



A PODCAST WITH RUSTY STAHL | S6 EP11

Place-Based Talent-Investing: Small Scale, Big Value

WITH

Elizabeth Kidd
*Community Foundation of the
Holland/Zeeland Area*



INTRO (00:04)

Welcome to the Fund the People Podcast! I'm your host, Rusty Stahl. I'm President and CEO of Fund the People, where our mission is to maximize investment in America's nonprofit workforce. We give funders and nonprofits cutting edge ideas, research and tools to help drive equity, effectiveness, and endurance in the social sector. So let's start the show!

RUSTY [00:00:34]

Hello and welcome back to the Fund the People Podcast. My name is Rusty Stahl, I'm grateful to be your host, as well as President and CEO of Fund the People. I love today's conversation because, as you will hear, it makes very clear the need for – and value of – talent-investing for community foundations and other place-based funders.

Our guest today is Elizabeth Kidd. She's Vice President of Community Impact at the Community Foundation of the Holland/Zeeland Area in western Michigan. Elizabeth demonstrates how **even modest dollar amounts used in strategic, responsive talent-investing can have exponentially positive impact for nonprofit executives, workers, organizations, and the communities they serve.** And why all of that can and should be important to funders themselves.

Through this episode, you'll gain an understanding of one, how talent-investing can become valuable to community foundations and place-based funders; two, how funders with modest amounts of money can create outsized value through talent-investing; and three, why it's important to invest in the nonprofit workforce at key inflection points across the life-cycle stages of individuals and organizations.

Two important notes before we get started today. First announcement: As we head into May 2024, we are getting ready to celebrate the 10th anniversary of Fund the People, the organization—not the podcast (the podcast has been around since 2020, the organization's been around since 2014). So keep your eyes out for special episodes as we launch into our anniversary celebration. I'll be offering some reflections and lessons from our first decade of work as well as from this season of the podcast.

Second announcement: As we prepare for our second decade of driving transformation in the field, Fund the People will launch our California Talent Justice Initiative this summer, with the aim of sparking new investment in the Golden State's nonprofit workforce. We'll bring stakeholders together from across the silos for listening sessions in San Diego, the Bay Area, and LA, followed by a statewide conference. So if you are based in California, please visit fundthepeople.org/California to learn more. And if you're not based in California, but you have friends who work in nonprofits, foundations or other related institutions in California, please share this news with them. Again that URL is fundthepeople.org/California.

[00:04:14]

I am joined today by an amazing guest and colleague, Elizabeth Kidd. Now, I've known Elizabeth as a member of Emerging Practitioners in Philanthropy, EPIP, when I worked there and Elizabeth was a member and chapter leader and we had the chance to meet when I got to go to Michigan to support a chapter event and a national event we did together at the Mott Foundation in Flint in, it was either 2009 or 2010, and Elizabeth has been doing amazing work from that time through today at the Community Foundation. And I'm pleased to have her here with me today to talk about the talent investing that the Community Foundation is doing. Welcome to the Fund The People podcast, Elizabeth.

ELIZABETH [00:05:00]

Thank you so much, Rusty. I'm thrilled to be here.

RUSTY

So give us a little basic intro to the scope and scale of the Community Foundation of the Holland/Zeeland Area and the community that you serve.

ELIZABETH [00:05:30]

Absolutely. So we are a place-based funder, a community foundation. We're located in southwest Michigan along the Lake Michigan shoreline. We are in the fastest growing county in Michigan. So while we are not a huge community, we are absolutely a growing community and that presents all kinds of exciting challenges and opportunities for us as we navigate that alongside our cross-sector partners. And we have been in this community for a while, 1951 is the year that we were founded, and we have grown significantly since then, particularly the past 20, 25 years. Today we have 121 million in assets and about a third of that is unrestricted resources that our board has the responsibility of setting strategy and direction over.

So we are currently distributing about \$1,000,000 a year through those resources. And just really as a place-based funder trying to think about how our community thrives and what does it mean for it to be a place where not just some, but everyone has the opportunity to experience the basic needs that make our lives healthy and provide opportunity as well as the things that might be less quantifiable, but that make a difference between feeling like you belong in a place or you don't.

And so we really strive to think about how we can create a thriving community for all. And we have the privilege, being a foundation, of both looking back on how we got here today, standing in our present moment with resources that we've been entrusted to steward and invest on behalf of the community, and then also looking forward. One of my favorite parts about working at a community foundation is you don't just have the privilege, but you have the responsibility to be looking further out and to be thinking not just what do things look like next quarter or next year, but what do things look like a decade from now, two decades from now, and what are we doing today that is setting things in motion to set our community up for being a place where all people can experience a thriving community and their full human potential.

RUSTY [00:07:34]

Yeah, that's a really cool way to look at what a place-based funder can do. Look back, stand in the present and look forward. Tell folks a little bit about Holland/Zeeland. Is it one place, two places, like how many thousand people are there? Like, what's the...

ELIZABETH

Yeah, it's two beautiful cities that neighbor each other, a bunch of surrounding townships, but we have a whole bevy of municipalities that we get to interact with. We are about 30 minutes southwest from Grand Rapids, which is the second largest city in Michigan.

RUSTY

Okay, great. So, the Community Foundation has had this funding area called strengthening the nonprofit sector for, I think, about ten years you told me. You're funding nonprofit capacity with a strong focus on leadership and workforce in the nonprofit sector. So tell us, how did the Community Foundation get started in this?

