you all doing this research? What was the role of philanthropic foundations, nonprofits partners and your organization?

TODD: Yeah, thanks Rusty. So, as I mentioned, you know, we have been doing this capacity building work with nonprofits for years and there has been a number of themes and recurring needs that have come up over that time. You know, communications, marketing brand, have all been a key issue, strategic planning and how to have a strategic planning process that's effective and doesn't crush the organization is really useful to it. That's been a recurring theme, board development, board recruitment, those sorts of things, fundraising (perennial theme and issue and challenge) but I have to tell you, I have never seen anything close to the universality of this need, as we have seen since covid, around the issues related to talent and HR. I would say that it is an issue for every organization that we work with, regardless of the reason they came to us, they always also want to talk about the challenges they're having with recruiting and retaining their talent.

While it was probably always on the list, this level of urgency is both new and I think quite significant. You know, the demographic challenges that we are facing as a country regarding the number of working-age adults that we have, that was coming and has been coming for a while. The great resignation that happened during covid it just really accelerated the degree to which it was visited upon all types of organizations and with nonprofits being no exception. The additional burnout and pressure that was placed on nonprofit organizations that had to find ways to operate through the pandemic, I think were a special layer of challenge. And so around the same time one of our key funding partners Ralph C. Wilson Jr. Foundation, that funds in southeast Michigan and Western New York, came to us with the question that, you know, are you all seeing what we're seeing? And the answer, of course, was yes. And they were interested in exploring potential solutions to it and potential ways to address that to maintain the

sustainability of organizations across our region. And so they had a particular interest in mid-level talent, specifically, because of its impact on succession within nonprofit organizations, right? That the leadership of organizations is going to be changing over in a lot of cases, so making sure that there's a bench of folks who might be the potential next leader of the organization was an important thing to them.

So that was a piece of it. And so we actually partnered with the Ralph C Wilson Jr. Foundation and we worked with an organization called Community Wealth Partners based in DC to address this work and they helped us with taking a look at what was going on around the country as well as gathering feedback from a number of funders and nonprofit organizations. We also had one-on-one conversations with numerous funders. We surveyed hundreds of nonprofits, had one-on-one conversations with dozens of nonprofit organizations throughout this process as well. So it was a pretty inclusive body of work.

RUSTY: [00:18:38] That's great and really so timely and powerful. You know, of all the different capacity building needs that groups come to you with, this issue of staffing cuts across all of those needs and has really emerged as such an important and critical issue...

TODD: And Rusty, if I could just add one thing to that, one of the things that I think is different about this moment as well, we found because of the urgency of the covid pandemic the relationships changed very quickly in a lot of cases between foundations and their grantees, where there was this whole acceleration of trust-based philanthropy and unrestricted dollars. I mean, I remember talking with nonprofits for years about the idea that, you know, unrestricted dollars are as rare as hen's teeth, right? And they're very hard to find and then all of a sudden covid hits and we had all these foundations saying: what do you need in order to stay afloat and so it kind of opened up the conversation that would have been hard to have otherwise around the need for unrestricted dollars which are a big part of, you know, what we're finding here.

RUSTY: Yeah, and I'm hoping that, you know, coming hopefully out of the pandemic and out of these three years that not only there's more unrestricted dollars but there's more intentionality about investing in staff specifically because it's become such a critical issue. So, we're going to talk about the research now, so you gave us a little bit of a sense of your methodology and what's happened but I'm just going to take us through, we have these five major findings that we're going to talk about. Let's talk about this first one: The nonprofit sector has been through a shock with covid, the racial reckoning and the great resignation. So you can give us a little bit more on that.

TODD: So, I think you know I've talked a little bit about that already, but I guess the thing I would add would be that in addition to a reinvention of the way that many funders were looking at their relationships with nonprofits, that wasn't just about restricted versus unrestricted but really the push for equity that was happening along the same time has been able to be sustained in a way that I think it hadn't been in the careers of many of us, and has gotten a lot more attention and even an expectation from funders, whereas you might have felt like you had to push that within a funding request before. And now, if you're not talking about it directly in a grant proposal the



foundation is wondering why and encouraging you to do that in a lot of cases. So, we think that this research can help spark more dialogue again, at this moment where the dust is still settling from a lot of those things and we think it presents an opportunity for reinvention of the way that we do some of these things and a new mental model about the way some of these things get done and about the way nonprofit organizations could be sustainable resources for community betterment.

