

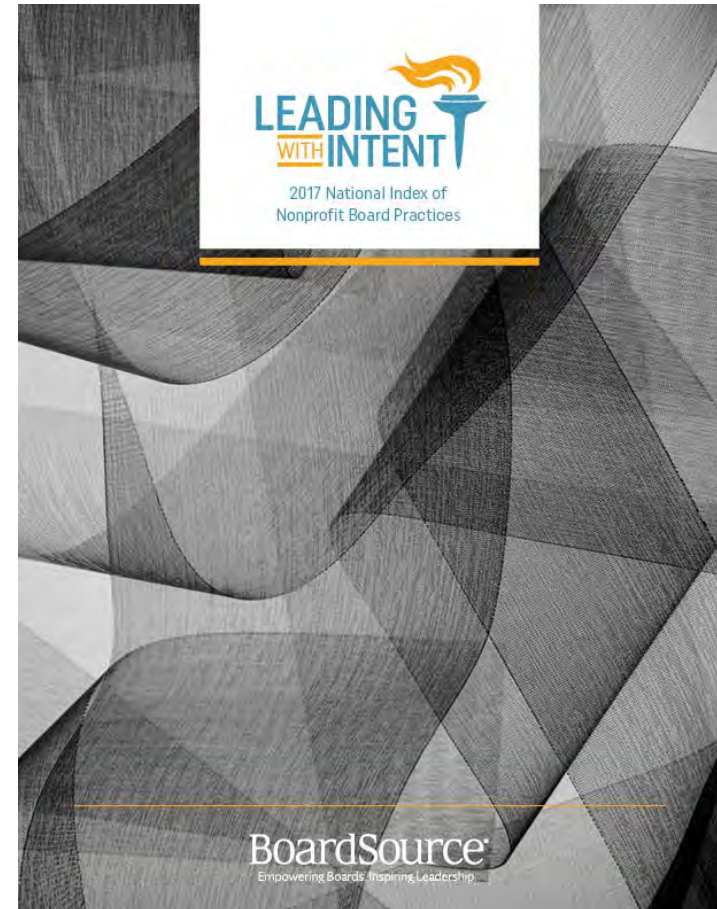


2017 National Index of
Nonprofit Board Practices

**Presented by Anne Wallestad
President & CEO, BoardSource**

About the study:

- Biennial study of board composition, culture, and performance.
- First data collected in 1994.
- Moment-in-time snapshot of board composition, strengths, and challenges.
- Convenience sample of 1,759 executives and board chairs.
- Available for download at leadingwithintent.org.



Today's discussion:



What Matters Most?



