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





The Nonprofit Center at La Salle University

WOMEN'S NONPROFIT LEADERSHIP INITIATIVE

About the Collaborators

La Salle University

La Salle University is a

comprehensive Lasallian Catholic university rooted in the tradition of the Brothers of the Christian Schools teaching order, which was founded by St. John Baptist de La Salle-the Patron Saint of Teachers. Chartered in 1863 by the Commonwealth of Pennsylvania, La Salle College became the first institution of higher education in the world to bear the name of St. La Salle. Known as an academic community of excellence shaped by Catholic and Lasallian values, La Salle remains steadfast in the pursuit of its mission of faith. service, community, and social justice, with concern, too, for both collective values and the individual values of its students. La Salle, in affirming the value of both liberal arts and professional studies, prepares students for the lifelong pursuit and exploration of wisdom, knowledge, and faith that lead to engaged and fulfilling lives marked by a commitment to the common good.

The Nonprofit Center

The Nonprofit Center at La Salle **University** helps strengthen nonprofit organizations throughout the Philadelphia region and beyond so they can better serve their communities. Through educational programs, board development, training, consulting, and an information and referral network, the Center's community of consultants and instructors works with hundreds of organizations each year. Founded in 1981, the Nonprofit Center has educated tens of thousands of nonprofit professionals and completed over 5000 consulting projects. Visit the website at

www.lasallenonprofitcenter.org

The Women's Nonprofit Leadership Initiative

The Women's Nonprofit Leadership Initiative (WNLI) is an unincorporated nonprofit association with a mission of significantly increasing the percentage of diverse women on the governing boards of nonprofit health care and higher education institutions (meds and eds) and expanding women's influence and formal leadership on these boards. WNLI's vision is for these boards to reflect the gender, racial, and other diversity of their stakeholders. Our members are leaders in the Philadelphia region, where we focus our efforts and continue to engage with board members and executive and board leaders. Additionally we have national initiatives and goals, and we have published a report based on national research and discussed our findings in numerous articles, webinars and virtual conferences. We collaborate with regional and national organizations to effect change. Visit the website at WNLI.org

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Introduction: Ellen E. Reilly Chair of La Salle University's Board of Trustees

La Salle University has served its students and maintained its historic educational mission for 160 years. For most of its history, La Salle's student body consisted of only men. When I arrived at what was then La Salle College in 1979, La Salle was nearly a decade into its transition to becoming a co-educational institution.

During my formative years at La Salle, I never dreamed I would later hold leadership roles at my alma mater—first as Alumni Association President and, today, as Chair of the University's Board of Trustees. The reason? It was remarkably rare at that time to see women holding positions of authority.

Things have changed, to put it mildly.

Closing the Gaps: Gender and Race in Nonprofit Boardrooms represents the collective work and research of the Women's Nonprofit Leadership Initiative and The Nonprofit Center at La Salle University. The second of its kind, the report demonstrates progress among the Philadelphia higher education and health care boards featured within, based upon the findings captured in the 2019 inaugural edition, and calls for us to move toward board composition that is more reflective of our respective communities and stakeholders.

Across higher education and health care, glass ceilings are being smashed daily. New norms are being established. Regionally, more women and people of color are earning selection and appointment to higher education and health care boards.

These trends are in line with what we are witnessing throughout higher education. Women comprise threefifths of college and university enrollment across the country, according to 2021 data from The Hechinger Report. A study by the American Council on Education revealed staggering growth over the last decade in bachelor's degree attainment among students of color. Latinx enrollment has nearly doubled in that time, with enrollment of students who identify as Black, Asian, and biracial also climbing steadily. The same is true here at La Salle. Among our fullday undergraduate population, women account for roughly 62 percent and students of color represent about 45 percent.

The data in this report does not reflect my recent appointment as the first woman to serve as La Salle's Board chair, effective July 1.



And, because it only reports on board chairs, it doesn't reveal that women have maintained (and continue to hold) vital leadership roles on La Salle's Board. Two women served as Vice Chairs in our most-recent Board cycle. They became the first in the Board's history. One remains in this role presently, while the other recently concluded her 10-year service term. Women and Trustees of color hold leadership roles in various committees on La Salle's Board, as well.

