



The Urban Institute

The **Racial Diversity** Collaborative

*Measuring Racial-Ethnic
DIVERSITY IN THE
BALTIMORE–WASHINGTON
REGION'S NONPROFIT SECTOR*



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INTRODUCTION

The nonprofit sector in the Baltimore–Washington region is undergoing a profound, albeit quiet, revolution driven by demographic change. First, the people and communities that nonprofit organizations serve increasingly reflect a multiracial and multi-ethnic world. No longer is the region primarily a white-black society. It now has residents from all parts of the globe that bring different cultures, languages, and values to the region.

Second, nonprofit-sector leadership is beginning to move to the next generation. About a quarter of all nonprofits in the Baltimore–Washington region are led by baby boomer chief executives. As these leaders retire and phase out of active roles, a new cadre of leaders will take up the sector's reins and direct its work. How ready is the sector to address this important transition?

To learn whether the Baltimore–Washington region's nonprofit sector reflects current demographic realities, the Baltimore–Washington Regional Nonprofit Racial Diversity Collaborative (the Collaborative) commissioned the Urban Institute's Center on Nonprofits and Philanthropy to survey nonprofit organizations in the region and study the diversity of nonprofit executive directors, governing boards, and paid staff.

The Study's Questions

This report addresses four questions:

- What percentage of executive directors, board members, and paid staff in the sector is people of color, and what percentage is members of specific racial-ethnic communities?
- Is there a gender difference in the leadership of organizations led by people of color?
- How does the diversity of nonprofit leadership vary by the size of the organization, field of activity, or geographic location within the region?
- What effects, if any, is the current economy having on nonprofit organizations in terms of demand for services and funding, and are the effects correlated with the racial and ethnic diversity of organizational leadership?

The findings of this study provide a valuable baseline for understanding how racially and ethnically diverse the nonprofit sector in the Baltimore–Washington region is. The findings also give an important context for the Collaborative's efforts to promote diversity and strengthen the skills of minority leaders.