High-Impact Board
Development Efforts

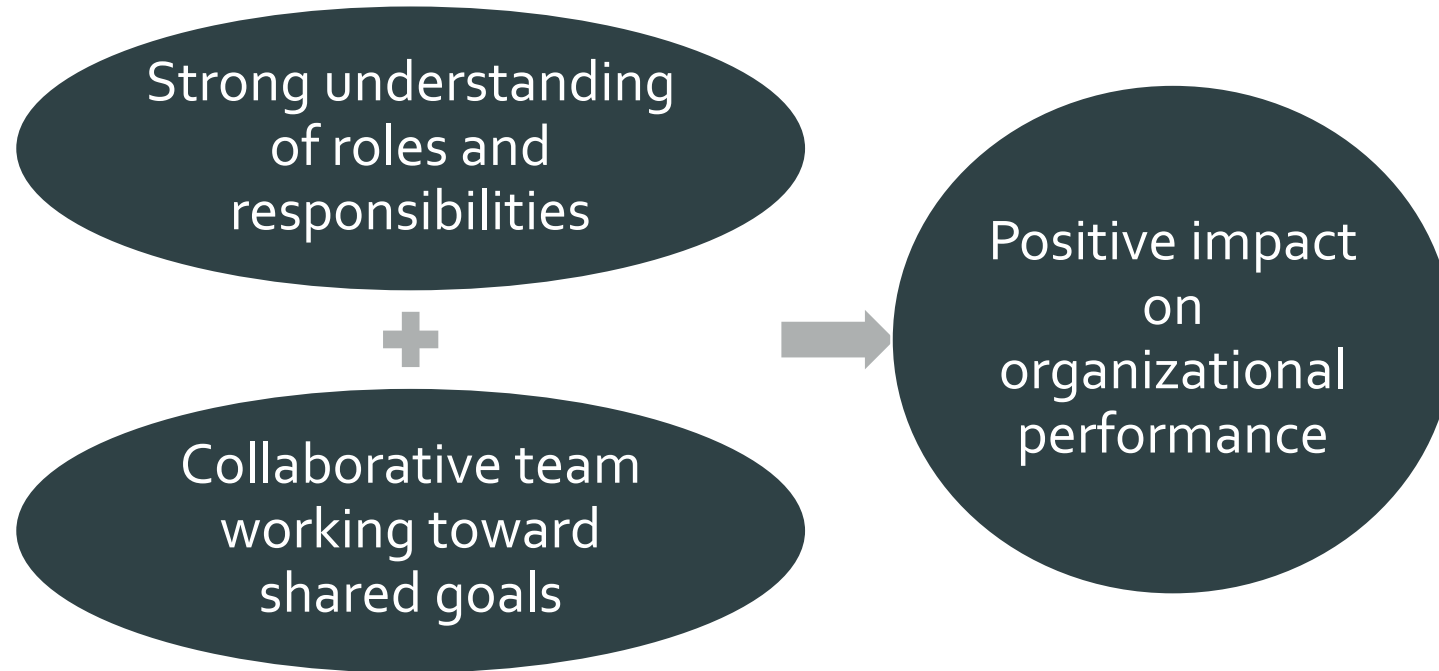


A Focus on Board Diversity



Key Finding

When it comes to the board's impact on organizational performance, two things seem to matter most.



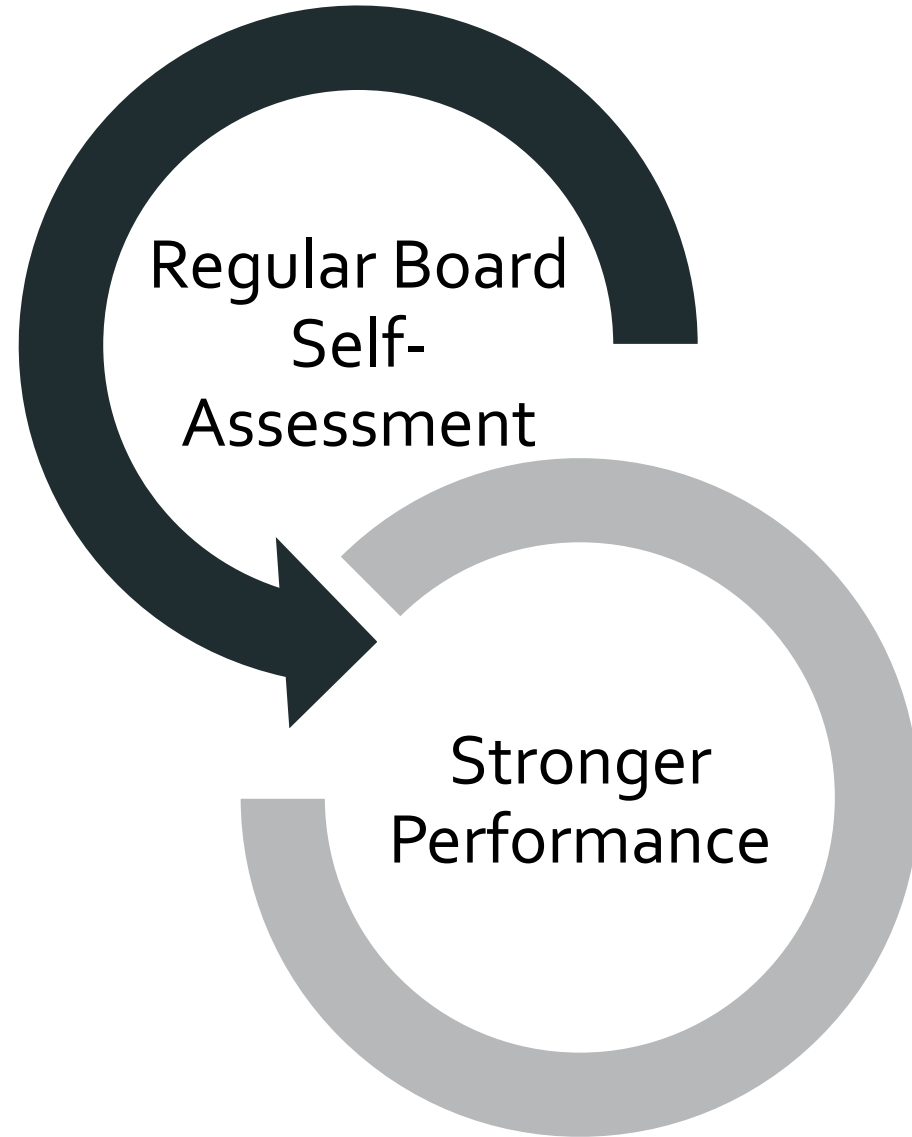
HOW DO BOARDS THAT RATE WELL IN THEIR UNDERSTANDING OF THEIR ROLES AND RESPONSIBILITIES PERFORM IN OTHER AREAS OF BOARD WORK, WHEN COMPARED TO THEIR PEERS THAT DID NOT RATE WELL IN THEIR UNDERSTANDING OF THEIR ROLES AND RESPONSIBILITIES?*