ELIZABETH

Like many community foundations, like many funders, we really started with a very general, I would say, dabbling in capacity building, trying a bunch of different things that fell within the scope of capacity building. And **what we quickly discovered was it mattered less what area of capacity the organizations chose to invest in, that was less impactful than the organization having a leader that was well equipped for that organization at that time, and the investments that felt really worthwhile were the ones that the leader was in a good place, the leader was well equipped, supported by the board, had the lived experiences, the technical expertise to really show up and serve that organization well.**

And so, we felt we wanted to continue this work and **we didn't want to ignore the fact that leaders seemed to be the key ingredient or element in how much of a difference those dollars we put towards capacity building made.** So we sort of thought, why not just go straight to the point, if the leader is the thing that has the most difference making in how our dollars are able to create positive change for that organization. Let's go right to talking about the leader. Let's talk about people and really recognizing that if we could have one thing, and I said this then and I would still say it today, if we could have one thing for each of our nonprofit partners in our community, it would be for them to have the person or a person who is uniquely equipped to serve that organization in that season of that organization's life. And just recognizing that when you have that, a lot of other things become much more within reach, a lot greater scope of impact, a lot more opportunity for systemic change becomes possible. Because you have that leader that is uniquely well equipped to serve that organization and to take its mission and bring it to life. And so much flows from that.

There's lots of other important things that flow from that, but we really just found that that is the piece that if you don't have that, it's very hard to see the kind of significant transformational change that we certainly hope for and aspire for our partners to be able to achieve.

RUSTY [00:10:43]

Great. So that's kind of your frame is this idea that leaders, in particular executive directors, sound like, or CEOs are this crucial linchpin in organizational capacity and work and, you know, everything about an organization...

ELIZABETH

Absolutely. We've seen organizations -not to be overdramatic- but really kind of rise or fall based on finding that person who really is a good match for the mission of that organization, for the position they occupy in the community. And that just can significantly accelerate that organization's ability to deliver on their mission. And so if we can provide tools and resources to help get someone in that seat to begin with who has those unique skills and abilities and experiences and then keep them, sustain them, give them the opportunities, the resources they need to continue growing and learning as a leader, to restore themselves as a leader, to sustain themselves as a leader. That's really what we hope for.

RUSTY

And just to push on this a little bit before we go into more detail at this kind of framing level. One thing we've talked a lot about at Fund The People is thinking about this as a whole workforce and not just focusing on leaders, equal executive directors, or the people we need to be concerned about, equal executive leaders. So how have you seen over the decade or so of doing that kind of funding the other people in the teams, in the organizations, when there are those people, how do they play into the equation? Not necessarily in your funding, but in kind of thinking about the success, the rising and fail of executive leaders and organizations?

ELIZABETH [00:12:30]

Certainly. I think one of the things we recognize is that **folks want to work for someone and work with someone that they respect, that honors their contribution to the organization's ability to deliver on their mission, that knows the work inside and out, backwards and forwards, that cares deeply.** And that's something that I think we owe our nonprofit workforce is to give them the best leadership possible. I think **also by investing in leaders as a local funder, it also creates an environment and a little bit of a narrative shift that while we absolutely value the outcomes and the impact of the work that our nonprofits do, that the people doing it matter. This work does not happen without people.** And if there's one thing that we could do, it would be to have not just that leader themselves, but then them transfer that value of recognizing their own contribution as a person, as a leader, and then bringing that same mindset to their own team.

One of the most rewarding things we have heard through some of the different forms of investments and supports that we offer is leaders after experiencing one of these opportunities themselves or having had an investment directly in them, one allows them to then share that narrative with their board, with their team and say, hey, this was really a difference maker for me, or this allowed me to find new energy or new direction in this work, I want to provide that same opportunity to my team. And then to think about how you actually institutionalize those practices within the organization, how you embed them in policies and practices.

And we often find that having a funder kind of bring some of those things to the table first, allows the leader to not have to be the sole person advocating for that to their board or defending it to their donors. You know, that narrative that we shouldn't be spending money on ourselves is very real, and yet people are the power of how change happens in our sector and so to under invest in them, to me, it's such a huge opportunity lost if we aren't willing to give our people the best tools, the opportunities they need to show up fully and bring everything they can to their work.

And so **trying to be mindful about how we work with leaders and then remind them or have conversations with them or support them or affirm them when they are working to bring those practices and those types of investments to other people and spaces within their organization.** And we've also begun to do it more as part of our portfolio in this space as well. And thinking about how some of the things that we have provided for current executive directors could become opportunities for folks who are rising leaders in their organization, starting to take on management responsibilities and really are likely that pipeline for future leadership of either that organization or other spaces in community.

RUSTY

Great. And we're going to get more into that now. And thank you for answering that question.

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RUSTY [00:16:31]

You shared with me that the Community Foundation has had three kind of focus areas of funding within this strengthening the nonprofit sector grantmaking and that you have a fourth area that you're just starting to work in. So tell us kind of briefly about the four areas and then we'll talk about each in turn.

ELIZABETH [00:16:50]

Absolutely. So I would say **a lot of where these conversations started and one of the spaces that we still just find so important to keep investing in, to keep resourcing, is when leadership transitions occur.** It's something that five, six, seven, eight years back we were seeing a lot of waves of retirements, folks who had been in the sector for decades, baby boomers who were reaching a point where they were ready to retire. Then we had COVID, we had a lot of leaders who just gave it their all and, you know, we're experiencing burnout or they were ready for a change or delayed their departure or their retirement from the organization. And so we have continued to see these waves of leadership transitions.

We also noticed that tenures have gotten shorter in general for our nonprofit sector locally, which makes leadership transitions something that are happening more often, and it makes it even more important that we are paying attention and that we are providing tools because these moments that are so pivotal for organizations are happening frequently. And I think one of the things we try to be conscious of is we don't know as a community foundation any more than anyone else in the community who the next best person to lead that organization is, but we care about the process and we care about the organization having resources and understanding that the community foundation is with them and wants to be alongside them as a support as they navigate this transition, and that we're willing to put our dollars toward supporting them to make sure that they can find the kind of process, the kind of tools that they need to get the outcome that they feel is best for the organization. And I think we recognize what a heavy lift a leadership transition is for that nonprofit board.