Our work is not done—far from it, actually. *Closing the Gaps: Gender and Race in Nonprofit Boardrooms* reveals areas of opportunity in the environments in which we presently work. Equal representation around our leadership tables is essential. It is incumbent that our presidents, chief executives, and board leaders closely review the collected findings in this report and think constructively and critically about the next steps for their respective institutions and organizations. We cannot lead, educate, and support an increasingly diverse community without diverse leadership.

More than 50 years ago, change opened La Salle's doors to all students, regardless of their gender identity. From 2019 to today, change created more opportunity and equity on Philadelphia's higher education and health care boards. Let's strive for more significant change, each and every day. The constituents we serve depend upon it.

Women's Nonprofit Leadership Initiative: Setting the Stage

Higher education and health care institutions (eds and meds) play critical roles, affecting the lives and well-being of countless students, patients, employees, their families, and members of the surrounding communities. They play a particularly prominent role in the Philadelphia area. In a front-page *Philadelphia Inquirer* article in the fall of 2021 (Nov.8), journalist Inga Saffron wrote about Philadelphia that "today 'meds and eds' are the foundation of its economy." Despite the indisputable value eds and meds create for the region as a whole, the COVID-19 pandemic provided dramatic evidence of continuing gaps in health

care and educational opportunities and outcomes related to race, class and gender differences. The Black Lives Matter and #MeToo movements have also prompted serious examination of the unequal impacts that institutional practices can have on their different constituencies.

As these eds and meds try to address such problems by hiring and empowering Diversity, Equity and Inclusion officers, engaging employees in examining institutional cultures and practices, and increasing awareness of unconscious bias, they must be sure their governing boards also reflect the

diversity, equity and inclusion the institution is seeking. Because of their current makeup, still largely white and male, these boards are often ill-equipped to foresee the impact their decisions might have on students, patients and a workforce that are increasingly diverse.

The 2020 U.S. Census reported that the Philadelphia metropolitan area's population is 63% white, 20% African-American, 10% Hispanic, 6% Asian, and 1% other. The national 2020 Census reported that women comprise 52% of the regional population. (See methodology section for the boundaries of the region as we have defined it.)

According to a 2017 Kaiser Family Foundation Women's Health Survey, in most households, women are the managers of their families' health care needs. Women are therefore primary customers of health systems, arranging medical care for their children, spouses, parents, and other family members. At colleges and universities, women have long comprised a larger proportion of students enrolled in higher education than men – a trend that continued during the COVID pandemic. College enrollment rates of Black, Hispanic and Asian students have been rising since 2000. Clearly, it is in the interest of institutions to understand the needs and expectations of these important constituencies. Board diversity helps to build that understanding. Boards that include members who share lived experiences with these diverse constituencies are more likely to recognize disparate

effects of policies and practices for which the trustees are responsible.

Moreover, governing boards that lack diverse viewpoints risk the kind of groupthink that erodes the quality of decisionmaking. As extensive research on forprofit boards has shown, board diversity leads to better decisions of all kinds. The case for increasing diversity on such boards has been supported by years of research, advocacy and media attention.

Shareholders – particularly institutional shareholders, who have the power to elect public company board members, have organized to use their power and

influence to propel board diversity. And, as of 2021, Nasdaq got the approval of the SEC to require all its listed companies to disclose the gender, racial and LGBTQ+ composition of their boards, making it easier for stakeholders to hold them accountable.

We know of no authority that requires nonprofits to do likewise, though these institutions get public support though tax breaks and other benefits. Meanwhile, reports like this one can provide information on board demographics to the varied individuals and groups who, though not shareholders, are stakeholders with an interest in the success of these eds and meds and could use their influence to encourage board diversity.

Our report provides specific steps boards can take if they are serious about representing the gender and racial diversity of our region.

Because of their current makeup, still largely white and male, these boards are often ill-equipped to foresee the impact their decisions might have on students, patients and a workforce that are increasingly diverse.

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 socalled 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 selfreporting 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 reexamine 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.

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.

