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Boards of Midsize Nonprofits: Their Needs and Challenges

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Nonprofit boards are increasingly a focus of those interested in nonprofit accountability and transparency, including policymakers, the media, researchers, and the public. Yet most of the research has focused on boards of large nonprofits.[1] Likewise, policy proposals and best practice guidelines often seem designed with large organizations in mind, raising concern among representatives of smaller organizations who feel the proposals may be inappropriate for their institutions.[2] This brief helps fill a major gap in our understanding by focusing on governance among midsize nonprofits, identifying certain problem areas and suggesting strategies that trustees, managers, and others engaged with midsize nonprofits may find helpful in strengthening their boards.

The discussion uses data from our Urban Institute *National Survey of Nonprofit Governance*, the first national representative survey of governance in the United States.[3] This brief focuses on the subset of 1,862 organizations in that survey that have annual expenses between $500,000 and $5 million, hereafter referred to as "midsize" nonprofits. Nonprofits in this size range make up approximately one in five public charities that file the Internal Revenue Service Form 990 (Pollak and Blackwood 2007). This report was funded by the Evelyn and Walter Haas, Jr. Fund, who asked that we employ our survey data to examine this subset of nonprofits. We also refer at points to our survey data on 1,101 larger nonprofits for purposes of comparison.

Foreword

More often than not, today's conversations about strengthening nonprofit leadership focus on executive directors—how to support them in ways that will enhance their performance, and how to find and nurture replacements as today's executives approach retirement. These are crucial questions, and the Evelyn and Walter Haas, Jr. Fund is working with our grantees and our colleagues in philanthropy to find the right answers.

At the same time, we also are interested in finding ways to improve our understanding and support of the other side of the leadership equation: the nonprofit board. When we recently began asking ourselves what more we could do to help strengthen the boards of the nonprofits we work with, we realized we needed more, and better, information about the specific board issues these organizations face. Most of the current literature looks at larger nonprofit boards, and yet our grantees are primarily mid-sized organizations with

(*continued*)

Foreword (*Continued*)

budgets of $5 million or less, some considerably less.

This study marks an attempt to fill what we consider to be a major gap in the sector's understanding of nonprofit boards. Mid-sized organizations (those with budgets of $500,000 to $5 million) make up one in five of all nonprofits registered with the IRS. Now, thanks to the work of Francie Ostrower and her colleagues at the Urban Institute, we have their study's observations, ideas and conclusions about the unique governance challenges facing this critical mass of nonprofits. For example, we now know that these boards face unique and pressing challenges, such as engaging the board in the work and mission of the organization, bringing more diversity to the board, and sharing power and influence beyond the board chair and CEO.

At the same time that we see these challenges, the study also reveals important opportunities for the sector. For example, organizations that allow more opportunities for all board members to influence the agenda tend to have more actively engaged boards. Engagement also tends to be higher among organizations that emphasize key business and financial skills when recruiting new board members.

The study points to no single "magic bullet" solution to the board challenges facing mid-sized nonprofits. However, it does suggest some clear actions nonprofits can take, such as doing a better job at board recruitment so they can build more well-rounded boards and changing the culture of their boards to encourage broader participation in decisionmaking.

For grantmakers and the broader sector, the study underscores the need for more support for board development and for initiatives designed to bring more diversity to the sector's leadership ranks. At the Haas, Jr. Fund, we intend to use Dr. Ostrower's conclusions and data as a touchstone as we explore the range of actions we can take to make sure boards are an important part of how we are strengthening nonprofit leadership. The following are among the questions we will be asking based on the study's results:

- What more can we do to directly support nonprofits in their efforts to strengthen their boards?
- What will it take to elevate board service and to help current and potential board members in a community understand their full governance roles?
- What more can we do to help nonprofits assess the make-up of their boards and to encourage them to consider adding new people whose diversity—in experience, expertise, ethnicity, and more—can help these organizations be more effective?