Area of Board Performance Ratings Reported by Executives Based on a Four-Point Scale	Strong Understanding of Role (A or B)	Weak Understanding of Role (D or F)	Variance
Adopting and following a strategic plan	3.08	1.33	1.75
Thinking strategically as a board	3.09	1.42	1.66
Monitoring performance against strategic plan goals/objectives	2.82	1.22	1.59
Providing guidance and support to the chief executive	3.17	1.60	1.57
Evaluating the chief executive	2.81	1.26	1.56
Legal and ethical oversight	3.27	1.77	1.50
Level of commitment and involvement	3.12	1.68	1.44
Community-building and outreach	2.51	1.13	1.38
Monitoring legislative/regulatory issues that may impact org	2.17	0.87	1.30
Increasing the diversity of the board	2.06	0.83	1.23
Financial oversight	3.45	2.26	1.18
Fundraising	2.08	0.91	1.17
Understanding organization's mission	3.65	2.56	1.09
Knowledge of organization's programs	3.01	2.00	1.01



Key Finding

Boards that regularly assess how they are doing perform better across all board responsibilities.



COMPARISON OF BOARD PERFORMANCE BASED ON FREQUENCY OF BOARD SELF-ASSESSMENT

Area of Board Performance <i>Ratings reported by chief executives based on a four-point scale.</i>	Assessed in past 2 years	Assessed ever	Never assessed	Variance
Evaluating the chief executive	2.83	2.71	2.05	0.78
Adopting and following a strategic plan	2.98	2.90	2.32	0.67
Monitoring organizational performance against strategic plan	2.68	2.62	2.16	0.52
Understanding board roles and responsibilities	2.99	2.93	2.49	0.51
Legal and ethical oversight	3.09	3.07	2.68	0.41
Providing guidance and support to the chief executive	2.97	2.92	2.61	0.36
Thinking strategically as a board	2.87	2.83	2.52	0.35
Financial oversight	3.31	3.28	2.97	0.34
Level of commitment and involvement	2.92	2.88	2.61	0.32
Increasing the diversity of the board	1.94	1.87	1.63	0.31
Fundraising	1.93	1.88	1.63	0.30
Monitoring legislative and regulatory issues that may impact the organization	1.98	1.96	1.74	0.24
Community-building and outreach	2.26	2.25	2.05	0.21
Understanding the organization's mission	3.47	3.47	3.27	0.20
Knowledge of the organization's programs	2.79	2.78	2.70	0.09
Overall average grade	2.74	2.69	2.36	0.38