The Census Results

This 2022 census includes board members who govern 21 health care institutions and 29 higher education institutions, unlike our 2019 analysis which included equal numbers of institutions in the two categories. Since 2019, our region has experienced significant consolidation among health care providers, with numerous hospitals joining larger health systems – a trend that has reduced the number of boards governing our region's major nonprofit health care facilities whose revenues qualified for inclusion. Another difference from our 2019 report is that we decided that four institutions – University of Pennsylvania, Thomas Jefferson University, Temple University, and Philadelphia College of Osteopathic Medicine – should appear in both the health care and higher education categories. As academic medical centers, they deliver health care, pursue research, and provide education. Their governing boards oversee both the educational and medical components of these institutions. The other decision causing some change in the lists was to add Mercer County in New Jersey since the Delaware Valley Regional Planning Commission includes it in their definition of our area.

HEALTH CARE

Our research identified 390 trustees holding seats on the boards of 21 nonprofit health care institutions in our region. The number of white men on our 21 health care boards – 213 –significantly exceeds the combined total of 177 seats occupied by the other three categories of trustees.

CHART 1: BOARD MEMBERS BY GENDER AND RACE/ETHNICITY

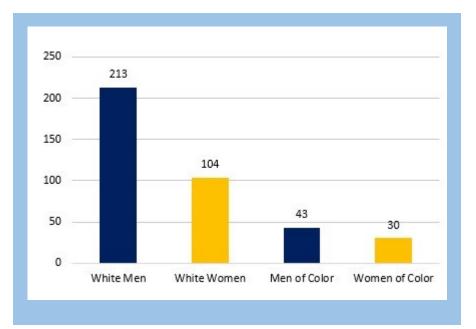


CHART 2: PERCENTAGE OF WOMEN ON HEALTH CARE BOARDS

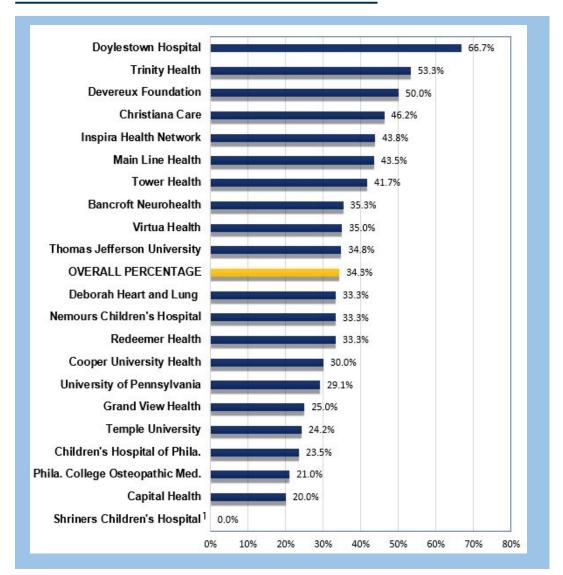


Chart 2 displays the wide-ranging differences in gender representation on the individual boards that govern our region's major health care institutions. The average percentage of women for the entire group of 21 boards is 34.3% as compared to 28% in 2019. Yet seven of them (one third) have fewer than 30% women trustees, the minimal standard adopted by important advocacy organizations and government bodies. From a position on the bottom of the 2019 list, Inspira Health Network made a particularly impressive leap to the 5th highest position on the list. Thomas Jefferson University, near the bottom of our 2019 ranking, more than doubled its proportion of women board members and Virtua Health doubled its percentage. And most of the others that were on the 2019 list showed an increase in the percentage of women.

1 This hospital is operated by an all-male organization.

TABLE 1: HEALTH CARE: BOARD SEATS BY GENDER AND RACE/ETHNICITY

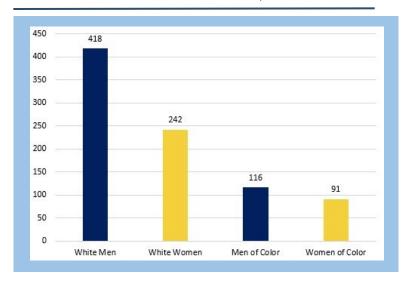
Institution in Alpha Order	Women of Color	White Women	Men of Color	White Men	Total
Bancroft Neurohealth	0	6	1	10	17
Capital Health	2	0	1	7	10
Children's Hospital of Phila.	1	3	3	10	17
Christiana Care	1	5	1	6	13
Cooper University Health	1	5	2	12	20
	2	2	1	7	12
Devereux Foundation	2	6	2	6	16
Doylestown Hospital	0	14	0	7	21
Grand View Health	0	3	1	8	12
Inspira Health Network	3	4	0	9	16
Main Line Health	2	8	3	10	23
Nemours Children's Health	1	3	1	7	12
Phila. College of Osteopathic Med.	1	3	2	13	19
Redeemer Health	2	2	1	7	12
Shriners Children's Hospital	0	0	0	12	12
Temple University	1	7	5	20	33
Thomas Jeffferson Univesrsity	2	6	1	14	23
Tower Health	0	5	0	7	12
Trinity Health	2	6	2	5	15
University of Pennylvania	4	12	12	27	55
Virtua Health	3	4	4	9	20
TOTALS	30	104	43	213	390
PERCENTAGES OF WHOLE	7.7%	26.7%	11.0%	54.6%	

