

# TROPMAN REPORT

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## DIVERSITY WITHIN AND AMONG NONPROFIT BOARDS IN ALLEGHENY COUNTY, PA

Nonprofit board diversity is critical for ensuring that the perspectives of people utilizing programs and services are reflected in the planning and operations of the organization. "Through representation, the board both accesses the breadth of perspectives it needs to make decisions in the best interest of the organization and simultaneously gains legitimacy for those decisions in the eyes of its members" (Robinson, 2001). According to Swanson (1992), it is a mistake when too many of the board members come from the same background and share the same basic interests. Even the youngest or smallest nonprofit organization must use the board to gather to the organization the multiple perspectives that will strengthen its work and build its credibility or risk losing some of its effectiveness.

A 2001 study conducted by Ralph Bangs and Christine Anthou, examining 42 of the largest economic development organizations (EDOs) and 3 African American EDOs in the Pittsburgh metropolitan area, showed that Pittsburgh-area boards lack diversity by race and gender. According to that study, the median African American board representation was 8.3 percent, while the median female representation was 16.7 percent.

Nationally, data evidence that most boards under-represent minority populations, as well as younger populations. According to research conducted by BoardSource, nonprofit boards — which, on average, include 17–19 members — over-represent males and Caucasians. Further, the average board member is 50 years old; more than 82 percent are older than 40.

These national and local findings highlight the need to look specifically at Allegheny County's nonprofit organizations so as to: (1) determine the levels of diversity on their boards and executive committees; and (2) suggest ways in which they can increase the representation of diverse groups on their boards and executive committees.

The Forbes Funds commissioned Ralph Bangs and Monique Constance-Huggins of the University Center for Social and Urban Research (UCSUR) at the University of Pittsburgh to examine the extent of diversity — with respect to race, sex, age, and profession — within and among the boards holding fiduciary responsibility for Allegheny County's nonprofit organizations. Successfully transmitting the tradition of nonprofit trusteeship in the Pittsburgh area requires that existing leadership recruit and prepare new generations of trustees who broadly represent the many faces of Pittsburgh.

## RESEARCH QUESTIONS AND METHODOLOGY

*The research questions addressed by this study and the methods used to answer these questions are:*

**Question 1:** How diverse are nonprofit boards and their executive committees in Allegheny County in relation to race, gender, age, level of education, country of birth, and profession?

**Method:** Between May and August 2003, UCSUR contacted 698 nonprofit organizations in the county to obtain demographic, education, and profession data on their board and executive committee members. Four hundred and three organizations responded, for a response rate of 57.7 percent.



*Envisioning Pittsburgh's nonprofit sector as innovative, informed, and engaged, The Forbes Funds advance capacity-building within and among the region's nonprofit organizations.*

### THE COPELAND FUND FOR NONPROFIT MANAGEMENT

The mission of The Copeland Fund for Nonprofit Management is to strengthen the management and policymaking capacity of nonprofit human service organizations to serve better the needs of their communities.

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- Leadership Roundtables
- The Frieda Shapira Medal
- Alfred W. Wishart, Jr., Award for Excellence in Nonprofit Management

**Question 2:** What factors affect diversity on nonprofit boards?

**Method:** UCSUR conducted a literature search of books, web sites, and electronic journals to identify factors that may affect the diversity of nonprofit boards.

**Question 3:** What local programs exist to aid in increasing board diversity?

**Methods:** UCSUR contacted some major organizations in Allegheny County to ask what programs exist to assist nonprofits in boosting the representation of diverse groups on their boards.

## FINDINGS ON NONPROFIT BOARDS AND EXECUTIVE COMMITTEES (Table 1)

### Diversity by Race

- Minorities make up 13.2 percent of board members and 11.2 percent of executive committee members in Allegheny County. The national average for minority board representation is 15 percent (BoardSource).
- African Americans, the largest minority group in the county, account for 12 percent of the board members and 10.4 percent of executive committee members, which are similar to the African American share (11.7 %) of the county's 2000 working-age population. One hundred and twenty six boards (31%) have above-average representation of African Americans in the region.
- 51 percent of the organizations do not have a single African American on their board, and 44 percent have none on their executive committee. Of the boards that have no African Americans, the average number of board seats is 12.3.
- Hispanics, Asians, and people of other races account for about one percent of both the board and executive committee members. Their representation is slightly less than their share of the working-age population.
- Organizations within the smallest revenue range (less than \$25,000 a year) have the highest percentage of minority board members (23%). Minority representation on the other revenue categories are: 9.6 percent (\$25,000–\$99,999); 15.1 percent (\$100,000–\$249,999); 19.7 percent (\$250,000–\$499,999); 11.1 percent (\$500,000–\$999,999); 13.1 percent (\$1m–\$4,999,999); 11.3 percent (\$5m–\$19,999,999); and 10.8 percent (over \$20m).

