

WOMEN'S NONPROFIT LEADERSHIP INITIATIVE

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Diversity on nonprofit eds and meds boards improved, but still a long way to go

Philadelphia – April 12, 2021 – In the two years since a groundbreaking study revealed a large gender gap on the boards of most Philadelphia area's largest nonprofit higher education and health institutions, some of these "eds and meds" have boosted representation of women. In 2019, 27 of those 50 governing boards had fewer than 30 percent women, according to *The Gender Gap in Nonprofit Boardrooms*, a report produced by the Women's Nonprofit Leadership Initiative (WNLI) and La Salle University's Nonprofit Center. <https://bit.ly/3e9JtG3>

A 2021 update of that study by WNLI, focusing on those 27 boards below 30 percent, finds that more than half of them have brought on more women.

However, without a continued concerted effort to change the population of new board members, a significant number of these largest and most influential nonprofits will continue to fall below a generally-accepted minimum goal of 30 percent women trustees and remain years away from reaching parity. The situation is even more dire for reaching real racial/ethnic diversity, particularly for women of color, who continue to be the most underrepresented group in the boardroom.

Signs of progress

The 2019 report found that 14 eds and 13 meds were governed by trustee boards that did not reach the benchmark used by prominent national organizations and the Pennsylvania House of Representatives when it passed a resolution urging both for-profit and nonprofit boards to reach a minimum of 30 percent by 2020.

(www.phillymag.com/business/2017/05/02/pennsylvania-house-resolution-to-boost-number-of-women-on-boards/)

As of February 15, 2021, despite the fact that only two of the 14 higher eds have met the 30 percent benchmark, the trend is unquestionably moving in the right direction for nine additional educational institutions. As the president of one of those universities, Widener's Julie Wollman explains:

Our Boards need to represent our universities' constituents—it enhances trust when our faculty, staff, students, alumni and donors see themselves and their communities represented in our Boards. Board members from a range of backgrounds enrich our work by bringing their different experiences and perspectives to the table. And since our institutions promote the value of diversity and inclusion, we need to exemplify that value at the top as well as throughout our organizations. At Widener, we know that there are many, many talented, engaged women and people of color who make excellent Trustee candidates. We are very fortunate that some of these outstanding professionals have been interested in bringing their expertise and insights to our Board!

Among the meds, four institutions have increased the percentage of women, with two at 30% or above. Five medical institutions are no longer individually listed in our current review, since they are now governed by the boards of the institutions with which they have merged or that control them. Another med is not listed because its website provides no board information, and, since websites were used to get the most current information, it was omitted

Thomas Jefferson University's board, which governs both the former Philadelphia University and the health system, represents a significant increase in gender diversity and has also chosen a woman as its next board chair. According to that Chair-Elect, Trish Wellenbach:

Under the leadership of Dr. Klasko and my board colleagues, there is a recognition that diversity on boards is critical to sustaining excellent performance. For example, when Fortune-500 companies were recently ranked by the number of women directors on their boards, those in the highest quartile reported a 42% greater return on sales and a 53% higher return on equity than companies with lower levels of gender diversity. The advancements Jefferson has made in increasing female representation have helped Jefferson better meet the needs of its patients and the communities it proudly serves.

Racial diversity challenges

The 2019 report drew attention to the gap in racial diversity on the top 50 governing boards and the particular underrepresentation of women of color. In the Higher Education sector, men of color occupied 8.3% of seats while women of color held only 5.1% of seats. In the Healthcare sector men of color comprised 7.2% of trustees and women of color held only 5.7% of seats.

An examination of the racial composition of just those boards that fell below 30% percent women shows that in 2021, the membership on both eds and meds boards continues to be dominated by white men (64% of higher education boards and 66.4% of health boards). Though in this group of twenty institutions, the percentage of men of color is slightly higher than prior figures for all 50, the percentage of women of color is lower. These proportions signal that more attention must be paid to recruiting racially diverse women and men candidates for the leadership of these all-important regional institutions.

A call for board disclosure and stakeholder action

Though there has been an improvement in the number of eds and meds listing their board members on their websites, great variation continues to exist in the amount of information in those lists, presenting challenges for determining board composition. In the interest of transparency and the kind of disclosure now being demanded by many voices in the for-profit corporate sector, WNLI is calling on nonprofits to make it easy for their stakeholders to follow their progress towards achieving true diversity by publishing full names of board members, photographs, some biographical information, and ideally report by self-identified characteristics including gender, race/ethnicity, and LGBTQ+.

Since the release of the WNLI/La Salle report, WNLI has conducted national research to better understand the processes that influence the selection of new board members and to learn how some eds and meds have succeeded in diversifying their boards. The national report - *Increasing Gender Diversity on the Boards of Nonprofit Eds and Meds: Why and How to Do It* - and the 2019 *Gender Gap* report are available at <https://www.wnli.org/studies>. WNLI members have also consulted trustees of Philadelphia area boards to see what they are doing to diversify and how the national report's findings and WNLI can assist regional boards in those efforts. The WNLI website contains all the WNLI reports, a call to action providing boards with specific steps they can take to diversify, and model letters stakeholder can use and adapt.

WNLI works to increase significantly the percentage of women on the governing boards of nonprofit healthcare and higher education institutions (eds and meds) and to expand women's influence and formal leadership on these boards. WNLI's goal is for governing boards to reflect the gender, racial, and other diversity of their stakeholders, a prerequisite for achieving true institutional diversity, equity and inclusion. Visit our website at www.wnli.org