RUSTY: Yeah, I don't think finding one is a big shock to anybody who's paying attention in the sector. The thing about it for me is that we've been through a shock, what I don't think we talked about a lot is that we're still in shock, that we're still in the middle of this set of experiences and it's hard to recognize when you're in something that, you know, this sort of trauma, if you want to call it that, is ongoing, the pandemic may feel better now but people are still working in isolation from one another and things like that. And there's still all kinds of things, dynamics going on for people, that are not the way they were, you know, five years ago.

TODD: [00:22:27] I think you're absolutely right about that Rusty. And one of the things that is still real, like, just earlier this year we had the ending of SNAP benefits related to the pandemic. And so that presented a whole new challenge to organizations that are doing food security work, right? So that was very much, you know, an ongoing effect of the pandemic that came to a more abrupt end than anybody expected it was going to come to, and had an impact there. Organizations over the last year or so have run their way through the rest of any PPP loans that they may have received and school districts now are talking about, you know, they've got multi-year ARPA dollars that are going to be coming to an end and we're going to have to react to that. So, you know, **this influx of additional resources is going to come to an end and you have to figure out how we manage in that new normal** that, as you said is, it's starting to settle around us but which pieces of it are going to settle and stay, is still not entirely clear.

RUSTY: Yeah, that's a good way to put it. **Let's move to your second finding: There's significant opportunity to develop mid-level staff who are already in the sector.** Caitlin, talk to me about this finding...

CAITLIN: Yes, thanks Rusty. And so **our study was designed to research three different levers to expand the talent pipeline in Western NY: talent attraction, development and retention.** And we really think of this working on a spectrum knowing that the investment is needed in each one of these stages. And, you know, this opportunity to develop mid-level staff is a really important point because we found that 70% of western NY mid-level staff, managers, were not really searching and that provides us with a great opportunity to develop leadership and those individuals said that they liked the organization's mission and they felt that they were making a difference. But those job searching said that compensation was the biggest factor and better opportunities for advancement and benefits quickly followed. So, really thinking about these mid-level individuals, who we could further develop so that they could stay in the sector. And I think one of the important points that when we dig deeper into that stat, was that over half of the mid-level staff we talked to don't make enough to support themselves and the family, and this number increases for those that work at smaller nonprofits with less than a million dollar budget.

And you I think would be interested in this, Rusty, that these folks are not earlier in their career, maybe they've spent time in their career and it's the group that we would want to be leaders in the future and if they can't support themselves, we really have to ask ourselves: how long will they stay?

RUSTY: So, I mean you have two interesting findings within this finding. One is that 70% of mid-level managers are not job searching. On the other hand, the majority of mid-level staff feel like they're not making enough money to support themselves and/or their families. So it's a pretty stark portrait. I think of both the state of compensation in the sector but also the level of commitment that people have.

CAITLIN: [00:26:00] And I think of a lot of stories that came through and kind of the anecdotal pieces of the survey and, you know, saying that people sometimes they're working more than one job, some of them are relying on other areas of income whether it's a spouse or something else. And so how do we really think about what the future of our sector looks like if people can't stay within it?

RUSTY: If these jobs are not sustainable...

CAITLIN: Yeah, so kind of going back to that idea of the moment for reinvention, you know, trauma, things have shaken up the course of business as usual. Why not take time now to say let's be intentional about where we move forward, and where we make those significant investments, and if not staff where else? You know, the staff are what drive programs, drive these organizations, they meet missions because of the work that nonprofit staff do, that we can't ignore compensation, we need the top talent in the sector.

RUSTY: You want to share this quote, that's giving me goosebumps...

CAITLIN: Yeah, so I think that what really resonates is, it's not a surprising statistic, the compounding factor of not making money over your earning years so there's this survey respondent said "there are long-term negative impacts of lower pay and little to no retirement benefits. In addition to making less than my for-profit colleagues during my working years, I have to retire later in life and have less retirement income. It seems like working in the nonprofit sector means a lifetime of sacrifice."

RUSTY: Yes, I'm getting the goosebumps again. I mean, it's so so important and yeah, it is heartbreaking and it is compounding, right? It gives you that picture of, you know, both annual compensation and benefits, but then also retirement savings is kind of the immediate cash income and in the longer term are both impacted by the way the sector works. So let's pivot a little bit from this, take us to your third finding here that there are opportunities here.