Women of color hold seats on 16 of the 21 health care boards; men of color are included in 17 of those boards. However, three meds lack any people of color. It is worth noting that, although the list of health care institutions was longer in our 2019 report, this report shows *more* trustees of color: 30 women and 43 men now, compared with 27 women and 34 men in 2019.

HIGHER EDUCATION

CHART 3:

BOARD MEMBERS BY GENDER AND RACE/ETHNICITY



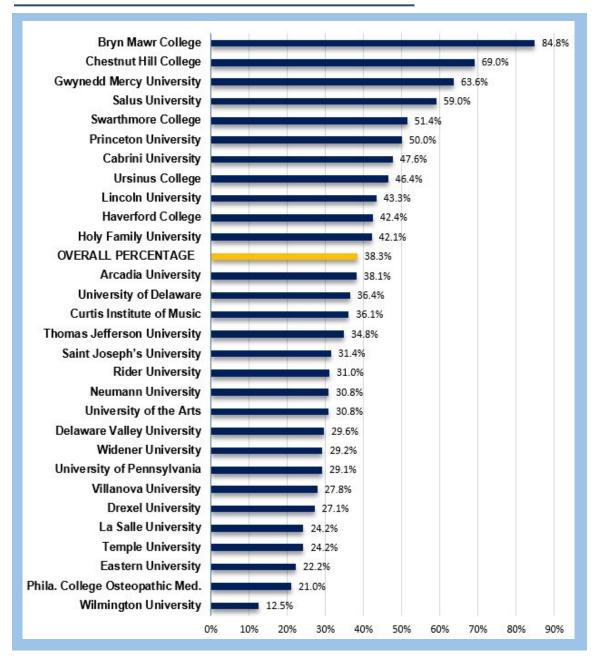
This report includes many more higher education trustees than health care trustees. One reason is that our region's higher education sector has experienced far less consolidation than in health care. Since 2019 only one merger of nonprofit eds occurred in the Greater Philadelphia metropolitan area, when the University of the Sciences joined Saint Joseph's University in June 2022. So our list of eds includes more institutions than our list of meds.

On the higher education boards in Chart 3, white men do not predominate to the extent they do in health care (Chart 1), since their 418 board seats fall short of the total of 449 seats occupied by the other three categories of trustees. However, several individual eds are still disproportionately white male.

Note: We requested that institutions provide aggregate data on how board members self-identify as a Person of Color, White or Other racial/ethnic identity; and as Male, Female or Other gender identity. One institution reported a trustee as "Other" and another reported a trustee as "Non-binary."



CHART 4: PERCENTAGE OF WOMEN ON HIGHER EDUCATION BOARDS



The average percentage female for the entire group of 29 boards is 38.3% as compared to 32.6% in 2019. While in 2019 we had tallied 14 institutions falling below the 30% desired minimum representation of females, this year's group includes ten below the minimum.

As was the case in our 2019 study, Bryn Mawr, the only

women's college on the list, leads the list in the proportion of women on its board, followed by two Catholic institutions – Chestnut Hill College and Gwynedd Mercy-- that were founded as women's schools (although they subsequently accepted men into their student body). Notably, three others that are at or above gender parity – Salus, Princeton, and Swarthmore - were not women's colleges and in fact Princeton, originally a men's university, first included women undergraduates in the 1970's.

Several institutions included in 2019 have made progress in increasing women's participation on boards, including Ursinus College from 29.6% women in 2019 to 46.4% women in 2022; Haverford from 32.3% to 42.4%; Saint Joseph's from 19.4% to 31.4%; and Widener from 16.7% to 29.2%. Disappointingly, a few that were already below parity moved downward.