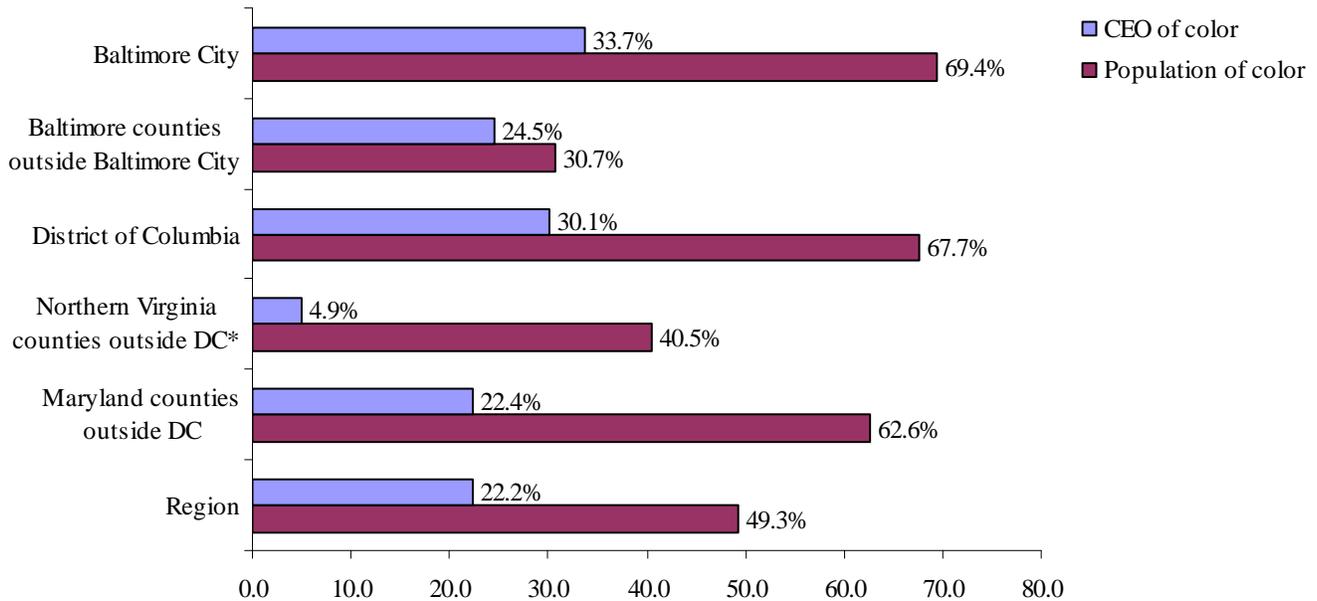
About the Survey

The survey is based on a representative sample of 501(c)(3) organizations in the Baltimore–Washington region. The sample was stratified by counties within the region, type of nonprofit, and size of organization to ensure good representation of nonprofits across the region. Hospitals and higher education are excluded from the sample. Data were collected using a mixed-mode technique (e.g., by mail, web, and telephone). The survey resulted in 283 usable responses, yielding a response rate of 32.6 percent. Further detail on regional definitions and the types of nonprofits in the study can be found in the appendices.

Nonprofit leadership lags population diversity.

- Although nearly half (49 percent) the population in the Baltimore–Washington region is people of color, 22 percent of nonprofit organizations in the region have executive directors of color.
- In both Baltimore City and the District of Columbia, nearly 70 percent of the population is people of color, compared with 30–34 percent of the nonprofit executive directors.
- The counties surrounding Baltimore City have the smallest discrepancy between populations and executive directors of color: 31 percent of the population is people of color, while 25 percent of the nonprofit executive directors are of color.
- The Maryland counties outside Washington, D.C., have the largest discrepancy: 63 percent of the population is people of color, compared with 22 percent of the nonprofit executive directors.
- Northern Virginia has the smallest percentage of minorities in the region (40 percent) and the smallest percentage of nonprofit executive directors of color (5 percent).

Percentage of Nonprofit Executive Directors of Color and Region’s Population of Color



Sources: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues; the U.S. Census Bureau, American Community Survey, 2006–08.

* Differences for respondents were statistically significant at the 95% confidence level.

** Population estimates by race-ethnicity were not available for Falls Church City and Manassas Park City in the ACS and therefore are not represented in these figures.

All minority groups are underrepresented as nonprofit executive directors.

- **Latinos are the most underrepresented group as nonprofit executive directors.** Latinos represent approximately 10 percent of the Baltimore–Washington’s regional population, but they hold less than 1 percent of executive director positions.
- **Among minorities, African Americans are most likely to hold nonprofit executive director positions.** African Americans hold 17 percent of the executive director positions in the region, but they are underrepresented in the sector compared with their share of the region’s population (29 percent).
- **Asians and Pacific Islanders have about half as many nonprofit executive director positions as their share of the region’s population:** 4 percent versus 8 percent, respectively.

Nonprofit Executive Directors by Race/Ethnicity

Race-Ethnicity	Number of leaders	Percent of leaders	Percent of population in the region^a
Non-Hispanic white	210	77.8	50.7
Person of color	60	22.2	49.3
<i>Asian/Pacific Islander</i>	<i>11</i>	<i>4.1</i>	<i>7.8</i>
<i>Black/African/African American</i>	<i>45</i>	<i>16.8</i>	<i>29.2</i>
<i>Hispanic or Latino/a</i>	<i>1</i>	<i>0.5</i>	<i>9.9</i>
<i>Other/mixed race/multiracial</i>	<i>2</i>	<i>0.9</i>	<i>2.4</i>

Sources: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues; the U.S. Census Bureau, American Community Survey, 2006–08.

