# Kitchen Cabinet Members

Kitchen Cabinet Members, totaling 168 in November 2012, are applying their community knowledge, professional expertise and stellar leadership to fuel the power of 74%.

Sylvia Fields Co-Chair Eden Hall Foundation

Rebecca Lucore Co-Chair Bayer USA Foundation

Darlene Motley, Ph.D. Research Director Robert Morris University **Peggy Morrison Outon** Nonprofit Management

The Bayer Center for

### BCNM Staff (9)

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### Volunteers (18)

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Stephanie Rooney Cindy Shapira Jane Treherne-Thomas

Pat Ulbrich Bonnie VanKirk Sally Wade

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Tiffany Kuchta Iris Nahemow Peter Lucas Marianne Neel Beth Marcello Barbara McNees Debbie Moses Kit Needham Jack Owen Ashley Popojas Tom Ryan Susan M. Schwartz Phyllis N. Silverman Darcy Smith M.J. Tocci

### Academic (24) Dana Brown

Jay Carson

Daria Crawley Lynda Davidson Gregory Dell'Omo Dave Droppa Anne Flynn Schlicht Teresa A. Gregory Kimberly Hammer Rebecca Harris Clare Hopkins Valerie Howard Derya Jacobs David Jamison Maria Kalevitch Kevin Kearns Barbara Levine Judith Millesen Marcel Minutolo Shari Payne Mary Ann Rafoth Elizabeth Stork Darcy Tannehill Fllen Wieckowski



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We need to focus on protecting rights of all nonprofit employees as they seek to serve the citizens of our region during these harsh economic times.

Source: Opinion piece co-written by 74% leadership, Pittsburgh Post-Gazette, April 13, 2012

## The Bayer Center for Nonprofit Management at Robert Morris University

works with nonprofit organizations to provide effective and practical management and governance tools, information, education and research that strengthen nonprofit missions and multiply all investments of time, talent and money in regional nonprofit organizations.

Our intensive and customized Management, Governance, Financial and Technology consulting services are designed to educate leaders and have resulted in:

- Higher functioning governing boards
- Enhanced financial planning and management
- Heightened brand awareness
- Increased partnerships and strategic alliances
- More effective approaches to fundraising
- A strategic approach to decision-making

- Better informed, evidence-based decisions for future directions
- More capable nonprofit leaders and organizations
- Effective management information
- Prudent software choices and website design

# seventy-four percent

EXPLORING THE LIVES OF WOMEN LEADERS IN NONPROFIT ORGANIZATIONS | 11/2012

A strategic research project of the Bayer Center for Nonprofit Management at Robert Morris University

# Hearing the 74%

A decade of research has consistently confirmed a persistent and troubling truth: the women who make up more than 70 percent of the regional nonprofit workforce are both under-paid and under-represented in the leadership of large organizations. The biennial Wage and Benefit Survey, a collaboration of the Bayer Center for Nonprofit Management (BCNM) at Robert Morris University and the United Way of Allegheny County since 2000, documented that women in the sector were earning 67 cents on the dollar in the survey's first year. However, by 2010, they were only making 75 cents compared to the dollar earned by male counterparts—still below the national wage gap of 80 cents.

This focus on dollars and cents in the nonprofit paycheck inspired 74%: Exploring the Lives of Women Leaders in Nonprofit Organizations. Why 74 percent? Because 74 percent of the nonprofit workforce in Western Pennsylvania are women. For the approximately 225,000 of those employed in nonprofits in Allegheny and surrounding counties who are female, wage equity is not a reality.

The Bayer Center has led the 74% initiative, built upon extensive research and conversations that began in 2008. Since then, we have conducted surveys, interviews, focus groups and open meetings. More than 50 women and men who range from early to late career levels have been personally interviewed by Peggy Morrison Outon. Thus, the 74% Project relies on:

# What the 74% tell us

Through on-going research, the 74% project has sharpened its focus on three big questions:

How can we assure young nonprofit professional women have opportunity for increased responsibilities and leadership roles?