As our sector continues to focus on stronger leadership as a pathway to improved performance for nonprofits, we believe this study offers important insights about how to help boards step up to their rightful role in helping their organizations succeed. Richard Chait has observed that many nonprofit boards have a "problem of purpose" that blunts their effectiveness. Our challenge as grantmakers and as a field is to help nonprofits find ways to build active, engaged boards that are clear about their purpose and that play a consequential role in making sure their organizations deliver results for the communities and the people they serve. This study is an important step in that direction.

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Comparing midsize nonprofits with their larger counterparts, we find that their boards are less engaged in many basic stewardship responsibilities. Midsize nonprofits' boards also have greater difficulty attracting new members. These comparisons underscore the need for efforts targeted at midsize nonprofits to help them strengthen their governance. This paper highlights areas in which that need seems greatest and suggests some strategies that may help. In particular, the brief addresses the following broad questions:

- How actively engaged are midsize nonprofits' board members, and what factors promote greater engagement?
- How well do midsize nonprofits perform various responsibilities, and what factors promote stronger performance?
- Who serves on midsize nonprofits' boards, and what populations might they target to expand their pool of potential members?

The paper also contributes to a recent discussion about the leadership crisis in the nonprofit sector sparked by the *Daring to Lead* study (Bell, Moyers, and Wolfred 2006). The study found that a high percentage of CEOs plan to leave their job and pinpointed frustration with board performance, particularly in the fundraising arena, as a key reason. Our findings on CEO ratings of their board's performance in fundraising resonate with the study and highlight other areas where CEOs view boards poorly. More broadly, our study leads to a more general conclusion: discussions about nonprofit leadership challenges, now focused on CEOs, should be expanded to include boards. Our findings on levels of board engagement strongly suggest that unless measures are taken to strengthen boards and help them attract members—and unless boards start taking a more active role in monitoring their own performance—it is unlikely that they will be able to offer the assistance to CEOs and the effective oversight and governance that they are being called upon to give.

Boards are complex, and a multitude of factors influence their behaviors. We offer the following recommendations for midsize nonprofits and their supporters because these recommendations address factors associated with board engagement and performance across many domains, and their influence persists even after taking other factors into account:

- Carefully assess the recruitment criteria being emphasized when selecting new members and revise these criteria as needed;
- Institute a board culture that encourages members to influence the board's focus and agenda, rather than one that concentrates influence in the hands of the board chair and CEO;
- Institutionalize a process for boards to monitor their own performance.

We also call for initiatives to help midsize nonprofits identify new members and expand the pool from which those members are drawn. While best practice guidelines and policy proposals are important, their successful implementation requires committed and knowledgeable board members dedicated to helping the organization pursue its mission. We find that, even as nonprofits report problems finding board members, segments of the population—notably ethnic and racial minorities, those over age 65, and those under age 35—are not widely represented on boards. It is critical for future research to examine the barriers here and identify successful strategies to overcome them. Particularly in light of demographic shifts in the United States, the very legitimacy of the nonprofit sector is connected to such efforts.

As we turn to the findings, the reader should keep in mind the following methodological considerations. The survey was administered to a stratified, random sample of public charities required to file Internal Revenue Service Form 990, and therefore descriptive analyses are weighted to adjust for differential probabilities of selection by size, as well as nonresponse patterns. Second, we seek to shed light not only on how boards behave but on the factors correlated with their behavior and performance. Board practices are typically influenced by multiple factors, however; we therefore employ statistical techniques that permit us to control simultaneously for multiple variables. This is done to confirm that a relationship between a particular factor and a particular board practice described as significant persists even after other potentially influential factors are taken into account.[4]

Keep in mind that we sent the survey to CEOs/executive directors (with instructions that it be completed by them or the person most responsible for the organization's overall management), so responses reflect their perspective.[5] Likewise, this report examines public charities in the $500,000 to $5 million range, and thus readers should not assume that its findings are automatically generalizable to nonprofits of other types or size.