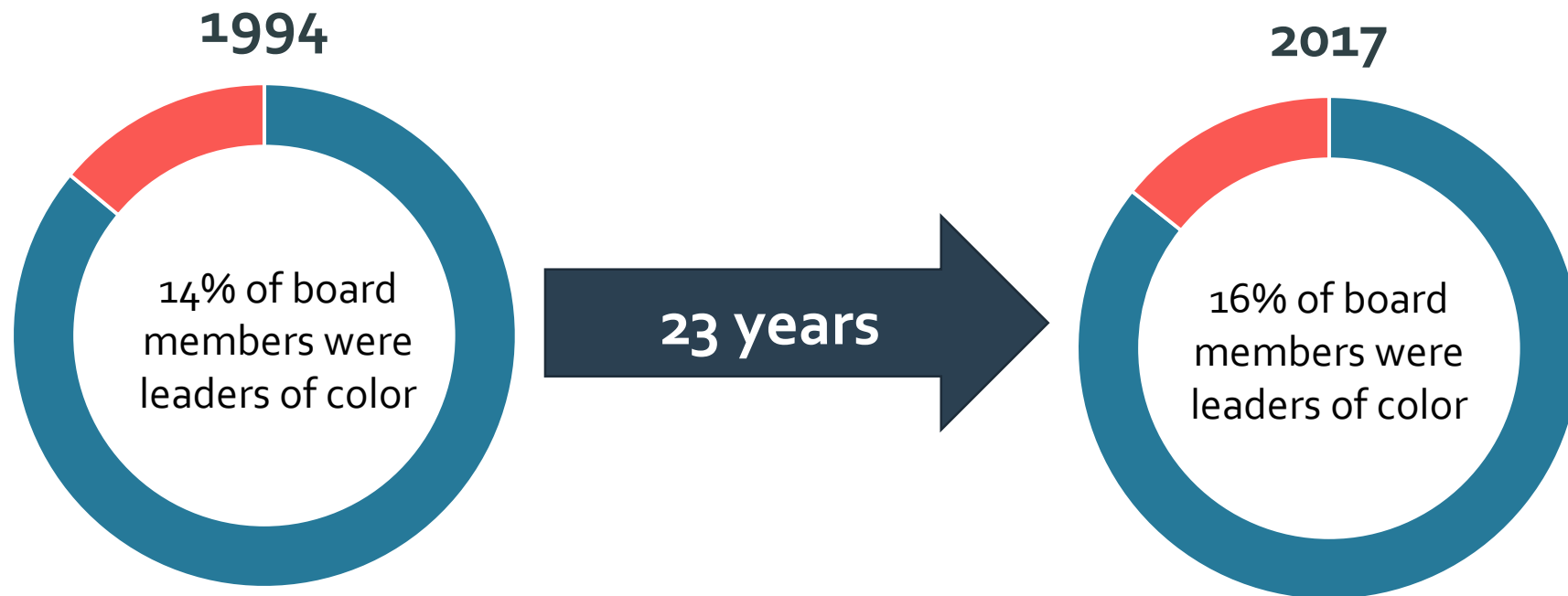
Key Finding

Better understanding of programs is linked to stronger performance in several key areas.