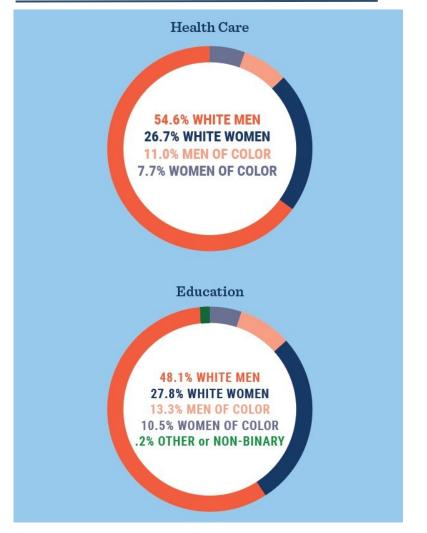
TABLE 2:

HIGHER EDUCATION: BOARD SEATS BY GENDER AND RACE/ETHNICITY

Institution in	Women	White	Men	White	Other	Total
Alpha Order	ofColor	Women	ofColor	Men		
Arcadia University	2	6	3	10	-	21
Bryn Mawr College	10	18	0	4	1	33
Cabrini University	1	9	3	8		21
Chestnut Hill College	5	15	3	6		29
Curtis Institute of Music	2	11	4	19		36
Delaware Valley University	0	8	5	14		27
Drexel University	5	11	6	37		59
Eastern University	2	4	8	12	1	27
Gwynedd Mercy University	3	11	2	5		21
Haverford College	2	12	7	12		33
Holy Family University	0	8	1	10		19
La Salle University	2	6	2	23		33
Lincoln University	13	0	15	2		30
Neumann University	1	7	3	15		26
Phila. College Osteopathic Med.	1	3	2	13		19
Princeton University	13	7	7	13		40
Rider University	1	8	4	16		29
Saint Joseph's University	2	9	2	22		35
Salus University	2	11	1	8		22
Swarthmore College	6	12	4	13		35
Temple University	1	7	5	20		33
Thomas Jefferson University	2	6	1	14		23
University of Delaware	3	9	3	18		33
University of Pennsylvania	4	12	12	27		55
University of the Arts	1	7	4	14		26
Ursinus College	1	12	1	14		28
Villanova University	3	7	2	24		36
Widener University	3	4	4	13		24
Wilmington University	0	2	2	12		16
TOTALS	91	242	116	418	2	869
PERCENTAGES OF WHOLE	10.5%	27.8%	13.3%	48.1%	0.2%	

Women of color hold seats on all but three higher education boards; men of color are included in all but one of these boards. And all these institutions have some racial/ethnic diversity. However some of the numbers of people of color are very low.

CHART 5: BOARD MEMBERS BY RACE/ETHNICITY AND GENDER



In both sectors, the percentages of men of color and women of color increased, but the combined percentages of men and women of color are below the percentage of white women. Women of color are still the most underrepresented group.

Since women of color accounted for a little over 20% of the US population in 2019, a number of organizations advocating for more women on for-profit boards have used that percentage to set a goal for women of color on those boards. That would seem an appropriate goal for the nonprofits as well. (See for example https://5050wob.com/our-values/) Additionally, since we join such advocacy organizations in urging institutions to set a goal of parity or equal representation for women and men, based on the overall population, the same goal of 20% makes sense for women of color and men of color. Achieving that goal would result in boards that are 60% white and 40% people of color. Such board demographics would represent the overall US population and correspond to the population of our region as well.

BOARD CHAIRS

TABLE 3:

INSTITUTIONS WITH A BOARD CHAIR WHO IS A WOMAN AND/OR PERSON OF COLOR

Institution in Alpha Order	White Women	Women of Color	Men of Color
Bryn Mawr College	Х		
Cabrini University	X		
Chestnut Hill College	X		
Curtis Institute of Music	Х		
Gwynedd Mercy University		X	
Doylestown Hospital	X		
Lincoln University			X
Main Line Health	X		
Nemours Children's Health			X
Princeton University	Х		
Salus University	X		
Thomas Jefferson University	X		
Ursinus College	X		

Of our 46 institutions, we identified only 13, or 28%, with chairs who were not white men. For women and men of color to become chairs, their capacities to contribute must be utilized and nurtured and their voices heard, and they must be given those opportunities that generally lead to becoming board chairs. It is up to current board chairs to be sure that these key elements of equity and inclusion, as well as diversity, are part of the board culture.



