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Career Research Framework for University Students and Recent Graduates Interested in Nonprofit Sector Employment

Final Artifact

Reed Miller

December 6, 2021

Introduction

In a 2015 poll of college graduates in the United States, 40% reported that making an impact was one of the top five most important factors when considering a job (Petroni 2015). The nonprofit sector offers exactly that kind of opportunity and is only becoming more financially feasible as a career. As I write this in late 2021, a widespread labor shortage is affecting the nonprofit sector (National Council of Nonprofits 2021). This means there are more opportunities at more organizations, making it the perfect time to start a career in the nonprofit sector. This report aims to provide industry insights to support incoming nonprofit professionals.

Abstract

Through this project, I aimed to gain a better understanding of sustainable opportunities for undergraduate students and recent college graduates to get involved with the nonprofit management world, sustainable opportunities being contingent on potential success factors for both the individual and the organization. My analysis is informed by my hands-on experience working in a leadership position with the Healthcare Surfaces Institute, a national healthcare nonprofit, my interviews with nonprofit leaders in the Missoula, Montana, area, and by looking at labor data for the American nonprofit sector. In this essay, I report on my findings both anecdotal and data-driven to conclude with a set of several key questions individuals should ask themselves when considering a career in the nonprofit sector.

Project Initiation & Pivot

I initially proposed this project with the question, “what are the best practices for efficiently scaling a nonprofit organization to effectively maximize economic value and social good?” This question was inspired by my employment as Fundraising Director and Executive Administrative Assistant for the Healthcare Surfaces Institute (HSI), a national healthcare nonprofit founded in 2016 that was seeking to implement its product and scale operations. I began working full-time with HSI in May of 2021 and quickly realized that the scope of my initial question was far too large for me to answer in any meaningful way. I resigned from my role with HSI after a series of events led me to realize that HSI was not an appropriate fit for my career aspirations. My experiences there led me to reflect on what are the key elements for a successful and satisfying career in the nonprofit sector. To help explore these questions, I interviewed seven highly respected executive directors of nonprofits local to the Missoula, Montana, area and turned to the data to learn about the career opportunities available in the nonprofit sector.

Executive Director Interviews

Executive directors of nonprofit organizations are tasked with having a fundamental understanding of all the operations of an organization and how those operations align with the nonprofit's goals. They are tasked with evaluating and re-evaluating their organization and its employees. Therefore, when possible to use some of their valuable time, executive directors can be a valuable resource for learning about the scope and potential of a nonprofit career.

Of the seven leaders interviewed, five had previous experience in nonprofit leadership or working full-time at a nonprofit organization. All the organizations interviewed have formal relationships with other local nonprofit organizations and have operated for at least five years. The executive director with the least experience as a nonprofit professional had worked in the sector for only five years, whereas the most experienced had worked for nearly four decades. All the nonprofits interviewed had at least three paid full-time staff and stable sources of revenue, with the largest – The Nature Conservancy - employing over 4,000 individuals and earning 1.2 billion in total revenues in 2020 (The Nature Conservancy 2021).

To structure my interviews, I prepared a set of questions (see Figure 1). These questions were designed when scaling was still the focus of this project, yet the ensuing conversations nonetheless yielded valuable insight about the positive characteristics of organizations a potential employee should seek out.

Figure 1.

- How has the organization's focus changed during your time there? How has funding changed?
- How has the organization succeeded in growing/achieving their mission and vision?
- What missteps/mis-directions has the organization made, and how have you recovered?
- What specific assets have helped your organization?
- To what degree does your nonprofit function like a government entity? What do you view the role of nonprofits relative to government services?
- What captured your imagination when you first started nonprofit work? What captures your imagination and excites you now?

Insights From Interviews

Three key themes emerged from these interviews. Nonprofits that are widely viewed as successful have clear goals, strong community/customer engagement, and excel in collaborating with other organizations.

◆ Clarity of Goals

Organizations are going to be more effective in achieving their goals if their goals are clearly defined and align with the organization's capacity. Many of the nonprofit leaders attributed their organization's success to clarity of mission. Katie Deuel's first action as Executive Director of Home ReSource was to design and implement a strategic plan for the organization, which it was previously lacking. Katie emphasized creating clear metrics to evaluate the success of a project or policy as crucial to the success of a strategic plan. One such realization this yielded was the

inefficiencies associated with the creation of sub-committees, which consumed too much of a leaders' time without sufficient outcomes (Katie Deul 2021). Clarity of goals communicated to the public through a strategic plan, such as those of United Way and The Nature Conservancy, has the additional benefit of promoting community engagement and collaboration through increased transparency.