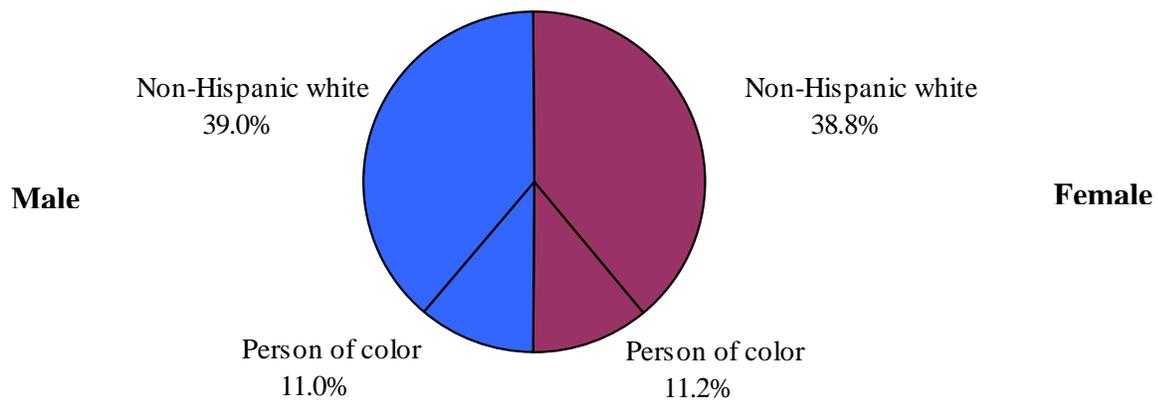
Notes: Thirteen respondents did not provide information on the race or ethnicity of the organization’s chief executive officer (CEO) or executive director. Percentages may not sum to 100 because of rounding.

^aPopulation estimates by race-ethnicity were not available for Falls Church City and Manassas Park City in the ACS and therefore are not represented in these figures.

An equal number of men and women are executive directors, although people of color hold only one in five of these positions.

- Exactly half of all nonprofit executive directors in the region are women.
- White men and white women each account for 39 percent of the executive directors.
- Men and women of color each account for 11 percent of the executive directors.

Nonprofit Executive Directors by Gender



Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.
Note: Thirteen respondents did not provide information on the race or ethnicity of the organization’s CEO or executive director.

Young leaders of color lag behind their non-Hispanic white counterparts in becoming nonprofit executive directors.

- **Among executive directors under age 40, there are proportionately twice as many non-Hispanic whites (11 percent) as persons of color (5 percent).**
- **The median age of both white and nonwhite executive directors is 50–59.**
- **One in three white (non-Hispanic) executive directors in the region is age 60 or older. In contrast, about one in four executive directors of color is in this age group.**

Nonprofit Executive Directors by Race/Ethnicity and Age

Age of executive director	Person of color (%)	Non-Hispanic white (%)
Younger than 30	0.7	1.3
30–39	4.1	9.7
40–49	35.4	17.6
50–59	35.8	37.8
60 or older	24.0	33.7

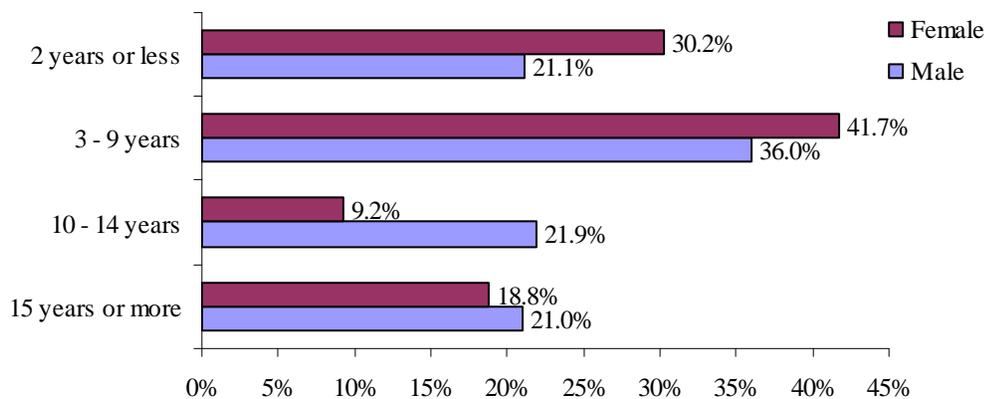
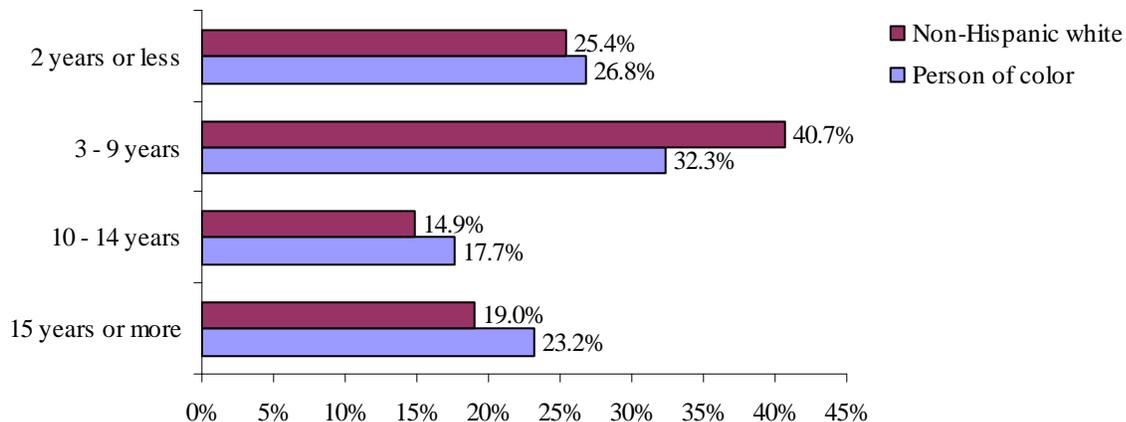
Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: Thirteen respondents did not provide information on the race or ethnicity of the organization’s CEO or executive director. Percentages may not sum to 100 because of rounding.