Disclosure of Board Demographics: An Important Current Issue

In this report we are shining a light on an important current issue that inhibits holding the eds and meds (and other nonprofits) accountable for achieving board diversity – lack of transparency about the demographic makeup of their boards.

Though for-profit companies still have a long way to go to achieve diverse boards that resemble their consumers and even employees, public company shareholders are able to hold them accountable in their votes for board members; and institutional shareholders have played a significant role in exercising their power and influence to produce change. They have pushed companies to disclose their data and, in the summer of 2021, the SEC approved Nasdaq's proposed requirement that all listed companies disclose annually, in a board diversity matrix format, statistical information regarding how the directors self-identify by gender, race and as LGBTQ+.

Encouragement for nonprofits to follow suit has come from a major nonprofit that is well known to at least the eds in our study. TIAA (Teachers Insurance and Annuity Association of America) sends its members a "proxy statement" with a list of board members, even though member votes are simply advisory. In its June, 2022, mailing, in addition to bios and photos, TIAA included a matrix showing the demographic makeup of its board and wrote the following:

> Effective 2022, Nasdaq requires enhanced disclosures from its listed companies, under the Nasdaq Board Diversity Rule. Although TIAA is not listed on Nasdaq, the Company publicly supported the rule, and the TIAA Board has elected to voluntarily disclose information about the TIAA Board as required by the rule.

Additional encouragement can be found in *The Donor Bill of Rights*, created by the Association of Fundraising Professionals (AFP), the Association for Healthcare Philanthropy (AHP), the Council for Advancement and Support of Education (CASE), and the Giving Institute: Leading Consultants to Non-Profits. The second of its ten rights reads, in part, **"to be informed of the identity of those serving on the organization's governing board."**

Getting information about board composition from websites is a major challenge

Encouragement is critical in the nonprofit sector because, as others researching the largest nonprofits have discovered, getting information on board composition is a major challenge. In researching the eds and meds for our report, we found not one institution that provides data on board demographics on its website and a big range of what information different institutions provide on individual board members. A couple don't list their members at all on their public site; some list only names of board members; less than half (16 of them) supply photos and some biographical information. However, even the best website information makes it challenging for researchers and stakeholders to gather accurate information about board diversity.

Our invitation to the eds and meds in this report

In our 2019 report, we promised to try to find a "manageable process to allow us to provide a more accurate and comprehensive method for determining gender and racial identification of all board members" in our next report. So this time we invited the institutions to disclose data on board demographics by giving us aggregate figures, based on how board members selfidentify by gender (male, female, other) and race (white, person of color, other). We also researched all the websites and other publicly available information to compile data on each institution, in order to get confirmation or correction of these data from institutions that did not respond to our initial invitation.

We succeeded in ultimately securing information on the demographics of the board and board chair from 33 eds and meds – 72% of the institutions. Seven institutions

Institutional Responses

Institutions confirming or correcting our data when we supplied it to them

Bancroft Neurohealth Bryn Mawr College Capital Health **Chestnut Hill College Cooper University Health** Curtis Institute of Music Deborah Heart and Lung **Devereux Foundation** Drexel University Eastern University Grand View Health La Salle University Lincoln University Neumann University **Rider University** Salus University Shriners Children's Hospital Saint Joseph's University Swarthmore College **Temple University** Tower Health University of Pennsylvania **Ursinus** College Villanova University Widener University Wilmington University

made our work easier by responding immediately to our first emailed request. An additional 26 responded to confirm/verify or correct data we had gathered and sent to them when we got no response to our first request. And 13 of them never responded. In all cases where we did not get data, we used the information we gathered from public websites.

