



CULTIVATING EMERGING PHILANTHROPIC LEADERS

How to Establish a Fellowship Program



North Carolina Network of Grantmakers

TABLE OF CONTENTS

Introduction..... 3

Frequently Asked Questions..... 4

Fellowship Programs in North Carolina..... 6

Determining Organizational Readiness..... 7

Developing a Fellowship Program..... 8

Post-Fellowship Involvement in the Nonprofit Sector..... 10

The Growing Need for Philanthropic Fellowships..... 10

Contacts for Further Information..... 11

INTRODUCTION

Foundations of varying types, sizes, geographic concentrations, and issue emphases increasingly incorporate younger workers into their grantmaking staff through a number of models. One such model is through time-limited, entry-level fellowship positions. The Z. Smith Reynolds Foundation and The Duke Endowment each offer two fellowship positions. Another foundation—the Kate B. Reynolds Charitable Trust—recently created two assistant research positions intended as two-year fellowships with similar objectives.

According to a recent survey conducted by the Emerging Leaders Working Group of the North Carolina Network of Grantmakers, the most important contributions that these young professionals bring to philanthropic organizations are fresh perspective and renewed energy. Fellowship programs offer a viable means of infusing these elements into North Carolina philanthropy and nurturing the next generation of field leaders. What fellows get in return is exposure to philanthropy, nonprofits, and professional development.

This document is intended for North Carolina grantmakers who wish to learn more about the success of existing fellowship programs at peer foundations and to explore the feasibility of starting a fellowship program at their own philanthropic organizations.

FREQUENTLY ASKED QUESTIONS

WHAT IS A FELLOWSHIP?

A fellowship—as defined for the purposes of this document—is an entry-level position within a philanthropic organization through which young professionals gain valuable experience in the sector before moving on to further education, employment, or a more senior position within the foundation. In the words of one foundation leader, fellowship programs are an “incubator of philanthropic leadership.” These arrangements are mutually beneficial, as fellows are tasked with grantmaking, research, and special projects alongside program officers while exploring the philanthropic field, contributing their enthusiasm and talent, and strengthening the foundation.

WHY SHOULD MY ORGANIZATION START A FELLOWSHIP?

To bring a steady stream of new, young talent into your organization. Fellows typically serve an organization for one to two years, allowing smaller foundations to bring on new staff even in the absence of specific opportunities for upward mobility. For larger organizations, a fellowship can provide a useful proving ground and professional development period for future program officers. As fellows rotate through different grantmaking areas, they gain unique perspectives which can help connect the entire organization.

To grow the field of nonprofit and philanthropic leaders. Nonprofit and philanthropic organizations in the United States are expected to face a massive leadership deficit in the coming decade. Foundations are uniquely qualified with the resources and expertise needed to cultivate young leaders.

HOW IS A FELLOW DIFFERENT FROM AN INTERN?

Fellows are full-time, salaried employees, which in part, distinguishes them from interns. Additionally, while many interns work while still completing an academic course of study, fellows are out of school (undergraduate or graduate) and are considered part of the permanent staff of the foundation throughout the duration of their fellowship.

HOW LONG WOULD A FELLOW WORK AT MY ORGANIZATION? DO FELLOWS EXPECT TO BE HIRED PERMANENTLY?

Fellowships typically last one to two years in duration. Expectations for post-fellowship employment are best discussed up front, but opportunity for future employment within your organization is in no way a prerequisite for hiring a fellow or fellows.

HOW MUCH DOES IT COST TO CONTRACT WITH A FELLOW?

The costs of hiring a fellow vary widely based on factors such as the cost of living in a particular city, salary levels of other staff, amount of travel and level of benefits. Below is a list of cost reference points to help you tailor an estimate to your organization.

Salary. Fellows typically receive salaries lower than those of program officers while competitive enough to recruit top talent. Depending on the location of your foundation, annual fellow salaries could range from \$28,000 to \$50,000 (gross income).

Benefits. Benefits offered are generally similar or equal to those of other salaried employees and may include medical (and sometimes dental or vision) insurance, disability insurance, and life insurance. Some foundations do not permit fellows to participate in their 401(k) retirement plan.

Taxes. As salaried employees, fellows qualify for FICA and Medicare taxes as well as the unemployment tax.