RUSTY

So leadership transitions are the first major area.

ELIZABETH

Yes.

RUSTY

That you're working. Just give us the others and then we'll go back in. There's a lot to say about each.

ELIZABETH

Yeah, okay. So we really tried to look across the trajectory of a leader in a nonprofit and that organization's leadership journey, recognizing that the moment when a leader changes, when they leave, whether that's planned, whether it's unplanned, that moment is a pivotal moment, an inflection point for that organization that we get that right, that we make sure we're not leaving any stone unturned in terms of providing resources and tools for the organization to navigate that stage well.

That then transitions into **how we onboard leaders and thinking about how we onboard them, certainly to their own organizations, but also to the community and the local sector**, the landscape, the cross-sector partnerships, and thinking about then **how that leader has opportunities to grow into their full potential as the leader of that organization**, and thinking about development resources, things that can make sure that that leader gets a chance to really do everything they can to support themselves as they're bearing that responsibility of leading the organization, and then thinking about folks who have really proven themselves, who have been around, who have done this year in and year out, and how do we sustain them? How do we help folks who've been pouring their energy into what is often very heavy work? **How do we sustain them for the long haul? How do we help them find new sources of energy to keep them going? How do we find space for restoration for new inspiration for those leaders that are really delivering?** And then, as you mentioned, kind of thinking about this pipeline of folks who aren't leaders yet, but where are our future leaders going to be coming from and **when the next time an organization has a transition, are we in a place where we're making investments and we're being thoughtful about how we provide opportunities for folks who may be in the pipeline or rising through their organizations and in a position to ultimately become that leader or that executive director in the future.**

RUSTY [00:20:34]

Yeah, so it really is looking at sort of the long term and this sort of lifecycle, if you will, of leaders and their organization. So let's go more into executive and leadership transitions. You've already started to talk about why this is so important. But if you want to share more about, you know, what that's look like in the nonprofit sector there in Holland/Zeeland and in the relationships that the community foundation holds with various nonprofits. Can you talk about why it's been so important and about some of the risks you've seen with unhealthy or unsupported executive transitions and the benefits of healthier transitions? And actually just, you know, before you dive into those things, just get concrete about what the model is that you've you've developed. Give us what do you actually do when an executive transition is happening? Then we can talk about the risks and the benefits.

ELIZABETH [00:21:32]

Absolutely. So I will say what we tangibly provide is dollars for an organization that has been a partner that has received funding from us in the past, when we learned that they are

experiencing a leadership transition or are anticipating a leadership transition, we have resources, \$3,000 that that organization is eligible for to use in whatever way they deem fit to support their process. That can be everything from hiring a search firm, hiring an interim executive director, maybe flying someone in or doing some skills assessment, personality assessment, other tools that are going to help the board discern the path that they're going to choose there. Or some supports for the onboarding of that new leader in their work with the board.

So we really leave it to the organization to determine how to use those funds but the dollars are available at the moment that the organization is experiencing or shares that they are anticipating that transition. There's not an application process, it's a conversation or a phone call, email exchange with the board chair and or the outgoing executive director. And as long as the organization meets those qualifications, we will cut the check and get it in the mail.

And our message behind that is really we know this is a challenging moment. We care about you, we support you. We know this isn't going to be easy, but we want you to have resources to help you invest in this process and get the pieces in place that you need. I think I often try to put myself in the shoes of that board chair, I think we all know when you join a board, you ask the question of the current ED, you know, what are your plans are you staying around and nobody wants to be the board chair who gets the phone call or the email about, hey, guess what? That just immediately triggers a cascade of work responsibility. You know, these folks are volunteers, they have their own personal lives, their own work lives. And while they may certainly care deeply about showing up as a board member, in seasons of transition the board chair and other board members are being asked to shoulder huge responsibilities in those moments.

And so we know that we're all human, something like that happens and I think so often the reaction, and we've seen this happen, is just you just want to get through this, you want it to be over. You want to be on the other side of this abyss of not having a leader and everything that entails. And you want to have a new person in the seat which is real and we don't want to rush that process, we don't want to skip steps, we don't want to not use tools that might help the board discern what they need in that next leader, who the person that brings the best combination of experiences, skills and abilities to that role may be.

And so part of the dollars is a recognition that that can help create a little bit of a pause and a moment to say, gosh, you know, the community foundation not knowing and not having a role in who they're ultimately going to pick but thinks our process matters and thinks this decision matters for us and it does. We very much believe that. But it's different to **show up with dollars that we're entrusting to the board and the leadership of that organization in that moment. It's one thing to say you care, it's another thing to show up with dollars and to not make folks jump through a bunch of hoops and to not, you know, put a lot of restrictions on it.** It really is a moment of trust.

But as a place-based funder, these are our partners, our dollars only make impact because our nonprofit organizations do the work. And so for us, it's a really important moment to show up and say no matter how great of a relationship we may have had with the outgoing leader, the relationship with the organization extends beyond the tenure of any one particular leader and so we're there for it, we're there for it. And we want to come to that organization not just with those words and that messaging and relationship, but resources in that season of transition.

RUSTY [00:25:17]

And I just want to say, you know, people listening may say, well, \$3,000, that's not a lot of money. It matters. The signal you're sending, you know, that's the money you've got and you're allocating it. And I'll say, you know, we started by talking about Emerging Practitioners in Philanthropy, where I was the founding executive director, you were a chapter leader, when I decided to step down from my founding ED role, it was that same abyss for me and the volunteers I worked with. And so having a funder, Annie E Casey Foundation, support some coaching and consulting for that transition for me and the board of advisors was so clutch, I think really helped us all get through that. And that was, you know, a national organization, I think they put in \$10,000 worth of consulting for that. So yeah.

