



# **The Importance of Board Diversity and its Impact on Your Organization & Fundraising**

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# Today's Presenters



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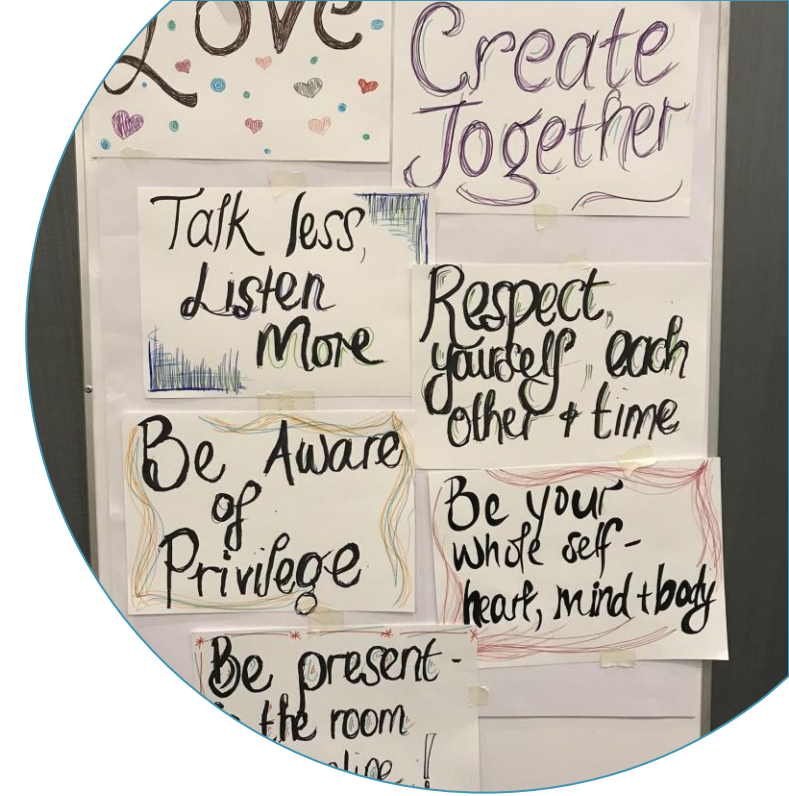
# AGENDA

- I. Community Agreements & Acknowledgements
- II. Board Considerations, Roles & Bylaws
- III. Board Composition
- IV. Board Recruitment Strategy
- V. Case Studies (2)

# Community Agreements

*We categorically and unequivocally denounce racism, injustice, and discrimination in all forms and are committed to presenting our topic in an inclusive, welcoming, and affirming way.*

- 1. Be present.**
- 2. Respect each other.**
- 3. Embrace different perspectives.**
- 4. Assume best intentions.**
- 5. Intent does not equal Impact.**
- 6. Notice power dynamics.**
- 7. Share gratitude for feedback.**
- 8. Center learning and growth.**