Travel. Depending on the amount of travel required, travel costs vary widely across foundations. Expenses are similar to those of other traveling staff: mileage on a personal car (or use of a foundation-owned vehicle, including gas and insurance), food/per diem, lodging, and any other costs associated with meetings away from the foundation's offices.

Equipment. To be most effective, fellows require equipment similar to that used by other program staff: a computer, telephone (including, depending on the foundation, a cell phone), and office supplies.

Recruitment. Recruiting fellows can require advertising for open positions, mailing application materials, reimbursing travel mileage for interviewing applicants, and attending job fairs (generally a \$50-\$200 registration fee).

Professional development. If appropriate, funding professional development opportunities (conferences, workshops, lectures) is a valuable and highly recommended component of a fellowship program. Fellows typically operate with a lower professional development budget than do program officers. Funding professional development may not be feasible for smaller foundations.

FELLOWSHIP PROGRAMS IN NORTH CAROLINA

Z. SMITH REYNOLDS FOUNDATION

Since this program was initiated in 1992, sixteen fellows have participated. Each fellow functions as a junior program officer—evaluating grant applications, meeting with grant applicants, managing special projects and initiatives of the Foundation—in service to each of the Foundation’s five grantmaking areas. Program qualities include:

- **Scope.** Two fellows at a time serve two-year terms in alternating years; fellows alternate each cycle to serve different grantmaking areas.
- **Target.** Entry-level position for people in the early stages of their careers; usually hire a recent college/university graduate.
- **Compensation.** Full-time salaried positions with full benefits.
- **Opportunities.** Professional development funds; involvement or leadership in special projects.
- **History.** Program began as a one-year fellowship; its first two-year fellow served from 1998 to 2000.

THE DUKE ENDOWMENT

Initiated in 2005, three fellows have been part of this program intended to honor James B. Duke’s vision by providing an avenue for recent graduates to gain exposure to philanthropy. Program qualities include:

- **Scope.** Two fellows at a time serve two-year terms in alternating years; fellows alternate to serve each of four grantmaking divisions.
- **Target.** Entry-level position for people in the early stages of their careers with either a graduate or undergraduate degree.
- **Compensation.** Full-time salaried positions with full benefits.
- **Opportunities.** Professional development funds; exposure to executive leadership and involvement in special projects; capstone project of personal interest and benefit to the Endowment (e.g., article for publication, special website, study or research project, joint project between program areas, convening of funders or beneficiaries on a topic).

NEW PROGRAM: THE KATE B. REYNOLDS CHARITABLE TRUST

An outgrowth of an intern program established in spring 2007, this new fellowship program will begin work with its hires in early 2008. Program qualities include:

- **Scope.** Two positions (research assistant and program assistant) managed as two-year fellowships.
- **Compensation.** Full-time salaried positions with benefits.
- **Opportunities.** Professional development; attend meetings and conferences.
- **History.** Program initiated by Trust President Karen McNeil-Miller.

DETERMINING ORGANIZATIONAL READINESS

Not all foundations have the resources to hire a fellow; however, all may be able to support the development of young leaders in some way. The following questions are intended to help you consider whether a fellowship program is right for your organization (see also Frequently Asked Questions).

- In which areas could our organization use help? (e.g., research, grantmaking, evaluation, communications)
- Does our organization have clear, reasonable expectations and objectives?
- Are our staff members and Trustees willing to grant autonomy to a fellow? Will we trust a fellow with substantive projects?
- Is our organization ready to be challenged, perhaps in unconventional ways?
- Does our organization have a commitment to improving the philanthropic field by investing in young leaders?
- Will fellows leave our program with concrete accomplishments?
- Do we intend to develop an “Alumni Base” to track fellows after the program?
- Do we have the organizational/staff capacity to recruit, train, mentor, and supervise a fellow?
- Do we have the physical space to support the fellow(s)?
- Do we have the money to pay fellow(s), including benefits?
- How many fellows can our organization accommodate?

DEVELOPING A FELLOWSHIP PROGRAM

Fellowship programs generally involve three main components: **recruitment, selection, and management**. The following suggestions are intended to help you develop and implement a program—from recruitment to selection to management—that is customized to suit your organization’s needs.

RECRUITING FELLOWS

Define your target geographic area. The Duke Endowment, for example, selects fellows who have lived in North Carolina and South Carolina and/or who have graduated from schools in the Carolinas.

Define your age range. Will you recruit graduate students, or just undergraduates?

