Elites at Work

As charities grow more professional, they risk losing touch with average Americans.

By NICOLE WALLACE

For Paul Schmitz, a choice of pizza topping illustrates the awkward place of nonprofits in the post-election environment, wherein "elites" have come under scrutiny.

As Mr. Schmitz tells the story, he was attending a high-profile nonprofit conference following the November vote. An innovative leader at the nonprofit Public Allies for more than 20 years, he's now a management consultant who's often at gatherings of top nonprofit executives. On this occasion, a casual conversation over dinner turned to a discussion of elitism in the field. As Mr. Schmitz and his acquaintances chewed over the topic, he was struck by the fact that they were eating pizza adorned with ... arugula.

The irony wasn't lost on Mr. Schmitz, whose life experiences make him especially attuned to the issues of class in philanthropy and nonprofits. Born and raised in the flyover city of Milwaukee, he attended a commuter college while working as a telemarketer on the side. He was what's called a "second-chance" student: He battled drug and alcohol addiction in high school, was homeless for a time, and entered college through a vocational program.

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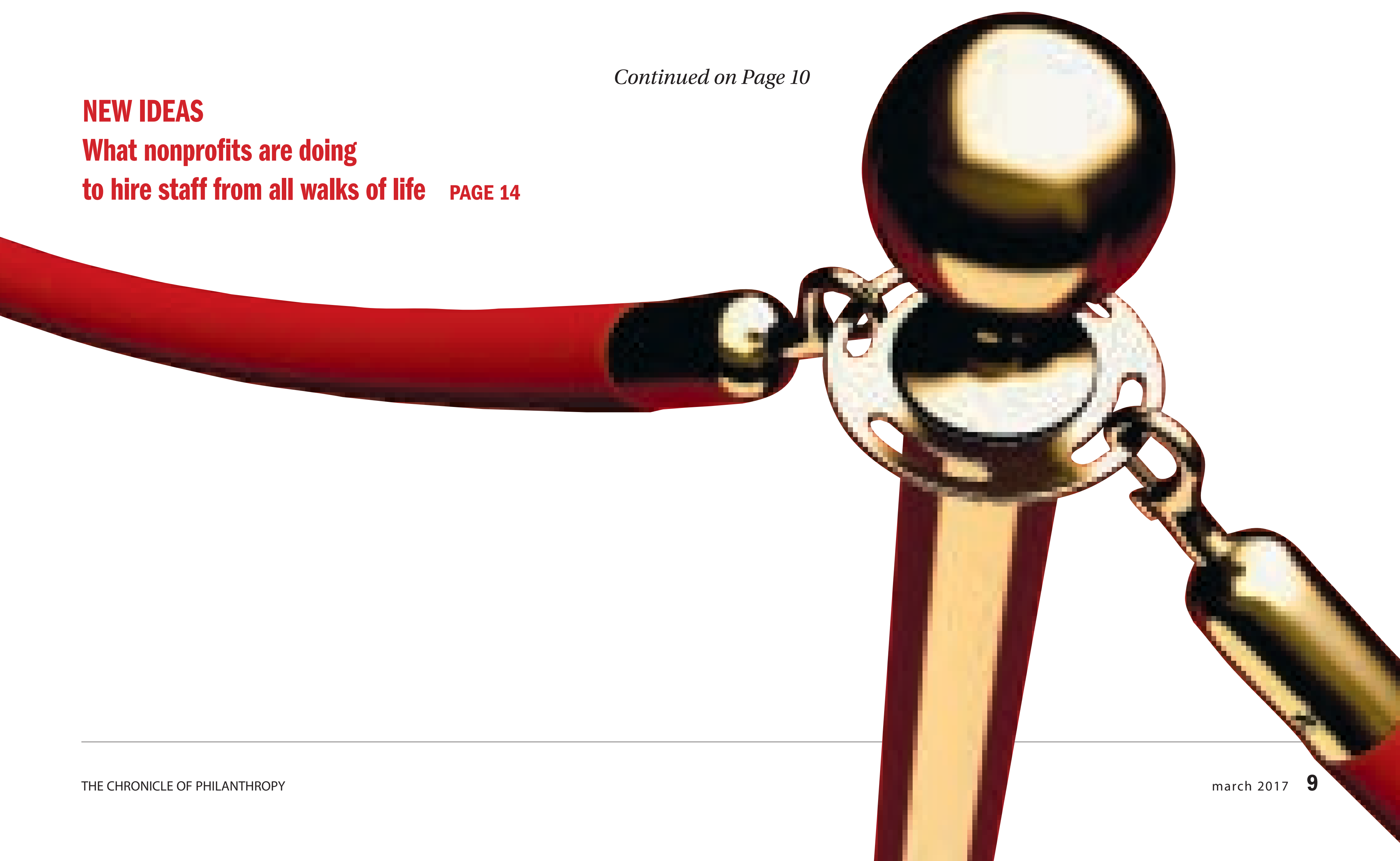
What nonprofits are doing to hire staff from all walks of life PAGE 14