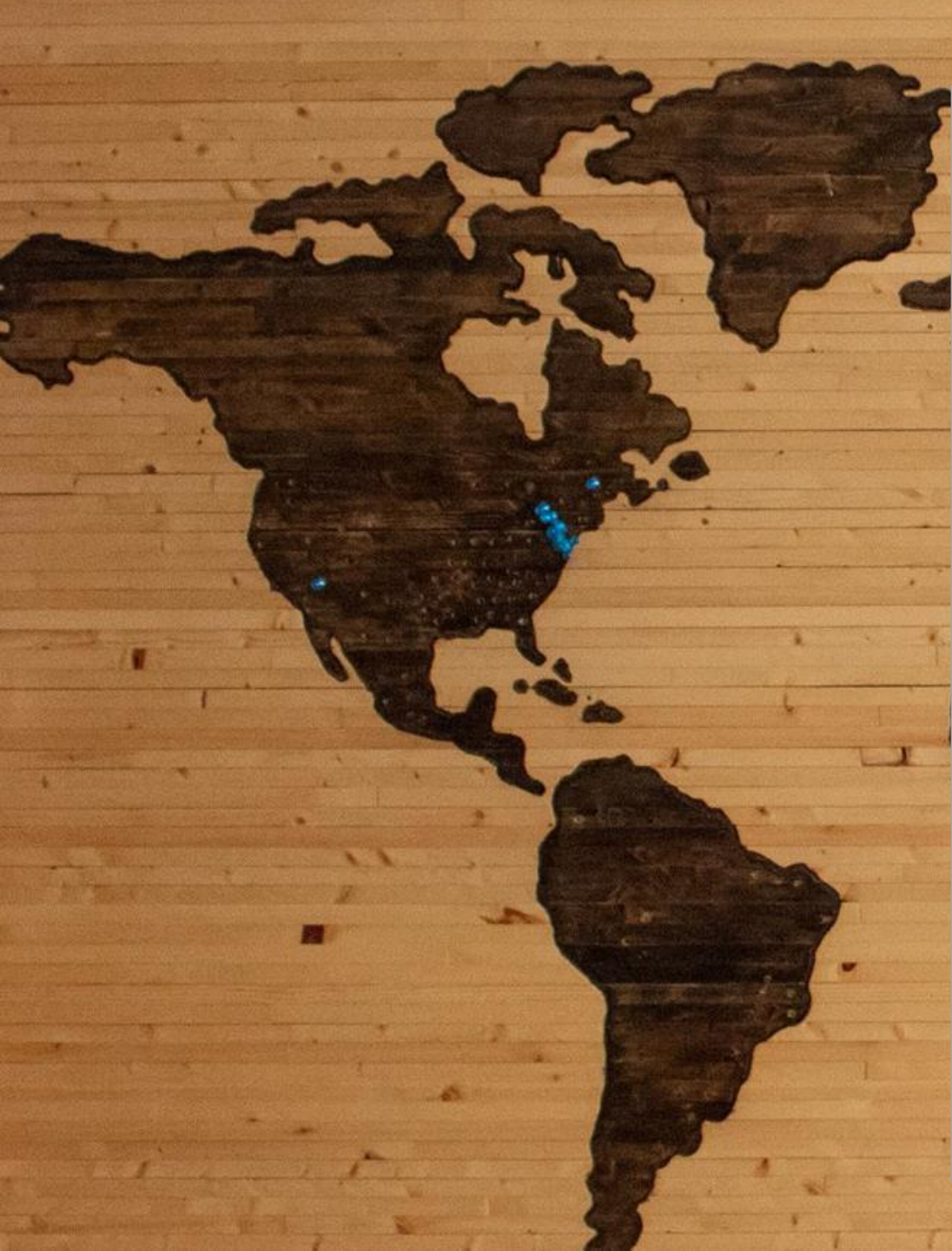
# ***Acknowledgements***

- We are **observers, listeners, and learners**—not experts—on the topics of diversity, equity, inclusion and access.
- Participate with an **open and similar mindset** and we encourage you to ask questions in ways that are respectful.



# **Board Considerations, Roles & Bylaws**





## ***Short History Lesson on Nonprofit Boards***

- The Massachusetts Bay Company (1600s)
- Perpetual succession
- Governing Boards
- **Issues of inequity**
- Began with churches/congregations
- 1636 - Harvard established for the purposes of training future leaders
- 1643 - Harvard's president's first appeal for funds directed at wealthy Puritans in England

## ***Board Structure & Types***

- **Founding Boards**
- **Governing Boards**
- **Institutional Boards**
- ***Board Committees***





# ***Board Roles & Responsibilities***

- Strong Board = Organization's Success
- Benefits of having the right Board:
  - Expert contributors
  - Mission evangelists
  - Staff cheerleaders
  - Passionate fundraisers
- Boards struggle to perform duties



