



## Non-Profit Board Statistics

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(Sources: BoardSource Report 2007, National Center for Nonprofit Boards, the National Association of Corporate Directors, The National Center for Non-Profit Boards, National Governance Survey of Chief Executives)

- Average size of a US nonprofit board is 16 voting members compared to for profit boards which average 11 members.
- Board size tends to increase along with a non-profit group's income.
- Seventy-nine percent of boards average above 75% attendance.
- Inability to raise money is cited as the major weakness of many charities' boards of directors, while only 5% listed fund raising as a board strength. Fundraising ranks #1 among board areas needing improvement.
- Boards average 74% in member giving and those with 100% Board Giving = 46%.
- Sixty-Eight percent of non-profit groups required board members to make annual personal donations. Of those, 40% suggested minimum annual donations for board members, the survey found. The average minimum donation requested was \$150.
- Arts and cultural groups also received the greatest number of donations from board members. Those groups reported that 80% of their trustees made donations, compared with 63% for human-services groups, 58% for health organizations, and 57% for educational institutions.
- Under a half - 43% - of non-profit board members were women. That contrasts sharply with corporate boards, where only 6% are women.
- Eighty six percent of non-profit board members were white, compared with 92.7% of corporate board members. 14% were minorities (African-Americans = 7%, Hispanic/Latino 3%)
- The average number of board meetings per year is 6.9.
- The average board meeting lasts 3.3 hours.
- Thirty-six percent were aged 30-49 and 49% were 50-64. The remaining percentages are divided between the younger and older members.
- Most Common Board Terms: 3 years - 70%.
- Most Common Consecutive Board Terms: 2 terms - 43%
- Boards Requiring Personal Contributions from Members – 68%
- Boards Requiring Donor Identification – 61%
- Boards Requiring Attendance at Fund Raising Events – 60%
- Members average 10 hours per month on Board/Committee Business.
- Ninety-two percent of boards have an external financial audit.
- Eighty-five percent have board members with financial expertise.
- Eighty-nine percent of the non-profit groups had written conflict-of-interest policies for board members.
- Ninety-three percent have directors and officers liability insurance.

## **Most Frequent Criticisms of Boards by Chief Executives:**

- Financial sustainability
- Fund Raising Issues
- Strategic planning
- Not Understanding the Member's and the Board's Role
- New Member Recruitment & Orientation

## **What Board Members Have to Say About their Greatest Challenges**

Members identify the greatest challenges as:

- Fundraising 32%
- Financial Sustainability 30%
- Strategy (planning) 24%
- Marketing 14%
- Board development 9%
- 40% are comfortable asking for money directly and 11% are very uncomfortable
- 73% are comfortable signing personal solicitation letters

## **87% of Not-for-Profit Organizations Have Made Governance Policy Changes**

The governance landscape of the not-for-profit community has changed dramatically since the implementation of Sarbanes-Oxley. By late 2007, 87 percent of not-for-profit organizations had created new governance policies compared with 20 percent in 2003. Some notable board governance policy changes that organizations have made include:

- 92% of respondents have implemented new accounting policies and procedures, compared to only 59 percent in last year's survey.
- Almost nine out of 10 (87 percent) respondents have adopted a written investment policy, compared to 63 percent in 2006.
- Only 30 percent of survey respondents have a policy in place requiring the board or one of its committees to review the organization's Form 990, but this remains an emerging trend.

### **Conflict-of-interest policy**

Almost nine out of 10 (89 percent) organizations have a conflict-of-interest policy in place. The percentage of individuals signing the policy is on the rise:

- More than nine out of 10 (94 percent) respondents require board members to sign a conflict-of-interest policy, compared to 89 percent in the 2006 survey.
- More than two-thirds (68 percent) have executive management sign the policy - an increase from 50 percent in 2006.

### **Whistle-blower policy**

Nearly seven out of 10 (68 percent) respondents have a whistle-blower policy in place. Organizations submit their whistle-blower complaints to the chair of the audit committee (21 percent), legal counsel (19 percent), and executive management (18 percent).

**Numbers of organizations that have made changes to the following board governance policies.**

	<b>Yes</b>	<b>No</b>
Adopted conflict-of-interest policy	89%	11%
Established audit committee	82%	18%
Revised investment policy	87%	13%
Implemented accounting policies/procedures	92%	8%
Established code-of-ethics policy	75%	25%
Updated record-retention policy	78%	22%
Created new governance policies	87%	13%
Updated gift-acceptance policy	68%	32%
Established whistle-blower policy	68%	32%
Developed audit committee charter	60%	40%
Established policy for board members to review Form 990/990-T	70%	30%

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