SARA STATHAS, FOR THE CHRONICLE

"We professionalized the management and leadership of the nonprofit sector and have **compensated leaders more fairly,** which I think has been a good thing. But there's been a tradeoff."

— Paul Schmitz, former CEO, Public Allies

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Today Mr. Schmitz is convinced that many nonprofit leaders have grown too elite, himself included. He argues that charity executives generally share more in common with their donors than with the people they serve. Their alma maters, their neighborhoods, their kids' schools often speak to lives of relative comfort and opportunity.

That wasn't the case more than 20 years ago when he started Milwaukee's chapter of Public Allies, a group that works to increase the diversity of the nonprofit work force by placing low-income young people in charity fellowships. Back then, he was a scrappy college student not too different from the young men and women he was helping.

With populism rising across the political spectrum — most apparent in the fiery campaign speeches of Donald Trump and Bernie Sanders — Mr. Schmitz is not the only one weighing the nonprofit world's relationship with the middle and working classes. The Ford Foundation's president, Darren Walker, wrote after the election: "Have we neglected to recognize and respond to working-class people, regardless of race and geography?"

Foundations and large nonprofits have unwritten rules on how to debate and make decisions.

If the answer is yes, creeping elitism in the top ranks of nonprofits may be partly to blame. No data speaks to the socioeconomic background of nonprofit employees as a whole, but interviews with nearly two dozen professionals reveal deep concern that big foundations and large nonprofits do a poor job recruiting and retaining leaders and managers from modest economic backgrounds.

Local grass-roots groups are typically closely tied to the communities they serve, says Kalila Barnett, executive director of Alternatives for Community and Environment in Roxbury, Mass. But the cultures of foundations and larger charities are geared toward people from prosperous economic backgrounds, with plenty of unspoken rules about how to communicate, debate issues, and make decisions.

"If you're not already a part of that world, you have to learn a new language," she says. "Because we spend a lot of time talking to each other, we're not always aware of the ways we may be unknowingly keeping people on the outside."

Such insularity can sabotage even the best-funded efforts to do good. Much of philanthropy is about alleviating social ills like hunger, illness, and poverty, says Rodney Christopher (see article on Page 12), an official at a large, progressive foundation. "There's a lot of wanting to make other people's lives better. But the reality is that if no one in the room understands what it's like to be one of those people, it's very easy to come up with solutions that are somewhat ignorant."

Ignorance can lead, in turn, to the neglect of the working class. Stephen Patrick, executive director of the Forum for Community Solutions at the Aspen Institute, has seen it happen in the most unintentional way. Earlier in his career, Mr. Patrick was an official at a foundation that administered pass-through grants from national philanthropies. One $20 million grant aimed to increase students' access to health care through public schools, but it required schools to have an advanced health clinic with, among other things, at least two dental chairs.