CAITLIN: Yes, when we think about retention of mid-level nonprofit talent, we know that compensation and benefits are hurdles and for many organizations it's not a wave of a wand saying alright, everybody gets X percent raise and everybody has these amazing benefits.



There's so much complexity to those types of changes in an organization. But if we can think about what else drives retention, there's things like professional development, increased flexibility and focusing on workplace culture as areas to prioritize as a leader and it's things that you don't have to have a huge infusion of cash. And a few of the stats that reinforce these points were around what was like to really work in the nonprofit sector. That's a common story, one that we've heard throughout our careers from colleagues and friends. We do know burnout is pervasive so we have to pay attention to what those burnout rates are. We found over half of mid-level leaders said that they frequently experience burnout. So how can we think about ways to reduce burnout, reduce some of the needs or expounding on job responsibilities. Could we maybe take a look at what goals look like, how we meet goals?

We also found that half of those surveyed who identified as staff of color, LGBTQ+ and disabled staff reported that experience some form of bias in the workplace and negatively impacted their career. So how do we think about and spend time on those workplace culture opportunities to ensure that there's diversity and inclusion? How do we think about our recruitment strategies that are more diverse, more inclusive. And lastly, advancement opportunities were unclear for about half mid-level staff. So, if we're thinking about how people rise in their career, do they know what their next steps are as a staff member within the organization and do they have goals that they need to meet in order to rise to that next level. Is there thoughtful compensation structures that can be thought of ahead of time to support that individual in their advancement path. Are there ways that you can create stretch assignments, mentoring, shadowing, things that maybe don't have as much high dollars, but definitely impact. Mentorship is a huge thing that can be supported within organizations. So thinking about those advancement opportunities as more holistic to the individual and having those conversations with your employees about what they want in their career.

RUSTY: You know, what's coming up for me in hearing you talk about this finding is that while the funder was interested in the mid-level tear, this ripples down into recruitment and so into not everyone comes in as a junior person when they're recruited, obviously, but just thinking about the talent pool in an area, right? You want to constantly refresh that talent pool and draw in diverse, latent professionals and leaders in the community. And it also has ripples and ramifications looking at retirement and sustainability, so up into the senior tears who's staying. So really to me, it's nearly impossible to disaggregate this, we have to invest in the workforce, not just one segment of the workforce, but intervening in one segment also has hopefully positive ripple effects on the other segments.

CAITLIN: Yeah, I think of some of the stats from the for-profit community that having a positive working relationship with your manager, whoever that manager is, whether it's a mid-level manager, senior manager, executive director. Those are the relationships that really keep people in their roles. And if you can really think about how that person has management capabilities, purely professional development to get a manager in a managing relationship, in a true managing relationship, where there's both set and accountability in those pieces, there's a whole array of different professional development opportunities that don't have to cost a lot of money, but they do require investment.

TODD: And I think in a lot of cases, it's an investment of time more than anything else, right? I think if you work to build that into the culture of your organization, whether it's professional development or the manager relationship as you talked about. We've worked with a number of organizations that set metrics for things like the percentage of our team who is having a weekly check in with their manager is X and we wanted to go to Y by a certain date. I think those are sorts of things that don't cost the organization more money in order to do. It's more of a behavior, but that behavior is demonstration of the culture that you're trying to establish within the organization. And we know that relationship with a manager is a predictor of retention, professional development is a predictor of retention, alongside things that are more expensive to address like compensation.

RUSTY: [00:32:33] Yeah, there's stuff that's free that you can do or doesn't cost cash and there's stuff that takes significant dollars and seems like we need all of those things as much as possible...

TODD: Yeah, so it's a both/and for sure.

RUSTY: So Caitlin, let's move to the fourth finding that there is an opportunity to attract new staff to the sector.

CAITLIN: Yeah, so part of our research was looking at two different focus groups, one that was just folks who are just graduating college and the other was people who had switched in their careers, which we call them sector changers, and there is a couple of interesting findings that I think ripple across the sector, not just specific to Western NY. But something that we should consider as we pot out how do we attract new people in, and I'm thinking new people into this sector as a whole, not just the certain organization. But one, exposure is key. Those just starting out in their careers volunteering or internships were influential in their career choice. And for those who change in their careers, who went from for-profit to nonprofit, they would have made the switch sooner had they known how great it felt to be part of something that was bigger than just a paycheck. And secondly that impact is a powerful draw, being able to see your impact is powerful. And as one of the focus group participants said "the personal element of actually meeting people you serve, who aren't buying your product as a customer but are consuming your services as vital to their well-being". It was just a powerful experience for that person. They didn't have that in the for-profit sector. So, we think about ways that we can either increase exposure to individuals or really highlight how impact is a draw for people, we can maybe attract more people to the sector as a whole.

