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***Nonprofit Board Composition, Engagement,
and Leadership in Central Indiana***

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Indiana University Lilly Family School of Philanthropy

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Executive Summary

Nonprofit organizations in central Indiana strengthen local communities and provide opportunities for engaged citizens to volunteer to serve on nonprofit boards. As the average size of a nonprofit board is 15 members (BoardSource, n.d.), in central Indiana alone, this suggests that a sizable pool of volunteers serve at any given time as nonprofit board members. These volunteers represent the communities they serve. Nonprofit board members have three main legal duties: the duty of care, duty of loyalty, and the duty of obedience. The extent to which demographic factors and board composition affect the board's performance is a growing area of interest and research.

The impact of events since the spring of 2020, including a global pandemic, racial and social justice movements, and economic and political shocks, has accelerated discussion about nonprofit board composition, engagement, and leadership especially as they relate to diversity, equity, and inclusion (DEI). Building on previous work about board engagement and diversity on a national level, this study examines these issues among nonprofits in central Indiana. What is the diversity of nonprofit boards in this Midwestern metropolitan area of roughly 2 million people? How do different demographic factors of board members such as gender, race/ethnicity, age, sexual orientation/gender identity, disclosed disability, and being a recipient of the organization's services affect board outcomes, especially in the areas of engagement, fundraising, and advocacy in central Indiana?

In looking at one specific community, this study complements a prior national study (Indiana University Lilly Family School of Philanthropy, 2018) that measured the impact of nonprofit board diversity on board engagement, fundraising, and advocacy. The national study found that "diversity on nonprofit boards falls short of reflecting the diversity of the United States" but that "boards with higher percentages of women tend to have more board member engagement, higher fundraising engagement and higher advocacy engagement" and "the pursuit of board diversity delivers its own rewards" (Indiana University Lilly Family School of Philanthropy, 2018).

The findings in this study align with other research about board diversity and its impact on organizational performance. Results for central Indiana indicate that boards with a higher percentage of non-White members and women strengthen board governance. Moreover, organizations that have embraced cultural diversity across several measures are more likely to have more engaged board members. Yet, for many nonprofits there seems to be a disconnect between attitudes about diversity and action. As one nonprofit leader in central Indiana said, "We've made strides, but there is always more work to do. It's constantly evolving" (Finnell 2021).

Key Findings

- Boards that had a higher percentage of non-White members were more likely to indicate that their board is actively engaged in oversight and governing the organization as well as more likely to indicate that they think strategically.
- Boards that had a higher percentage of women were more likely to indicate that the board is actively engaged in oversight and governance.
- Organizations that believed that their organization has done well promoting diversity and inclusion within the organization were more likely to have board members participate in all aspects of fundraising.
- Boards of organizations founded before 2000 are 10 percentage points more likely than those founded after 2000 to monitor the impact of local, state, and federal policy on the organization's mission.
- The percentage of Asian, Black, and Hispanic board members is less on the nonprofit boards in this study than the proportion of their representation in either Marion County alone or Marion and the surrounding counties.
- Nearly 95% of nonprofit board members report not being fully satisfied with their board's cultural diversity.

Methodology

The survey was distributed by e-mail through intermediary groups such as the Indiana Philanthropy Alliance and United Way of Central Indiana, resulting in 163 completed responses. The methodology used in this study places limitations on how the findings should be interpreted: the study uses self-reported survey responses and single time-point cross-sectional data, so causal conclusions should not be made based on these results.

Combining quantitative and qualitative methods, this study includes three components – an environmental scan, a survey, and case studies of local nonprofits. The environmental scan of existing literature related to board diversity and philanthropy (published primarily after 2018) comprised the first part of the study. The scan included academic literature, practitioner reports, and other published sources (organization reports, news articles, etc.) about diversity in nonprofit boards in Indiana, the impact of diversity on nonprofit boards, measures of board diversity (including board practices related to diversity), and measures of fundraising engagement, leadership, and board engagement. The scan informed the quantitative and

qualitative research and was the basis of the instrument developed to survey nonprofits in Central Indiana.

A survey of nonprofits in central Indiana survey conducted in 2021 and 2022 resulted in 163 completed questionnaires. (See Appendix I for full text of all questions.) Due to the sample size, t-tests were used to determine significant relationships between variables, with differences only being highlighted at the $p < 0.05$ level. Demographic diversity measurements of board members, as well as organization characteristics such as age of organization, revenue, number of employees, and size of the board, were collected along with the survey questions. Demographic diversity included:

- gender,
- race/ethnicity,
- age of board members,
- sexual orientation/gender identity,
- disclosed disability rather than physical/mental ability, and
- experience as operationalized by inclusion of current or past clients.

Research has shown that income diversity is important on boards. Although this survey inquired about income of board members, very few respondents chose to or were able to answer that question. As a result, this report is not able to examine findings through the lens of economic diversity.

The third part of the study includes case studies of five Central Indiana nonprofits.

Recent Literature on the Impact of Diversity on Nonprofit Boards

Recent research by academics and practitioners has examined linkages between board diversity and board outcomes from a variety of perspectives. Some studies were published prior to or in the early months of the pandemic and murder of George Floyd in 2020. BoardSource's Leading with Intent special report, *Reviewing the State of Diversity, Equity, and Inclusion on Nonprofit Boards*, published in June 2021, overtly states that the data in the report was collected prior to the challenging events of 2020-2021.

Two academic studies examined the diversity-performance relationship. The first focused on whether diversity hinders or improves organizational performance in measuring social bridging (the theory that diverse organizations perform better than homogenous organizations) and social bonding (the theory that diverse organizations perform worse) in nonprofits using data from a national study. This study measured diversity by race, gender, household income, education level and religious affiliation. It measured performance by the organization's ability to acquire sponsors, develop strategies and mobilize people (Fulton, 2020).

Analysis found that instead of being inverse of each other, both bridging and bonding are positively associated with an organization's performance. Social bridging or diversity facilitates performance related to accessing external resources, while social bonding facilitates performance related to internal coordination (Fulton, 2020). Two limitations of the study for the purposes of this report are (1) only one type of organization, community organizing, is analyzed and (2) the organizations have few paid staff and rely on volunteer leaders from across the membership to lead the organization.

The second study used data on race, gender, class and religion of organization's leaders and multiple measures of organizational performance (forming alliances, developing strategies, organizing constituents and mobilizing people) to conclude that "an organization's ability to realize the performance benefits of having a diverse leadership team is related to how the leaders interact with each other." The findings suggest that merely having a diverse leadership team "does not automatically improve an organization's performance." Rather, leadership that encourages its "members to interact in ways that engage their differences" is more likely to achieve positive outcomes. Discussing differences can help minority perspectives gain voice and challenge organizational norms which can lead to alternative practices (Fulton et al., 2021). The same limitations mentioned above apply to this study.

A consulting firm conducted a national study of 102 nonprofit boards to explore why boards are not as diverse as the communities they represent when those boards are aware of the importance of diversity and have a desire to become more diverse (Brennan & Forbes, 2019). The survey found there is a gap between recognition that diversity is important and action with 61 percent of respondents stating the board does not reflect the community the organization serves and 70 percent voicing discontent with the current level of diversity and inclusion at the board level. It also found that boards are not being proactive to create more inclusive cultures with 74 percent of respondents stating that the board does not have a written statement or policy on diversity and inclusion of board membership. Additionally, the survey found that the lack of effective board recruiting strategies is a challenge along with emphasizing fundraising over efforts to increase diversity.

The survey concluded that many boards "lack the knowledge, skills, resources and genuine commitment to change required to turn that awareness into action" (Brennan & Forbes, 2019). It offered several steps nonprofits can take to increase diversity and inclusion.

- Start with shared awareness and understanding.
- Seek help.
- Create accountability.
- Put it in writing.
- Review your board's policies and procedures.