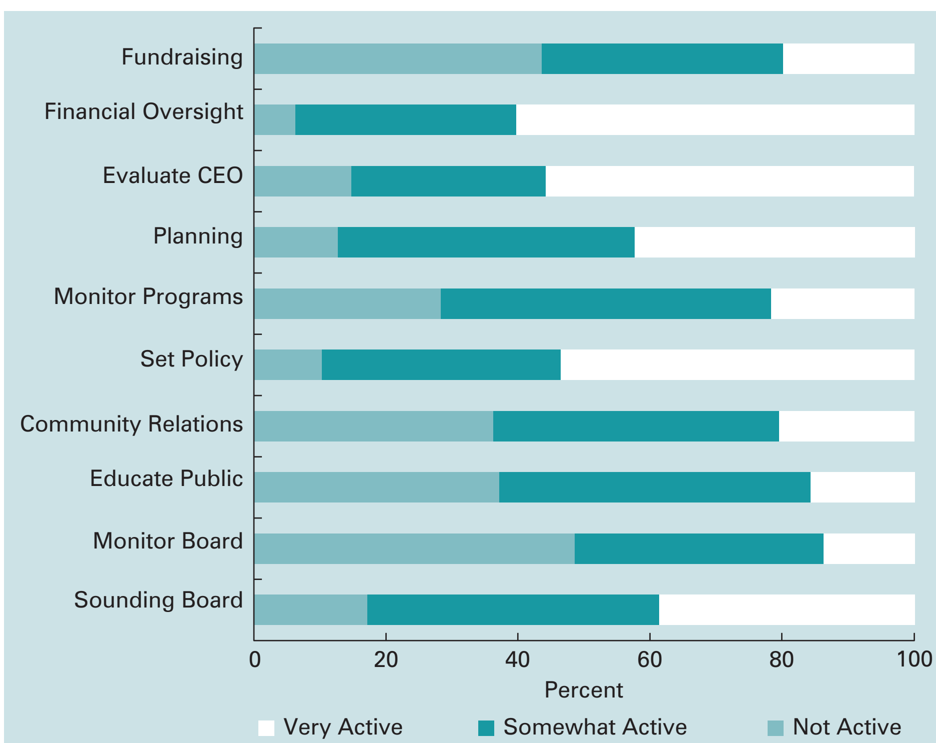
Board Engagement

Nonprofit boards are charged with certain responsibilities rooted in their legal and fiduciary obligations. Many midsize nonprofits' boards, however, are not very actively engaged in several of these responsibilities (figure 1). Of the traditional board responsibilities we asked about, a majority of boards were very active in only three: financial oversight (60 percent), evaluating the CEO (56 percent), and setting policy (54 percent).[6] Over 85 percent of boards are at least somewhat active in all three of these roles.

However, many boards are not very actively engaged in several roles. This was true in all three of the more externally oriented roles: only 20 percent very actively engaged in fundraising, 20 percent were very active in community relations, and 16 percent were very active in educating the public about the organization. Indeed, substantial percentages were not even "somewhat" active in carrying out these roles. These findings raise concerns about the level of insularity among boards, which are supposed to help connect their organizations to the community and help secure resources to carry out their missions. Furthermore, many board members do not personally contribute. On average, 44 percent of board members did not make a personal contribution in the previous year (the median was 35 percent). Members of boards that are less active in fundraising were also considerably less likely to make personal donations.[7]

Furthermore, low percentages of boards were active in assessing the performance of their organizations or themselves. Only 22 percent of boards very

FIGURE 1. Board Activity Levels



actively monitor the organization's programs and services. In a separate question, we found that fully 26 percent of boards do not assess whether their organization is achieving its mission at least once every two years. Boards are also not looking at themselves—only 14 percent were reportedly very active in monitoring the board's own performance. Indeed, almost half (49 percent) were not even "somewhat active" in self-monitoring.

With respect to their low levels of activity in externally oriented roles, midsize nonprofits' boards resemble those of larger nonprofits. However, midsize nonprofits' boards are to varying degrees less active than boards of large nonprofits when it comes to many internally oriented roles (figure 2). For instance, 74 percent of boards of larger nonprofits were very actively engaged in financial oversight, compared with 60 percent of midsize nonprofits. Midsize nonprofits' boards were also less active with respect to planning for the future, evaluating the CEO, acting as a sounding board for management, monitoring programs and services, and monitoring the board's own performance. They are similar with respect to activity in setting policy.