TODD: If I could just add to that. I think there's unfortunately too much truth to some of the stereotypes about what it means to work in the nonprofit sector. You know, that financial sacrifice and it's all about being a do-gooder and all that. It's certainly a generalization that doesn't apply everywhere. We think work done on the compensation front can help with that but I think, you know, one of the things that we found in some of those focus groups with younger professionals, was that they didn't really know what the nonprofit sector was. You know, they

had heard of big nonprofit brands, of course, but the idea that the nonprofit sector is a place that you can make a career for yourself and actually grow and develop professionally, personally and financially, that's a message that I think needs to be heard more broadly, alongside making progress on things like compensation and workplace culture and that sort of thing.

RUSTY: Absolutely. That broad exposure to our sector as a workforce, and a workplace and an opportunity to form a career is so vital to what needs to happen in the coming years. Okay, so here we are at our fifth finding. Todd, we're going to bring you back in here. The finding is there are both existing assets and gaps in the landscape in western NY. So, tell us about that.

TODD: [00:35:50] Sure. One of the principles that we had going into this is that we didn't want to reinvent the wheel or build efforts and programs and things that were duplications of what already existed. But wherever those things that were already in place, we wanted to highlight them, recognize them and boost them up. So you know, we looked at what exists in our region, I think it's probably pretty similar in other regions, around things that support attraction, retention and development. There's leadership development programs that exist and often they are city-based or or community-based leadership development programs. There are other ones that are affiliated or associated with funders or with universities. For example, there are some programs that try to address the issues of burnout through things like retreats, the occasional sabbatical program (not too many of them around but there are some), and peer-to-peer relationship building opportunities associated with associations maybe, or other local organizations. So those are all some of the resources that existed already, but one of the gaps is, you know, keep coming back to this compensation topic, but overcoming low compensation in the sector is a consistent hurdle. It's been a hurdle for a while and it's even more pointed now because of the way that the economy has shifted and expenses have gone up and rates of pay have gone up so much. Many times nonprofits had no choice but to increase that, if they could do it at the time that they had maybe some PPP funds or things along those lines. But once those go away, they can't shift that compensation back down again. So we can't ignore compensation. It's got to be one of the gaps that gets addressed directly. That was a key finding.

We also found that funding programmatic work tends to be an easier thing for funders to do, right? Because the programs are the things that are well aligned with the funders giving priorities, but things that support all of that, the operational support like staffing, or typical functions like human resources, marketing, fundraising, those are things that funders are much less likely to be giving to through grants, but they're no less essential. If you want the program, that program has to live within an organization that is sustainable. So funding things like those operation functions, we thought was a key gap in the community and I think that's probably replicated in a lot of places around the country as well.

RUSTY: A lot of places and that's why this season on the show we have our special series Smashing the Overhead Myth Once and for All because all of the things that get bundled into "it's bad, overhead is bad" are all the good things that we need to power and sustain our programs.

TODD: Right, and there's a couple ways to go at that, right? One is with a healthy overhead rate that you're building onto a programmatic grant, another way is to have a grant that's about operational sustainability. And you're saying, we need a director of marketing, or we need a director of IT, or something along those lines and actually going straight at it and not trying to make it up on percentages of all of your programmatic grants. As funders recognize the need for that as a resource within these organizations for them to be sustainable, then I think that could make a real difference as well.

RUSTY: [00:39:18] Shout it to the rooftops Todd. You're on the right podcast for that message. Well, now, one of the cool things about what you all have done is once you completed the research and you shared it, I think brilliantly, through your social media platforms and you did this big webinar to release the information to nonprofits and funders and others in your area, and I was honored to be a part of that webinar and offer the Fund The People message as a companion to the research message... After you did all that you didn't stop. You offered these resources to nonprofits who participated in the webinar and I guess in the research as well. So Caitlin, can you talk about what you did and why and how it went?