The tenure of a nonprofit executive director is fairly short, producing considerable leadership turnover in the sector.

- **About one in four executive directors has headed his or her organization for two years or less.** The percentage of women who are relatively new to their organization’s top leadership position is somewhat higher (30 percent).
- **The average length of employment as an executive director is about nine years.** This does not vary substantially by race-ethnicity, gender, or geographic location of the nonprofit.
- **On average, 20 percent of executive directors have been with their organizations for 15 or more years.** A slightly greater share of executive directors of color (23 percent) has accumulated this amount of service to their organization.

Length of Time Nonprofit Executive Directors Have Led the Organization by Race/Ethnicity and Gender



Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: Thirteen respondents did not provide information on the race or ethnicity of the organization’s CEO or executive director. Percentages may not sum to 100 because of rounding.

A nonprofit organization’s size and type are associated with minority leadership.

- **Large nonprofits with expenditures of \$1 million or more are more likely than smaller nonprofits to have executive directors of color.** One in four large nonprofits is led by a person of color, compared with one in five small nonprofits (those with expenditures of less than \$250,000).
- **Educational nonprofits are most likely to have an executive director of color.** Thirty-six percent of all educational nonprofits have leaders of color.
- **Arts organizations are least likely to have an executive director of color.** Only 10 percent of these organizations are led by a person of color.
- **About one in four human service nonprofits in the Baltimore–Washington region is headed by an executive director of color.** Human service organizations are the largest component of the Baltimore–Washington region’s nonprofit sector.
- **About 17 percent of nonprofit health organizations and 17 percent of other nonprofits have an executive director of color.** “Other” nonprofits focus on a wide array of issues and activities. When no single category was large enough to analyze separately, these organizations were grouped together as other nonprofits. This group includes civil rights and advocacy organizations, environmental organizations, animal welfare groups, relief agencies, and many more.

Executive Directors by Nonprofit’s Size and Type

Characteristic	Person of color (n = 60)	Non-Hispanic white (n = 210)
All nonprofits in the region	22.2	77.8
Size of organization, based on expenditures		
Less than \$250,000	22.4	77.6
\$250,000–\$999,999	17.7	82.3
\$1 million or more	26.1	73.9
Type of organization		
Arts, culture, and humanities	9.6*	90.4*
Education	36.2	63.8
Health	17.3	82.7
Human services	25.9	74.1
Other	16.5	83.5

Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: Thirteen respondents did not provide information on the race or ethnicity of the organization’s CEO or executive director. “Other” includes all organizations that responded to the survey but were not numerous enough to form a single category. It includes civil rights and advocacy organizations, animal welfare groups, and many more.

* Differences for respondents were statistically significant at the 95% confidence level.

Executive directors of color mostly lead local and regional organizations, not national organizations.

- **About three of every four organizations in the region work locally or regionally.** A quarter of the organizations focus exclusively on national issues.
- **Nearly all (92 percent) national organizations are led by non-Hispanic white executive directors.**
- **Most national organizations (45 percent) are located in the District of Columbia.**

Type of Organization by Region

Geographic location	National (%)	Local/regional (%)	Both (%)
Baltimore City	7.2*	84.0*	8.8
Baltimore counties outside Baltimore City	2.1*	92.4*	5.5
District of Columbia	33.8	50.8*	15.5
Northern Virginia counties	35.2	60.9	3.9*
Maryland counties outside D.C.	29.3	66.2	4.5
Region	26.3	64.8	8.9

Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: Twenty respondents did not provide information on the type of organization (national/local-regional/both).