There is substantial variation among nonprofits with respect to their boards' level of activity. Two correlates stand out because they are associated with this variation in engagement in many board roles:

- Criteria used to recruit board members;
- A board culture that promotes shared influence among members rather than concentrating influence solely in the hands of the board chair and CEO.

We consider each in turn.

Recruitment Criteria

Boards that emphasize a willingness to give time as a recruitment criterion were more likely to be active in every board role, and boards that emphasize business and financial skills when recruiting new members were more likely to be active in almost every role.[8] For instance,

- The percentage of boards very active in fundraising rises from under 10 percent among those that say willingness to

FIGURE 2. Percent of Midsize and Larger Nonprofits' Boards Very Actively Engaged in Various Roles

give time is not an important criterion for recruiting new members to 22 percent among those who say it is very important.

- The percentage of boards very actively engaged in planning rises from 36 percent among those who say financial skills are not important when recruiting new members to 50 percent among those that say financial skills are very important.

The relationships among these two recruitment criteria and levels of board engagement held even after numerous other factors were taken into account.[9] These were the two criteria that were related to activity in the greatest number of roles. However, certain other criteria are important for their relationship to certain key roles where engagement is low.

One example is knowledge of the organization's mission area. The importance placed on this as a criterion in recruitment is positively associated with board engagement in monitoring organizational programs and in monitoring the board's own performance (but is unrelated to engagement in other roles). Boards that place greater importance on this criterion are also more likely to evaluate whether the organization is achieving its mission at least once every two years. These relations hold with controls for other variables.

The case of fundraising ability as a recruitment criterion is even more dramatic: it is positively associated with board engagement in fundraising (and making personal donations), as well as the externally oriented activities of community relations and educating the public—but it is *negatively* related to board engagement in monitoring programs and setting policy. As we can see, then, boards should be careful not to overemphasize one criterion at the expense of others.

One recruitment criterion, friendship with current board members, is negatively associated with levels of board activity in many roles: planning, evaluating the CEO, monitoring programs, setting policy, educating the public, and monitoring the board's own activity.

Variations in board engagement were also related to how difficult the organization finds it to recruit new members. Difficulty in recruitment was negatively related to the board's activity in every role. For instance,

- The percentage of boards very actively engaged in fundraising drops from 24 percent among boards that do not have difficulty recruiting members to 12 percent among boards that have great difficulty.
- The percentage of boards very actively engaged in setting policy drops from 65 percent among those that do not find it hard to recruit members to 42 percent among those that find it very difficult.

These figures underscore the importance of finding ways to help boards find members willing and able to serve.

Board Culture that Encourages Members to Influence the Agenda

In most midsize nonprofits, the board chair (70 percent) and the CEO (85 percent) are very influential in setting the agenda for board meetings. It is much less common for board to give so much influence to other board members (19 percent). At a substantial minority of nonprofits (30 percent), other board members have little or no influence. We find, however, that boards that do allow this broader opportunity for influence also have more actively engaged boards. The influence given to other board members in determining the agenda at board meetings was positively associated with greater activity in every board role. For instance,

- The percentage of those actively engaged in financial oversight rises from 52 percent (among boards whose other members are not very influential) to 71 percent among boards where members are very influential.
- The percentage of boards that very actively plan for the future rises from 28 to 54 percent.
- The percentage that very actively engage in fundraising rises from 9 to 23 percent.

These findings suggest that when board members do not feel encouraged and able to make a difference and to participate, they withdraw. Conversely, when they feel that they can influence the board—and indeed are actively encouraged to—they feel more engaged with the board and the organization and are more likely to carry out their responsibilities.