ELIZABETH

You know, Rusty, the other thing I would share on that, I think certainly the actual dollars and cents matter and the more resources we can put in folks hands, the better. At the same time, I do think, particularly as a community foundation and a place-based funder, you can send a message, even if the dollars aren't massive. And it also, you know, gives organizations permission to say maybe to donors or others who may question, you know, well, why aren't you just hiring a new person or why are you spending money doing this search or bringing this candidate? And it's a little bit of a we've got your back. The Community foundation thinks this matters and it can be a lot easier to say, well, one of our funders or a community foundation, they think this is really important and they gave us some resources to make sure that we feel good about our process and it just gives a little cover. And, you know, then if the organization does want to allocate some of their own resources, which often they do, it gives a different message and a different narrative to be combining resources to make some of this stuff happen, just recognizing that there is sometimes pushback and that it's helpful to have multiple sources affirming that this is an important thing to do, that the value is there, it's worthwhile.

RUSTY [00:27:20]

Right, definitely I think we should keep throughout this conversation talking about the signals that funders send and how important they are. It is not only does that send a signal to that board and your people involved, but other nonprofit executives who might be looking and saying, when I transition, are my funders going to say, oh no, we're not going to fund this organization anymore if you leave? Or are they going to say, we support you in doing this and we will help the organization get through this so that you can leave well, and the organization that you've built and sustain can keep going. That signal is so important to giving executive directors the freedom, the liberation of, yes, I can leave and things won't collapse financially at least one of my funders has my back. That's how I felt when I was able to go to Cassey and I went to them

first, telling them first, they were the first of our funders who I told I was leaving because I knew I'd seen what they did with others. I knew they'd be supportive, sort of morale, as well as possibly money. But they knew that I could tell them, there was a level of they'd take a positive view of this. It will not be a detriment for my organization.

ELIZABETH [00:28:34]

Absolutely, because transitions are going to happen and I think it doesn't serve any of us well to pretend that they're not. The reality is that they're going to happen. Sometimes we're going to get the luxury of planning, and sometimes we're not, and being ready and equipped at whatever moment we cross that path that we're here, we're not going anywhere and we hope your organization isn't going anywhere either. We recognize it's going to be different. There'll be a new person in that seat and we're going to build a relationship with them as well.

RUSTY [00:29:03]

Right, that's great. So, when I asked this question about what you specifically do, I also sort of asked, what do you think are the dangers of an unhealthy or unsupported, let's say no funder steps up to help or they say, what? you know, we're going to take a step back and wait to see what happens. What have you seen either there or elsewhere with an unsupported, unhealthy executive transition? And what have you seen this \$3,000 investment do to avoid that?

ELIZABETH [00:29:34]

I think one of the biggest pitfalls we see is communication and not recognizing that as soon as the board knows, something has begun and one of the the tools that we make sure any organization coming through our program has access to is just **understanding the importance of communication and not only the content of the communication, but the timing and the sequencing**. You do not want folks who are either receiving your services or who are big supporters or key partners in the community to hear about this by accident. And that can cause a lot of harm. It can cause a lot of breaking of trust if people don't feel like they heard from you and in an intentional way, that can do a lot of damage.

We've seen that happen on many different occasions in many different ways. And so we just really emphasize to folks that it's a lot. And it's often a time when, especially if things weren't planned and there wasn't a lot of runway, where suddenly you're hitting go and you didn't even know that we were started, the plane is taking off. And so thinking about how you can move as quickly as possible in a thoughtful way to ensure that folks hear from you and they hear in an intentional way, in a way that honors the kind of relationship that you have with them. That's a really key thing. I think figuring out whether an interim executive director is going to serve the organization well is a really key decision, too.

It's not always the right call, but we have seen many organizations find great value in that. In fact, we have a number of retired executive directors locally that have on multiple occasions been willing to kind of step into those seats and just, they know how to run a nonprofit organization. They might not know everything about that particular organization, but they know the kind of core practices, core responsibilities and keeping those kind of nuts and bolts of the

organization running so that folks are still receiving services, staff is still getting paid, the board is still convening to meet. You know, that can be so incredibly helpful for an organization. It's not always the right call, but particularly if, say, a founder is leaving or it was a very unexpected or unplanned transition that can give some stability. It can take a little bit of heat off the board to be both figuring out who the next leader is while also leading the organization.

And, you know, I think we have found, particularly working with a leader who has experience in the sector but is retired, they don't want this as much as the organization may ultimately wish they could hire them permanently. They're there for a season and they know that, and that's very helpful. It allows them to step in with, I think, a really healthy mindset about what serving as an interim executive director means. So we've seen that been a very positive experience for everyone around the table, and especially if organizations feel like, wow, the board, the board really needs some time and space to work through what this is going to look like and what the next leader, who that person is going to need to be in terms of what skills, experiences, abilities, strategy they're going to bring to the organization, it has created really healthy breathing room for that to occur.

You know, I think we've seen our dollars be used to support that. Again, it just gives a little bit of permission, our \$3,000 is obviously not going to get you terribly far. But saying that you know, the \$3,000 from the community foundation is going to help kick off a contracting with an interim ED for a season that can be really helpful. You know, different degrees of sophistication from different search firms can also be very helpful in taking some of that heavy lift of logistics, of running this type of process, as well as just all the kind of HR knowledge. If you don't have anyone on your board who either has the capacity or the expertise in the HR space, it can be really helpful to contract with a consultant firm to do some of that work for you, to be with you through those processes. And again, our dollars can go towards that.