- > Women in their 20s and 30s are not being sufficiently groomed for leadership roles. And some are disinterested in pursuing top positions.
- > Many young women are finding the nonprofit career path either blocked by seasoned professionals who have lengthened their tenures or simply find the realities of workload and salaries unappealing.
- > The American Association of University Women (AAUW) recently concluded that female graduates earn 7 percent less in their first professional jobs than their male peers, even after controlling for factors such as field of study, college, hours worked and grade point average. This wage gap only increases over women's careers.

74%: Exploring the Lives of Women Leaders in Nonprofit Organizations is made possible by the generous support of the Eden Hall Foundation and Bayer USA Foundation.
A special thank you to Horovitz, Rudoy & Roteman, LLC for their continuing support.

# How are older nonprofit professional women going to retool their careers and eventually retire with dignity?

- > 77 percent of these leaders are worried about whether their organization will be able to continue to raise funds and remain viable after they leave.
- > 95 percent of long-term nonprofit leaders reject the traditional "golden years" vision of retiring from work to a life of leisure. It is troubling to note that only 30 percent report engaging in succession planning and raising funds for successful transition.<sup>2</sup>
- > Women live an average of 22 years after retirement. Because of projected medical costs and inflation, workers need to replace 126 percent of their salary after retirement. Currently, both men and women are on track to replace an average of 67 percent.<sup>3</sup>

### How can we strengthen the board of directors' sense of responsibility to their employees?

Our interviews reveal another theme. Many younger women shared the importance of their participation in some sort of leadership program, mentoring, or negotiation training. However, these skills seemed more applicable when changing jobs. Negotiating on their own behalf inside their own organization was much more challenging.

Peggy Morrison Outon, Executive Director
Bayer Center for Nonprofit Management

- Organizational growth and transparency is impeded by specific realities including that more than 45 percent of executive directors do not receive performance evaluations. This lack of performance evaluations indicates poor attention to many human resource tasks.
- > According to Compass Point's *Daring to Lead*, many board members see their employment role ending with hiring. However, when new leaders are hired—nearly all of whom are in the role for the first time—they need support and development from the board of directors in order to be effective in their role.

<sup>182</sup> The New Lifecycle of Work: Long-Term Nonprofit Leaders Prepare for Their Future, Building Movement Project, Encore Careers & Clohesy Consulting report, May 2012.

Choi, Candice. "Women Approach Longer Lives with Less Savings." Tribune Review [Pittsburgh] 13 July 2008, n. pag. Web. 16 Nov. 2012. <a href="http://triblive.com/x/">http://triblive.com/x/</a>.

# Female Career Path

# Leading the 74% Movement

We are deeply curious about possible different career path expectations for women and men. Two recent publications posit that many women's career paths are different.4 These differences reflect life choices and economic realities. Few. either women or men, in the 74% interviews expect to retire before age 70. For women, one reason for a longer career arc is a period, often in their early to mid-career, in which they are actively balancing family and work responsibilities. The classic career arc shows professionals peaking in their career advancement at ~50 years old. This has traditionally left ten to fifteen years for generative activities, mentoring and sponsoring and building the organizational bench. Many women are just coming into the fullness of their career advancement at age 50. Is this one reason why many nonprofits have paid too little attention to succession planning?

#### What does a nonprofit career look like?

There's no defined pathway for nonprofit careers. Some women come to them early while others make a transition from business or other career fields. The road often begins with an early experience as a volunteer or member with a nonprofit organization. Here's what that journey might look like.

Staying in current position through retirement or life-changing events; Moving laterally for a different position and increased salany; Serving the community in other capacities such as boards, consulting; Grandchildren, if any Children, if any; Moving for career advancement; Gaining other networks through young professionals, presenting/ teaching; Moving for a similar position at a high salary and improved benefits

Later retirement after achieving highest level career position; Leaving the position earlier or later than originally projected for personal or professional reasons; Continuing work as a part-time consultant with the same or similar organization; Assisting with the leadership transition if available Harvard Business School Press, 2007. AND "The Atlantic. 2012. We are delighted that our Kitchen Cabinet continues to grow. What began with 120 individuals has grown into a group 168 strong. We are eager to continue to add additional allies. Please take note of our Kitchen Cabinet members and reflect on the breadth of experience and knowledge this list represents. Each Kitchen Cabinet member has pledged to actively promote awareness of the pay inequity issue. They will also seek to help us build solutions to solve the injustice that exists across our region. These leaders are the standard bearers for the 74% movement.