CEO/Executive Director's Assessment of Board Performance

Although most CEOs[10] rated their board's performance as good or excellent in most roles, the only area in which a majority of CEOs (53 percent) rated their board as excellent was respecting the boundaries between board and staff responsibilities. Almost half (48 percent) say their board is doing an excellent job of financial oversight. Substantial percentages feel their boards are doing a poor or fair job in many areas (figure 3). Our findings clearly reveal disturbing levels of CEO dissatisfaction with board performance. Resonating with the *Daring to Lead* research, fundraising is a major area of concern, but it extends well beyond that into other roles. Respondents were free to choose "not applicable," rather than rate their boards on any individual role, so they were not forced to rate the board on any duties outside the scope of their board's responsibilities.

Over 25 percent of CEOs rated their boards as only fair or poor when it comes to evaluating the CEO, planning, monitoring programs and services, community relations, educating the public about the organization, monitoring the board's own performance, and fundraising. Indeed, majorities of CEOs characterized their board as doing fair or poor in fundraising (62 percent) and monitoring the board's own performance (60 percent).

The most influential factor associated with CEO ratings was how actively their board carries out a role. While quantity and quality of board engagement are not identical, the primary reason for CEOs' low ratings of board performance appears to be lack of board activity. For instance, the percentage of CEOs that rate their boards as doing an excellent job in monitoring programs rises from 2 percent for boards not actively engaged to a high of 55 percent among boards very actively engaged in monitoring programs. As this

FIGURE 3. CEO's Assessment of Board Performance

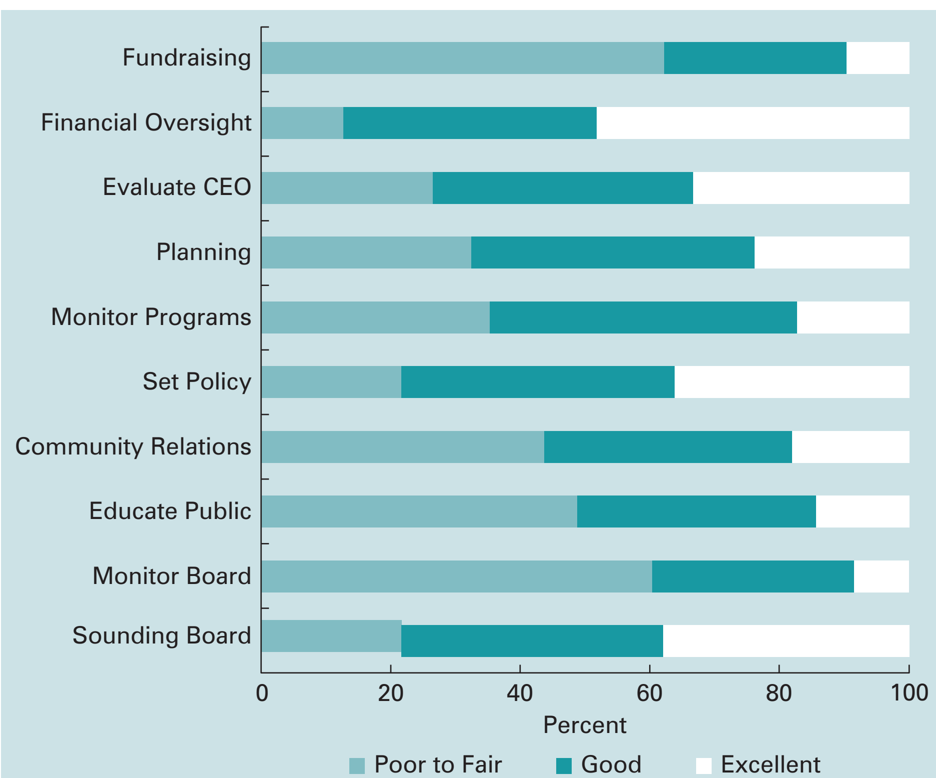


figure illustrates, however, variations remain in CEO assessments even after taking levels of board engagement into account.

