

BACKGROUND, Design, Methodology, and RESPONSE

SURVEY BACKGROUND

In the fall of 2001, with the economy well into its current downturn, we conducted a survey for the Illinois Arts Alliance Foundation to gauge the working and career conditions of nonprofit arts professionals in the Chicago area. Our desire to do the study was informed by certain ideas that had been circulating in the nonprofit arts community for years. First was a growing awareness of a demographic fact that will impact all sectors of the economy—that the baby-boomer generation is approaching retirement age, and that the smaller size of the younger generation will likely lead to a labor crunch in the coming decades. A more specific local concern was executive director (ED) turnover. Some, perhaps many, Chicago nonprofit arts EDs were approaching retirement, raising the possibility that it could be difficult to find qualified successors willing to take on such underpaid and stressful positions. National media coverage of difficult leadership transitions in high-profile organizations fed the perception of a widespread leadership succession problem—even a crisis—in the nonprofit arts.

The nonprofit arts have thrived in the past three decades largely because a generation of arts workers accepted low wages for the nonpecuniary rewards of working in the arts. This discounted labor has been cited as a crucial source of capital for the nonprofit arts sector.¹ It may be that this crucial source of support is now being threatened by recent economic and cultural changes affecting all nonprofit arts workers. Often facing a high urban cost of living and heavy student loan debt, potential nonprofit arts workers entered a booming new economy in which for-profit corporations offered high salaries and encouraged creativity and nonconformity in ways that used to be more unique to the arts world. Compounding these problems is the growing complexity of work in nonprofit arts organizations today. These organizations have to please a wider set of constituencies, scramble for more competitive grants and donations, answer to more funders' expanding senses of accountability, keep up with technological change, and compete with commercial culture for audiences. It seems reasonable that the more demanding and professionalized nonprofit work environments become, the less incentive potential employees have to accept lower nonprofit salaries. Why accept a low salary if there is no “stress discount”?

Besides a possibly dwindling labor pool of committed and qualified new workers, these sorts of stresses fuel concerns about midcareer attrition. Inside observers claim that high stress and low salaries are leading to significant attrition, and the midcareer burnout problem will only get bigger as the labor squeeze progresses. Low salaries lead to an economic squeeze, as 30- or 40-something arts professionals who want to start a family or purchase their own home decide to seek better-paying jobs in the private sector. Similar pressures may also be forcing the top leadership out, as executive directors—driven by burnout and/or the need for preretirement financial security—leave nonprofit arts organizations to seek out better paying jobs. Organizations without stable leadership suffer dramatic reductions in effectiveness, compounding the troubles of the staff. The overall view is of a sector struggling to attract qualified new workers, ill-equipped to retain middle managers or executive directors, and unable to replace outgoing executive directors.



ED: “It’s a wonderful field with many rewards that are not tangible.”

As far as we could tell from our preliminary research, much of this picture of the nonprofit arts labor situation has been based on limited observation and anecdote rather than systematic study. One of the few organizations conducting studies on these issues in nonprofit labor and leadership is CompassPoint Nonprofit Services in San Francisco.² In March 1999, the organization published the results of a survey of nonprofit executive directors in a report entitled *Leadership Lost: A Study of Executive Director Tenure and Experience*. That survey was followed by a larger survey, reported on in August 2001 under the more upbeat title *Daring to Lead: Nonprofit Executive Directors and Their Work Experience* (referred to as “the CompassPoint survey” below), which we took as the model for the survey we conducted in Chicago. One of the key findings in that report was that fewer than 50% of current executives would take the job again; thus, the sector will suffer a shortage of seasoned leadership. These two surveys reinforced the picture of nonprofits as being in a losing battle to retain executive leadership.

SURVEY DESIGN AND METHODOLOGY

However, the CompassPoint surveys and reports could be developed further. Arts nonprofits made up a small portion of CompassPoint’s sample, which covered nonprofits in general—especially social services—and the researchers did not make comparisons between nonprofit types in its reports. One motivation for our survey was to focus exclusively on arts nonprofits. In addition, it is sometimes difficult to interpret CompassPoint findings because there is little context provided. Is an 8% nonprofit job vacancy rate high compared to other fields? How do ED salaries stack up against executive salaries in similarly sized for-profit organizations? In our report, where possible and relevant, we compared our findings with nonprofits in general or with the business world. There is still, however, more comparative work to be done. Finally, CompassPoint surveyed executive directors only. We wanted to gauge the conditions of the next generation of EDs, so we sent the same survey, with a few modifications, to early and midcareer arts professionals working below the executive director level, whom we are calling emerging leaders (ELs). This enabled us to make comparisons between ED working conditions and the conditions and expectations of the candidate pool for future leaders.