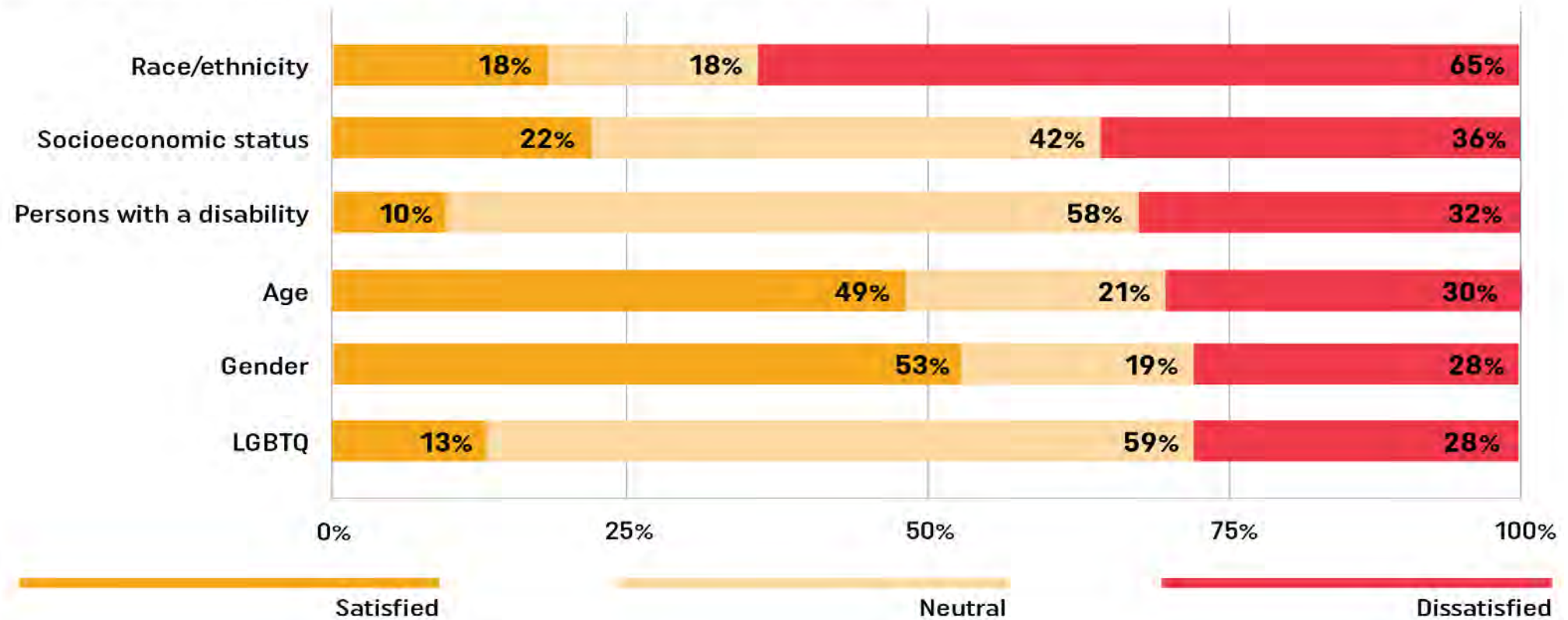
Key Finding

When it comes to diversifying membership, boards are making very little progress.



Are boards satisfied with their diversity?

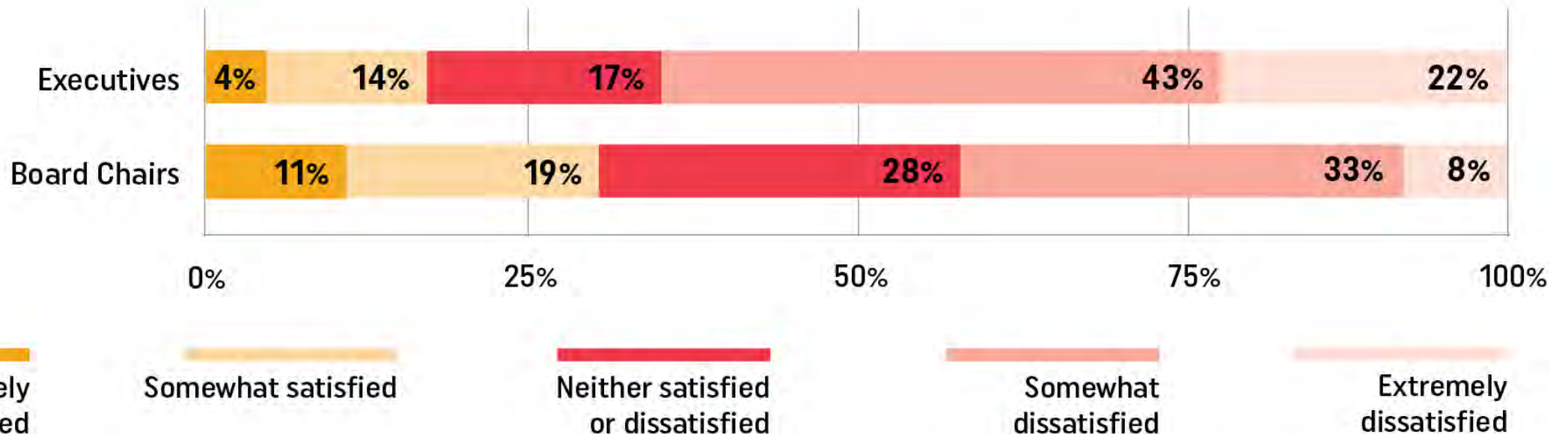
CHIEF EXECUTIVE SATISFACTION WITH CURRENT BOARD DIVERSITY