This stipulation effectively put the grant money out of reach for most small schools in poor, rural areas. Yet the mismatch could have been avoided if someone from those areas or communities like them had been among the program designers, says Mr. Patrick.

"Foundations are often driven by folks who don't have the lived experience," he says.

Professionalization's Dangers

It may be hard to see charities and philanthropy as the kind of elitist hotbeds that Mr. Trump and Mr. Sanders railed against, particularly when many operate virtually hand to mouth. But Mr. Schmitz and others suggest that while the nonprofit world's increasing sophistication has brought a host of good things, it has also led to staff rosters filled with well-educated, well-paid professionals, particularly at the top. "We professionalized the management and leadership of the nonprofit sector and have compensated leaders more fairly, which I think has been a good thing," he says. "But there's been a tradeoff."

A focus on professionalization, for example, means that charities today bring more expertise and research to bear on problems. At the same time, employees earn more money in recognition of their increased knowledge and skills. In short: Advanced education and fatter paychecks can distance people from those they serve.

Mr. Schmitz believes this distance is greatest in large cities like New York, San Francisco, and Washington, where charity executives earn some of the highest salaries in the field. According to the latest data from GuideStar, the median paycheck for a nonprofit CEO in Los Angeles is $116,000 — peanuts compared to the pay for a lawyer or business executive but still about twice the median income in the area.

Mr. Schmitz also blames the disconnect on the ever-increasing importance of fundraising in shaping nonprofit leadership: "The fact that many nonprofit leaders now emerge through business schools and the fundraising side versus the program side alters how they lead." In other words, an executive director focused on fundraising may spend more time courting donors than designing and improving programs.

Professionalization has also brought with it an emphasis on credentials — specifically, academic degrees and the colleges where they were earned. Some argue this has become an obsession. Nonprofits boast that they hire only the best and brightest, which can be code for graduates from the Ivy League and other elite private colleges. Sometimes even program-assistant positions require a graduate degree.

Since 2014, Ava Hernández has served as executive director of Public Allies Milwaukee. She has only a bachelor's degree and believes the lack of an advanced degree would have held her back at another nonprofit.

She has looked at job ads that had higher requirements for lower-level work than she was doing. "It would have been a step down in responsibility, but then it was master's degree required."

People of color feel acute pressure to earn an advanced degree, says Sean Thomas-Breitfeld, co-director of the Building Movement Project, which studies leadership and management at social-change groups. "If you have the sense that people are going to doubt your ability to take on a leadership role or to run an organization, then it becomes even more important to have that higher degree or those extra letters after your name."

The focus on credentials also means the talent pipeline at nonprofits narrows to individuals who have had the economic wherewithal to attend college. Even if students from low-income families get through college, they often shoulder steep student-loan debt or have significant family obligations. These individuals simply can't afford the unpaid internships or low-paying, entry-level jobs that are often a steppingstone to a nonprofit career, says Yolanda Coentro, chief executive of the Institute for Nonprofit Practice.

You can't help others if you're struggling to get by yourself, she says: "You've got to put your own air mask on before you save others."

Race, Gender, and Money

For many years, the nonprofit world has framed diversity as an issue about race and gender. If nonprofits and foundations employed more people from modest economic backgrounds, it was an accidental byproduct of efforts to add more women and people of color to their staffs.

The focus on race remains key to recruiting diverse staffs. In a recent survey of 4,000 nonprofit professionals, the Building Movement Project sought to measure, for the first time, how both race and class affected their desire to lead an organization. Class, it turned out, mattered little, but race made a big difference: People of color were much more likely than

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"My parents didn't have **wealthy people** sitting at the dinner table."

— Yolanda Coentro, president, Institute for Nonprofit Practice

KEITH BEDFORD/THE BOSTON GLOBE/GETTY IMAGES

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their white counterparts to say they wanted to become a nonprofit CEO.