We revised and expanded CompassPoint’s survey instrument to address additional concerns that were arising out of our discussions. Our ED survey contained 62 questions, including 10 write-in questions—a relatively long and rich survey. The EL survey was slightly shorter, eliminating a number of questions that pertained only to EDs but otherwise identical to the ED survey. Despite its length, we had a very high response rate, indicating widespread resonance in the field with the concerns we were investigating. The EL response rate was very respectable for an anonymous mailing. Indeed, more than one survey respondent remarked informally that they were excited and inspired that someone was making the effort to study their working conditions.

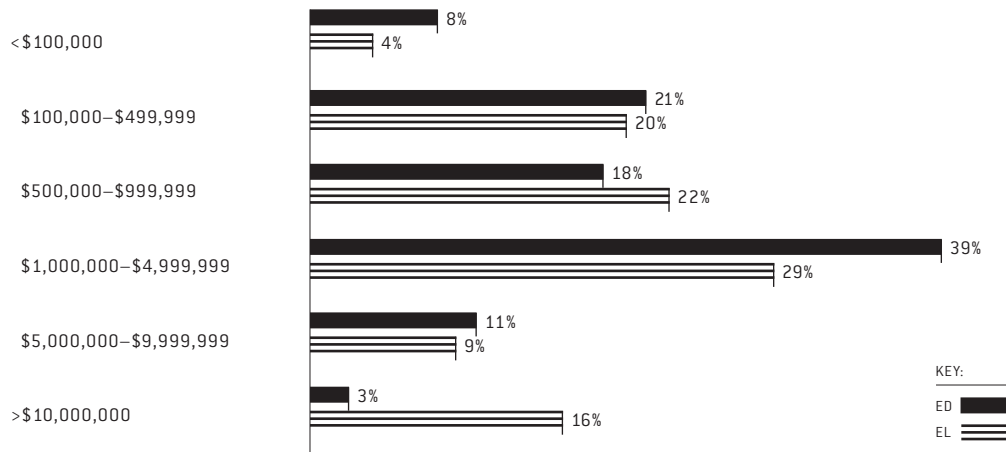
SURVEY RESPONSE

SURVEY	POPULATION	SAMPLE	YIELD
ED	119	76	64%
EL (ED selection)	119	36	30%
EL (direct mail)	133	45	34%
EL total	252	81	32%

The ED population consisted of organizations on the 2000 Chicago Department of Cultural Affairs (DCA) grantee list, to which we added local arts agencies from across the state and the Illinois Arts Council's Established Regional Arts Institutions (ERAI). The EL population consisted of those people in an organization whom EDs identified as "emerging leaders," as well as members of the Chicago Cultural Network, an organization developed by the DCA for nonprofit arts professionals.

The survey focused on the leadership of small and midsized organizations. EDs serve at organizations primarily clustered in the \$100,000–\$4,999,999 budget range. EL organization size ranges more widely, but ELs from all types of organizations may go on to lead midsized organizations.

BUDGET SIZE OF ORGANIZATIONS SURVEYED



ED: "This topic is both compelling and problematic . . . because nonprofit leadership is so difficult to explain and so little support exists for these managers."

Any survey of this kind has some operative limitations that should be kept in mind:

- *Subjectivity.*
In many questions, respondents are asked to rate their own satisfaction, plans, and performance. These questions measure perceptions rather than actual behaviors of arts professionals.
- *Self-selection.*
Only people who have already chosen a career in the nonprofit arts are surveyed. Therefore, we claim to say little in this report about the nature of the potential labor pool outside the nonprofit arts sector.
- *Sample biases.*
Survey samples force us to extrapolate general social trends from small groups that may differ from the general population in unforeseen ways. Larger-scale longitudinal surveys would help provide even more reliable results.

Despite these unavoidable limitations, the survey provides a compelling portrait of professionals in the nonprofit arts. Our focus is on leadership succession, but we have collected a wide range of data about working conditions in general that will be of use to arts professionals, advocates, funders, and other stakeholders. There is much food for thought that can lead to productive reflection and more investigation. In the final section of this report, we recommend further studies and some programmatic responses.