Institutions responding to first request and supplying their own data

Cabrini University Children's Hospital of Philadelphia Delaware Valley University Gwynedd Mercy University Holy Family University University of the Arts Virtua Health

Institutions not providing their own data

Arcadia University Christiana Care Doylestown Hospital Haverford College Inspira Health Network Main Line Health Nemours Children's Health Philadelphia College of Osteopathic Medicine Princeton University Redeemer Health Thomas Jefferson University Trinity Health University of Delaware

CALL TO ACTION: How to Close the Gaps

We commend those institutions that have increased both gender and racial/ethnic diversity and demonstrated that progress is possible. However, closing the gaps to reach 50% women, 20% women of color, and 20% men of color will require continued efforts by many of those who have taken positive steps. Those who are far behind, particularly 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.

The good news is that those steps lead not only to greater board diversity, but also to improved governance. They are best practices that enhance board performance and the board experience for all board members. We recognize that three of the eds and meds in this report are "outliers" whose boards may lack gender and/or racial/ethnic diversity because of their history: Shriners Children's Hospital, Bryn Mawr College, and Lincoln University. Even those institutions might want to consider whether their boards reflect their stakeholders and whether they may be missing the perspectives that greater diversity brings to boardrooms.

Salus University provides a good model and received recognition from the Middle States Commission on Higher Education for the university's active efforts to increase the diversity of the Board of Trustees. Jo Surpin, President of Applied Medical Software, the first woman chair of the board at Salus University, served in that role from 2007 to 2021. She said the goal during her term was to make the board "look more like the student body." The first step was to be open and honest about the intention to diversify the board. Initially gender diversity was the focus, with a goal of parity; but the board then recognized the importance of race, ethnicity and other diversity reflected in their student population. The Committee on Trustees did a board self-assessment for the first time and helped the board members recognize gaps. Jo Surpin says she knew they had to get to a "tipping point" in diversifying the board to make sure diverse voices were not just invited to the board but included. After setting goals, there needed to be a plan and strategies. These included: active recruitment through board member networks; having a student from the largely female student body serve as a trustee; having a faculty member serve as a trustee; appointing women to leadership roles on committees; starting a mentorship group for board members and University leadership; and recruiting individuals to join board committees to serve as a pipeline in advance of board membership. The effort to have a diverse board continues. As Jo Surpin says, paying attention to diversity "has to become part of the culture of the board."

The example of Salus shows that change can occur if institutions act to produce change. That intentionality can be encouraged by stakeholders paying attention and using their individual and collective power and influence to give praise or challenge them. We hope reports such as this will encourage both institutions and stakeholders to speed the pace of change.

Recommended Steps for Boards and Others

How A Board Can Advance Diversity, Equity and Inclusion

It's Going to Take Your Whole Board

- Engage the full board in committing to system-wide diversity, equity and inclusion and link board diversity to those larger goals.
- Involve all of your board in a plan to reach a stated board diversity goal.
- Measure progress toward that goal on a regular basis.

Look at Your Board Practices that Can Affect Diversity

- Review current board refreshment policies: are your terms too long? Have you considered term limits? Do you conduct regular board assessments?
- Be clear about the competencies you are seeking in new board members. Use a skills matrix that tracks the competencies you have and reveals your needs; and include gender, racial, ethnic and other elements of diversity.
- Develop pipelines of potential board candidates.

Re-think Your Recruitment Processes

- What networks and sources do you use to identify board candidates? Reach out to diverse people and organizations to develop more inclusive lists and go beyond the C-Suites to find candidates who meet your skill requirements.
- Ensure candidate lists are diverse.

• Commit to interviewing multiple potential candidates who are members of underrepresented populations.

Explore Possibilities for Enhancing Your Board's Ability to Govern

- Consider separating governance and fundraising by forming separate governing and foundation boards, making it easier to have socio-economic as well as other kinds of diversity on your governing board.
- Consider reducing the governing board's size so all members can deliberate and collaborate in making decisions.

Promote an Inclusive Board Culture

- Welcome and support new members through an onboarding process.
- Encourage all board members to belong to important committees.
- Ensure that your board is a place where all members feel comfortable voicing their ideas and that all voices are heard.

Be Accountable to Your Organization and Stakeholders

 Disclose board membership and composition on websites and in reports, reporting self-identification including gender, race/ethnicity, and LGBTQ+ identities and other demographic categories your board deems important.

What Others Can Do

Stakeholders: patients, students, faculty and other employees, donors, and alumni/ae

- Pay attention to the composition of boards of eds and meds in which you have an interest. Look at what information is on their websites and request disclosure of information on board composition.
- Make it known that you care about board diversity and challenge board leaders to change the practices that maintain the status quo.
- Organize to use your combined influence to get an institution's attention.