# ***Board Difficulties***

Stanford University, 2015

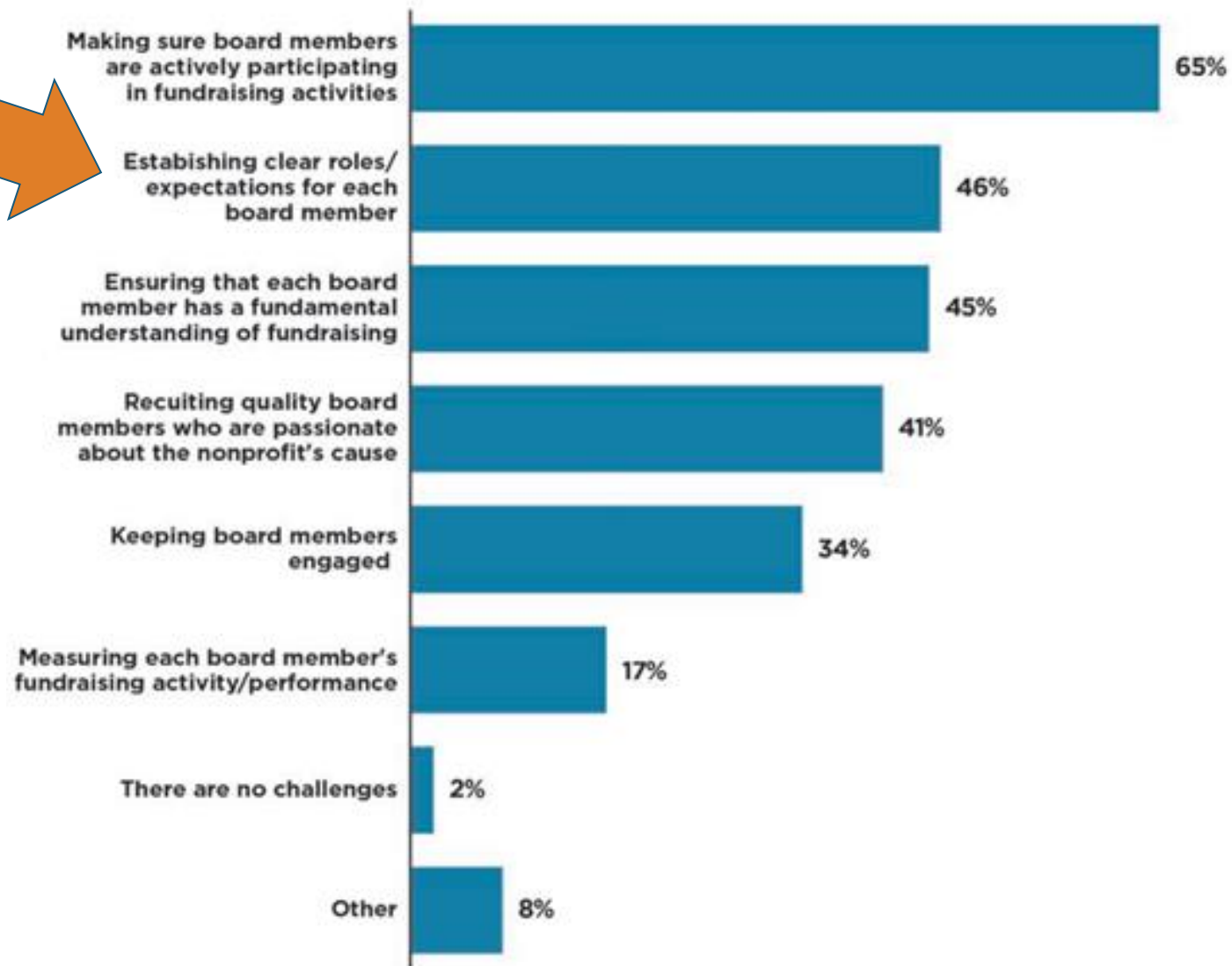
- Lack of engagement in the work
- Not satisfied with ability to evaluate performance

Nonprofit Leadership Impact Study, 2020

- 41% of nonprofits struggle with recruiting Board members who are passionate about the organization's cause



## Figure 7: Top Challenges Influencing Board Effectiveness



Q: What are the top challenges influencing the effectiveness of your board of directors?  
(Select up to three)  
(n = 329)



## ***Top Suggested Considerations***

1. # of Board members
2. Term length (min/max) and staggering terms
3. Specific skill sets



*"You're only as good as the people you surround yourself with."*

# Checklist for Nonprofit Board Bylaws

- ✓ Name & purpose
- ✓ Election, roles, terms of members and officers
- ✓ Membership issues (categories & responsibilities)
- ✓ Meeting guidelines
- ✓ Board structure
- ✓ Compensation & Indemnification
- ✓ Role of Chief Executive
- ✓ Conflict of interest policy
- ✓ Amendment of bylaws
- ✓ Dissolution of the organization



DEI fits into ALL  
of these!

# ***Designing an Effective Board***

## ***(Defined by BoardSource)***

- Well populated
  - ✓ Appropriate members
- Well integrated
  - ✓ Be informed and reinforce education
- Well melded
  - ✓ Shared understanding
- Well engaged
  - ✓ Meaningful participation







# **Board Composition: Diversity**

# ***Defining Diversity (Specific to Nonprofits)***



## **Diversity**

Embracing different backgrounds; including race, ethnicity, sexual orientation, gender identity, language, socioeconomic status, disability, and religion strengthens nonprofits.