"One hypothesis could have been that people who come from a more upper-class background would have more aspirations to lead organizations," Mr. Thomas-Breitfeld says. "That didn't seem to be the case from our data."

Taboo Subject

Still, he and others believe more emphasis on class is warranted. They worry that philanthropy sometimes uses race as a proxy for class, with significant ramifications for programs and grant making. Amoretta Morris, an official at the Annie E. Casey Foundation, says there's a tendency to assume that a black staff person at a foundation has a shared experience with people living in the high-poverty inner-city neighborhood that the grant maker is helping. "Foundation leaders see that and say, 'Oh great. Send them into the meeting.' "

If that foundation official grew up in a middle-class or even high-wealth suburb, Ms. Morris says, "this person could very well go with their own set of biases and inability to see particular things behind their own class bias."

Even after the election, the diversity focus for nonprofits remains race and gender. A handful of organizations are testing ways to diversify their talent and leadership pipelines (see article on Page 14), but discussions like the one at Mr. Schmitz's pizza dinner have not sparked any major efforts.

This is perhaps understandable. Efforts to diversify based on economic background are difficult, in part because it's not easy to identify someone's socioeconomic class. Also, class affiliation can change over the course of a person's life.

Ms. Morris thinks the nonprofit world is reluctant to take up the issue because it is, at heart, uncomfortable wrestling with questions of class. People, she says, don't like to talk about money.

As an example, she recalls a grant-making fellowship exercise in which the facilitator asked the fellows to divide themselves into groups based on race and sexual orientation. That went relatively smoothly. But things grew awkward when participants were asked to split themselves up based on their class identity. And when the facilitator asked everyone to sort themselves according to salary, people were aghast.

That was an important lesson, Ms. Morris says. She and fellow grant makers may be squeamish talking about money, but the parents who enroll in charity programs typically have no choice. "These families have to tell complete strangers how much they make all the time, report it multiple times on program applications." Ms. Morris says. " 'Are you poor enough to be part of our program?' "

Because of their class privilege, she says, nonprofit professionals are insulated from such intrusive questioning. They never have to talk about money.

The question now is: Will that change? ▪

OPINION + RESOURCES

- How **William Schambra** of the Hudson Institute and **Amir Pasic** of Indiana University's Lilly Family School of Philanthropy see the benefits of competing elites — and the danger of a philanthropy that thinks it has all the answers. And weigh in with your views.
- A Resource Center tool kit offers advice on building a **diverse staff and board.**

philanthropy.com

A Foundation Executive's Life Lessons

Rodney Christopher grew up poor in a family that was often on welfare. That was decades ago, but he still has moments when his childhood poverty makes him feel like an outsider.

SETH OLENICK

PERSONAL INSIGHT Rodney Christopher draws on his experience growing up poor in his work as a grant maker.

Even something as simple as knowing which fork to use at a formal dinner has brought him up short.

"I had to observe what other people were doing," he says. "I played it off with the best of them, but I had a minor panic moment."

It was a small but telling dilemma, an example of the everyday challenges people from modest backgrounds face when they work in foundations and large nonprofits, Mr. Christopher says.

"There are things that people who grow up in middle- and upper-middle-class families with educated parents and a knowledge of how money works just take for granted," he says.

Today Mr. Christopher is a director of capital markets at the Heron Foundation, in New York City, but he notes that he's speaking for himself and not as a representative of the foundation.

Early in his nonprofit career, Mr. Christopher says, he worked hard to hide the fact that he grew up poor. He feared superiors would think he wasn't as strong a candidate for advancement as someone who had more opportunities in their formative years.

Now that he's older and more established, he makes a point of talking about what it's like to live in poverty as part of his role as a grant maker. Heron officials appreciate his insights, he says, but in conversations in the broader foundation world, he often gets pushback.

"I'm sometimes told a variation on, 'But you're one person; we're looking at the big picture,' " he says. "It's as if my experience somehow gets dismissed in the broader scheme of what they know because they've done academic research."