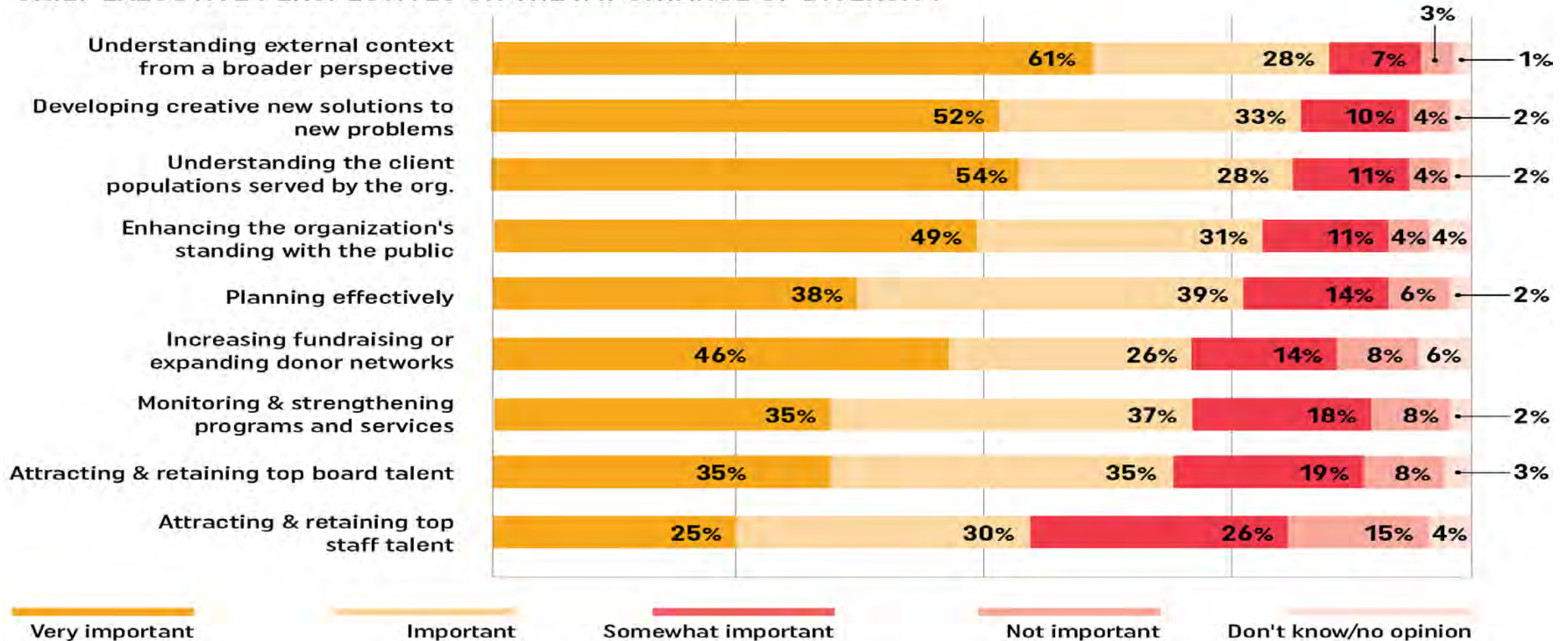
A Closer Look: Board chair and executive responses

HOW SATISFIED ARE YOU WITH YOUR BOARD'S RACIAL AND ETHNIC DIVERSITY?