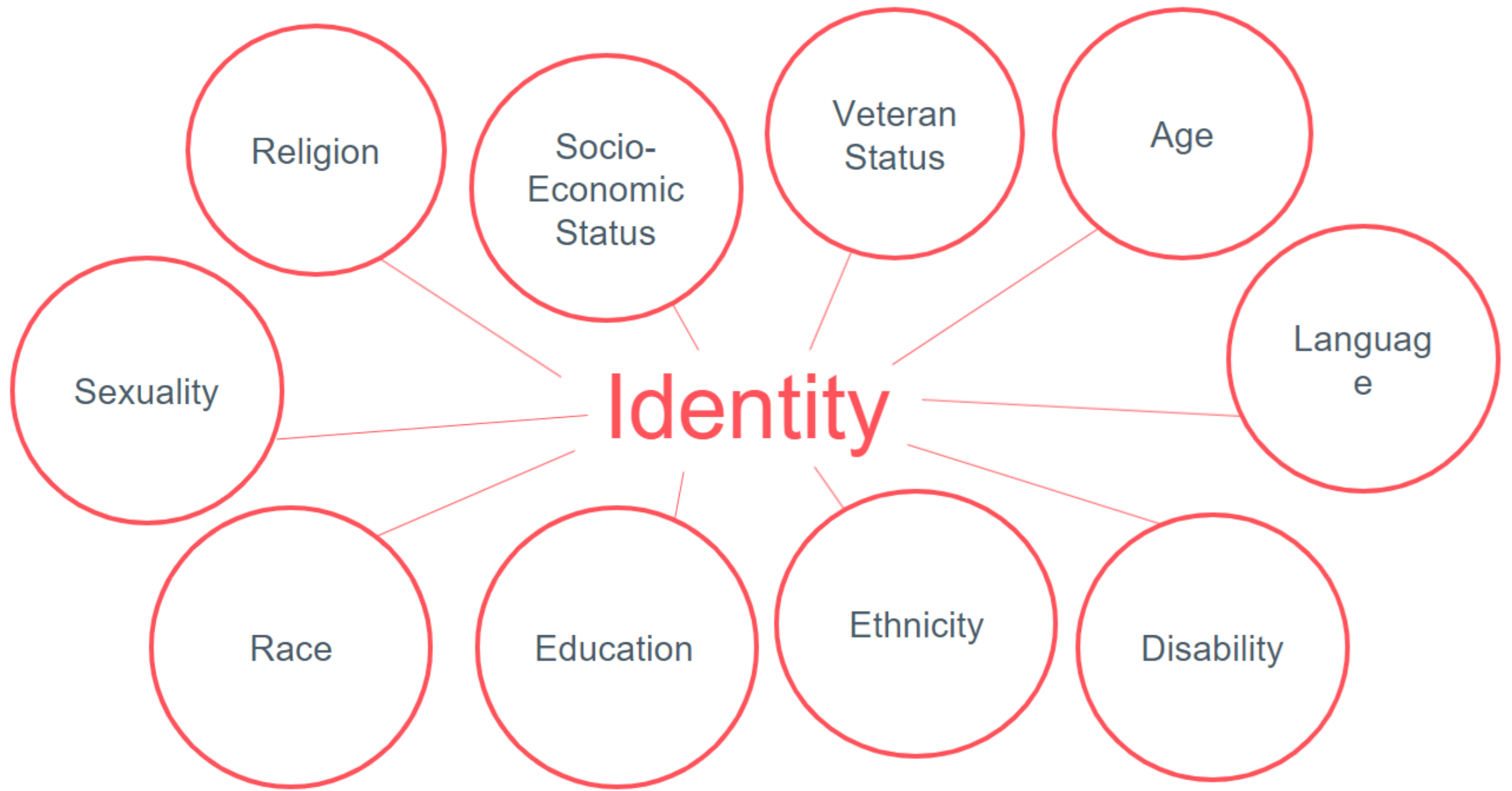
## **Equity**

Equal representation, challenges biases (overt and implicit), exposes harassment, and confronts discrimination.