And then just thinking about, you know, sometimes there are barriers to a candidate who may seem great but not actually be in the community currently. We know a lot of folks aren't necessarily in a position to buy a plane ticket or pay for a rental car and hotel and all those things. And so, you know, also seen the case, like if you need to use the community foundation dollars to do those things and for that to feel like we're going to consider this person, even though otherwise we might not be in a position to reimburse them for those costs, that's something that we've seen as well.

And then also kind of as the organization shifts into that new hire, thinking about how they support the new person coming on board our dollars, especially if it has been a pretty clear path or a short path for the organization to get to the point of making the new hire, sometimes they've used our dollars to either support executive coaching for that new leader or some other type of support service for, or consultant support for the board and the new executive director that they've mutually identified as wanting in those early few months.

And I think being mindful that whether it's a short or long path, not losing steam before you get through that onboarding process, because when you think about it, who onboards the new

executive director, it's kind of up in the air. You have a board, but they don't actually live and work in the organization every day, you have staff that both can be helpful in one regard, but also they're not your boss. And so thinking about, you know, how can we be intentional about bringing the energy, the people that need to be engaged in that onboarding process into the picture and making sure we're mindful of that so that there is still intentionality around that, even when you've just been through a very exhausting, very taxing stretch, getting through that transition period.

RUSTY [00:35:10]

You're getting ahead to my next question, but that's okay, that's okay. Before we move, though, into that, I just wanted to ask, so I know that there's been a whole practice or you mentioned there's several retired EDs who've been willing to serve as interims, and I think you had a whole practice around that with the Lakeshore Nonprofit Alliance and your current president of the Community Foundation came from there. So I wondered if you could just touch on that.

ELIZABETH

Absolutely. We are incredibly fortunate, **Lakeshore Nonprofit Alliance is a local membership organization that is really here to serve and elevate our local nonprofit sector to make sure these folks are equipped and have the resources, supports, information, tools they need to deliver on their missions to the best of their ability.** And so that partner has been key for us in many different ways in delivering these services, and one of the things that they do is they have a list of folks. So, if an organization is wondering, you know, gosh, we might benefit from having an interim executive director, we can have them call Lakeshore Nonprofit Alliance and they can have a conversation with someone that's not the Community Foundation, that's not a funder, but they can walk them through: here's a few ideas, tell us a little bit more about what you're needing, some of these folks may be more or less of a fit in terms of what they would bring based on where your organization is at. And just having that kind of third party connector of dots is very valuable. Because there's a different level or a different nature of relationship between an organization and the Community Foundation and then an organization and Lakeshore Nonprofit Alliance.

And so we're really grateful that those conversations and referrals can happen. They're being made there, we want them to happen, we don't think it's best or appropriate for us to be directly involved in those, but we're always happy to pass along names, ideas to them, and they can kind of be an intermediary to pass information along to other partners as well. And I got to give a shout out to folks who have served in these capacities. I can tell you if you want to make a difference in your retirement as a former executive director, showing up for a month, three months at an organization going through a transition can just be the greatest gift that that organization could possibly receive at that moment. So just incredible gratitude for folks who do that because it makes more of a difference than I think they'll ever know.

RUSTY [00:35:10]

That's great. One other thing on the executive transition that I wanted to ask you, that occurred to me while you were sharing this, is my executive transition coach, Tom Adams, who, you

know, I got the funding from Cassey to work with him and I actually interviewed him on the first season of this show, he's retired now, but he told me like one year was kind of the bare minimum needed to make the decision, one year between when you decide to leave and when you actually leave and that you really need that year for the planning, the preparation, working with the board, then telling all these people that ,the intentional communications that you were saying. So I was wondering if you've seen that in your experience with all these different groups, like what's the runway that you see as needed? And then like, what is the difference that happens when it's under one year significantly or it's more... whatever, I'm just curious to hear what you think of the runway looks like.

ELIZABETH [00:38:31]

In an ideal world, a year is fantastic and I think frankly, that allows for kind of a silent phase of planning that is much more limited in scope with perhaps just the board chair or executive committee, maybe some senior staff that can help kind of really lay the groundwork so that when things start to roll out in more public ways or become more broadly known, that they've already done a lot of the legwork or the prep work ahead of time.

We actually say in our leadership transition funding that folks can let us know up to 18 months in advance of the transition, recognizing that, you know, a year is a great gift to give the organization, if it's possible for that individual to do that. And it's a space that it's very important for us to maintain confidentiality and for leaders to trust that our care and relationship with that organization is not contingent on them staying. But we have found that leaders do often communicate with us quite early, often 6, 9, 12 months in advance, that it's coming, that they can then assure their board chair that these resources are going to be there. And we're happy to cut the check early if that works for them and if there are things on the front end of the process that they would like to be ready to deploy those resources towards.

While a year is ideal, I think 3 to 6 months is certainly much more doable and gives an organization a good shot at implementing a lot of best practices, at being able to do a little bit of planning before you're actually implementing pieces of the transition. It gives the board a little bit of time to kind of take stock of where they're at, where the staff is at, where the organization is at, and kind of get their bearings going into the transition. **Certainly the hardest ones are the unplanned**, and I mean, I want to honor there are times when that is what an individual needs to do, to care for themselves as a person or just life doesn't give them another alternative and that's the choice that they need to make. That is, though, absolutely the toughest, I think, position for an organization to be in, because even if you've had the chance to do some succession planning before, it is always different when you hit go. It just is. There are unique circumstances. It's happening at a particular time, in a particular environment, at a certain time of year. You know, maybe your biggest fundraiser is next week, things like that where it's like that context matters and it matters a lot to how you actually roll stuff out.

