

**INCREASING GENDER DIVERSITY ON THE BOARDS OF  
NONPROFIT EDS AND MEDS:**

**WHY AND HOW TO DO IT**

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In Press

## EXECUTIVE SUMMARY

The boards of major educational and healthcare nonprofits face the same diversity challenges that have faced for-profit company boards. A significant number are still lacking in substantial gender and racial diversity, but the makeup of these boards is not widely known and is sometimes challenging to discover. This may help to explain why most of these so called “eds” and “meds” have not been prodded to make changes that would lead to boards more representative of the populations they serve.

Eds and meds play a significant role in numerous United States communities and in our overall economy. They employ large numbers of Americans, educate future members of the workforce, promote public health, attract research dollars, and affect the lives of countless people. Their boards make the major organizational decisions that drive the actions of these institutions. However, neither the impact of the eds and meds nor the role of their boards is widely discussed. And there is little awareness of or attention to their under-representation of women and people of color.

The last 20 years have produced an accumulation of research, writing, advocacy and media attention discussing the value and positive impact of board diversity on for-profit boards and companies. Major shareholders and some government entities have put pressure on those corporate boards to diversify their membership in order to improve governance. Nonprofit eds and meds have not faced comparable scrutiny and accountability to stakeholders.

To better understand gender diversity issues in large nonprofit eds and meds, we interviewed 59 of their board members and board leaders across a wide variety of these institutions in every area of the United States. Based on their confidential comments, we show that board diversity benefits the boards, the institutions, and key stakeholders, but that women face substantial barriers to gaining board seats and to succeeding once elected. We also discuss what boards should do to increase the numbers and we suggest the role different stakeholders could play in speeding the pace of change.

Though this study focuses on board gender diversity, we take note of the parallel barriers to board racial diversity and the impact of the combined barriers of gender and race for women of color.

### *Women make a difference on nonprofit boards*

Study participants agree that board diversity matters and that women directors have had substantial impact on these boards and the significant decisions they make. Women make contributions related to their expertise, as do men, but they also bring different experiences and perspectives to the table, and that matters. They make particular contributions to issues involving consumers (students and patients), culture change, improved governance and how decisions are made.

### *Women face barriers to becoming board members, some particular to nonprofits*

As in the for-profit world, women face barriers to gaining seats on the eds and meds boards. Though many of the gender and racial barriers are comparable to barriers in public company boards, some are particular to the nonprofits, which differ in important ways from the for-profits. Larger board sizes, the expectation to make a financial contribution and not be paid, and board member selection processes create different challenges to diversity and call for some different remedies.

*Giving capacity strongly influences the composition of these boards as well as their size.* Though some board leaders are willing to forego the generally-expected dollar contributions from board candidates who bring other capacities like diversity or community and political connections, boards only make such exceptions for a limited number of seats. We explore some of the potential consequences of such practices and we note that, although some interviewees believe an emphasis on fund-raising presents challenges to good governance, almost none of them seem concerned about the lack of economic diversity among board members.

### *Women face barriers to succeeding in the nonprofit boardroom*

Even when selected to join the boards, women are not always fully included and their potential to participate is not always fully tapped. Though interviewees regard 30 percent as the minimum presence of women necessary for true diversity, that presence alone does not guarantee inclusion. This is particularly the case on large boards where committees do the real work and often executive committees make most decisions. Exclusion from such power positions or appointment in small numbers may mute women's voices. Interviewees described a pattern of women board members speaking less than their male colleagues, and a surprising number of the highly-qualified women who have gained seats on these powerful boards described themselves and other female colleagues as less likely to “take the floor” than men in the board room.

*How nonprofit boards can succeed in achieving and benefiting from diversity*

Some boards have been successful in creating board gender diversity and inclusion. But the sensitive topic of board diversity doesn't make it onto the agenda for discussion by most full boards, particularly since so many of these institutions have large boards that don't allow for much discussion, except in committee meetings. Diversity discussions sometimes only take place in nominating and governance committees, leaving many board members with the sense that someone else is taking care of the issue. Discussion seems a prerequisite for major change, but it does not guarantee action. Action requires leadership and intentionality and changes in board practices and systems.

*Stakeholders could propel change*

Interviewees believe most stakeholders are not aware of boards generally or their makeup. Those stakeholders – consumers (students and patients), employees (particularly faculty in the eds), alumni/ae, and donors – need to recognize the importance of boards to major decisions and policies and the positive impact of diversity on the quality of those decisions and policies. If the stakeholders paid greater attention to the lack of diversity on the boards of large nonprofit educational and healthcare institutions in the United States and organized to exert their influence, they could propel change.