## **Inclusion**

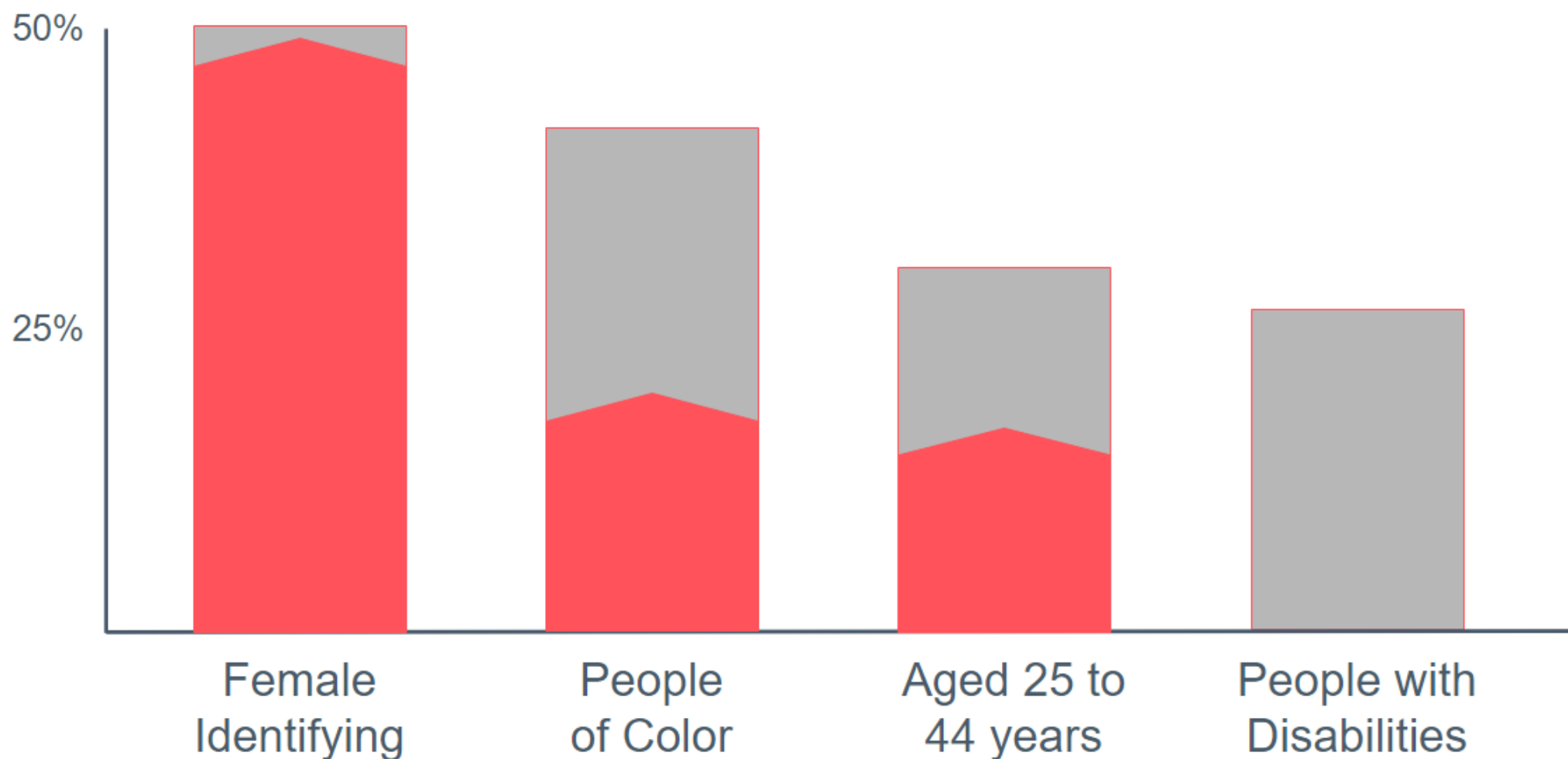
Welcoming all people and perspectives grows healthy organizations, inspires creativity and collaboration, and increases empathy.

*(Network for Good)*





# U.S. Population versus Board Members



Sources: [BoardSource](#), *National Index of Nonprofit Board Practices* (2017);  
*The Nonprofit Leadership Workbook for Women* (2018).

@CauseStrategy

@WeAreBoardLead

# A CEO's Perspective



- Only 10% of NPO CEOs identify as BIPOC.
- 49% of all chief executives said that they did not have the right board members to “establish trust with the communities they serve.”