Research the schools in your selected geographic area to ensure fellows will meet the requirements for work at your organization. For example, you may check to see whether a given university has a public policy program or environmental studies major.

Create informational materials, such as a brochure and webpage supporting your program. Contact deans and select faculty at target schools to inform them about your new fellowship opportunity. Career services offices may be helpful in reaching students and suggesting potential students to target. These offices may also maintain a database of nonprofit opportunities for future students interested in this sector.

Attend career fairs or hold information sessions at target schools.

Send out an eblast, a mass email to target schools. Include in your mailing list professors of desired departments, deans, community service office staff, and career services staff. Attach your program application or include a link to the online application in your email.

Create an application that requests the following:

- Demographic information
- Basic contact information
- Educational background (e.g., degrees attained, GPA)
- Essays—determine desired length and topics (e.g. Z. Smith Reynolds asks for short answers related to the foundation’s focus areas)
- Résumé—determine desired length and additional desired content such as travel abroad, work experience, and/or service experience
- References—decide number and type
- Include the application deadline and important interviews that applicants must attend (e.g., the date of a final in-office interview)

SELECTING FELLOWS

Your process for selecting a fellow will in many ways depend on the hiring procedure you use with other foundation employees. Additionally, some foundations find it helpful to include all program staff in the selection process if a fellow is expected to work across departments with many individuals.

A selection process might include: an initial screen of applications; phone interviews; reference checks; in-house interviews; and a final discussion with staff before extending an offer. Foundations should be aware that applicants are often enrolled in a college or university and therefore timelines should correspond accordingly. Ideally, foundations should notify selected fellows within six to eight weeks of the application deadline.

MANAGING FELLOWS

Identify and train a fellowship coordinator. This responsibility is often incorporated into the job description of the staff member who manages human resources.

Establish guidelines for fellows, such as:

- Engage in project and operational work
- Be flexible on assignments
- Complete projects on a timely basis
- Learn about all aspects of the foundation's work
- Share ideas and challenge convention
- Assist with recruitment
- Demonstrate a strong work ethic, creativity, initiative, good judgment, professionalism, and teamwork

Establish a mentoring relationship. Sometimes, mentoring relationships emerge organically between fellows and seasoned staff members. However, fellows are more likely to benefit from their experience if the organization is deliberate about nurturing these relationships from the beginning.

Have the fellowship coordinator meet with the fellow regularly to discuss work and adherence to guidelines.

POST-FELLOWSHIP INVOLVEMENT IN THE NONPROFIT SECTOR

Fellowships represent a valuable opportunity for both grantmaking organizations and young leaders to build insight and experience within the nonprofit and philanthropic sectors—and within issue areas significant to the Carolinas. Through the process, young leaders often hone a strong desire to serve the people and the nonprofit sector in this region.

The following statistics highlight the success of two current North Carolina fellowship programs in attracting and retaining young people in the nonprofit and/or philanthropic sectors:

- A total of 19 fellows have served in North Carolina (16 with Z. Smith Reynolds and three with The Duke Endowment).
- Of the 15 past fellows, 10 (two-thirds) continue to live in North Carolina.
- Of the 15 past fellows, 10 (two-thirds) currently work for 501 (c)(3) organizations, including churches.
- After their fellowships, fellows have continued on to graduate school or employment, including positions held in church work, law (attorney or judge), organized philanthropy (Golden Leaf and Z. Smith Reynolds Foundations), nonprofit leadership, and community liaison work.

THE GROWING NEED FOR PHILANTHROPIC FELLOWSHIPS

In the coming years, gaps in leadership within the philanthropic and nonprofit sectors will continue to widen. As Thomas Tierney writes, nonprofit organizations “will need to attract and develop some 640,000 new senior managers—the equivalent of 2.4 times the number currently employed” within the next decade.*

It is important for North Carolina foundations to take an active interest in developing these future leaders, both for the benefit of their individual organizations and the philanthropic and nonprofit fields. Fellowships are an effective and rewarding way to make this possible.

**The Nonprofit Sector’s Leadership Deficit, “Executive Summary,” The Bridgespan Group (March 2006).*

CONTACTS FOR FURTHER INFORMATION

Consider contacting the following North Carolina foundations when exploring fellowship program options.

Z. SMITH REYNOLDS FOUNDATION

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THE DUKE ENDOWMENT

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Elizabeth Ireland

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Susan McConnell

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THE KATE B. REYNOLDS CHARITABLE TRUST

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