CAITLIN: Yeah thank you. So our research, we realized as we conducted it you know that they are not new findings, right? There's many people on the front lines that know about compensation, the lack of benefits in the sector. So we really wanted to provide an action step that didn't require significant investments like additional staff or file a new funding request. And so we proactively recruited HR professionals from for profits to provide up to two hours of free advice on talent related issues and we call them our HR Superstars and we match those with organizations through a matching process. And our goals are really one to instill a sense of optimism. The nonprofit leaders can move the needle on talent challenges in the sector and secondly, to provide quick wins in the form of information resources and referrals to help the organization move forward. And you know, that through that matching process a majority of the nonprofit's wanted to talk about things like employee development, compensation and benefits and recruiting staff. There's also interest in discussing things like diversity, equity and inclusion, staff retention and succession planning. Those were the core, most popular topics that these HR consultations surrounded around. These were key topics that the HR consultations addressed. And really, you know, when we step back and look at the lessons that we had from this engagement, the consistent need for HR consultation and also the support, the outside navigation support time to reflect with external people outside of your day to day was really productive.

A lot of nonprofits left with a feeling of reassurance that they weren't alone. I mean, it was paired with, you know, the research released. So hearing that there's other organizations that are still struggling with things like compensation and benefits, trying to develop leaders, attract new people. These were all validating and the HR consultations that we conducted helped bring some more light to it as well. A couple other reflections and learnings, that HR responsibilities are becoming more and more important as a leader. And many feel like there's not enough time or expertise within their staff to really address some of the complicated and complex challenges,

especially if you're a smaller nonprofit. Some felt like they had just the bare minimum of compliance. And that's where, you know, when you think about bigger things like culture building or employee engagement, that just feels totally out of reach for some of these organizations. So, if those are things that we know impact retention and attraction for staff, how can we really grapple with that? It's still a hard thing.

And afterwards, the organization's we spoke to felt like they had advice but they were still challenged by having the time to make progress on some of these things. So I think it's a really complex and big issue that takes a lot of time to untangle.

RUSTY: [00:43:20] Yeah, you really gave people just like a valve to have a little bit of a stress release, a conversation with an expert, kind of after hearing and digesting the research

TODD: And actually in one of those cases, Rusty, we had an organization where our HR volunteer agreed to have an ongoing volunteer relationship with that organization and to continue to serve in sort of that coaching role for the executive director of that organization. So, they are in a for profit setting where they're bringing their expertise, their HR expertise to bear but the mission of that organization spoke to that volunteer to the point where they're willing to say, you know what if you've got future questions, just give me a ring. And I think that for that organization was very reassuring and to feel like you're not out there all on your own, really made a big impact there. So, we think that a way that an organization could respond to that might be to make sure that you've got somebody with HR expertise on the board, right? If you don't have that staff member, make sure that you have that on your board and bring that person on in that kind of coaching role for the leadership of the organization to help them. Not just deal with the compliance issues that come up, but also be more proactive about addressing some of these bigger issues.

RUSTY: That's great. Yeah, and that's great, the HR folks. To me, it seems like such a great untapped pool of HR talent in your community that you're engaging into the nonprofit sector.

CAITLIN: If I could just add, I think that the opportunity to use your expertise in a really high-quality way, it really was providing a different source of influence for the organization, impact for the individual who is providing that, and I think that it was a great moment of matching the expertise and that opportunity .

RUSTY: Can you say how many of those happened?

CAITLIN: Yes, so we did 12.

RUSTY: Great. Just wanted a sense of scale to give people a picture. So, talking about moving forward with this and what needs to happen, you all did offer some further recommendations and ideas about levers for change as you did your research. So Todd, can you share some of the ideas on what funders might consider doing based on what you've learned?

TODD: Sure, **we talked with nonprofits and philanthropic leaders** throughout this process, not just the Ralph C. Wilson Jr. Foundation, but a number of foundations in our area and across the region really and, you know, **nobody disagreed with the idea that talent is not only a critical issue, but critical in a different way than it has been before, more existential if you will.** And so really, as we reflect back on this, it really has us bring it back to the health of organizations and the health of the sector and you know we're asking ourselves: **how do we help people who care about the nonprofit sector understand that this need for competitive compensation is an integral strategy,** it's not a nice to have, it's a need to have for staff retention and frankly for the health of the sector as a whole. And **how can we look deeper than just program delivery to ensure that these essential organizations also have the essential operational roles** that I talked about, like HR, marketing, IT and the like, that make for not just healthy programs but for sustainable organizations, organizations that can meet their missions and strengthen their communities. So those are I think big questions and things that need to be wrestled with because we're at an inflection point really in the nonprofit sector.