# **Board Recruitment**

# ***Why Diversify Your Board?***

***(Network for Good)***

- Expand your network
- Enrich decision making
- Create generational impact
- Increased creativity
- Reduction in employee turnover
- Increased profit-margin



# ***Recruiting Considerations***

- Commitment to Your Cause
- Experience
- Wealth
- Age
- Expertise/Industry
- Fundraising and Stewardship
- Networks
- Race and Ethnicity
- Representation of Community Served



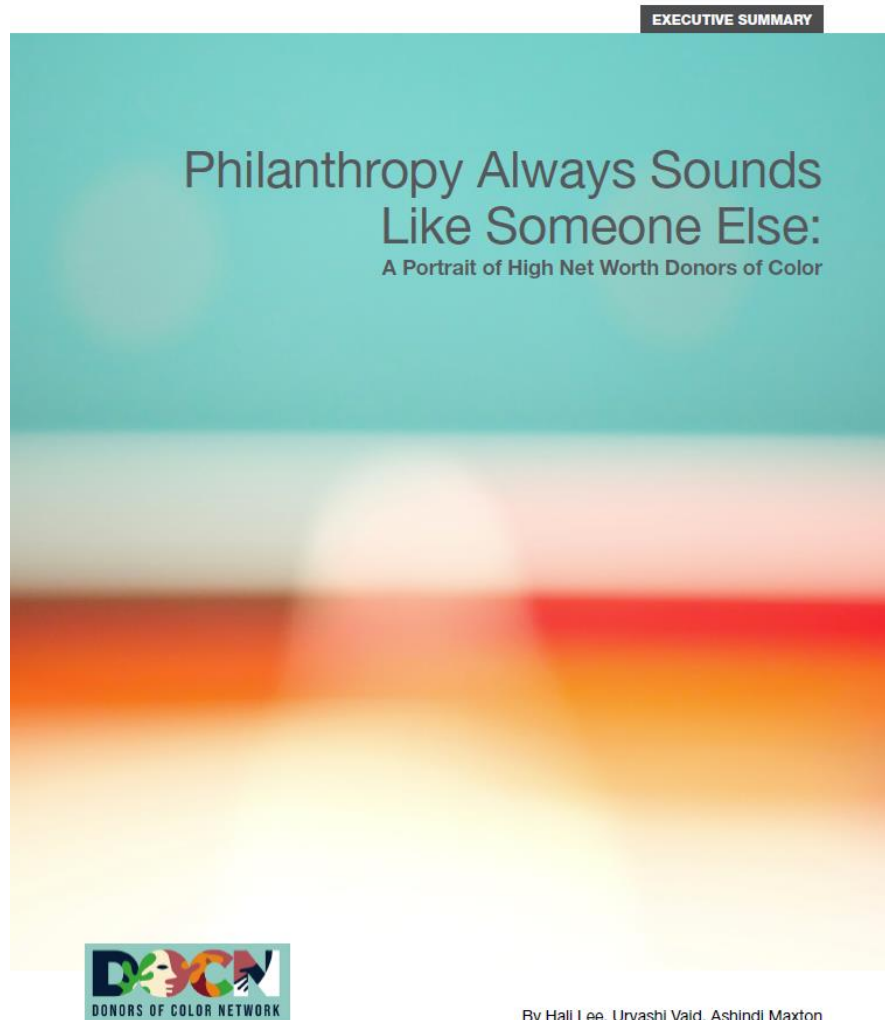


## ***Board Recruitment Strategy (Nonprofit)***

- BIPOC donors will NOT save your organization.
  - *Is your organization deterrent or inhospitable to welcome BIPOC leadership?*
- Nonprofits that adapt and develop specific fundraising strategies to engage HNW donors of color can diversify donor bases and secure new resources.
- Philanthropy is being called upon to meet these changing realities.