In 2016, BoardSource, a national leader in nonprofit board research, published the infographic, "Where is race on your board's recruitment agenda?" Explaining how diverse boards strengthen organizations, it stated "diversity is more than a quota or numbers game. It also requires

inclusive policies, practices, and behaviors that nurture and value different perspectives and experiences when conducting board business and discussing strategy” (BoardSource, 2016).

BoardSource published a more comprehensive assessment of DEI initiatives at nonprofits in June 2021 with emphasis on racial diversity (BoardSource, 2021). The study found that (1) although boards are slightly more diverse than in prior years, they have work to do before fully representing their communities; (2) board recruitment does not align with diversity goals, and (3) boards that include people of color are more likely to have adopted DEI practices than boards that do not include people of color. BoardSource offered five suggestions for boards to consider about deepening DEI engagement:

- Reflect on the importance of board diversity to your board’s work and its values.
- Recruit for board diversity in a strategic and respectful way.
- Commit to building an inclusive and welcoming board culture.
- Consider the depth of your DEI practices and assess how you can go deeper.
- Dedicate time for continuous learning.

The next section identifies three categories used to measure nonprofit board diversity efforts – board composition, board practices, and organizational performance. These categories have expanded in recent years as deeper conversations and understanding about the impact of diversity on nonprofit boards have unfolded across the country. In comparing studies, it is important to recognize similarities and differences in the categories that are used as well as challenges in acknowledging diversity that may be less obvious (such as sexual preference and less visible physical disabilities).

Recent research on measures of board composition

As research around board diversity has evolved, measures beyond gender, race/ethnicity, and age deepen understanding about how different factors affect organizational performance. Recent literature has identified household income, whether the board member received services from the organization, and disclosed disability as additional factors that may affect organizational performance. Earlier surveys identified gender as male and female. Newer surveys include an expanded definition of gender to include non-binary, not transgender, and transgender options. LGBTQ+ identity is included in surveys. LGBTQ+ status is often unknown, which can add an element of complexity to the recruitment and reporting processes.

Research (Indiana University Lilly Family School of Philanthropy, 2018; Ouma & Webi, 2017) found a positive association between the presence of younger members on nonprofit boards and involvement in outreach and community involvement.

One study (Faulk et al., 2021) included a question on whether at least one board member receives or has received services from the organization and found that roughly half indicated that they had. Including this question helps to better understand the diversity of board members. For some nonprofits, failure to adapt to the needs of clients by not having a clear understanding of how

their services are received and integrated into the community can pose a threat to efficient board operation, which could be avoided by having at least one board member who is receiving or has received services (Lewis, 2016).

Some surveys include a question related to board members with a disclosed disability, (Faulk et al., 2021; Leading with Intent, 2021; Clohesy et al., 2019; 2020 Diversity, Equity and Inclusion Report) indicating that diversity is broader than race/ethnicity, gender and age, and should include those who have been marginalized in the broader society and bring distinct perspectives to a board.

Nonprofits play a vital role in communities. Expanded research with broader definitions of diversity will continue to help nonprofit leaders understand the impact of board diversity on organizational performance.

Board practices related to diversity

Recent literature (Faulk et al., 2021; Leading with Intent, 2021; Berger, 2018; Chandler 2017) draws a distinction between recognition of the value and measurement of diversity with action on racial equity. Indicators of action and not just identification include having a diversity statement, posting it publicly and having a standing DEI committee as part of the board (Berger, 2018). BoardSource (2021) focuses on board actions and perspectives, such as:

- level of satisfaction with the board's racial and ethnic diversity,
- level of importance the board assigns to demographic characteristics when recruiting board members,
- whether the organization has formally identified the desired board composition, and
- level of importance that the board's diversity is for the board's overall ability to provide strategic leadership as both external ambassadors for its mission and within the boardroom.

The next section illustrates ways that nonprofits measure their organizational performance related to diversity.

Measures of organizational performance

Three common measurements of organizational performance related to diversity include board engagement, fundraising, and advocacy.

One study (Indiana University Lilly Family School of Philanthropy, 2018) measured board engagement by asking:

- How would you grade your board's performance in the following areas: commitment and involvement?
- How strongly do you agree or disagree with the following statement related to your board's culture?: The majority of board members is actively engaged in overseeing and governing the organization.

- In your opinion, what are the three most important areas the board should address to improve its own performance?

Another study (Leading with Intent, 2021) measured fundraising engagement by asking questions such as:

- How would you grade the board's performance in fundraising?
- To what extent are your board members willing to:
 - Meet with potential donors
 - Ask others for money
 - Contribute to the organization
 - Attend the organization's fundraising events

Fundraising related questions from another study (Indiana University Lilly Family School of Philanthropy, 2018) include:

- Please indicate your agreement with the following statements:
 - The board actively participates in fundraising versus relying mostly on the CEO and staff.
 - Expectations related to fundraising are clearly explained during recruitment.
- Approximately what percentage of board members made a personal financial contribution?

Advocacy performance is often measured by asking questions related to the extent of board participation and engagement in advocacy. One study (Leading with Intent, 2021) asked chief executive officers and board chairs about their perceptions of how the board:

- Understands how public policy impacts the organization's mission;
- Connects the organization with community leaders and potential coalition partners;
- Works in concert with the chief executive and leadership team to educate policymakers on behalf of the organization; and
- Allocates resources toward advocacy aligned with the organization's strategic goals.

An additional advocacy related question from another study (Indiana University Lilly Family School of Philanthropy, 2018) is:

- To what extent did the board engage in the following public policy or advocacy activities:
 - Monitored the impact of local, state, and federal policy on the organization's mission delivery and resources
 - Received information and resources on effective and appropriate advocacy activities on behalf of the organization

Nonprofit Board Composition, Engagement, and Leadership in Central Indiana Survey Results

Survey results reflect a broad cross section of respondents and organizations by size, number of employees, revenue, and subsector. The majority of respondents were Executive Directors/CEOs (57.7%) followed by other staff members (25.8%), other board members (12.3%), and board chairs (4.3%). Around 30% of respondent nonprofits were founded in 2000 or later (29.5%), with about another one-third founded between 1975-1999 (33.7%).

Organizational revenue ranged from less than \$500,000 to more than \$10 million with about a third with revenue less than \$500,000 and 14.1% with revenue greater than \$10 million. The number of employees ranged from zero to more than 100. Fifteen percent had no employees and 11.9% had more than 100 employees. About a third of the organizations had between one and five employees (33.8%).

Survey responses came from almost all nonprofit subsectors with the largest percentage in human services (28.2%). The table below indicates the percent of the central Indiana sample.

Table 1: Survey responses by subsector

Category	Percent of Sample
Arts	15.5%
Education	10.6%
Environment/Animal	4.2%
Health	5.6%
Human Services	28.2%
International	0.0%
Public Service Benefit	9.9%
Religious	4.9%
Unknown/Unclassified/Missing	21.8%

Demographic diversity in Indiana by race/ethnicity

The nonprofit organizations surveyed for this project are located in Marion and surrounding counties. As of 2022, the central Indiana population was about 2.08 million and the population of Marion County alone was 889,922 (StatsIndiana, Metro area).

The population demographics by race/ethnicity vary by city and region of the state. The chart below indicates the population percentages by race/ethnicity for Marion County alone, Marion and the surrounding counties, and the state of Indiana. The race/ethnicity composition of the nonprofit boards in this study are listed in the second column.