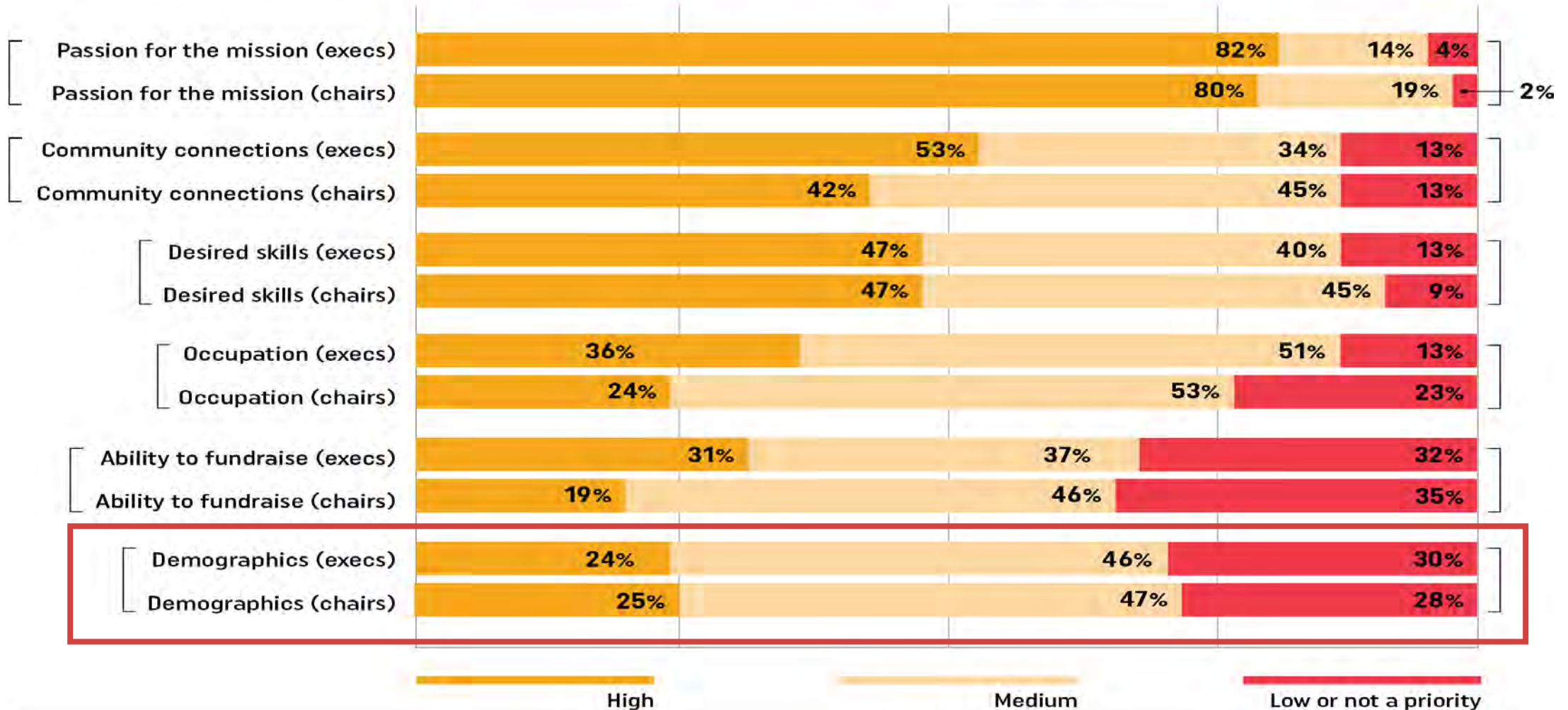
Is board diversity important to mission?

CHIEF EXECUTIVE PERSPECTIVES ON THE IMPORTANCE OF DIVERSITY



Is diversity a priority in board recruitment?

WHAT IMPORTANCE DOES THE BOARD ASSIGN TO THE FOLLOWING ITEMS WHEN RECRUITING BOARD MEMBERS?



The disconnect between attitudes and actions

SUMMARY OF EXECUTIVES' RESPONSES TO LEVEL OF SATISFACTION WITH BOARD'S RACIAL/ETHNIC DIVERSITY AND PRIORITIZATION OF DEMOGRAPHICS IN BOARD RECRUITMENT

		Level of Priority Placed on Demographics in Board Recruitment			
		High priority N=327 24% of total responses	Medium priority N=629 46% of total responses	Low priority N=321 24% of total responses	Not a priority N=82 6% of total responses
Level of Satisfaction with Board's Current Racial/ Ethnic Diversity	Extremely satisfied N=57 / 4% of total responses	18	22	12	5
	Somewhat satisfied N=185 / 14% of total responses	67	93	22	3
	Neither satisfied nor dissatisfied N=239 / 18% of total responses	40	91	79	29
	Somewhat dissatisfied N=578 / 43% of total responses	126	298	133	21
	Extremely dissatisfied N=300 / 22% of total responses	76	125	75	24
Total Dissatisfied and Not Prioritizing Demographics in Recruitment			253 19% of all respondents		

Opportunities for Board Reflection:



If someone were to make assumptions about our organizational values based on our board's composition, what would they be likely to think?