In the case of fundraising, CEO ratings were primarily related to how actively the board fundraises,[11] and were also positively related to the percentage of board members that make personal donations and to the presence of a requirement that board members give and/or fundraise. Apparently, CEOs' judgment of fundraising performance varies at different points in the organization's lifecycle: CEOs of organizations planning major program expansions were likely to give lower ratings of board fundraising performance. One hypothesis is that this reflects a sense of greater pressure to obtain adequate funds to finance the expansion.

Turning from fundraising to other roles, level of board engagement continued to be the primary influence, but two other considerations were related to CEO assessments in several roles:[12]

- The importance placed on business and financial skills when recruiting new board members was positively related to assessments of the board's performance in financial oversight, evaluating the CEO, planning, and setting policy.
- CEOs of nonprofits where board members (i.e., in addition to the board chair and/or CEO) have greater influence on the agenda were likely to give their boards higher ratings in financial oversight, planning, evaluating the CEO, respecting staff-board boundaries, and setting policy.

On the other hand, the organization's difficulty in recruiting new board members was negatively related to performance ratings in all areas.

Having the CEO as a part of the board (i.e., as a voting board member) proved unrelated to performance ratings. Furthermore, CEO assessments were not generally related by how much influence the CEO has in selecting board members. One relationship was negative—greater CEO influence on choosing new board members was negatively related to judgments about how well the board monitors its own performance. The other was positive—greater CEO influence was positively related to ratings of how well the board respected board-staff boundaries.

An oft-heard caution is that boards need to respect boundaries and not interfere in CEO responsibilities. This is indeed important, but our findings suggest that this is not the primary problem in CEO feelings about their board. As we have seen, most CEOs say their board does an excellent job in respecting board-staff boundaries, and an additional 30 percent rate their board as good. The more pressing problem is not that CEOs feel the board is trying to take on staff responsibilities but rather that the board is not active enough in performing its own duties.

Recruitment and Composition

A strong board requires committed members that are able to serve and in a position to understand and respond to the needs of the organization's constituencies. Midsize nonprofits, however, report difficulty finding members. Most organizations (69 percent) say it is at least somewhat difficult to recruit new members. Twenty percent say it is very difficult. Many large nonprofits also have difficulty finding members, but the problem is more widespread among midsize organizations.[13] As we have seen, the difficulty that organizations have recruiting members is related to lower levels of board engagement and less favorable CEO assessments of board performance.

The demographic profile of those who are on the boards reveals considerable ethnic and racial homogeneity. On average, 83 percent of boards' members are white (non-Hispanic), 9 percent are African-American or black (non-Hispanic), and 4 percent are Hispanic/Latino, with the balance from other groups. The medians of 91 percent for whites, and zero for blacks and Hispanics convey even greater homogeneity. Fully 36 percent of boards have no minority members. Furthermore, 48 percent of midsize nonprofits said that racial or ethnic diversity is not an important criterion when they select new board members.[14] The average percentage of minority members on boards of larger nonprofits is similar to that of midsize nonprofits, but the percentages of larger organizations with no minority representation (29 percent) and those that say ethnic diversity is not an important criterion in recruitment (37 percent) are lower.

Nonprofits whose clientele include higher percentages of ethnic/racial minorities are more likely to include board members from that group. For instance, 90 percent of nonprofits with a majority of black clientele include black board members. By contrast, 22 percent of nonprofits whose clientele is under 10 percent black include black board members. Nonetheless, there are many nonprofit boards with no minority representation, even among organizations that serve a high percentage of minorities, particularly in the case of Hispanics. Among organizations whose clientele is over 50 percent Hispanic, fully 21 percent have no Hispanic board members, and the figure rises to 44 percent among organizations whose clientele is between 25 to 49 percent Hispanic. In the case of African-Americans, the corresponding figures are 10 and 27 percent.

The connection between the percentage of minorities served by organizations and the percentage of minorities on the board should be researched further to understand the extent to which populations served are shaping the board's composition, being shaped by it, or some combination of both.