Table 2. Population by race/ethnicity

	Mean racial identity of board in this study	Marion County, IN only (1)	Marion and surrounding counties, IN* (2)	State of Indiana (2)
Black or African American	11.8%	29.6%	16.6%	10.2%
Native American	0.4%	0.5%	0.4%	0.4%
Asian	2.6%	4.2%	4.1%	2.7%
Hispanic or Latino**	3.0%	11.3%	7.6%	7.7%
White	79.3%	62.4%	76.2%	84.2%
Other	1.7%			
Two or more races present	1.2%	3.2%	2.6%	2.3%

*Includes Boone, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Morgan, Shelby counties

**Race and ethnicity were asked in one question, and while it was not stated the results needed to sum to 100%, almost all respondents entered values that did sum to 100%. This means our measurement differs from the government measure, in which ethnicity (Hispanic or Latino) is asked separately from race. This likely resulted in a slight undercounting of racial diversity, especially that of Hispanic or Latino board members.

(1) http://www.stats.indiana.edu/profiles/profiles.asp?scope_choice=a&county_changer=18097

(2) http://www.stats.indiana.edu/profiles/profiles.asp?scope_choice=b&county_changer2=Rmsa:3480&button1=Get

Based on the demographic data by population percentages for race/ethnicity, nonprofits in central Indiana have ample opportunity to grow the diversity of their boards. The percentage of Asian, Black, and Hispanic board members is less on the nonprofit boards in this study than the proportion of their representation in either Marion County alone or Marion and the surrounding counties.

Demographics of nonprofit boards in survey

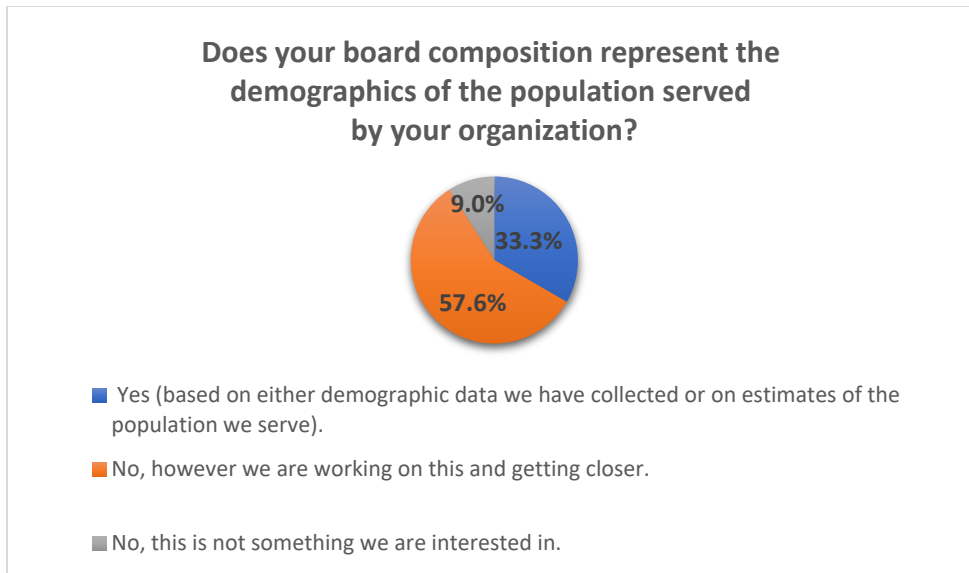
The mean number of board members in this survey is 15. That number is comparable to the national average of 15 as reported by BoardSource, a leading national resource about nonprofit boards. The demographic composition of board members on the nonprofit boards which responded to the survey is:

- Gender: on average, 48.8% are women and 51.1% are men. Note that the analysis is run on male vs non-male, with those identifying outside the gender binary (0.1%) included in non-male, but for ease of communication male vs female is used in this report.
- Age of board members: on average, 9.5% are under 35; 20.5% are between 35-44; 28.4% are between 45-54; 24.1% are between 55-65; and 17.5% are 65 or older.
- Racial identity: on average, Asian, 2.6%; Black, 11.8%; Latino/Hispanic, 3.0%; Native American, 0.4%; White, 79.3%; Multiracial, 1.2%; Other, 1.7%

- Sexual preference: on average, 4.2% identified LGBTQ+
- Receive services from the organization: on average, 22.4%
- Disability: on average, 3.4%

In response to the question, “Does your board’s composition represent the demographics of the population served by your organization, one-third of the organizations responded yes. More than half indicated they are working on this issue and are getting closer.

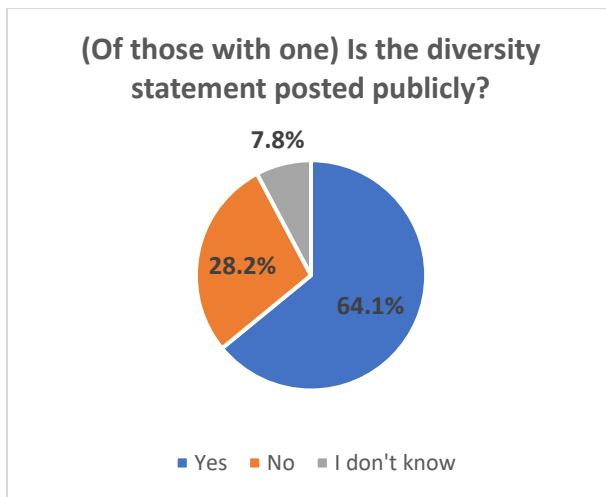
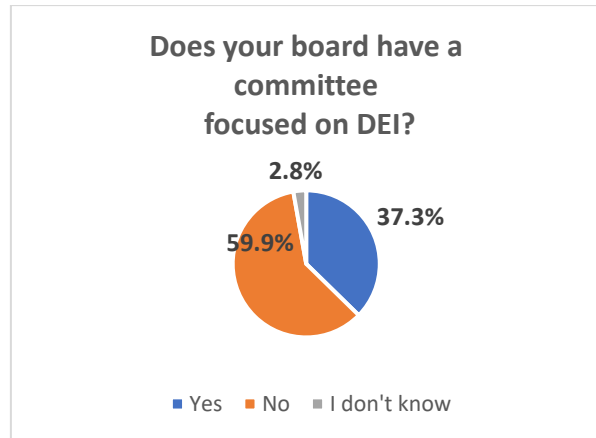
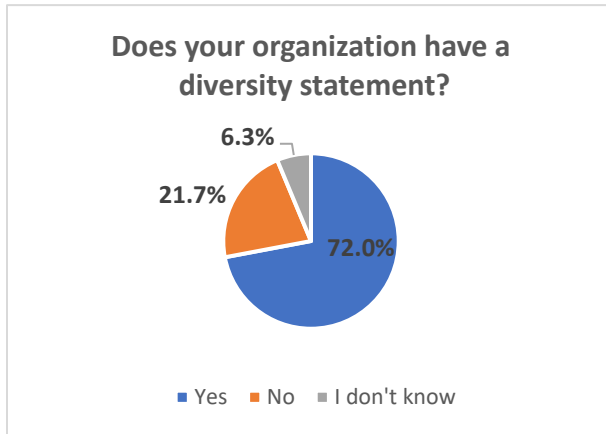
Table 3. Board composition and demographics of the population served by your organization



The majority of boards rely on personal or professional networks to recruit new board members. Most of them leverage the board member’s personal or professional networks (93.8%) and the CEO or Executive Director’s personal or professional networks (77.2%). Many also tap into staff members’ personal or professional networks (57.2%). Far fewer use websites such as volunteermatch.org, boardmemberconnect.com, or LinkedIn (15.9%).

The survey asked three foundational questions about diversity and the nonprofits as indicated in the charts below. Although a majority of the nonprofits indicated they had a diversity statement (72.0%) and that it was posted publicly (64.1% of the 72.0%), far fewer (37.3%) had a board committee focused on DEI.