So, you know, I think knowing at least 3 to 6 months in advance is certainly ideal, I think when you do have a very abrupt transition, I know boards already get called on to do a lot, but that's where you really need at least a core group of the board to be able to really step up. And if

you're fortunate to be a large enough organization that you have some level of kind of mid-level leadership or senior leadership within the organization, you're likely really going to need to lean on those folks, too. And there's going to need to be communication not just between the outgoing leader and the board, but some more direct communication between staff and board. And that's always important in these transitions, but particularly when there isn't any space for kind of preparing folks and laying groundwork for what this is going to look like.

Because **transitions are a huge lift for the board, but they're very destabilizing for staff.** They're still being asked to show up at work every day and deliver the services or do the work, often not really knowing what the future is going to look like, especially if it happened abruptly and there wasn't any chance to kind of communicate here's the timeline, here's our plan, here's what you can expect.

RUSTY [00:42:01]

Yeah, I think that'll be helpful advice for both funders and nonprofits around the timing issue and the intentionality, and not only the timing of when you make the decisions, but also when do you talk to your funders. You know, not being scared to do that, but actually doing that intentionally early in the process to try to get that support and not fall into that trap of telling key partners too late in the process or having them hear from others.

ELIZABETH [00:42:30]

If there's one thing I can say for a nonprofit that now knows they are going through a leadership transition is pick up the phone, call your people, call your major donors, call your funders, call your key community partners. Even if it's a brief, you know, not all the talking points message, it is so much better for them to hear directly from you than it is for them to find out through the grapevine. That just does some collateral damage to relationships. That's just not ideal. And if you can avoid that, it is well worth going a little extra mile to make that happen, knowing that that's just going to make things easier going forward and kind of rally folks around you as you're starting this process.

RUSTY

Thank you for that. Let's move to your second focus area, supporting people once they're in place. So tell us concretely what you do in this area.

ELIZABETH

So we offer in partnership again with Lakeshore Nonprofit Alliance, we provide funding to support a cohort model program that really looks at leadership development both through the form of journeying through a process and specific curriculum with a group of other nonprofit leaders, but embedded in that is also every other month coaching sessions with an individual executive coach for that leader.

And so what really made us excited about this program grant, there are lots of great leadership programs out there, was the opportunity to have a group of nine, go through this together, really have a chance to build relationships, learn and experience and process content together, but

pairing that with the coaching so that someone has a chance both to hear the content on the day you're all together, but then to process how you implement, how you bring it back to your day to day work as a leader, and to recognize that you need support, you need a listening ear, you need somebody to hold you accountable or to hear you out and provide some support, or a shoulder to lean on when it doesn't go so well, and that that combination is really valuable. So this was a program that had previously been available to local business leaders, and then we partnered with that entity and Lakeshore Nonprofit Alliance to adapt it for nonprofit leaders. And so that's something that we have been offering in a cohort model since 2019.

RUSTY

Okay. And in terms of the third area sustaining nonprofit leaders, this is part of the work that you do that I've always found kind of unique and fascinating. So tell folks what it looks like concretely in practice.

ELIZABETH

One of the things that hit me early on when spending some time with Fund the People and really thinking about how do we invest in people is **recognizing that it's not only about supporting an organization when change is happening, but it's about supporting leaders who have been there, who have done the work, have done the heavy lift, have moved mountains in their organization or their issue area.** And that's tiring, there's fatigue, there's exhaustion, physical, mental, emotional exhaustion. And oftentimes it means that the leader ends up leaving and does that need to be the outcome? Are there ways that we could come to that leader and offer some different resources, some different support, space, time to restore themselves, to find something that allows them when they hit those walls, when you're at those burnout breaking points to find some new spaciousness, to find some new energy, some new reconnection with the heart of why you do this work and recognizing that that's really deeply individual and unique, to think about what that looks like.

And for folks that are doing amazing work, we want them to have that chance, if we could provide some resources that let them do something that gives them the energy to keep at it and to do something else that we haven't even thought of yet for another two, three, five, ten years, that is one of the best things I think we could do for our community, for the sector, for people who are relying on these organizations to create change that they need in their lives and in our community.

And so this is, it's \$5,000 per leader. We have funded up to two leaders a year, and we have a group of folks that kind of speak into this process. Originally, it was only executive directors that we considered. We have since expanded that to recognize there may folks that aren't formally in that title of executive director but are absolutely living into the spirit of what this is about, somebody who's making outside impact in their organization and community and providing them with \$5,000 to say whatever this looks like for you and it's not your regular professional development and it's not to supplant, you know, your current salary and compensation, but something extra, something above and beyond that would for you be restorative, would give you some energy, some care, some spark.

RUSTY [00:47:20]

So what are some of the, give us an example of a couple of things people have done.

ELIZABETH [00:47:23]

Yeah, and they've all been so different. We have had folks take the first more than weeklong vacation in a decade and actually take more substantial time off. We intentionally named sabbaticals recognizing that that might not be the kind of conventional notion of like a six month sabbatical, but that for many of our nonprofit leaders taking even two, three, four weeks off is pretty revolutionary. These may be folks who haven't had more than a long weekend off in years and recognizing that that might be what they need, they might need a more lengthy period of time removed from their organization.

Sometimes that has been purely restorative. It's been about, I need to step back, I need to get away, I need to spend some time for myself, my family, other important people in my life. Sometimes it's been about, I need to get out of my daily zone and get out and travel and see other organizations or other places in our country or in the world that things are happening on this issue or in this space that I work in. Finding new inspiration and just kind of rekindling that spark for why they got into the work to begin with. And some have pursued, you know, education credentials, certain certificates, things that they've always wanted to do, but there was never the time or the money and this has just given them what, a little bit extra that they needed to help make that happen. And there have been no two that have been exactly alike, but it has always sparked a lot of kind of reflection and conversation just to think about what that person really needs at that moment.