Mr. Christopher says philanthropy's increasing focus on demonstrating impact doesn't always square with its mission to help people. Experiments that compare the results of individuals who receive assistance with a control group that doesn't get aid make him very uncomfortable.

He thinks it would be much harder for researchers and funders to justify trials of this type if they could imagine their mother or another family member in the control group.

"Humanity gets lost in these conversations," he says. "And I think that's easier when there are not people in the room who come from modest backgrounds and who feel comfortable speaking up about it."

— NICOLE WALLACE

NATHAN LINDSTROM, FOR THE CHRONICLE

The New Diversity

Here’s how a few groups are trying to hire and support workers from varied economic backgrounds.

> “What it did for me is **unleash some of the shame** that can come if you’re not from a high-income background.””
>
> *— Natalie Basham, senior managing director, Teach for America*

GIVE VOICE TO EMPLOYEES

Teach for America offers an array of voluntary, employee-run groups for staff to meet and learn from colleagues who share a common background. There are groups for parents, African-American managers, Latinos, and more.

One group is for employees who come from a low-income background, however each person defines that. Members meet online every other month. They have discussed class and family issues that come up at the holidays and talked with an investment adviser about 403(b) retirement plans.

The education nonprofit tells employees that their life experiences are a valuable asset for the charity. It follows through by asking the groups for input on proposed new policies. For example, the management team asked the low-income group for perspective on potential changes to the pay schedule and on how big a burden it was for employees to cover up-front costs, like travel, that are later reimbursed. Teach for America incorporated some of the group’s suggestions, such as giving employees plenty of lead time to adjust personal budgets before changing the pay periods.

Natalie Basham, a senior managing director at the charity and co-leader of the low-income group, says knowing that some colleagues share her experience of growing up poor has changed the way she thinks about her background.

“What it did for me is unleash some of the shame that can come if you’re not from a high-income background or you’re a first-generation college graduate and reframed it as a leadership opportunity,” she says.

STRUCTURE HIRING TO LIMIT BIAS

A few years ago, the Massachusetts branch of Bottom Line realized that for a charity that helps low-income, first-generation students get into and graduate from college, it had an awful lot of white staff members educated at elite private institutions.

The homogeneity was unintentional, says Justin Strasburger, the group’s executive director. With support from their families, people from wealthy backgrounds could afford to take low-paying, entry-level jobs at a nonprofit. At Bottom Line, they worked their way up into the positions that were doing most of the hiring.

When those employees interviewed candidates with similar backgrounds, they felt an unconscious connection, says Mr. Strasburger: “They’re like, ‘This person reminds me of me. Let’s get them on board.’ ”

To counter this, the group introduced formal hiring practices. One of the biggest changes: Many more people from different levels of the organization are now involved in interviews.

“Our goal is to help our students go far in life,” Mr. Strasburger says. “If we’re not able to hire our alumni students or those who look like them,

we're either failing at our job or being inauthentic to our mission."

PAY A LIVING WAGE

DoSomething.org, a youth volunteerism charity headquartered in New York, has an unusually high starting salary: $43,000 a year. It hopes that such pay will open its entry-level jobs to individuals from all walks of life. "A person can live on that in New York City without help from parents," says Aria Finger, the group's chief executive.

Because 20 to 25 percent of DoSomething's employees start as interns, the organization also has looked at how to diversify that pipeline. While the group has always paid interns, it now aims for a pool of candidates mixed by race, class, and parents' level of education. It also offers a housing stipend based on need.

DoSomething employees' health-insurance premiums are fully covered, and the nonprofit offers to pay up to $20,000 in undergraduate debt for employees after five years at the organization.

"We want low-income folks to know that it's economically possible to stay at DoSomething for the long-term," says Ms. Finger.

HIRE FOR LIFE EXPERIENCES ...