Table 4. General questions about diversity and nonprofit organization and governance



Attitudes towards diversity

The survey revealed a tension between perceived awareness about diversity issues and perceived levels of satisfaction with the board’s cultural diversity. Although the majority of respondents strongly agreed or somewhat agreed that (1) there is cultural diversity among the board members of the organization, (2) the organization has done well in promoting diversity and inclusion within the organization, (3) the organization provides training programs that promote DEI, (4) the board’s cultural diversity is important for the board’s overall ability to provide leadership and governance within the board room, and (5) the board’s cultural diversity is important for the board’s overall ability to serve as an external ambassadors for its mission, a majority, 50.7%, strongly disagreed or somewhat disagreed with the statement, “I am satisfied with my board’s cultural diversity.” Only 6.4% strongly agreed that they were satisfied with their board’s cultural diversity. Thus, nearly 95% of board members feel there is more work to do to achieve cultural diversity at their nonprofits.

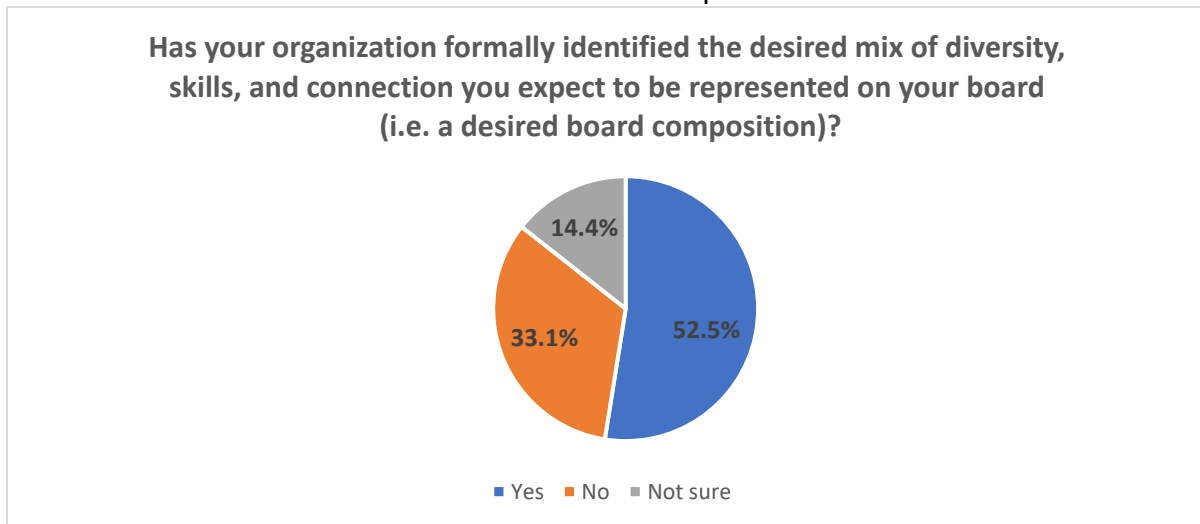
Table 5. Attitudes about Diversity at Nonprofit Organizations

	Somewhat or Strongly Agree	Neither Agree or Disagree	Somewhat or Strongly Disagree
There is cultural diversity among the board members of my organization.	52.9%	15.7%	31.4%
My organization has done well promoting diversity and inclusion within the organization.	64.3%	18.6%	17.1%
My organization provides training programs that promote diversity, equity and inclusion.	55.7%	19.3%	25.0%
I am satisfied with my board's cultural diversity.	35.0%	14.3%	50.7% (6.4% strongly agree)
The board's cultural diversity is important for the board's overall ability to provide leadership and governance to the organization within the board room.	79.3%	12.9%	7.9%
The board's cultural diversity is important for the board's overall ability to serve as external ambassadors for its mission.	77.1%	14.3%	8.6%

In response to a question about the importance of demographic characteristics such as race/ethnicity, gender, age, etc., when recruiting board members, nearly a third (30.4%) said it was a high priority. Nearly half of respondents (47.1%) said it was a medium priority, 12.3% said it was a low priority, and 10.1% said it was not a priority.

More than half of respondents said their organization has formally identified the desired mix of diversity, skills, and connection they expect to be represented on their board.

Table 6. Formal identification of a desired board composition



This study provides insights about how demographic characteristics such as race/ethnicity and gender affect board governance and performance. The next section examines how organizational characteristics such as organizational age and revenue affect board diversity.

Relationships between organizational characteristics and board diversity

The study found a difference in board member ages based on the age of the organization. Organizations founded before 1950 were more likely to have an older board while newer organizations founded after 2000 had younger boards.

Table 7. Correlation between Board member ages and the age of the organization

	Organization founded before 1950	Organization founded after 1950
% of board 65+	25.8%	15.4%
	Organization founded before 2000	Organization founded after 2000
% of board less than 35	7.5%	13.9%

The survey assessed the impact of the nonprofit’s revenue on board diversity. Nonprofits with larger revenues consistently had a higher percentage of non-White board members than their smaller counterparts.

Table 8. Impact of Revenue on Board Diversity

	\$10M+ in revenue	Less than \$10M in revenue
% of non-White board members	31.2%	19.2%
	\$5M+ in revenue	Less than \$5M in revenue
% of non-White board members	28.0%	19.1%
	\$1M+ in revenue	Less than \$1M in revenue
% of non-White board members	24.3%	16.5%

Nonprofit revenue also affected the gender of the board. In smaller organizations with less than \$500,000 in revenue, women represented 55.4% of the board versus nonprofits with greater than \$500,000 in revenue in which 45.4% of the board were women.

Board diversity and diversity initiatives

The number of employees impacted the age and gender of the board. Nonprofits with zero employees (e.g., an all-volunteer community theatre or a recreational sports league) were more likely to have more board members under 35 and more women on the board than organizations with one or more employees.

Table 9. Number of employees and diversity by age and gender

	Zero employees	1 or more employees
% of board under 35	17.1%	8.3%
% of board that are women	59.3%	47.4%

Age and racial composition of the board affected its perspectives about diversity. A greater percentage of younger boards (59.6%) versus 44.4% of boards with more than 10% of members age 65 and above somewhat or strongly agreed that there is cultural diversity among the board members of the organization. The contrast is even greater for racial composition. Among boards with fewer than 85% White members, 83.9% somewhat or strongly agreed there is cultural diversity among the board members of the organization. Among boards with more than 85% White members, 17.2% somewhat or strongly agreed there is cultural diversity among the board members of the organization.

A similar but less dramatic pattern emerged in response to the question whether the organization provides training programs that promote diversity, equity and inclusion. As above, a greater percentage of younger boards (63.5%) versus 51.9% of boards with more than 10% of members age 65 and above somewhat or strongly agreed the organization provides training programs that promote diversity, equity and inclusion. Again, as above, the contrast is strong for racial composition of the board. Among boards with fewer than 85% White members, 77.5% somewhat or strongly agreed the organization provides training programs that promote diversity, equity, and inclusion. Among board with more than 85% White members, 32.8% somewhat or strongly agree that the organization provides training programs that promote diversity, equity, and inclusion.

The next section examines the impact of diversity on board engagement, fundraising, and advocacy.

Impact of diversity on board engagement

Diversity by race/ethnicity and gender affect board engagement. Boards that had a higher percentage of non-White members were more likely to indicate that their board is actively engaged in oversight and governing the organization. In instances where boards had more than 15% non-White board members¹, 83.6% of respondents somewhat or strongly agreed that the majority of board members are actively engaged in overseeing and governing the organization. In contrast, when boards had fewer than 15% non-White members, 66.7% of respondents somewhat or strongly agreed that the majority of board members are actively engaged in overseeing and governing the organization.