### Diversity by Gender

- Females make up 51 percent of the 2000 working-age population in Allegheny County and represent 39 percent of nonprofit board members, and even less (37%) of executive committee members. These levels of representation are less than the share of women on nonprofit boards nationally (43%) (BoardSource). Forty-six percent (185) of boards and 30 percent (121) of executive committees have female representation that exceeds the average representation of women across Allegheny County nonprofit boards and executive committees.
- There are 30 organizations (7%) that have no females on

their board, and 53 (11%) have none on their executive committees. For these organizations, the average number of board seats is eight, while the average number of seats on the executive committee is four.

- Twenty-eight percent of boards and 17 percent of executive committees have fair levels of female representation where the ratio of women on the boards is 1.0 or more times the share of women in the working-age population of the county.
- The largest board in our sample, Boy Scouts of America with 112 members, is among the organizations with the lowest level of gender diversity. There are 2 females on this 112-member board.

### Diversity by Age

- Allegheny County nonprofit boards and executive committees are largely comprised of older members. Fifty-seven percent of the board members and 59 percent of executive committee members are age 50 or older. In fact, the majority of board members (32%) and executive committee members (35%) are between age 50 and 59. Twenty-four organizations (6%) have boards that are entirely made up of persons who are age 50 and over.
- About one percent of the board and executive committee members are under age 30. Eighty-seven percent of boards and 98 percent of executive committees do not have any board members under age 30, while 78 percent and 47 percent of boards and executive committees, respectively, have at least one member age 50 and over.
- The highest representation of persons under age 30 is found among the boards of Harmar Township Volunteer Fire Company (35%), Chartiers Nature Conservancy (33%), and Prevention Point (33%).

### Diversity by Educational Level

- Allegheny County nonprofit organizations are largely governed by well-educated people. Ninety-nine percent of board members and 100 percent of executive committee members possess a high school diploma or above.
- On average, 89 percent of Allegheny County board members and 96 percent of their executive committee members hold a bachelor degree or higher.
- More than half of the boards and executive committees are made up of members who possess a bachelor degree or higher.

### Diversity by Nationality

- Persons born outside the US make up a small percentage (about 3%) of nonprofit board and executive committee members.
- Eighty nonprofit boards (19%) and 18 executive committees (4%) have at least one foreign-born member. (These are often organizations that appear to be ethnic-specific.)
- The organizations with the highest level of diversity by nationality were Materials Research Society (35%), Alliance Française de Pittsburgh (33%), and Umoja African Arts Company (33%).

**Diversity by Profession**

- The two most common professions on nonprofit boards are business executives (16.1% of board members) and business owners (11.6% of board members). These professions are also the most common among executive committee members. Business executives account for 18 percent and business owners account for 11 percent of the members on the executive committee.
- Forty percent of organizations have at least one education professional; 31 percent have at least one retiree; 23 percent have at least one civic volunteer; and 12 percent have at least one public official on the board. Social workers and real estate and consulting professionals are least common on both the boards and executive committees.

**TABLE 1. Percentage of Nonprofit Board and Executive Committee Members by Social Group in Allegheny County**

Name of Social Group	% of Board Members	% of Executive Committee Members
African American	11.9	10.4
Women	38.6	37.0
Members under Age 30	1.5	0.4
Members Age 50 and Above	57.0	59.0
Members with a Bachelor Degree or Higher	89.5	96.1
Foreign-Born Members	2.6	2.6
Profession:		
Business Executive	16.1	11.6
Business Owner	18.5	10.9

**FACTORS AFFECTING DIVERSITY ON NONPROFIT BOARDS**

*Several factors hinder board diversity:*

- **Increase in Women in the Workforce:** The increase in women in the workforce has greatly reduced the number of women available for long-term volunteer board and community activity.
- **Not a Priority:** It is believed that nonprofit organizations tend not to focus as much on board diversity because of a plethora of other issues they deem to be more important. According to Allison (1999), diversity initiatives often fail to compete in importance with other budget priorities.
- **Time Demand:** The accelerated pace of American living, with increasing demands on time by employers and family, has caused many qualified people of diverse backgrounds to restrict their volunteer activities.
- **Increasing Competition:** The growing number of nonprofit organizations has increased the competition for board members, which can limit the representation of members of diverse groups on each board.

- **Comfort Zone:** Board members generally like to surround themselves, albeit unconsciously, with people like themselves (i.e., the comfort zone). It is not unusual for people to want to clone themselves to invite people to sit on boards who are like them in style and substance (Allison, 1999). This type of behaviors hinders diversity and limits the ability of the organization to become more inclusive.

**LOCAL PROGRAMS TO INCREASE BOARD DIVERSITY**

*Some local initiatives are beginning to address the need to maintain and increase the diversity of area nonprofit boards. These are:*

**African American Leadership Directory:** The Directory, which is an initiative of the Urban League of Pittsburgh, is a resource guide to help nonprofit and for-profit organizations identify willing and able African Americans to serve on their boards. The directory displays biographical sketches of African American professionals. The success of the Directory is evident in the addition of 80 African American professionals to 45 nonprofit and 6 for-profit boards in the region since its first publication in 1999. Additionally, the Urban League of Pittsburgh’s **African American Leadership Development Program** has, in partnership with Boards-by-Design, offered nonprofit board training and advancement to young African American professionals.