And I will say, you know, again, we recognize \$5,000 isn't enough to do some of these things. We do not require that the board also contribute to this, we certainly invite it and say it's welcome, but they do not have to match those dollars to access them. Once we invite the leader, we send a check. It's not a conditional award where you can only access this if your organization, you know, steps up.

RUSTY [00:49:21]

But you encourage boards to match. Do the individual board members make gifts for that or does the board like allocate that from the budget or is it all different or you don't know?

ELIZABETH

I would say we don't know all the details. We've certainly heard a lot of different things and different organizations have different capacity to do that. And there are ways to get creative in terms of thinking about what are other ways that the board could lend value to what this experience is meant to be for that leader, even if it's not always a direct matching of dollars and cents, but it has also often been dollars and cents.

You know, I think similar to moments of transition, this is something that a board might not always itself feel comfortable allocating dollars towards or a leader certainly may not feel

comfortable asking for. But again, if the Community Foundation can be a partner to, you know, really give credibility to this, like this is a really worthwhile investment for your organization, we're giving you the money regardless, we just think it needs to happen to whatever extent it can.

RUSTY [00:50:21]

It's another signal that you're sending to the board, to the executive director, to the community of nonprofits around them. And you told me something great in our prep call for this, you said, like we, the Community Foundation, have to be selfish for the executive directors because they won't be selfish for themselves.

ELIZABETH

Exactly. I don't know an executive director that if we came and said, here's \$5,000, first they'd probably put it in the operating budget, then if we told them they needed to spend it on people, they might spend it on their staff. Those are all very worthy things to do, I just think as a sector, folks in these roles, we are not likely to be putting ourselves first. And then also we're kind of conditioned that like you're supposed to spend the money on other things, spending money on yourself that often comes with a lot of baggage and questions and I think it's deeply necessary and important, and I understand why there's hesitation.

And **it's not always an easy thing to give self authorization or permission as a leader**, given all the demands and different dynamics that you're navigating, **it's so much easier to have somebody else initiate that conversation** and we do intentionally try if at all possible, to communicate that directly to the board chair or whoever is representative from the board. We have found it's pretty powerful and I view this not so much as a reflection on the Community Foundation, but just board members don't always get to hear how much the community values their leader and alongside that, the work that their organization as a whole does, and just that recognition.

We all need recognition. We need to be recognized for the contributions that we're making. And I think that's something, it's not as tangible, but I think it's important. And I think if funders are going to make the investment of dollars and cents, we should absolutely give a little extra time to this program to make sure that we're having those conversations and conveying that appreciation, that recognition, that honoring of what folks are giving to their community, to this work alongside with the resources.

RUSTY

Yeah, we mentioned that you were kind of starting to explore supporting the leadership pipeline and expanding into that area. So what have you done so far with that concretely?

ELIZABETH [00:52:35]

So the thing that we're most excited about doing for the leadership pipeline is **we have taken that Lead 24/7 program that has previously only been available to executive directors and this past month launched a cohort that's specifically for what we're calling rising leaders.**

So folks who have some, you know, degree of leadership responsibility, maybe they're mid-management or they're in some of their senior leadership role in the organization, but they're not yet an executive director or they're not even sure if that's something they want to do,

but this could give them tools both to really grow in their current roles, but also hopefully kind of tee things up for if they have ever thought about being an executive director, feeling more equipped, feeling more invested in and supported about potentially considering that in the future and whether that's in their current organization, whether it's in a different organization, trying to have more folks to have experience and tools coming into roles.

We think that could be a huge win, as well as the opportunity to build community and relationship with other folks who are also in similar positions in their organization. **One of the things that is always a value add for us is if we can build that relational capital between leaders, because we know that is so much of the magic in our local nonprofit sector,** folks knowing each other, folks seeing, having eyes for opportunities for partnership can just create a huge difference for our community.

RUSTY [00:53:52]

That's awesome. Well, I'm sure people appreciate getting access to that program. So, one thing that I think is unique from what I've seen across the philanthropic field in doing what I call talent-investing is your community foundation has run a fundraising campaign, an endowment campaign, to support your work on strengthening the nonprofit sector, this grantmaking. So, tell us why you created the campaign and what has happened with that. Specifically, if you can talk about the endowment and then the three year gifts as well.

ELIZABETH

As we were coming out of COVID-19 and trying a lot of different things during that season as a local funder, a point that was driven home to us by our experiences was just how valuable these investments had been in the leadership pieces, in being there for organizations in times of transition and really wanting to double down on this work.

I can tell you honestly, in my seat at the organization, **if I think about some of our dollars that make the greatest impact for the actual dollar amount that we allocate to it, it is this strengthening in the nonprofit sector work. And for me, I would say in particular the leadership components of it.** So we started having conversations with our board about what would it look like for us to double down on strength in the nonprofit sector on these programs that we think lend such great value, and where could we create more access?

So we talked with our board, we talked with some donors, we talked with our local nonprofit leaders about what they would most like to see added to our current body of work and we recognized that as a community foundation that has unrestricted dollars that we were currently allocating towards this we needed to be very clear with folks, this was not about raising new dollars to supplant what we were currently doing. And so **our board made a ten year commitment of funding \$150,000 of this work on an annual basis for the next ten years,**

that they would put at least that much unrestricted dollars for it. Then we paired that with an endowment campaign that was really looking to create a field of interest fund, which would be dedicated to this work to sustain it for the long haul. And that's really where we were very fortunate to have an incredibly generous matching donor who saw the vision and wanted to help make this happen and that certainly incentivized a lot of other folks that saw the value but then in addition to that, just everybody loves a match, it makes your dollars go further! And so that was just tremendous to have that vote of confidence from those donors.