◆ **Community & Customer Engagement**

Community & customer engagement can take many forms, but it can be differentiated from the collaboration I detail in the follow section. Engagement is different from collaboration in that engagement deals more closely with overall traction in the community, rather than formal partnerships. David Banks, the Chief Conservation Officer of The Nature Conservancy, articulated how their widely lauded organizational code of ethics and transparency garners them greater local support in the regions they operate in internationally, as contrasted with other international economic development organizations that are viewed as out of touch with the local issues they're trying to solve. This kind of engagement can in turn result in greater fundraising abilities. United Way Missoula's good reputation is another such example of positive engagement (Susan Hay Patrick 2021). As exemplified by the Adventure Cycling Association, strong customer engagement can also provide the option to charge a small fee for products or services (Scott Pankratz 2021). This fee for service revenue model has the additional benefit of allowing a nonprofit to scale relative to the needs of the population they serve, as opposed to being more financially reliant and therefore responsive to a handful of large donors. Granted, this model is not the best fit for all nonprofits, such as homeless shelters and other organizations with financially disadvantaged target customers. Nevertheless, greater community/customer engagement financial or otherwise can lead to more sustainable development.

Public engagement and the regular feedback loops they create are pivotal to the success of a nonprofit community, a sentiment shared by public service and social change theorist Dean Spade of Seattle University School of Law. In his seminal book titled "Mutual Aid: Building Solidarity for this Crisis (And the Next), Spade advocates for "consensus decision-making to maximize everyone's participation to ensure people impacted by decisions are the ones making to avoid under-represented groups getting out-voted" (Spade 2020). Nonprofit organizations are legally required to have a board of directors with the intention that the board is representative of the community served, and Spade argues that the direct recipients of a nonprofit's services should be actively involved with the organization's decision-making process. For example, a homeless shelter should include people suffering from homeless on their board. Spade recognizes that this approach is often viewed as radical, but nevertheless it resonates with the importance of public engagement articulated by the nonprofit leaders interviewed.

◆ **Collaboration**

"Collective impact" was a term used by several of the interviewees to describe their work, namely collaboration with other organizations to maximize positive impact. This was a common theme that emerged in my interviews and research. Susan Hay Patrick of United Way Missoula was a particularly strong advocate for this ethos, remarking on a change in focus in the nonprofit sector from individual projects to systemic change. Thus, United Way Missoula has changed its organizational goals in the past year to focus on community priorities, rather than organizing and funding specific projects only. Katie Deuel also spoke to how Home ReSource has been working with local construction businesses, the City of Missoula, local schools, and "many, many local

nonprofits” to achieve their vision of a “circular economy” wherein there is no waste from major economic activity. David Banks of The Nature Conservancy shared a similar insight, remarking on how The Conservancy has shifted its focus away from isolated land purchases to more comprehensive goals, specifically to address climate change. This shift in focus has made it necessary for The Nature Conservancy to work directly with a wider diversity of stakeholders, such as governments, international banks, and local agriculturalists. Since systemic change can only be effective through collaboration with a diversity of stakeholders, public service entities are simply more likely to achieve their goals in perpetuity by working directly with other organizations.

Employment Opportunity and Financial Security

There are many organizations that meet the qualitative criteria previously described, yet of these organizations there is a smaller subset that have the funds to hire a full-time employee. Overall, nonprofit employees are approximately 8% of the non-farm workforce (National Council of Nonprofits 2021). In 2017, the nonprofit sector in the United States employed 12.5 million individuals, yet there was a wide range of annual income and number of employees relative to firm size (United States Bureau of Labor Statistics 2017). The vast majority of American nonprofit organizations (39%) have fewer than five employees, yet 51% of employees in the nonprofit sector are with firms that have 1,000 or more paid employees. Employees at these larger organizations also earn more than those who work at smaller nonprofits, making \$65,000 annually on average whereas employees at firms with fewer than 50 employees average a yearly salary of \$36,000.

Despite the pandemic, the nonprofit sector has continued to grow significantly. Wages and salaries received from nonprofit organizations had a brief dip in the beginning of 2020, yet quickly resumed their upward trajectory to pre-pandemic levels (Board of Governors of the Federal Reserve System (US) 2021). The nonprofit sector has only continued to grow in its capacity to hire full-time employees, increasing from 4.7 million full-time employees in 2008 to 5.2 million in 2017 (McKeever 2018).