Percentages may not sum to 100 because of rounding.

* Differences for respondents were statistically significant at the 95% confidence level.

Nonprofit governing boards in the Baltimore–Washington region are more racially-ethnically diverse than the national average, although most board positions are held by non-Hispanic whites.

- **People of color hold 27 percent of board positions in the Baltimore–Washington region, compared with 14 percent nationwide.** Nonetheless, people of color are underrepresented on nonprofit governing boards given their share of the region’s population.
- **African Americans hold about 18 percent of governing board positions in the region.** This share is more than twice that of the national average (7 percent) and represents about two of every three board positions held by a person of color in the region.
- **Latinos and Asians each account for about 4 percent of board members in the region.** This share is roughly similar to the national average.
- **About a quarter (24 percent) of governing boards in the Baltimore–Washington region are composed entirely of non-Hispanic whites, while 9 percent of boards have only people of color.**

Race/Ethnic Composition of Board Members

Race/ethnicity	Nonprofit Board Members in the Baltimore–Washington region		National average
	Number	(%)	(%)
Non-Hispanic white	2,559	72.9	86.0
Black/African/African American	634	18.1	7.0
Hispanic or Latino/a	142	4.1	3.5
All others	173	4.9	3.5
<i>Asian/Pacific Islander</i>	132	3.8	–
<i>Other/mixed race/multiracial</i>	40	1.1	–

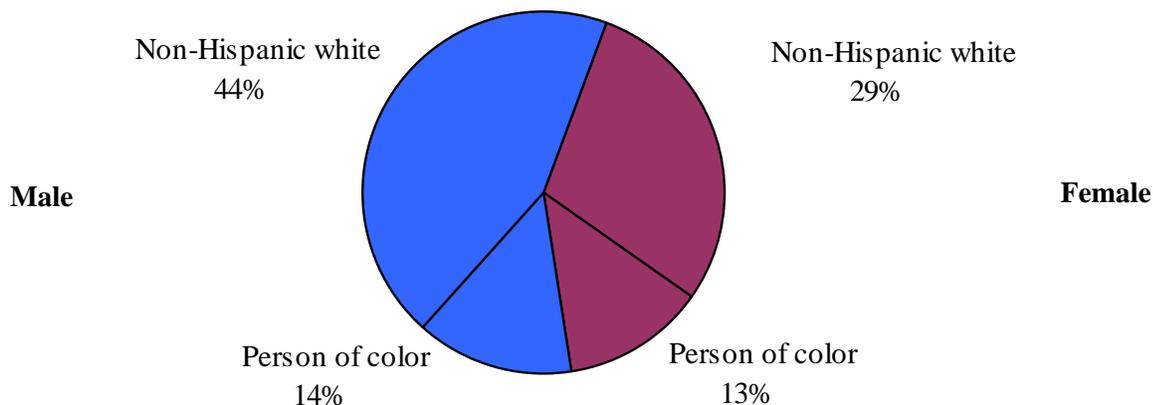
Sources: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues. National estimates are from Francie Ostrower, *Nonprofit Governance in the United States: Findings on Performance and Accountability from the First National Representative Study* (Washington, DC: The Urban Institute, 2007).

Note: Twenty-nine respondents did not provide information on board members.

Men hold the majority of nonprofit board positions in the Baltimore–Washington region.

- **The typical board member in the Baltimore–Washington region is a non-Hispanic white man.** They hold about 44 percent of the region’s governing board positions.
- **Non-Hispanic white women are the second-most prevalent type of board member.** Almost 30 percent of board positions are filled by white (non-Hispanic) women.
- **Men and women of color hold about the same share of board positions:** about 14 percent of the board positions are held by men of color and 13 percent by women of color.
- **Compared to national averages, a smaller proportion of women sit on nonprofit governing boards in the Baltimore–Washington region.** Nationally, 46 percent of board positions are held by women; in the Baltimore–Washington region, it is 42 percent.