The percentage of minorities on boards was positively related to

- The percentage of minorities served by the organization;[15]
- The degree of importance placed on diversity when recruiting new members;[16]
- The percentage of the organization's funding received from government;
- The percentage of the organization's funding received from foundations.

The last two findings suggest that external prompting plays a role, since diversity is something that both government and foundation funders often ask about.

We wondered whether term limits, or the percentage of the board that had come on more recently (in the past two years) might be associated with greater percentages of minorities, but there proved to be no relationship. Boards with a higher percentage of business people tended to have a lower percentage of minorities.

Many of the correlates of whether or not the organization has any minority members were similar to those associated with the percentage of minorities. Another notable correlate was board size, indicating that nonprofits use larger boards as a way to incorporate a more diverse membership.

Our findings indicate that racial and ethnic minorities constitute one pool of individuals not currently widely represented. Other pools include those under the age of 35 and over the age of 65. On average, only 6 percent of board members were under 35, and only 13 percent of boards were over the age of 65. Particularly in light of the coming wave of retirement by baby boomers and the prospects for their engaging in public service activities after retirement,[17] it would be timely to try to understand why these percentages are low and how to recruit more individuals from this group as they retire.

Implications

This paper has addressed the gap in current knowledge of boards of midsize nonprofits. Much remains to be done, but our findings strongly indicate the need for measures to strengthen how actively these boards carry out their duties and identify areas of particular need. Our findings further indicate that the low levels of activity are most responsible for variations in CEOs ratings of their board performance, not only in fundraising but elsewhere. In this respect, it is important to recall that it was how many board members contribute, not how much they contribute, that impacted CEO ratings of fundraising performance.

There is currently widespread concern about the expected wave of retirements among nonprofit CEOs and the challenge of finding and retaining replacements. Our findings clearly indicate that the discussion of leadership challenges must be broadened to include the board. Boards will ultimately have to hire and work with new CEOs, but in order to do so successfully, they themselves need to strengthen their performance. Furthermore, in an era when ever more scrutiny is being given to nonprofit performance and accountability, the insularity of boards—in terms of both their engagement in external activities and their composition—is particularly pressing.

There is no magic bullet or single solution, and more research, including qualitative studies of boards, is needed to identify strategies that help to promote stronger board engagement and performance. This study, however, suggests three important steps that boards should immediately take:

- Carefully assess the criteria being used when seeking board members and whether they fit the range of the board and the organization's needs. Recognizing that a particular criterion is related to board engagement in some roles but not others, try to attract well-rounded members to the extent possible and ensure an adequate array of backgrounds and skills is considered.
- Promote a culture and a structure that encourages members to contribute to setting the board's agenda rather than concentrating influence solely in the hands of the CEO and/or board chair.
- Institutionalize a procedure for the board to regularly monitor its own performance. To identify and correct weaknesses in their performance, boards must regularly examine that performance and find ways to train board members and implement changes as needed.

Nonprofits must also get help in recruiting new members and widening the pool from which they draw. Here, coordinated initiatives that go beyond the efforts of individual organizations are likely needed. To inform such initiatives, more research is needed on both the supply side (individuals' willingness and preparedness to serve) and the demand side (organizations' recruitment strategies). Taken together, these will allow us to understand the barriers to more widespread participation on boards. This includes the pressing need to understand the barriers to the particularly low levels of service among older individuals and members of minority groups. Furthermore, we need more research on the connections between board composition and nonprofits' responsiveness to diverse community needs. Although our findings revealed little relationship between board diversity and how actively boards engage in various traditional roles, they raise urgent questions about the causal link between board diversity and diversity of the organization's clientele—questions that more research is needed to address.

Our findings should also draw awareness to the fact that, as important as good practices are, strong boards cannot be created by any mechanical implementation of "best practices." Getting committed members is key but so too is keeping them committed. As we have seen, substantial percentages of boards do not give most board members opportunities to influence the board's agenda. How then are board members to feel that their engagement makes a difference? Our findings point to the importance of not only individual practices, but board culture more broadly. Boards must work to actively create a culture and a structure that promotes opportunities for board members to make a difference and feel that their participation matters.