Furthermore, a study from the Johns Hopkins Center for Civil Society Studies found that “nonprofit average weekly wages per employee are nearly equal to those paid by for-profits overall—and are actually much higher than for-profit wages in many of the key nonprofit fields” (Newhouse 2020). It is therefore important for those interested in a nonprofit career to identify organizations that are large enough to pay a living wage. Applying to work at nonprofits with more employees may be more competitive, but the data shows they tend to pay better.

Remaining Questions

When starting any job search, it is important to also ask yourself what you want out of your employment beyond income. I’ve sought to answer some of those questions here by providing information about nonprofit sector salaries relative to different sizes of organizations, but there are still many qualitative and personal impact questions worth consideration. Namely, what skills do you want to gain from your nonprofit employment? What kind of impact do you want to have? What work cultures do you thrive in?

For starters, it is fair to assume that whichever organization you choose to work for immediately following university graduation will not be your last employer. The United States has a particularly high job mobility rate relative to other countries, with job mobility at its highest for individuals in their 20s, the common age for recent college graduates (Bosler and Petrosky-Nadeau 2016). Therefore, it can be beneficial in the long-term to apply for positions that provide the greatest opportunity to develop skills and experience necessary for future jobs.

With this in mind, individuals interested in a career in the nonprofit sector may want to apply for jobs at nonprofits with internal mentoring opportunities. Before you even interview or submit a job application, you can begin to identify these opportunities by reaching out to specific individuals at nonprofit organizations you're interested in working at and asking them questions about their work and how they have developed their skill set. To what degree is there an internal culture of mutual support? Are these nonprofit leaders receptive to your questions? Some larger organizations have formal mentoring programs worth investigating. Larger, more established organizations may also be more predictable, whereas smaller and younger nonprofits tend to be more dynamic by necessity. Another learning opportunity encouraged by nonprofit professional and University of Montana professor Keri McWilliams is to apply to be on a nonprofit's board. McWilliams has observed that many nonprofit boards are lacking younger voices, much to their detriment. Assuming you can join a board in the first place and can afford to not be paid for your time, being on a board is an opportunity to learn about how a nonprofit functions while being surrounded by others who could support your learning process in a structured environment. This knowledge and experience have the potential to pay dividends later in your career.

It is just as important to ask about what skills you want to gain from your employment as it is to ask what kind of impact you want to have. For better or for worse, when it comes to your long-term ability to make an impact over the estimated 80,000 hours of your professional career, you are probably not going to have the largest impact in your first few years immediately following college graduation (Centre for Effective Altruism n.d.). That's not to say you can't make a difference now! You still can have a meaningful impact in the next few years and should. Bringing about positive change is inherent to nonprofits' mission. But since we can generally equate experience with a decreased likelihood to make mistakes, an increased understanding of the root causes of the issue you are seeking to address, and an expanded skillset to effectively address said issues, we can fairly expect your ability to make a lasting difference will only increase with experience. Therefore, identifying earlier what desired impact best matches your current skills and then seeking out jobs that would expand necessary skills and experience will ultimately increase the probability you will make your desired impact on the world.

To help frame your initial search, in Figure 2 I provide a primitive guide to compare the skill development opportunities commonly offered by different genres of organizations.

Figure 2.

Startups (<5 years old)	Small Nonprofits (<100 employees)	Large Nonprofits (>100 employees)
Generally greater autonomy, riskier. May still be working on developing mission/vision, securing reliable funding sources, and initiating relationships with stakeholders. More opportunity to work with all the different operations of a nonprofit and interact with leadership.	Also opportunity to interact with all the different operations (hiring, fundraising, marketing, client management, etc.) and work directly with leadership. Potentially more stable and offer internal opportunities for career advancement.	Offer more internal mentoring opportunities and job security. Benefit of tried-and-true practices to lean on, but potentially less autonomy to experiment and explore. Pay better on average.

Conclusion

Nonprofits play crucial roles in addressing some of the most pressing challenges faced by society. The nonprofit sector can provide meaningful, impactful careers that can be just as profitable as jobs at for-profit organizations. Nonprofit jobs have the additional benefit of fundamentally community-focused missions and high potential for skills development and promotional opportunities. When starting or accelerating your career in the nonprofit sector, it is worth your time and energy to reflect on the information and questions I pose here to maximize your opportunity to make a positive impact in our world.

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Thank you all so much for sharing your insights and for the positive difference you are making in your work – the world is better because of you.