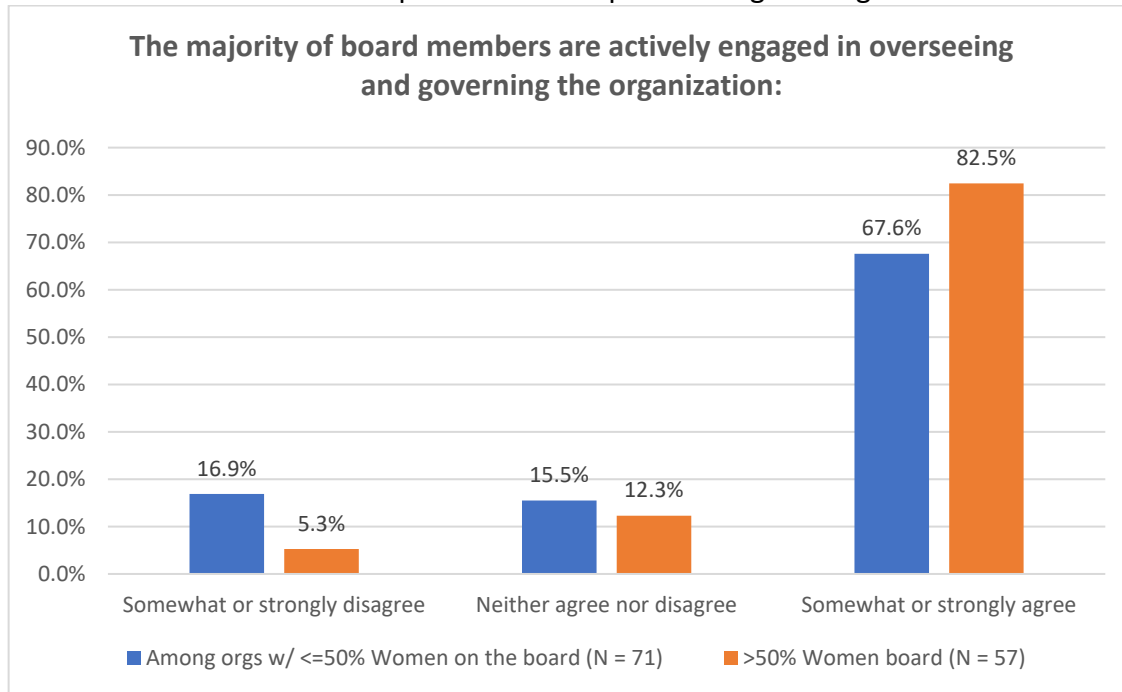
A similar pattern exists in response to whether boards think strategically. When boards had more than 15% non-White board members, 90.2% of respondents somewhat or strongly agreed that

¹ This value was chosen for illustrative purposes as it divided the sample approximately in half. Tests for significance were run on the continuous measurement of the percentage of the board that was nonwhite.

the board thinks strategically. Among organizations that had fewer than 15% non-White board members, 68.4% somewhat or strongly agreed that the board thinks strategically.

The table below indicates how gender affects board performance based on the percentage of women on the board. Boards that had a higher percentage of women were more likely to indicate that the board is actively engaged in oversight and governance.

Table 10. How women on nonprofit boards impact oversight and governance



Impact of diversity on board fundraising

A major responsibility of nonprofit boards is to raise funds to support the organization’s mission. In general, this survey found that regardless of whether or not the board members thought their organization did well promoting diversity and inclusion within the organization, a majority of board members participated in fundraising through these four measures: meet with potential donors, willing to ask other for money, contribute to the organization, and attend fundraising events. The data reveals distinct nuances. Organizations that believed that their organization has done well promoting diversity and inclusion within the organization were more likely to have board members participate in all aspects of fundraising.

However, the percentage of organizations that did not agree they did well promoting diversity and inclusion within the organization fared less well in each of the four measures. The table below illustrates the differences.

Table 11. Impact of promoting diversity and inclusion within the organization on board member engagement with fundraising

	Among organizations that don't agree they've done well to promote diversity	Among organizations that somewhat or strongly agree that their organization promotes diversity
<i>Meet with potential donors</i>		
Somewhat or to a great extent	62.5%	72.7%
Not at all or very little	37.5%	27.3%
<i>Willing to ask others for money</i>		
Somewhat or to a great extent	66.7%	78.4%
Not at all or very little	33.3%	21.6%
<i>Contribute to the organization</i>		
Somewhat or to a great extent	91.7%	96.6%
Not at all or very little	8.3%	3.4%
<i>Attend fundraising events</i>		
Somewhat or to a great extent	83.3%	89.8%
Not at all or very little	16.7%	10.2%

Our analysis found additional factors which related to fundraising, especially in the organization’s likelihood of meeting with potential donors.

A pattern similar to the earlier finding emerges here. For each factor analyzed, a majority of organizations find that diversity enhances their fundraising ability to meet with potential donors and ask for money. However, the percentages are higher for those organizations which somewhat or strongly agree with the factors listed in the paragraph above as the table below illustrates.

Table 12. The impact of cultural diversity on meeting with donors

	Among orgs that don't agree their board has cultural diversity	Among orgs that somewhat or strongly agree that their board has cultural diversity
Meet with potential donors	59.4%	77.8%
	Among orgs that don't agree that their org provides DEI training	Among orgs that somewhat or strongly agree that their org provides DEI training
Meet with potential donors	61.0%	75.3%
	Among organizations that don't agree they are satisfied with boards' cultural diversity	Among organizations that somewhat or strongly agree they are satisfied with their cultural diversity
Meet with potential donors	64.8%	77.1%

Willing to ask others for money	67.0%	87.5%
	Among orgs that don't agree that their cultural diversity is important for board's overall ability to serve as external ambassadors	Among orgs that somewhat or strongly agree that their cultural diversity is important for board's overall ability to serve as external ambassadors
Meet with potential donors	63.3%	70.8%

Impact of diversity on board advocacy

As volunteer leaders at the nonprofits in their community, board members champion or advocate for their organizations in many ways. They use their networks to amplify the voice and work of the organization. They raise awareness and promote the organization’s work publicly. They also engage in legal lobbying and political activity, as allowed by law, to amass needed resources to fulfill the organization’s mission. This study examined six ways in which nonprofit boards engage in advocacy:

- Allocates resources toward advocacy aligned with the organization’s strategic goals
- Receives information and resources on effective and appropriate advocacy efforts on behalf of the organization
- Monitors the impact of local, state and federal policy on the organization’s mission delivery and resources
- Connects the organization with community leaders and potential coalition partners
- Understands how public policy impacts the organization’s mission
- Works in concert with the chief executive and leadership team to education policy makers on behalf of the organization

The results below look at some of these areas of advocacy engagement by two demographic factors, age of the organization and the number of employees.

The majority of respondents indicated that their board monitors the impact of local, state, and federal policy on the organization’s mission delivery and resources to at least some extent. Among those organizations founded before 2000, 60.0% responded somewhat or to a great extent that they monitored this information. For those organizations founded after 2000, 50.0% responded somewhat or to a great extent they received this information. Thus, older boards are 10 percentage points more likely than younger boards to engage in advocacy.

The number of employees at a nonprofit affects advocacy efforts. Organizations with more employees tend to receive information and resources on advocacy activities to a greater extent than smaller organizations. Of organizations with 30 or more employees, 75% reported this to a somewhat or great extent, compared to 52.4% among those with fewer than 30 employees. A far smaller percentage of organizations with fewer than 30 employees (36.2%) say they somewhat or to a great extent allocate resources towards advocacy aligned with the

organization’s strategic goals versus organizations with more than 30 employees (62.5%) which say they somewhat or to a great extent allocate resources towards advocacy.

Examples of a focus on diversity efforts in central Indiana

Three examples spotlight the way central Indiana nonprofits have addressed the need to better understand the DEI landscape and take action on diversity issues within organizations and across the community.

In 2021, Charitable Advisors, a local consulting firm, conducted a survey of 450 central Indiana nonprofit employees to learn how their organization’s work with DEI affected them personally and how they perceived the organization’s work in this area. Nearly 70 percent of the respondents said that DEI work at their organization mattered. As the chart below shows, employees and employers had different perspectives in response to the question “What do you think your leadership would say about your organization’s progress on DEI?”