This paper has helped to identify areas of current weakness on midsize nonprofits and some strategies for addressing them, but more research remains to be done. At a time when nonprofits are under increasing pressure to demonstrate their accountability and effectiveness, it is important that this further work be accomplished to help boards better assume their leadership role for the future.

Notes

1. See Ostrower and Stone (2006) for a review of the board research literature.
2. See, for instance, the response to the Senate Finance Committee's 2004 white paper submitted by Audrey R. Alvarado, executive director of the National Council of Nonprofit Associations, which cautions against the "undue hardship" for small and midsize nonprofits of proposed governance reforms.
3. For a discussion of that study, which included 5,111 organizations, see Ostrower (2007).
4. Multivariate analyses employed ordinary least squares regression and logistic regression. In this

brief, when we say that a variable is associated with a board characteristic, the relationship was statistically significant in the model at the .05 level or below. These analyses are not weighted since they control for organizational size.

5. Seventy-five percent of the respondents at mid-size nonprofits said that their title is CEO, executive director, or interim executive director. Among the most common other titles were principal/headmaster/head of school, president, vice-president, deputy/assistant/associate director, administrator, and general director/general manager.

6. While outside the scope of this paper, we did also ask about one less traditional activity—trying to influence public policy. As expected, very few (8 percent) were actively engaged in that role.

7. On boards that are not active in fundraising, an average of 30 percent of members (median of 13 percent) made personal donations, compared with 86 percent (median of 100 percent) among boards that are very active fundraisers.

8. It was positively related to levels of activity in all roles except fundraising and community relations.

9. Other variables controlled for (using regression analysis) included other recruitment criteria, organizational characteristics (e.g., size, age), funding source, and other board characteristics (e.g., board size, composition variables).

10. For brevity, we use the term CEO, but it includes those with the title of executive director. This section reports on analyses using data only for cases where the respondent's title was CEO or executive director. This decision was made due to the inherently subjective nature of the topic (assessment of performance), which may be influenced by the distinctive relationship that the CEO has with the board. Furthermore, we wanted to consider our findings in relation to the *Daring to Lead* study, which focused on CEOs. That said, we did compare the responses of CEO/executive directors with others and found little difference. There were no statistically significant differences in the ratings on 9 of the 11 items, and the differences on the other two disappeared once controls were entered for other variables. The two areas where we found differences prior to introducing controls were: ratings of the board's performance in monitoring programs (18 percent of CEOs versus 24 percent of non-CEOs rated boards as excellent) and monitoring the board's performance (9 percent of CEOs versus 18 percent of non-CEOs rated them as excellent).

11. Six percent of those whose boards are not active in fundraising rate the board as good or excellent in fundraising. The figure rises to 41 percent among those whose boards are somewhat active, and to 88 percent with very active boards.

12. Factors below remained significant with controls for one another, level of board activity in the area, and other recruitment criteria, organizational characteristics, board characteristics, and funding source.

13. Sixty-five percent of nonprofits with over $5 million find it somewhat difficult, and 13 percent find it very difficult to find new members.

14. Thirty-four percent said it is somewhat important and 17 percent said it is very important.

15. The average percentage of black board members rises from 4 percent (median of 0) among organizations with under 25 percent black clientele, to 13 percent (median of 10) among those with a 25 to 49 percent black clientele, to 34 percent (median of 24) among those with a majority black clientele.

    The average percentage of Hispanic board members rises from 2 percent (median of 0) among organizations with less than 25 percent Hispanic clientele, to 9 percent (median of 6), among those with 25 to 49 percent Hispanic clientele, to 24 percent (median 17) among those with a majority Hispanic clientele.

16. The average percentage of minorities on the board rose from 12 among those who give this little or no importance to 19 percent among those who give it some importance, to 28 percent among those who give it great importance.

17. See for instance, the work of Civic Ventures, an organization dedicated to help "society receive the greatest return on experience" by facilitating social engagement of older Americans (http:// www. civicventures.org/point_of_view.cfm).

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