So, you know, if I had to boil it all down to maybe **four things that funders might think about** One, we know that you love all of your grantees, but **think about which of those grantees or past grantees even, are most essential and most aligned with the impact that your foundation wants to have.** Know who they are and then, this is number two, **be proactive about helping them to identify strategic staff investments and make sure that those are compensated competitively,** right? **And then make those funding investments in those organizations.** So, I know a lot of grant-making is reactive grant making and that's the model that's worked for a lot of foundations for a long time. But if you proactively identify, you know, these are the 5 or 10 grantees that are most essential to us being able to achieve the impact we want to have in the community. Let's have confidence in our program officers, having a proactive conversations with them about investments that are needed in not just their programs but the operations of the organizations for them to be sustainable.

And then **in addition to funding those staffing needs be open to the things you could wrap around that staffing investment in order to make it sustainable in the long-term.** Things like professional development dollars, or opportunities to reduce burnout, or invest in the workplace culture of an organization. We know that even when nonprofits are able to use mission impact to attract great talent into the sector, organizations need to be able to invest in those areas that are going to keep those people, make it easier for them to stay. You know, at one point in my career, I left the nonprofit sector because I had to financially, I was one of those 50% that Caitlin talked about, that fairly early in my career with a young family was unable to really continue to afford to work in the nonprofit sector. So I had to leave for a while before I came back into a role where the compensation allowed me to be there. It wasn't because I wanted to leave, I did not want to leave the nonprofit sector, I wanted to stay in it, but that compensation gap was just too big for me to be able to stay. So I think that's an essential thing for organizations to be able to invest in.

And then **the fourth thing I would say is nonprofits know their organizations best** regardless of how close a program officer might be to a nonprofit. The organization knows what it needs the best. So I'd encourage not foundations, funders to trust your partners and when you invest



there's an old saying "when you spend some of your money, spend some of yourself with it", invest collaboratively with those organizations and really spend time listening to them and investing in them in a really collaborative way.

RUSTY: [00:49:56] Thank you, Todd, thank you for those very concrete and specific recommendations or thoughts for what funders can do going forward. So, as we wrap up here, what are you thinking about for next steps with your effort?

TODD: We want the research to continue to have legs, right? We want leaders to be using it for conversations, using it to help think about innovation that can lead to visible change in the near term, not over generational time scale, but in the near term. So opportunities like this Rusty to come on your podcast and talk about it are part of ensuring that it continues to have legs. Of course, because of the nature of our work, as a nonprofit capacity building organization, we're going to continue to talk to nonprofits about these issues and we know that's going to continue to be an everyday topic that they want to talk about, you know, as a nonprofit ourselves, it's something that we're thinking about on an everyday basis. We want to have a continued conversation with funders and groups of funders about ways to leverage this data in their grant making, right? And at the end of the day, our hope is that this work can be part of really what's needed for the sector to thrive. We have to support the incredible dedicated staff that are in our sector by paying them competitive salaries, reducing burnout, creating pathways for professional development and advancement and making sure that we have positive work environments that make people want to come to work in nonprofits and want to stay there once they get there.

RUSTY: Awesome. Well, I'm glad you're going to keep working on this, both day to day with the clients and others you work with, and keep the drum beat going. Hopefully this episode can help you to do that and [we are going to share the research slide deck on the show notes page](#) for this episode, so listeners can go to [fundthepeople.org](http://fundthepeople.org), click on Podcast and find this episode and we will make sure that people can access the research, but how else can listeners find Causewave and you?

CAITLIN: So on our website [Causewave.org](http://Causewave.org) and like us on social, we are on Facebook, LinkedIn, Instagram... You can find us there Like us and we'll like you back.

RUSTY: Fantastic. Well, Todd Butler, Caitlin Fisher, thank you for your time and thank you for sharing these important messages today.

CAITLIN: Thanks Rusty.

TODD: Thanks Rusty. It's been a lot of fun.

RUSTY: I'm glad, me too, I enjoyed it.

NEXT EPISODE TEASER: [00:53:016] I hope you enjoyed this conversation with Caitlin Fisher and Todd Butler of Causewave about their new research on the health and wellbeing of the nonprofit workforce in Western NY. Listen, keep your eyes and ears open for another great episode next Wednesday when my guests will be Trina Olson and Alfonso Wenker of Team Dynamics. We'll discuss race and gender in nonprofit hiring processes and share incredible resources from their book *The Hiring Revolution*. So, I look forward to speaking with you then.

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