The California Community Foundation is dedicated to improving the lives of people who are struggling in Los Angeles. When CEO Antonia Hernández is hiring, she wants to know whether candidates have lived or worked in the neighborhoods where the foundation supports programs. Do they speak the language residents speak? Are they comfortable engaging in the community?

Ms. Hernández generally doesn't hire people who have worked at foundations. Instead, she recruits community organizers or veterans of government or local nonprofits.

"It's easier to teach philanthropy than it is to teach someone about community organizing, and all that goes into the life experience," she says.

The foundation has become a training ground for larger philanthropies. In recent years, employees went to the James Irvine Foundation, the California Endowment, and other large foundations.

Ms. Hernández used to be frustrated that staff would leave after her organization invested so much time in their training. Now she sees it as an important role for the fund.

"Community foundations can be the door into philanthropy for people to get the training, get the experience, get the connections," she says.

... NOT CREDENTIALS

Public Allies works to develop community leaders nationwide, in part by placing young people from low-income neighborhoods in yearlong fellowships at local charities. Some have college degrees; some don't. It's not unusual for an organization to request a college graduate.

When that happens, Public Allies talks with the nonprofit about the skills and experiences it needs. Often, the organization discovers qualified candidates without a degree.

With the exception of groups that run college-readiness programs, "I can't think of when it's been make or break to have a degree," says Ava Hernández, executive director of Public Allies Milwaukee.

She argues that the success of young people in their Public Allies assignments has very little to do with their academic training. Sometimes, she says, those without credentials fare better: "Allies who don't have degrees are more open to learning and connect with their community members in a deeper way because they don't have to unlearn things that they might have learned in a classroom about a community."

MAKE GOOD TRAINING AFFORDABLE

The Institute for Nonprofit Practice in Needham, Mass., runs a low-cost, yearlong certificate program to train people already working at nonprofits who could help diversify the management ranks. It's designed to maximize the number of people in the field with whom students can make connections. Instructors are nonprofit veterans, and the institute offers lots of guest speakers, networking events, and a mentor program.

Once a year, more than two dozen grant makers gather to hear pitches from program participants about their organizations. There's no money on the line, but the students meet funders who might otherwise be out of reach.

It's all about building confidence, says Yolanda Coentro, the institute's chief executive. "You deserve to be in that room, too," she says. "Just because you didn't come from money doesn't mean it's not the place for you. You need those resources to change the world."

Ms. Coentro learned the hard way that people from modest economic backgrounds are at a disadvantage when it comes to fundraising. She started her nonprofit career as a social worker and slowly moved into leadership roles. She says she didn't have the ready-made networks that allowed more prosperous peers to win access to big donors or make connections to program officers.

"My parents didn't have wealthy people sitting at the dinner table," she says, with a wry chuckle.

To compensate, she spent a lot of time building her network of relationships and getting comfortable asking those contacts for help. Her efforts led to greater success raising money and career advancement. But early in her career, Ms. Coentro says, "I was taking the stairs and other people were on the elevator."

INVEST IN YOUR LOW-WAGE STAFF

Many nonprofits can boost the number of people from modest economic backgrounds on their program and leadership staffs by developing the skills of the front-line and administrative workers they already employ, Ms. Coentro says.

"We have folks living in poverty working in the nonprofit sector," she says. "We owe it to ourselves to really invest in folks."

When nonprofit compensation makes the news, it's almost always the high CEO salary at a large charity that causes the stir. Far more scandalous are the low wages paid to support staff and front-line workers, says Rusty Stahl, founder of Fund the People, which seeks to increase foundations' financial support for developing the skills of nonprofit workers.

Nonprofits and foundations, Mr. Stahl says, should be thinking about the people who are paid the least and whether their organizations' business models are built on exploiting their lowest-paid employees.

"That's the real problem," he says. "It's not that a few people are too well paid. It's that too many people are too poorly paid." — NICOLE WALLACE

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