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Elites at Work

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

By Nicole Wallace



SARA STATHAS, FOR THE CHRONICLE

BUILDING WALLS: Paul Schmitz, the former head of leadership-development nonprofit Public Allies, thinks professionalization at charities has had benefits, but it's also increased the distance between nonprofit leaders and the people they aim to help.

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.

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?"

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,



BEHIND THE VELVET ROPE: ARE NONPROFITS TOO ELITE?

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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, 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.



KEITH BEDFORD/THE BOSTON GLOBE/GETTY IMAGES

CAREER BRIDGES: Young people from poor families can't afford to take the unpaid internships and low-paying entry-level jobs that can launch a nonprofit career, says Yolanda Coentro, CEO of the Institute for Nonprofit Practice.

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 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, 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?

Send an e-mail to Nicole Wallace.

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