Table 13. Employee and employer perspectives on DEI

	Employee	Employer
This work isn’t new to us – we have always valued inclusion and equity.	35%	23%
We are having some hard conversations and making important changes.	34%	29%
We are talking about it but not doing anything, not doing much.	24%	36%
We aren’t talking about it.	8%	11%

The survey revealed challenges around DEI such as developing a common understanding of what it means; the need for a holistic approach that includes all stakeholders in the effort; politicization; and the time, resources, and effort needed to effect substantive change. One respondent stated, “We need to weave it into our daily practice, educating ourselves in it, holding each other accountable.” Another respondent said, “Diversity is not a task. If you approach DEI [diversity, equity, and inclusion] as a standalone initiative, you check the box.... We made it a standing committee of the board of directors—a diversity committee led by a member of the board...we have regular reports on diversity” (Finnell, 2021).

Following the murder of George Floyd in May 2020, the Indianapolis Bar Association, a nonprofit founded in 1878, formed the Commission on Racial Diversity, Equity, and inclusion in the Indianapolis Legal Community. The Board approved the Commission’s report and released it in March 2021. The Commission identified 13 specific opportunities and actions. Among them are strategies to increase supplier diversity, efforts to expand engagement among communities of color, intentional strategies to expand the pipeline of diverse candidates for leadership positions, six hours of continuing legal education annually on anti-discrimination and DEI topics, and benchmarks to measure progress on all goals.

Two community organizations, The Indianapolis Foundation and Leadership Indianapolis, established the Mosaic Fellowship Pilot in 2021 to increase diversity on boards “not just so that boards *look* differently, but so they *work* differently.” A unique feature of this fellowship is that it provides support to both individuals and organizations. A goal is to “shift power, elevate new voices and grow the perspectives included on not-for-profit boards throughout our community.” As then Vice President of Community Leadership and Effective Philanthropy at the Central Indiana Community Foundation Tamara-Winfrey Harris put it, “The goal of Mosaic is to make the way not-for-profits approach board development better—more equitable—and to foster relationships with great candidates with leadership opportunities and allow organizations to benefit from the breadth of talent that exists in our city.” (Mosaic Fellowship challenges organization to build boards equitably, 2021) In the first Mosaic Fellowship cohort, six fellows are serving on five nonprofit boards for three years.

Case Studies

In the next section, five case studies of nonprofits in central Indiana complement the survey and add deeper understanding of how these issues unfold in different organizations. The five nonprofits represent a variety of subsectors. Special thanks to the leaders and board members of the nonprofits profiled for their time and for sharing their experiences with board diversity and its impacts.

Center for Leadership Development

The Center for Leadership Development (CLD) was founded more than 40 years ago to address systemic challenges that limited the opportunities of African American youth in Indianapolis. Many were unaware of potential career opportunities and the pathways to achieve them, and they lacked connections to role models to mentor and guide them. CLD is making a significant impact in the lives of minority youth, with 17 current high-quality programs for elementary, middle, and high school students and their parents that emphasize core values of character, education, leadership, service, and career.

CLD fosters the advancement of minority youth in Central Indiana as future professional, business and community leaders by providing experiences that encourage personal development and educational attainment.

Everything that CLD does emanates from its five core principles of success: Character development, Educational excellence, Leadership effectiveness, Community service, and Career achievement.

CLD has had remarkable leadership stability, as President Dennis Bland is only the second President since its founding in 1977. President Bland believes that a highly engaged and effective board begins by connecting the board members to the values of CLD. Board members need

confidence that their service is connected to an organization that stewards philanthropic investments well, that they will be well-informed through frequent, strategic communication, and their commitment is crucial to the organization's success. The CLD board is not merely receiving reports passively but is an active partner in CLD's mission. CLD President Bland notes:

Board members ask themselves three primary questions regarding their volunteer service. 1) Are we good stewards of the resources CLD has received? 2) Are we fully informed and engaged in authentic, mutual communication with staff? 3) Am I as a board member fully utilized by CLD and am I appropriately appreciated for my service? CLD discusses these elements of engagement with board members on a regular basis.

Board Chair Tom King indicates that CLD has historically prioritized racial diversity because it is at the core of its purpose. Recently, the board has focused on building greater gender diversity on the board. CLD's de facto Nominating Committee includes the President, Board Chair, and the Immediate Past Board Chair. The Immediate Past Chair also serves as the Governance Chair, further enhancing leadership stability and institutional knowledge.

CLD has had a unique, longstanding attribute of many potential board candidates self-identifying interest in serving. Business and community leaders are attracted by CLD's mission and seek out the opportunity, so CLD must manage candidate expectations due to limited openings. While CLD benefits greatly from its reputation as an organization and board, this has created unintended gaps—notably gender and generational—over time.

Another point of emphasis for the board in the future relates to the position of board chair. To date, CLD has never had a board chair who is African American. Current Chair Tom King holds this as a goal and it has been and continues to be an ongoing discussion among board members, with various strategies in play. Tom believes this will serve as an important signal in the community and for CLD's staff, volunteers, and alumni.

The Center for Leadership Development is motivated by its belief that the youth of our community can be empowered to believe in themselves, discover their purpose, and excel in their future endeavors.

Continuing to foster the strategic evolution of the board's composition and relative strengths will ensure that CLD serves as a catalyst for this self-discovery in future generations.

Eskenazi Health Foundation

Eskenazi Health Foundation's vision is to advance the health care of the Indianapolis community through leadership and innovation at Eskenazi Health. To achieve this vision, the Foundation provides strategic guidance and philanthropic resources to Eskenazi Health.

Eskenazi Health Foundation (the Foundation) is focused on four goals:

1. Build healthier communities through strategic philanthropic support of the Eskenazi Health Centers.
2. Fund core Eskenazi Health patient care initiatives and provide flexible funding for innovation.
3. Increase community awareness and donor stewardship.
4. Grow the strategic impact of the Eskenazi Health Foundation Board of Directors.

The Foundation's board—integral to successfully implementing the Foundation's mission and goals—has transformed itself over the past decade by focusing on a passion for Eskenazi Health's mission and authentic engagement.

These two elements—mission passion and authentic engagement—are fostered by investing in intentional board development, time together as a board, and strategic stewardship.

The Foundation's President and CEO, Ernie Vargo, credits an intentional board development process for transforming the board's composition and building a pipeline of 20 potential new board members to fill future vacancies. This process is based upon sharing clear expectations with potential board members in the recruitment process, including time and philanthropy commitments required from each board member.

A board member can serve a total of three, three-year terms, with the option to return after a one-year hiatus. The time commitment includes engaging in a robust committee structure that provides ways for board members to make a difference rather than just hear reports. Ernie Vargo iterated *"We are not asking for their opinions. We are actively asking for their advice and putting that advice into practice to achieve our goals."*

The Foundation's board development process has created an ecosystem where new board members are recruited with a focus on diversity to ensure that multiple perspectives are a part of the board deliberations.

For the Foundation, diversity of board composition is defined by ethnicity, gender, skillsets/competencies, and physical abilities (differently-abled).

Once the board members are recruited, their board experience is meaningfully enhanced through experiential learning that brings the mission to life. Board Chair Bill McCarthy emphasized that board members become deeply connected to the mission through experiential

learning opportunities, such as spending eight hours shadowing a physician in the Michael and Susan Smith Emergency Department—an experience that connected Bill to the mission in a new, authentic way. Each board member receives opportunities like this, and every board meeting also begins with a clinician moment to keep members mission-focused.

Stewardship of board members and investment in deepening board relationships are the Foundation’s top priorities.

For many years, the board has held an annual two-day retreat in Florida, in which partners are engaged with board members at the plenary sessions and social events. The retreat costs are funded by the board members and is viewed as a wise investment of resources that fosters deeper relationships and mission connectivity and provides unhurried time to focus on current and future strategic goals.

