

CLOSING THE GAPS: GENDER AND RACE IN NONPROFIT BOARDROOMS

The 2022 Census of Board Members of the Largest Medical and Educational Institutions in Greater Philadelphia

A joint project of The Nonprofit Center at La Salle University and the Women's Nonprofit Leadership Initiative

EXECUTIVE SUMMARY

In the fall of 2019 La Salle University, its Nonprofit Center, and Women's Nonprofit Leadership Initiative collaborated in producing the Philadelphia region's first in-depth study and report on the composition of the boards of the 50 largest nonprofit educational and medical institutions in Greater Philadelphia, the so-called eds and meds. The results showed a serious gender gap in the boardrooms and revealed that women of color were the most underrepresented group. We issue this new report after three years of vastly increased attention to issues of diversity, equity and inclusion in the media and within countless companies and nonprofit organizations, including considerable focus on these issues within health care and higher education.

We are again reporting on the largest eds and meds, based on revenue, in the Greater Philadelphia area. Though most of the institutions in our list remain the same as those featured in 2019, there are some differences (additions and subtractions) primarily because of mergers and a re-defining of the geographic area to cover an additional county in New Jersey. Because of these changes, our report now includes 46 institutions.

Unfortunately, stakeholders in these institutions (patients, students, faculty and other employees, donors, and alumni/ae) will continue to be challenged to discover board demographics, and even researchers will face obstacles, until these prominent nonprofits report the gender and racial/ethnic composition of their boards on their websites. Though some have improved the information they provide by adding photos and biographical information, many list only the names of trustees; and a few provide no information at all. None provide data on overall board demographics based on board members' self-identification.

Disclosure of board demographic data based on the self-reporting of board members is now mandated by Nasdaq and backed by the SEC. That approach produces more accurate and fairer results than most research has relied on in the past, and that we relied on in our 2019 report by consulting websites and other publicly available information. In order to give the eds and meds an

opportunity to gather and disclose their board demographic data for this report, we engaged all institutions by requesting their data, as of June 1, 2022, on how board members self-identify by gender and race/ethnicity. The results were mixed:

- Seven of our 46 eds and meds sent us their data in response to our initial emailed request.
- An additional 26 responded to a second request to confirm/verify or correct data we had gathered.
- We were unable to get responses to verify their data from 13 institutions.
- Our overall response rate was 72%.

Key Findings

Though we are happy to report progress in both sectors in increasing the representation of women and men of color on their boards, and to congratulate those individual eds and meds that have significantly narrowed their boards' gender and racial gaps, these gaps still exist in too many boardrooms; and board chairs are still predominantly white males.

Three years ago, we called on board leaders whose boards were seriously lacking in diversity to take steps needed to change their numbers. We suggested a minimum goal of 30% of seats filled by women, since that standard for for-profit boards had been adopted and popularized by The Thirty Percent Coalition and the 30% Club, and supported by Pennsylvania's House of Representatives for both for-profit and nonprofit boards. We did not publish figures on race/ethnicity by individual institution in 2019, but we did urge these institutions to significantly raise the aggregate numbers and percentages we published.

Some institutions have increased both gender and racial/ethnic diversity and overall there is notable progress. However, closing the gaps and reaching gender parity and significant racial diversity will require continued efforts by many of those who have

taken positive steps. They can do so by adopting many of the policies and practices we suggest near the end of this report. Many, if not most of these, are best practices that have improved governance in both the for-profit and nonprofit sectors.

Those that have not made much progress must re-examine their ways of recruiting and including board members and commit to taking steps that have worked for those whose boards have become much more diverse.

Positive Signs

- Women trustees occupy 38% of seats on higher ed boards and 34% of health care seats, up from 33% and 28% respectively in 2019.
- Trustees of color occupy 24% of seats on higher ed boards, and 19% of health care seats, up from 13% in each of those two categories in 2019.
- Eight of the eds and meds that had less than 30% women on their boards in 2019 now have 30% or more women.
- Twenty-four institutions from the original 2019 group increased their percentage of women trustees, some by dramatic gains.

However

- As we found in 2019, white males chair the vast majority of these boards. Eleven boards are chaired by women, only one of whom is a woman of color. Men of color chair only two boards, one of which is that of an Historically Black University.
- Three meds have no men of color or women of color on their boards. Seven eds and meds have trustees of color who are all the same gender.
- Seven meds and 10 eds fall below a minimum goal of 30% women board members.

The full report is available at www.wnli.org and www.lasallenonprofitcenter.org

Call to Action

In 2019 we urged the eds and meds to narrow the gender gap by setting an initial goal of at least 30% women trustees. We now call on these institutions to close the gender and racial gaps within the next three years so they have boards that are representative of the gender and racial/ethnic diversity of our region's population.

We call on stakeholders to use their collective power and influence to encourage both disclosure of board demographics and intentional actions to foster diversity by chief executives/presidents, board chairs, governance and nominating committees and boards as a whole.



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