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Foundation Boards Shouldn't Be Filled Just With Wealthy People



By Pablo Eisenberg

In recent years the United States has developed into an increasingly pronounced class society. We see it in the growing inequality of income and wealth; we witness it in the expansion of corporate power and influence at a time when blue-collar job status is on the decline; and we view it in the daily depiction of our lives on our television screens.

Nowhere are class divisions more visible than in the most elite of American institutions, the philanthropic foundations. The last vestige of royalty in America, their boards are composed almost entirely of wealthy and highly paid people who increasingly determine our country's economy, public policies, values, and social practices. With few exceptions, they exclude the diverse faces that make up today's America.

Teachers, ministers, community leaders, social workers, small-business owners, blue-collar workers, union representatives, youth workers, and disabled people are rarely found on foundation boards. That is the case both with foundations started by one person or family and the community funds that raise and distribute money in one region.

When people in the foundation world talk about diversity, they typically mean questions of race and gender, not income level.

The Council on Foundations has started an effort to increase the number of minorities and women who work at foundations and serve on their boards. The project does not seek to do anything about the issue of class diversity.

The W.K. Kellogg Foundation is also [championing](#) an effort to promote diversity, but one that does not mention class. The [D5 Coalition](#), composed of 18 foundations that are seeking to improve the state of diversity in philanthropy over five years, recently issued its report, “[State of the Work](#),” a guide to diversity and inclusion. Not once does it mention class as an element of diversity. For years critics of philanthropy attributed the poor performance and questionable procedures of foundations to the lack of women and minorities on their boards.



[Enlarge Image](#)

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Today, the number of women and minorities is much higher than they were, though still low. But foundations have made little improvement in the way they function. They are essentially the same as they were 25 years ago. The reason so little has changed is that the women and minorities who have recently joined foundation boards resemble their white, male counterparts—they are often very rich and have achieved prestigious roles at the nation’s largest companies. They are not a representative sample of America.

The diversity issue, then, has become largely a question of class. It reflects the absence of a broad range of perspectives in priority setting and decision making on foundation boards, the capacity to feel the real pulse of localities and regions, and the ability to assess the urgent needs of a variety of constituencies and institutions.

It is not surprising that the large private foundations have mostly affluent people on their boards, but it is startling that many community foundations have almost as dismal a track record as their private counterparts.

A look at 20 of the largest community foundations reveals the same pattern of board membership that we see among the biggest private foundations. A few Urban League directors and heads of

social-service groups or other community organizations are on the boards, but the overwhelming number of board members are corporate executives, bankers, college officials, and lawyers.

Why are the vast majority of Americans excluded from foundation board participation?

As people who work in the philanthropic world have told me privately, foundation trustees are comfortable with people like themselves who have some social and economic standing. They are reluctant to mix with persons from other walks of life with whom they have had little contact.

Trustees, as well as nonprofit chief executives, also want board members who are highly credentialed, well known, and respected in their communities, thereby lending greater prestige and legitimacy to their institutions.

Moreover, the narrow circle of board members provides a form of “status” solidarity, a degree of protection against tensions and disruptions.

As executive search firms assume a greater role in recruiting and recommending new board members for foundations, the list of potential trustees will become even narrower, limited to established, upper-class candidates. Their Rolodexes are notoriously limited; they do not include average, working Americans, even outstanding ones.

To be fair, one should point out that class diversity is also a problem and challenge for many nonprofit organizations, especially large and well-financed institutions like colleges, hospitals, national social-service groups, and other civic institutions. Their boards closely resemble those in the foundation world.

Class divisions have increasingly permeated the nonprofit world in recent years, a development brilliantly described by the Theda Skocpol, a Harvard University professor in her book, *Diminished Democracy*. Unlike past times, few nonprofits are now places where rich and poor, blue-collar workers and professionals, high-school graduates and highly educated people come together for mutual benefit, Ms. Skocpol writes.

Class is the divider. Democratizing nonprofits remains an elusive goal.

What is ironic is that the American jury system, with its power of life and death over defendants in court cases, reflects a real measure of class equity while foundations that distribute a relatively little amount of money—compared with governments—are the bastions of class exclusivity.

Why is it that an electrician, a schoolteacher, and a small-business owner can qualify to sit on a jury with enormous responsibilities but they are deemed unqualified to be members of a foundation board with much lesser responsibilities? It just doesn't make any sense.

It is time for the Council on Foundations, the Philanthropy Roundtable, and other organizations that represent grant makers to recognize the problem of class among their members and to push foundations to include class as a key part of their efforts to promote diversity. With the help of research organizations like the Urban Institute, they should sponsor what would be the first major study of class diversity on foundation boards.

Organizations that represent nonprofit groups should also push for and support such efforts.

Unless foundations broaden the membership of their boards, they are likely to remain as they have for the past 50 years: staid, safe, not very innovative, and pointedly undemocratic.

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