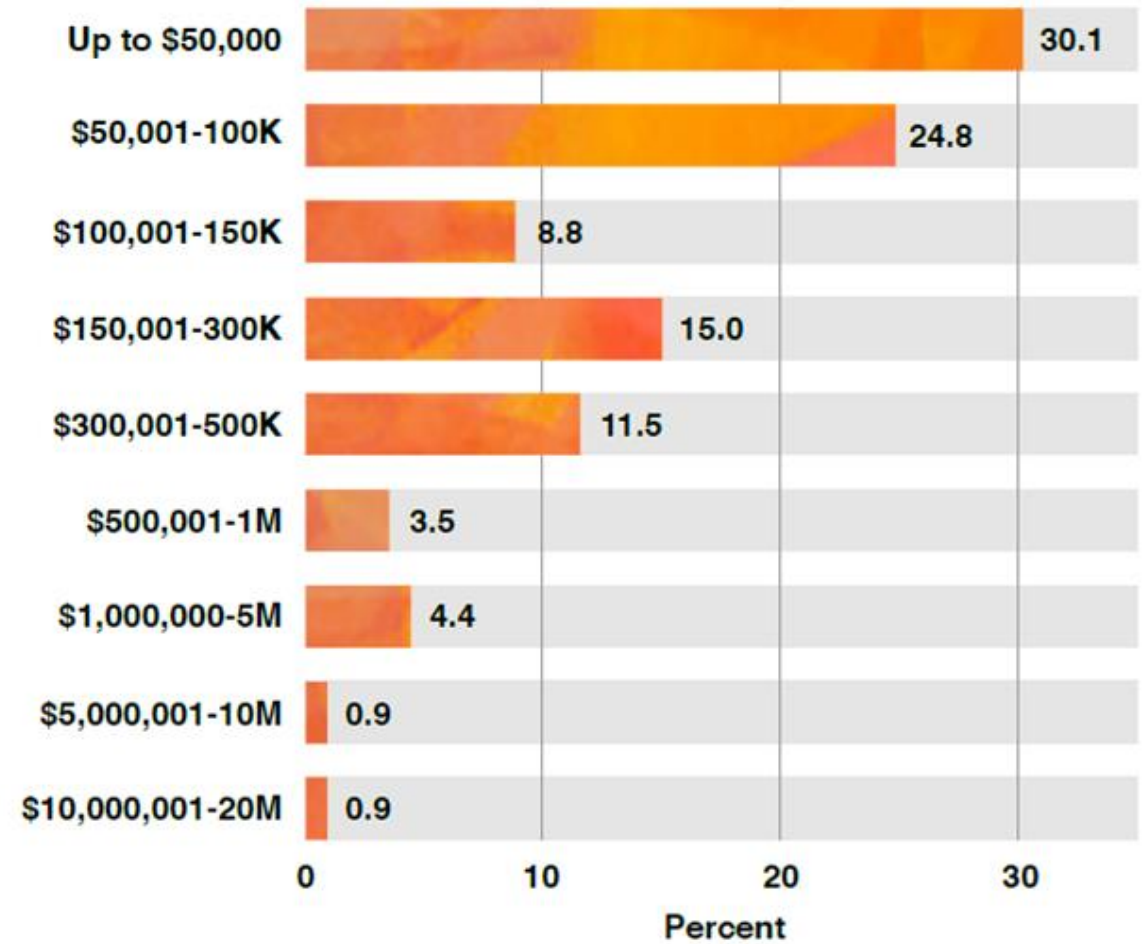


# BIPOC High Net Worth (HNW) Donors



By Hall Lee, Urvashi Vaid, Ashindi Maxton

## Annual Giving (n=113)

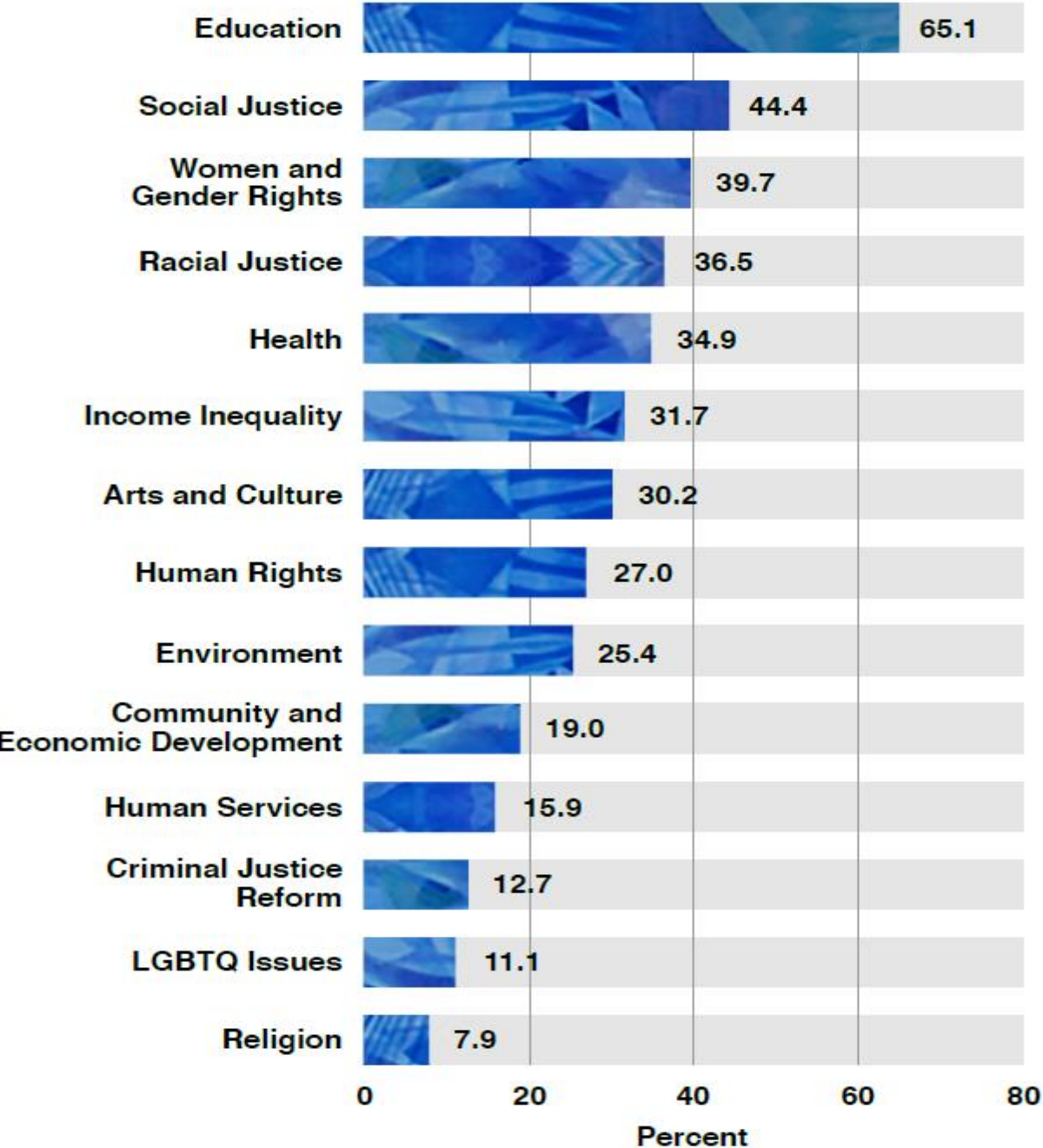


## ***BIPOC (HNW) Donors***

- Among 113 donors of color interviewed, the median annual giving was \$87,000
- HNW donors of color give at levels comparable to white HNW donors (Women's Philanthropy Institute)
- BIPOC donors reinforced the importance of learned cultures of giving that shaped their approach to money, generosity, and the sharing of resources



Philanthropic Priorities in Top 5 (n=63)



Education is the number one priority when it comes to giving but **racial & social justice combined and equity is number two**, which is not the same for white donors.

# *Sharing of Resources*

- Legacy is an important theme in giving
- Wealth/Prosperity  $\neq$  individual effort
- Giving = **expression of gratitude**





# Case Studies



# Case Study #1: Organization A

## High-level Profile:

- Serves senior citizens
- 14 total members (including 4 executive)
- Most recent bylaw was edited 2019
- 4-year term (no restriction to the number of terms)
- One fourth of the directors will be elected each year by Nominating Committee
- Committees: Finance, Nominating, Strategic Planning & Development, Fundraising & Marketing, By-laws)
- Demographics:
  - Average age: 50+ (half are retired)
  - 100% white
  - 13 out of 14 women (93%)