Overall, we raised 1.7 million for this purpose. Most of that was endowed, but we also had some donors that really wanted to make sure we got going on this quickly because they said there's no time to waste, these investments need to start happening yesterday. And so we had some incredible donors who agreed that while the endowment was building and getting to a point where it could sustain another \$50,000-60,000 worth of this work on an annual basis, we could start making those additional investments sooner. And so they pledged dollars for the next three years so we could do things like launch this rising leaders cohort of the 24/7 to make that opportunity kick off in 2024 as opposed to 2026-2027, which is a big deal in my mind, because that's two or three years of leadership development that might not otherwise have happened.

RUSTY [00:57:00]

As you said, timing and context matters... Yes, that's so awesome. Congratulations to you and your colleagues. So as we start to wrap up, we're going to do a lightning round here. I get pushback on talent-investment from funders, and I wanted to run some things past you that I think you have some answers to for maybe some other funders.

So some funders are concerned that talent-investing may be oppositional to trust based practices. Well, we don't want to get into salary, you know, like what's happening with the staff. Like, that's too in the weeds, we want to be more trust based. Have you found ways to engage in trust based practices within this strengthening the nonprofit sector work?

ELIZABETH

Yes, and I think that this is a phenomenal kind of trajectory to pair with that kind of, I would say, more conventional trust based philanthropy where maybe you're writing a grant for operations, you're giving that trust for the resources to be deployed as needed. But those resources might not be directed to investing in the people that are doing that work. And **I think this is a space where we can extend a lot of trust for people to decide how their organization needs to use resources** during a leadership transition or who in their organization needs some leadership development opportunities so that perhaps they could be the next ED, or what leaders need to sustain themselves for the long run.

We can extend trust by giving resources and circumstances and not creating a lot of hoops. We can, you know, not have a lot of requirements, a lot of things that might make folks less likely to access those resources or create a kind of cost alongside with the benefit that they're getting from what we're offering. So I think it's really a space, especially as a place-based funder, where, you know, these are relationships that we are in for the long haul and extending that trust

is huge in terms of deploying these dollars and saying we trust you to know what's best for you, for your people, for yourself, to serve you as a leader or as your organization doing the work you do in community.

RUSTY [00:59:05]

Fantastic, thank you. And so I also get push back on, well, you can't evaluate the impact of investing in staff, how does that affect, you know, program quality or results? So I know you've collected more informal knowledge and stories about the value, and you've said already on this interview that this is one of the most impactful, important things that the foundation does. Any thoughts about where you're going with that kind of documentation and evaluation going forward?

ELIZABETH

It's certainly something to this point that we have, we track anecdotally, we have a lot of qualitative data that we've collected and we continue to kind of monitor some of the sources that are regularly gathering input from our nonprofits to kind of complement that. But we were very excited as part of the campaign, we had a donor that actually specifically wanted to provide some funding for us to look at how we evaluate this work. And so we do look forward to over the next couple of years, having the opportunity to bring some additional expertise to the table to look at how can we quantify the impact that this work is having. And I'm really excited to see what we learn through that. I think the one thing I would say, though, to anyone who in the short run needs an immediate answer to that question is, **I don't know a successful business that doesn't invest in their people.**

And I don't think that they are questioning that value proposition, and I think if they're doing that in the work that they do and we're doing much more complex work, much more nuanced work, **it would be really foolish of us to not take the bet on our people. They are just at the heart of what our sector can deliver on and our potential to make a difference in this world and so I just, I think we can't afford to not take that chance.**

RUSTY [01:00:50]

That's a fantastic way to end, thank you so much, Elizabeth. And how can people find out about the Community Foundation, how can they get in touch with you and learn more about this work?

ELIZABETH

Feel free to visit our website **cfhz.org** or reach out to me directly. I love talking about this work. If you are a place-based fund or if you are a community foundation, I would love to talk with you, hear what you're thinking about, share anything that I've talked about today in greater detail. You can reach me at **ekidd@cfhz.org**. I'd be thrilled to talk with you.

RUSTY

Thank you so much, Elizabeth and we'll share some of the communications pieces that the foundation has created and some of the information about the programming that we've

discussed today on our website on the show notes page for this episode. So I hope folks will check that out as well. Elizabeth Kidd, thank you so much for being here. This was amazing.

ELIZABETH

Thank you so much, Rusty. And so grateful for the space that you have curated and created for us to have these conversations. It's been a huge source of inspiration for us.

RUSTY

Oh, well, now you're going to be a source of inspiration for other people. So thank you.

RUSTY

I hope you enjoyed the conversation with Elizabeth Kidd as much as I did. Thanks to Elizabeth for taking time to share her expertise and experiences with us. She and her colleagues have been working consistently to build a remarkable model of talent-focused grantmaking at their community foundation. And I think they're making a big difference with modest dollars by making strategic and responsive investments in their local nonprofit workforce. It's a story that I hope you'll share with as many community foundations and place-based funders as you can.

Coming up next here on the pod: two special episodes over the next two weeks to kick off the 10th anniversary of Fund the People. We are celebrating a decade of transforming philanthropy and the nonprofit sector through talent-investing and talent justice. So keep your ear tuned right here to your... Fund the People Podcast!!!

OUTRO

Thanks for listening to Fund the People Podcast! Visit fundthepeople.org and click on "Podcast" to find a transcript for this-and other-episodes and all the links discussed in the episode. If you enjoyed this episode, we'd really appreciate a 5-star rating and a quick review if possible on Apple Podcasts - it helps more people to find the show. Thank you for driving change in our communities. Remember to keep your tank full, take care of yourself, and take care of one another.