**Boards-by-Design:** This program, coordinated by Duquesne University’s Nonprofit Leadership Institute, links people with particular skills, interests, and diversity with the nonprofit organizations which seek them for their boards. The program identifies the needs of the organization—specific discipline, growth, diversity, transition—and then matches them with the qualified candidates. Qualified candidates go through a rigorous recruitment where they are interviewed, trained, and mentored to ensure there is an effective and rewarding board match. Board matching is also provided by **BoardNetUSA**, an on-line service offered by the Bayer Center for Nonprofit Management at Robert Morris University, and **Leadership OnBoard**, an internship-like experience coordinated by Leadership Pittsburgh, Inc.

**New Trustees for a New Pittsburgh:** This collaborative project integrates the programming of local management support organizations, educational providers, and membership organizations so that outreach, board training, and matching are coordinated for potential board members and nonprofit organizations alike. Involving Leadership Pittsburgh Inc., the Nonprofit Leadership Institute at Duquesne University, the Bayer Center for Nonprofit Management at Robert Morris University, Dewey & Kaye, Inc., Pittsburgh Urban Magnet Project, and the New Pittsburgh Collaborative, and funded by The Forbes Funds and Mellon Financial Corporation Foundation, this cooperative endeavors to: (1) assemble the region’s young professionals at civic leadership forums designed to impart the importance of serving on nonprofit boards; (2) prepare and train at least 200 young professionals to serve as knowledgeable and active board members; and (3) place at least 100 of these individuals onto the boards of area nonprofit organizations.

## RECOMMENDATIONS

- All organizations, including those that are ethnic-specific and gender-specific, should clarify and articulate their board diversity mission, policies, and strategies. An organization's commitment to diversity is reflected in the extent to which diversity policies and procedures are communicated to, and understood by, the board, staff, and clients.
- Boards soliciting nominations and recruiting new members should aim at increasing board diversity by race/ethnicity, gender, age, education, and profession by:
  1. Taking advantage of local programs aimed at increasing board diversity such as: the African American Leadership Directory, which can be obtained from the Urban League of Pittsburgh at One Smithfield Street, 3rd Floor, Pittsburgh PA 15222, or by accessing the United Way of Allegheny County's web site at [www.unitedwaypittsburgh.org](http://www.unitedwaypittsburgh.org); Boards-by-Design ([www.nli.duq.edu](http://www.nli.duq.edu)); and New Trustees for a New Pittsburgh, which can be reached via PUMP at [www.pump.org](http://www.pump.org). Representatives of organizations with directories of minorities and other groups available for boards should meet occasionally with nonprofit officials to discuss how to use the directories and recruit board members.
  2. Maintaining their own database of potential board members from diverse groups. One way of building such a database is to have board members and senior staff continually be on the lookout for people from diverse groups who match the characteristics desired on the board. As potential persons come to mind, members should submit their names and profile to the organization. According to Swanson (1992), if an organization is to be guaranteed a strong board, all board members must be involved in a deliberate, ongoing effort to identify potential new members throughout the year.
- Existing nonprofit directors must include board diversity as an agenda item at every meeting so as to maintain and increase appropriate diversity at all levels of the organization.
- For more information about tools and best practices, training, and leadership development for board members, nonprofit organizations should utilize the web site for BoardSource, a national organization dedicated to increasing the effectiveness of nonprofit organizations by strengthening their boards of directors: [www.boardsource.org](http://www.boardsource.org).
- Funding agencies should adopt policies that require their grantees to increase and/or maintain diversity by race, ethnicity, gender, age, nationality, and profession at all levels of the organization.
- Regular social gatherings should be organized that bring together both prospective board members from diverse backgrounds and organizations that are seeking new board members.

**This TROPMAN REPORT is one of a series of briefing papers generated by The Tropman Fund for Nonprofit Research. TROPMAN REPORTS in this 2003 series are:**

1. The Precarious Billion Dollar Sector: *Nonprofit Human Services in the Pittsburgh Metropolitan Area*
2. Strategic Restructuring: *A Tool for Improving Organizational Effectiveness*
3. Identifying Financing Opportunities for Pittsburgh-based Social Enterprises: *Challenges and Opportunities for Capitalizing Entrepreneurial Ventures*
4. Keeping Our Promise: *The Use of Modern Quality Assurance in Nonprofit Management*
5. The Challenge of Nonprofit Leadership: *A Comparative Study of Nonprofit Executives in the Pittsburgh Region*
6. When the Current Is Strong, Only the Big Fish Swim: *The 2002 Wage & Benefit Survey of Southwestern PA Nonprofits*
7. The Insurance Muddle: *Addressing Healthcare Costs for Nonprofit Sector Employees*
8. **Diversity Within and Among Nonprofit Boards in Allegheny County, PA**

To read the full text of this study, log onto The Forbes Funds' web site at [www.forbesfunds.org](http://www.forbesfunds.org).