  - Skill sets include: law, business, geriatrics, health consultant, nurse, occupational therapy, teacher & professor, physician







## Case Study #2: Organization B

### High-level Profile:

- Board-led and cultivates young leaders and philanthropists
- 23 total members (including 4 executive)
- Can serve max of 4 years
- Members are elected annually by two-thirds majority of the members at the final Board meeting
- Committees: Grants, Communications, Events, Development, Strategic Operations
- Ad-hoc Committees: Governance, Recruitment, DEI, Alumni, Spruce Council
- Demographics:
  - Average age range: 30-35
  - ~50% POC
  - 15 out of 23 are women (65%)
- DEI Commitment Statement



# Questions to Consider

- What are your initial thoughts?
- What are some good things you see?
- What are some areas that the organizations can grow?
- If you were a donor, how might you feel about these organizations?



# 7 Steps to Check Your Board Today



1. Address the issue (unconscious bias) & run a diversity audit
2. Create an aligned vision with everyone in your organization & have an open conversation about overcoming biases
3. Expand your recruiting reach & create a statement of inclusivity (DiverseForce on Boards)
4. Commit to diversity in your messaging
5. Consider suggestions from your clients/the community you serve (surveys & front desk chat)
6. Prepare your organization first and avoid surface level diversity work
7. Create a Board Diversity Policy





**THANK YOU**