Board member stewardship is another vital way to strengthen the board. Each board member and partner have a personal stewardship plan, including birthday acknowledgments, personal meetings with the President and CEO, and advance updates before public announcements. As Chair McCarthy reflected, *“A well-run board development process indicates respect for the board member and provides meaningful ways for members to share their gifts.”* The Board of Directors has transformed itself over the years through its mission focus and authentic engagement with the Foundation’s professional and dedicated staff leaders.

Indiana Repertory Theatre

The Indiana Repertory Theatre (IRT) is the largest fully professional not-for-profit theater in Indiana, providing 100,000 live experiences each season. It has provided live theatre to generations of audiences, providing experiences that engage, challenge, and entertain people of all ages and backgrounds. The IRT’s vision states that *“the IRT’s goal is to make Indiana a dynamic home of cultural expression, economic vitality, and a diverse, informed, and engaged citizenry.”* The IRT intentionally engages the board and strives to extend this intentionality when recruiting potential board members. They believe that providing clear and transparent communication to the board is a key element of successful board engagement.

The IRT is led by a strong and engaged board that believes in the mission of the organization and works collectively to ensure the organization continues to strive for excellence as a leading organization in the community. Immersing board members in the mission of the organization is one of the most critical aspects of board engagement, according to Mark Shaffer, IRT Board Chair, and the IRT has unique opportunities to highlight its mission.

The organization believes the board needs to experience and understand the impact of the productions the IRT offers to the community. Every board meeting includes a mission moment such as an actors' reading of scenes from an upcoming play, a behind-the-scenes look at the

costumes or set design, or an in-depth discussion with a production's writer or director. Board members appreciate these opportunities, which help them assimilate into the organization.

Such experiences also allow them to share the impact of the IRT with their networks in general and when hosting friends and potential donors at future IRT events.

The IRT intentionally engages the board and strives to extend this intentionality when recruiting potential board members. Through committees, each board member actively supports the organization and identifies other ways to be supportive.

As a part of the onboarding process, every board member serves on the finance committee during their first year. According to Managing Director Suzanne Sweeney, this practice allows board members to deeply understand the IRT, its operation, and how the year's shows are selected. This experience enables board members to be strategic in making future decisions, because they understand how the finances work and the impact of decisions on the organization.

Potential board members are attracted to the IRT's mission and respect the organization. They consider a few key factors when considering this commitment, including board composition and the organization's financial position.

Board governance has been a focus for the IRT for many years, which has allowed it to be purposeful in ensuring diverse individuals comprise the board.

The organization wants members to represent the community, including age, race, ethnicity, gender, sexual orientation, and profession. The governance committee focuses on identifying gaps within the current board, finding potential candidates, and actively recruiting new members.

Intentional outreach enables the board to secure members who want to be part of the organization and bring new perspectives and skillsets that allow the board to continue growing in diversity of thought as well as support of the IRT. Term limits, enforced without exception, allow regular opportunities for new members to join the board. The term limits for the IRT are three-year terms with a limit of two consecutive terms.

Chair Shafer and Managing Director Sweeney believe that providing clear and transparent communication to the board is a key element of successful board engagement. It is vital that a board feels connected to the organization and receives progress updates—both at and between meetings. They also want the board to know the staff, building relationships with various members of the team. This allows the board to be mentors for the staff team.

Chair Shafer feels it is critical to the IRT's health to ensure board members have a voice, engage in critical decisions impacting each area of the organization, and believe they are helping to move the IRT forward.

Marian University

“Thanks for your name, but I need your heart,” is an essential expectation for Marian University’s board.

Marian University (Marian), a private liberal arts university in Indianapolis, has grown tremendously over the past two decades. Its success—perhaps best seen through its new engineering school, medical school that was the first in Indiana in 110 years, adult programs, championship football team, marching band, and others—is driven by staff and board leaders who share a compelling vision and are rooted in the institution’s inspiring mission.

“...to provide an education distinguished in its ability to prepare transformative leaders for service to the world.”

A shared focus paves the way for authentic conversations about trustee engagement and expectations. Trustees are asked to courageously embrace Marian’s collective vision and lead with conviction. President Dan Elsener emphasized, *“Marian needs to be one of your top philanthropies—it’s too important not to be.”*

Board Chair Denise Feser met with each trustee when starting her term to explore their motivations for serving and learned that trustees need to feel valued, appreciated, and heard. Marian values and seeks out trustees’ expertise. This isn’t a corporate board with compensation, and it is important to regularly thank board members and acknowledge the impact of their time and efforts.

At Marian, the board regularly reviews the strategic plan, and standing committees clearly understand their responsibility to achieve the work. At every board meeting, Deans, the President, or other staff leaders provide an update—ensuring the strategic plan is being used and progress regularly shared.

Marian has three key engagement tools for board members:

1. active committees,
2. measured expectations, and
3. personal alignment.

Every board committee, supported by a senior staff member liaison, dives deeply into work around a specific topic. This active committee work evokes rich discussion, deepens board member engagement, and is tied to measured outcomes and key results.

The board’s focus on outcomes—and staying at a strategic level—allows for big, bold thinking and ownership of ideas.

Each trustee serves a four-year term and uses an annual self-evaluation tool to determine renewal. The Board Chair monitors each member's engagement and, if someone isn't engaged, conveys support rather than fault-finding with a focus on "How can I help?"

Marian leverages the connections between board members and what they find valuable in their service. Informal check-ins, casual conversations, and receptions with spouses are integral to board meetings. *"If the connection's not there, you don't get their hearts and minds—just feet and hands,"* notes Denise Feser. Meaningful experiences are part of this effort, and Marian asks current trustees to invite future members as special guests to an annual scholarship event—which further builds engagement and connectivity.

Board recruitment focuses on four Ws: work, wisdom, wealth, and wallop.

Board composition is important. Trustees include those who actively engage and commit time, provide their wisdom and expertise, invest financially, and are respected community leaders—the wallop.

The board has included diversity, equity, and inclusion (DEI) in the strategic plan to complement the university's DEI focus. Trustees frequently discuss DEI when considering potential new members. Admittedly, this effort is a work in progress. For example, there are relatively few women on the board, and the Chair hosts a reception for female trustees to candidly discuss what matters to them as well as reviewing potential trustee candidates.

President Elsener and Chair Feser know that potential trustees size up Marian when considering joining the board. Candidates may wonder about Marian's public presence and how it aligns with their values, or if a strategic plan is in place and actively used. Candidates want to know the institution's direction and the board's role in following it, its financial track record, and its use of resources. Potential trustees also want to join a group of individuals they enjoy being around.

The trustees' experience and engagement are critical to the success of an effective board. For Marian University, this means leading with a compelling vision and effectively engaging each trustee.

The Nature Conservancy in Indiana

For more than 60 years, The Nature Conservancy in Indiana (TNC-IN) has been the leader in connecting Hoosiers with their natural surroundings and inspiring them to act in land and water conservation. Working collaboratively in a much greater network of The Nature Conservancy's (TNC) state chapters and initiatives in 70 other countries, TNC-IN's work is focused on: tackling climate change, protecting lands and waters, inspiring people for nature, and providing food and water sustainably.

TNC-IN operates in five field offices throughout Indiana and its Indianapolis-based state headquarters, the Efroymsen Conservation Center. The organization relies on the expertise and leadership of staff and its 28-member Board of Trustees. Trustees commit to serving three, three-year terms on the board, then may serve as life trustees, with the opportunity to attend meetings and work on committees.

While discussing TNC-IN's board relations, engagement, recruitment, and retention strategies, Board Chair Christa Adkins and State Director Larry Clemens outlined factors that have led to TNC-IN's trustee success:

1. mission alignment;
2. clarity about the trustee's role;
3. tapping into trustee talents and interests; and
4. offering fulfilling experiences to enhance trustee engagement.