### What's next for the 74%?

Throughout 2013 and 2014, the 74% Project will continue to draw upon the lessons learned from the in-depth research on the lives of women in the nonprofit sector. It was never the intention of the project to merely shake its finger at injustice, but rather to ask thoughtful questions, conduct thorough research, and pose practical solutions.

An important national study, 'Daring to Lead,' which surveyed 3,000 nonprofit leaders, has shown for the last 10 years that younger employees, most of them women, are not eager to ascend to the executive-director jobs soon to be vacated by retiring baby boomers.

Source: Pittsburgh Post-Gazette opinion piece by 74% leaders Sylvia V. Fields, Rebecca Lucore and Peggy Morrison Outon, April 13, 2012

How do we propose solutions that will address these inequities and improve the lives of women and men in the nonprofit sector? Our three core areas for solution-building are:

- 1 How do we create opportunities for younger professionals to grow professionally and lead?
- 2 How do we help nonprofit employees better understand retirement financial strategies?
  - Is it possible to re-think part-time employment as a financially viable and respected option?
- 3 How can nonprofit boards of directors better address employment issues?
  - Will the funding community use its Bully Pulpit to affect the thinking of board members and others on issues of employment for their grantees?

You can expect more tools to assist in this movement. Share them with others.

- > Results of the 2012 Wage and Benefit Survey (conducted by Bayer and RMU since 2000).
- > Final data from the 74% survey of those working in the sector here. See an update on p. 5.
- > 74% website of the detailed data, analysis and talking points.

Nonprofit organizations are intended to be the bastions of social justice. That justice seems too often attempted for those served, not the people who are serving, including the 74 percent who happen to be women.

Remember: distilling knowledge into action is our goal. And this project is fueled by the power of 74% to do just that.  $\blacksquare$ 

COLLEGE 18-21 POST-DEGREE 21-23

Mentoring programs; College organizations; Raising funds for causes; Campus activities (arts, sports, service clubs; Internships at nonprofits

Community service (AmeriCorps, paid internships, volunteering); First job in a nonprofit

EARLY CAREEL 23-34

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First or further nonprofit jobs; Possible continuing education or graduate work; Gaining professional connections; Networking; Possible first child

AREER PEAKIN

GENERATIVE 60-70

RETIREMENT

3

# Kitchen Cabinet Members

(continued)

By Darlene Motley, Ph.D., Research Director

Research for the 74% Project continues and has included more than 50 personal face-to-face interviews with various nonprofit professionals and several in-depth focus groups with leaders, employees, and board members in the sector. Recently, 74% launched a system-wide online survey to the nonprofit community. Our goal is to hear from voices who will share their views and experiences as employees in nonprofit/not-for-profit organizations. Thus far we have over 530 survey respondents and we want that number to keep climbing.

When I started off, it took me a lot of years to build up confidence. I felt like I was always being discriminated against because of my age. You start thinking that you are not capable.

This survey is being followed by one directed to individuals serving on the boards of various nonprofit organizations. Previous research presented through 74% and other studies indicate the vital role that board chairs and, conceivably all board members, play in how women and minorities are regarded and treated in an organization.

Some results from our current survey have corroborated earlier observations and lend even more credibility to the reality of a need for social justice that goes beyond how people in the nonprofit sector are paid. It also shows that the nonprofit sector is seen as a caring and concerned sector for its constituents. Just slightly more than 85 percent of respondents said they chose to work in the nonprofit sector because they felt they could contribute to the work of their organization. Some 83 percent felt they could give back more to their community and, 64 percent saw nonprofits as caring more about their mission than money.

Not surprisingly, about 56 percent of respondents felt they would have more flexibility at a nonprofit organization than a for-profit and about the same percentage thought they would be valued more (54 percent). Just less than half (49 percent) said they joined a nonprofit because they thought there would be more work-life balance.

Overwhelmingly, those in the field at all levels feel that for-profit organizations pay more for similar roles than do nonprofit/not-for-profit organizations (88 percent). Yet, a small percentage did feel nonprofits paid as well as for profit organizations (9 percent). Members

At every level of academic achievement, women's median earnings, on average, are less than men's median earnings. In some cases, the gender pay gap is larger at higher levels of education.