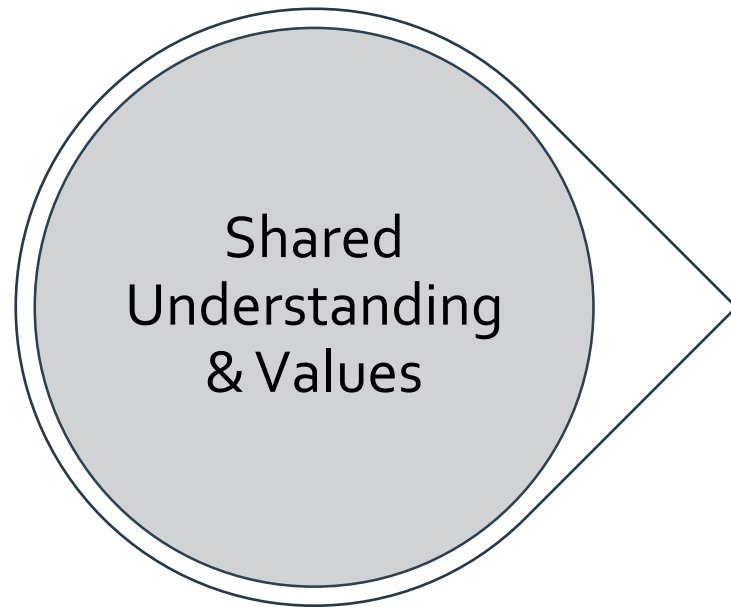
Are we ever at risk of making decisions without fully understanding how these decisions may affect those we serve?



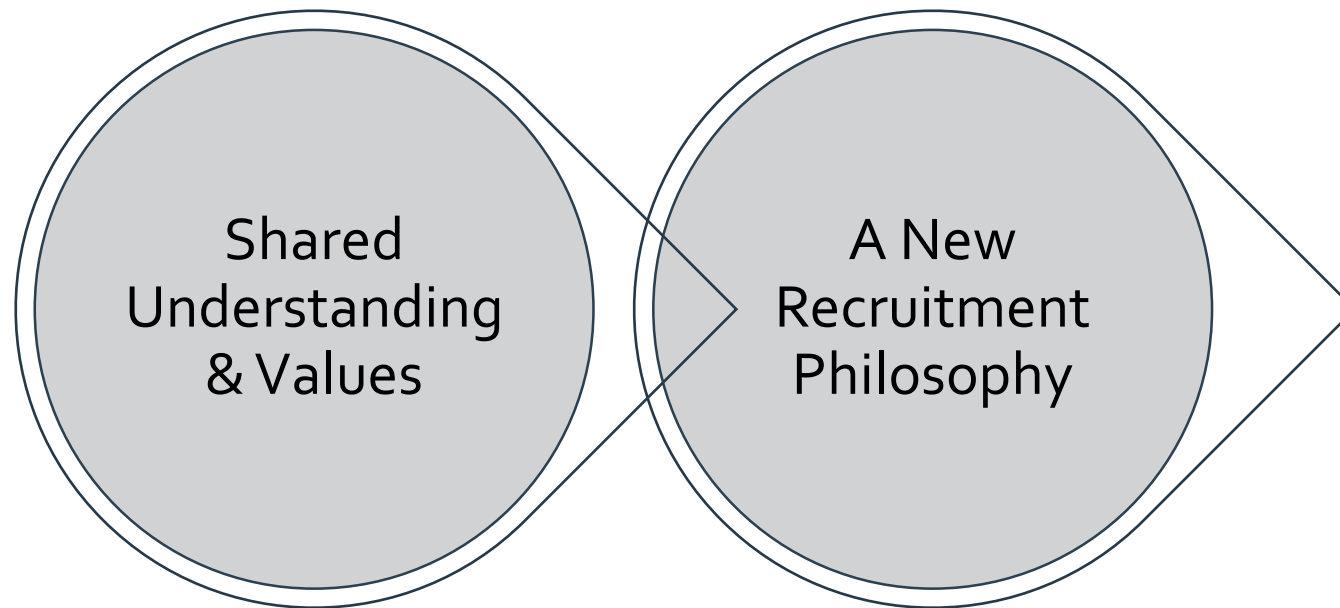
If we were to make a deeper commitment to diversity, inclusion, and equity, what would that mean for our mission, our work, and the people we serve?



Making it Happen: Board Diversity



Making it Happen: Board Diversity



Making it Happen: Board Diversity