Gender and Race/Ethnicity Composition of Board Members



Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Note: Twenty-nine respondents did not provide information on board members.

Compared with suburban jurisdictions in the region, nonprofits in Baltimore City and the District of Columbia have more diverse boards.

- **Nonprofits in Baltimore City and the District of Columbia report the highest levels of diversity in the region.** In both cities, approximately one in three board members is a person of color.
- **Suburban locations, such as Northern Virginia and the counties surrounding Baltimore City, have the lowest levels of diversity on their boards.** About one in five board members in these locations is a person of color.
- **In the Maryland counties outside D.C., one in four board members is a person of color.**

Percentage of Nonprofit Board Members of Color by Region

Geographic location	Board member of color	Non-Hispanic white board member
All nonprofits in the region	27.1	72.9
Region		
Baltimore City	30.0	70.0
Baltimore counties outside Baltimore City	18.9	81.1
District of Columbia	32.9	67.1
Northern Virginia counties	19.1	80.9
Maryland counties outside D.C.	24.9	75.1

Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: The percentages are based on the total number of board member slots (3,509). Twenty-nine respondents did not provide information on board members. Differences for respondents were statistically significant at the 95% confidence level.

The diversity of governing boards is often associated with the organization’s budget size, board size, and organization type.

- **Nonprofits with larger budgets are more likely than those with smaller budgets to have people of color on their boards.** Smaller nonprofits with less than \$250,000 in expenditures have about one in four people of color on their boards. Large organizations with expenditures of \$1 million or more have about one in three board members of color. Mid-sized nonprofits, on average, have about one in five board members of color.
- **As the size of the board increases, diversity on the board decreases.** Boards with five or fewer members have the highest levels of diversity (42 percent of board members are people of color). In contrast, boards with 20 or more members have relatively less diversity (about 21 percent of board members are people of color).
- **Health and human service nonprofits, on average, have the highest levels of diversity.** About one in three board members is a person of color.
- **Nonprofit arts organizations have the least diverse boards.** Most board members are non-Hispanic whites; only 13 percent of board positions, on average, are filled by people of color.

Diversity of Boards by Characteristics of the Organization and Board

Characteristic	Board member of color (%)	Non-Hispanic white board member (%)
All nonprofits in the region	27.1	72.9
Size of organization, based on expenditures		
Less than \$250,000	26.0	74.0
\$250,000–\$999,999	20.4	79.6
\$1 million or more	33.9	66.1
Size of board		
1–5 members	42.4	57.6
6–9 members	34.3	65.7
10–19 members	28.3	71.7
20 or more members	21.4	78.6
Type of organization		
Arts, culture, and humanities	12.9*	87.1*
Education	26.9	73.1
Health	32.1	67.9
Human services	30.5	69.5
Other	28.1	71.9

Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

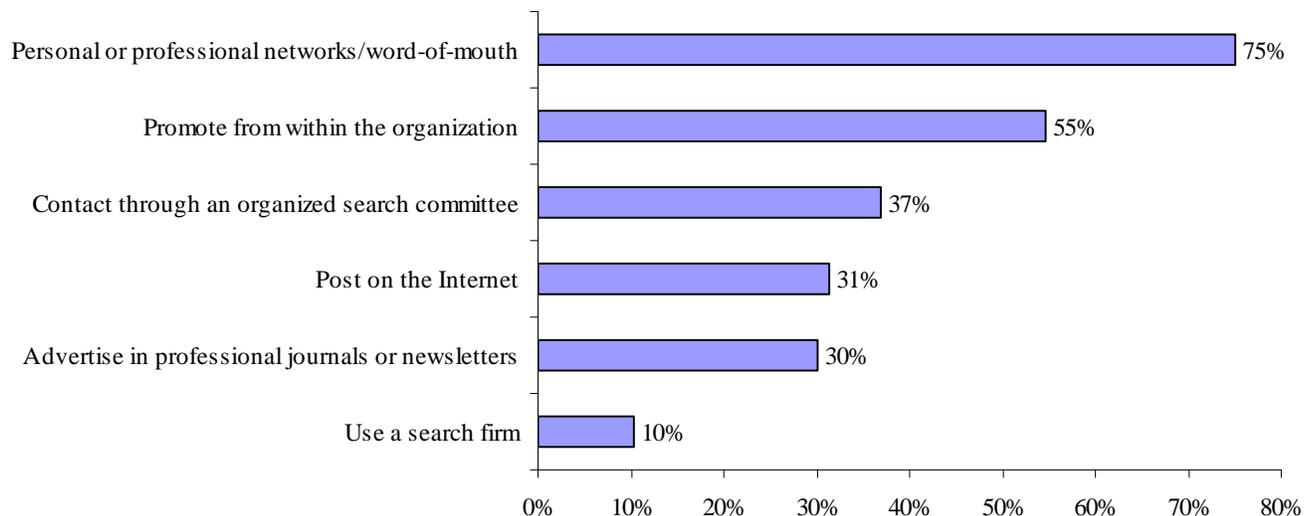
Notes: The percentages are based on the total number of board member slots (3,509). Twenty-nine respondents did not provide information on board members. “Other” includes all organizations that responded to the survey but were not numerous enough to form a single category. It includes civil rights and advocacy organizations, animal welfare groups, and many more.