Media professionals

 Give visibility to the issue of board diversity in nonprofits as you have done with for-profit companies.

Entities that regulate nonprofits: government, commissions and other bodies on the local, state and federal level

• Examine ways to request or require disclosure of data on board composition.

Methodology

To decide the geographic scope of our research, we used the boundaries of the Philadelphia-Camden-Wilmington Metropolitan Area set by the U.S. Census Bureau, with one exception: we added Mercer County to the Census Bureau's defined area because Mercer County is included in the geographic definition that guides the work of this region's most important planning agency, the Delaware Valley Regional Planning Commission.

Our data source for selecting the higher education and health care institutions to include in this report was CauselQ (<u>https://www.causeiq.com/</u>), a website that groups nonprofit institutions into categories and lists them according to the amount of annual revenue they reported on their most recent federal tax filings. We are listing, as the largest eds and meds, those with revenues of \$50 million or more. So the nonprofit institutions in this 2022 study encompass a huge range of annual revenues, from a high of \$20 billion for the largest health system to a low of \$50 million in annual income posted by the smallest educational institution.

To be included in the study, institutions had to be designated by the federal government as 501(C)(3) organizations with their own governing boards. Though some eds and meds that are part of large entities may have what look like boards, they are actually governed and controlled by the larger entity and therefore do not appear in our report.

This method of choosing institutions resulted in lists that include most of the same institutions we analyzed in our 2019 study, but with some changes. These changes should be kept in mind in interpreting trends. Some institutions dropped off our lists and some new ones were added. An important reason for these changes was the degree of consolidation that occurred in health care systems. That trend reduced the number of meds in our study from 25 to only 21, giving us room to include more eds (a total of 29) than appeared on our 2019 list. The inclusion of Mercer County also added three new institutions.

We also decided to list the four institutions whose governing boards oversee both major educational components and major medical components—the academic medical centers—in both categories. Therefore, our lists add to 50 but include only 46 institutions/boards.

This year our research team tried to engage all relevant eds and meds in providing us data on the gender and racial/ethnic composition of their boards as of June 1, 2022. The La Salle Nonprofit Center emailed requests to specific relevant staff members of all 46 institutions, asking them to report on their board's composition based on how board members self-identify. After the deadline for receiving responses passed, La Salle then sent all those who had not supplied their data the data our team had assembled using each institution's website, supplemented by other public sources; and we requested that the institutions confirm or correct our counts. For those eds and meds that did not respond to that request, we made follow-up phone calls.

Putting all categories of respondents together, our response rate was 72%. Our report, therefore, is based on the data supplied by 33 eds and meds and our own research data for the thirteen that did not disclose their data to us.

Suggested Resources

Carolyn T. Adams and Vicki W. Kramer, "Increasing Gender Diversity on the Boards of Nonprofit Eds and Meds: Why and How to Do It," Women's Nonprofit Leadership Initiative and Nonprofit Issues®, 2020. Available at: <u>https://wnli.org/studies/</u> and <u>https://www.nonprofitissues.com/webform/increasing-gender-diversity-boards-nonprofit-eds-and-meds</u>

BoardSource, "Leading with Intent: Reviewing the State of Diversity, Equity, and Inclusion on Nonprofit Boards," 2021. Available at: <u>https://boardsource.org/research-critical-issues/diversity-equity-inclusion/</u>

Eos Foundation, "The Women's Power Gap at Elite Universities." Available at: <u>https://www.womenspowergap.org/wp</u>-<u>content/uploads/2022/01/WPG-at-Elite-Universities-Final.pdf</u>

Korn Ferry Health Board Services, "Memo to the C-Suite: build a board grounded in gender equity." Available at: <u>https://www.kornferry.com/content/dam/kornferry-v2/featured-topics/pdf/LP1112--</u> <u>Build_a_Board_Grounded_in_Gender_Equity_FINAL.pdf</u>

Nasdaq, BOARD DIVERSITY MATRIX DISCLOSURE REQUIREMENTS AND EXAMPLES. Available at: <u>https://listingcenter.nasdaq.com/assets/Board%20Matrix%20Examples_Website.pdf</u>

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