It is imperative for current and future trustees to have a natural connection or a keen interest in the mission. TNC-IN focuses on increasing trustees' knowledge and responding to their interests to increase engagement and mission buy-in.

For example, the organization engaged new board members and helped them better grasp the mission's breadth and scope through a book club and viewing a film that connected TNC-IN's soil work to climate change, restoring ecosystems, and creating food supplies.

Ad-hoc committees and task forces are occasionally created to align trustee interests and inquiry around TNC-IN's work. For example, a trustee wanted to examine if the organization effectively maximizes green initiatives internally, so Chair Adkins appointed a "green team" chaired by this trustee, which produced staggering results.

The mission naturally offers many field experiences such as hiking, nature preserve visits, exposure to animals like birds and bison, and travel experiences that can include trustee's family members. TNC-IN also commonly employs "roll-up-your-sleeves" committee work—connecting additional volunteer resources to successful, seasoned staff professionals. Committee work fosters higher engagement and builds volunteer relationships with staff. Trustees enjoy learning and are fulfilled by this exposure to science and conservation experts and experiencing the work in action on the ground.

TNC-IN has long recognized the importance of connecting with new and more diverse audiences to effectively save, protect, and conserve Indiana's natural resources. It has recently initiated intentional diversity, equity, and inclusion practices on its board, within its staff, grassroots community outreach, and donor engagement.

TNC-IN considers diversity holistically, as its mission is impacted by every person in the state, every living thing on land, in the water, and in the air. The organization seeks to engage people from diverse genders, gender identities, ages, races, ethnicities, geographies, and political

backgrounds. Bringing people together from all of these backgrounds and perspectives helps TNC-IN to be more effective.

A new trustee fellowship program provides an opportunity for graduate students to join the board with the same voting rights and responsibilities of all members. TNC-IN also recently partnered with the *Indianapolis Recorder*, one of the longest-running African American newspapers nationwide, to hire its first environmental reporter. TNC-IN is financially supporting the position and helped recruit, interview, and train the new reporter.

Involving leadership volunteers is critical to an organization’s long-term success and sustainability. TNC-IN sets a great example by utilizing proven best practices to engage its board and work authentically toward involving more people from varied perspectives and backgrounds at all levels of the organization.

Clemens concluded, *“We are on a learning journey together—it is a work in progress. Our trustees are thinking about this topic on an ongoing basis and take the conversations and learning very seriously. We have learned a great deal and are growing because of it.”*

Implications

This report reveals that some nonprofits in central Indiana have fully incorporated diversity, equity, and inclusion practices into their culture and others recognize the need to do more with DEI. Understanding the role of networks – whose networks, which networks, crossing networks, and expanding networks – and how to turn perceptions into action will assist local nonprofits to not only accelerate their DEI work but also to fully meld it into practice. By acknowledging that diversity encompasses many facets including race/ethnicity, gender, age, sexual orientation/gender identity, disability, and being a recipient of services provided by a nonprofit, nonprofits in central Indiana can work intentionally and strategically to ensure that their boards reflect their community.

Most of the research cited in this report was published either prior to the pandemic or in its early months. Nonprofits, still in recovery mode from the shocks in this decade, are challenged by myriad factors including inflation, fundraising, and the changing patterns of audiences. Although board diversity is a major priority for more than 75% of survey respondents, boards have to balance many competing priorities in today’s challenging nonprofit environment. The continuing shifts in the social, political, and cultural landscape and individual behavior as a result of the pandemic, racial unrest, and threats to democracy require nonprofits to be even more nimble and flexible. Intentionality is central to advance diversity, equity, and inclusion as a core tenet of organizational behavior.

Networks

One research study cited in this report finds that both bridging (between groups) and bonding (within a group) capital are positively associated with an organization's performance. This concept is critical when thinking about networks used to recruit new board members. In central Indiana, this study found that 93.8% of nonprofit boards use board members' personal or professional networks to recruit new members and 77.2% use the Executive Director or CEO's networks. Intentionally bridging or reaching out to different networks may help increase nonprofit board diversity. Primarily white boards may seek to develop relationships or partnerships with Asian, Black, and Hispanic community groups such as business networks, fraternal and cultural groups, and faith-based organizations. For example, the Indianapolis Bar Association has a Hispanic Lawyers Division and the Asian American Alliance in central Indiana encourages its members to serve and lead.

Similarly, looking for groups that engage younger individuals such as IndyHub and young professional groups at various professional associations will help identify potential younger board members. Success in achieving the desired diversity is based on developing a strategic plan, recruiting committee members who embrace change and the challenge, accountability, and a long-term vision.

Reaching beyond one's own network not only strengthens board diversity but also has the potential to create more awareness about the organization's mission, engage new audiences, and enrich the donor pipeline.

Attitudes about diversity and action

The disconnect between attitudes and action on DEI appeared in at least two instances in this report. (1) Although 72% of the nonprofits had a diversity statement and 64.1% posted it publicly, only 37.3% had a board committee focused on DEI. (2) Half (50.7%) of the boards expressed dissatisfaction with the board's cultural diversity versus 35.0% which were satisfied.

According to this study, nonprofits in central Indiana which fully embraced DEI have experienced positive performance outcomes across several measures. Diversity by race/ethnicity and gender positively affects board performance in two areas – oversight/governing and strategic thinking. Boards with younger members and fewer than 85% white members somewhat or strongly agree there is cultural diversity among the board members.

The study finds that diversity enhances fundraising across several measures. Nonprofits that believed their organization has done well promoting diversity and inclusion within the organization and which agree their board has cultural diversity are more likely than those which do not agree they have done well in these areas are more likely to meet with potential donors, more willing to ask others for money, contribute to the organization, and attend fundraising events.

The positive trends highlighted in the two paragraphs above offer nonprofits in central Indiana a roadmap for turning attitudes into action. Diversity is not a buzz word; it helps nonprofits fulfill their mission more effectively.

Diversity and advocacy

Age of the organization and the number of employees affect the nonprofit's advocacy efforts. Older organizations (those founded before 2000) are more likely than younger organizations to monitor the impact of local, state, and federal policy on the organization's mission. Although three-quarters of the organizations surveyed receive information on and monitor the impact of public policy on the organization's mission, a greater percentage of organizations with more than 30 employees allocate resources towards advocacy.

Accelerating action on DEI

Through the research findings, three examples, and five case studies of how nonprofits in central Indiana are addressing cultural diversity, this report provides context and ideas to accelerate action on DEI.

Intentionality is key to changing the composition of nonprofit boards. For example, the Mosaic Fellowship Pilot recognizes the need to identify and train new leaders for nonprofit board service. Other infrastructure nonprofits, including identity-based groups such as the Urban League, may adapt this model to grow the leadership pipeline. Identity-based groups in the Asian, Black, and Hispanic communities may leverage this opportunity not only for their own organizations but also to strengthen their broader community.

Nonprofits may also elect to develop strategic plans with clear, specific action steps as the Indianapolis Bar Association did. Accountability is a critical strength of the IBA plan.

Future studies which include more voices of individual board members, especially from diverse communities, will enhance understanding about barriers to making DEI a truly integral part of nonprofit culture in central Indiana. Similarly, analyzing the impact of IndyVolved, a program organized by IndyHub that connects young leaders to civic organizations, will provide valuable insights about what works in engaging the next generations of civic leaders.

Conclusion

This study sought to determine the impact of nonprofit board diversity on philanthropy, leadership, and board engagement in Central Indiana. While nonprofit boards in Central Indiana are nowhere near reflecting the diversity of our communities, they are making progress. Nonprofits which are intentionally continuing to achieve diversity and foster inclusion, are seeing the benefits in their board engagement, advocacy, and fundraising.

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