Source: Current Population Survey, U.S. Bureau of Labor Statist

More than twice as many women (5.52 million) than men (2.3 million) work in occupations with median earnings for full-time work below the federal poverty threshold for a family of four.

Source: Current Population Survey

of the nonprofit/not-for-profit sector also believe they could make more money moving to a for-profit organization (83 percent). From our sample, about 64 percent felt that women were not paid as much as men, while 16 percent felt they were paid the same. Interestingly, people were split as to whether or not minorities were paid equally with 31 percent saying they were paid as well and 34 percent disagreeing they were paid equally as well and 1/3 neutral. About 34 percent were satisfied with their salary, while 55 percent were not. This was stronger among women than men, but both expressed more dissatisfaction than satisfaction. Women's average starting salaries in their first jobs began at \$22,000 while men's average starting salary was \$25,000. Recent research indicates that the starting salary discrepancy increases over time and is difficult to overcome.

Other areas we will explore in more depth, some 75 percent of the males had received a performance evaluation and 72 percent of the females also received a performance evaluation. About 69 percent were satisfied with their performance evaluations while only 13 percent were dissatisfied. About 34 percent saw benefits in the nonprofit as equivalent to those in the for-profit arena. Interestingly nearly 75 percent of females said they did not negotiate a starting salary and, about 42 percent of the males also did not negotiate a starting salary. With this, about a quarter of the males said they had negotiated their salary last year and 22 percent of female respondents also negotiated their salary. Another positive outcome is that some 71 percent of respondents say their workplace encourages diversity while 14 percent do not. Similarly, some 55 percent actually see their workplace as diverse and 32 percent do not.

While many have begun saving for retirement, less than 20 percent appeared to have a significant amount set aside and were tracking for a sufficient retirement. This improves if we segment for newer employees in the workforce. This was identified as a crucial matter for the nonprofit sector along with career development and growth opportunities for younger people in the field. There is an expectation that there will be more openings as many "Boomers" prepare to retire.

The research is being directed by Darlene Motley, Ph.D., Professor of Human Resource Management at Robert Morris University. She is joined by Marcel Minutolo, Ph.D., and Carrie Tancraitor, who has worked for several years on the Wage and Benefit Survey conducted bi-annually by Peggy Outon of the Bayer Center for Nonprofit Management. The 74% Initiative was spearheaded by Ms. Outon in 2010. All of these individuals are active in the nonprofit/not-for-profit sector.

# NPOs & Foundations (72)

Deb Acklin
Carmen Anderson
Donna Anderson
Heather Arnet
Tammy Aupperle
Terri Baltimore
Deborah Baron
Gregg Behr
Karla Boos
Kenya Boswell
Doreen Boyce
Susan Brownlee
Diana Bucco

Kathy Buechel
Esther Bush
Christine Cawley Knott
Dina Clark
Judy Cohen
Marilyn Coleman
Yvonne Cook
Luci Dabney
Aradhna Dhanda
Linda Dickerson
Lauri Fink
Court Gould

Cheryl Hall-Russel Peggy Harris Lizz Helmsen Maureen Hogan Lisa Hoitsma Nichole Huff Jayne Huston

Joan Haley

Jayne Huston Magdeline Jensen Allison Jones Ellen Kight Bonnie Lewis Mark Lewis Cathy Lewis Long

Anne Marie Lubenau Alexis Macklin Tony Macklin Barbara Mistick

Mary Navarro
Bob Nelkin
Susan Nitzberg

Grant Oliphant
Janice Parks
Suzi Pegg

Marge Petruska Renee Piechocki Cynthia Pulkowski

Stefani Pushman Shirl Regan Diane Samuels

Lisa Schroeder Ruth Siegfried Helen Sobehart Janera Solomon

Marcie Solomon Shauna Spencer Bill Stein

Anne Swager Barbara Sieck Taylor Kristy Trautman

Bobby Vagt
Dara Ware Allen
Bobbi Watt Geer
Jane Werner

Cassandra Williams Carol Wooten Laura Zinski

### Government (8)

Patrick Dowd May Ann Eisenreich Emily Keebler Mildred Morrison Bill Peduto Mary Phan Gruber Tamiko L. Stanley Chelsa Wagner

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