* Differences for respondents were statistically significant at the 95% confidence level.

Recruitment of nonprofit leaders is primarily about networking and personal relationships.

- **Personal and professional networks are the methods most frequently used to recruit nonprofit chief executives and board members.** Three-quarters of nonprofits indicate that they use their networks to let others know about leadership positions.
- **The second-most common recruitment tool was promoting from within the organization.** Just over half the region's nonprofits use this technique.
- **Other recruitment techniques are far less common.** About one in three nonprofits use search committees, post announcements on the Internet, and advertise in professional journals or newsletters. Only 10 percent use a professional search firm.

Methods Most Often Used to Recruit People for Leadership Positions



Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: Thirty respondents did not provide information on methods used to recruit people for leadership positions.

In the region as a whole, half the paid staff in the nonprofit sector are people of color; shares differ among jurisdictions.

- **Diversity among nonprofit paid staff is greatest in Baltimore City and the Maryland suburbs outside Washington, D.C.** Within these jurisdictions, just over 60 percent of the staff is people of color.
- **More than half of paid staff in the District of Columbia (56 percent) are people of color.**
- **Nonprofits in Northern Virginia and the counties around Baltimore City report less diversity on their staff.** Roughly 40 to 45 percent of the paid staff positions in these jurisdictions are filled by people of color.

Percentage of Nonprofit Paid Staff Members of Color by Region

Geographic location	Paid staff of color	Non-Hispanic white paid staff
All nonprofits in the region	50.8	49.2
Region		
Baltimore City	61.5	38.5
Baltimore counties outside Baltimore City	45.5	54.5
District of Columbia	56.4	43.6
Northern Virginia counties	39.0	61.0
Maryland counties outside D.C.	61.2	38.8

Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: The percentages are based on the total number of paid staff slots (6,253). Fifty-eight respondents did not provide information on paid staff or did not have paid staff members.

Staff diversity primarily clusters into two major racial-ethnic groups: non-Hispanic whites and African Americans.

- **The largest single racial-ethnic group employed in the nonprofit sector is non-Hispanic whites.** They account for 49 percent of all paid workers.
- **African Americans are the second-largest racial-ethnic group employed in the sector.** Nearly two in five paid workers (38 percent) are black. The nonprofit sector is an important source of employment for African Americans. While 29 percent of the region's working-age population is African American, 38 percent of the region's nonprofit paid staff positions are held by African Americans.
- **Together, all other racial-ethnic groups (Asians, Pacific Islanders, Latinos, mixed race, etc.) account for about one in eight paid workers (13 percent) in the sector.** These groups are generally underrepresented in the nonprofit labor force, given their share of the working-age population (19 percent).

Race/Ethnic Composition of Paid Staff Members

Race/Ethnicity	Nonprofit Paid Staff in the Baltimore–Washington Region		Share of Baltimore–Washington region's working-age population (18–64)
	Number	(%)	(%)
Non-Hispanic white	3,075	49.2	49.9
Person of color	3,179	50.8	48.1
<i>Asian</i>	248	4.0	8.1
<i>Black/African/African American</i>	2,355	37.7	28.7
<i>Hispanic or Latino/a</i>	428	6.8	9.4
<i>Other/mixed race/multiracial</i>	148	2.4	1.8

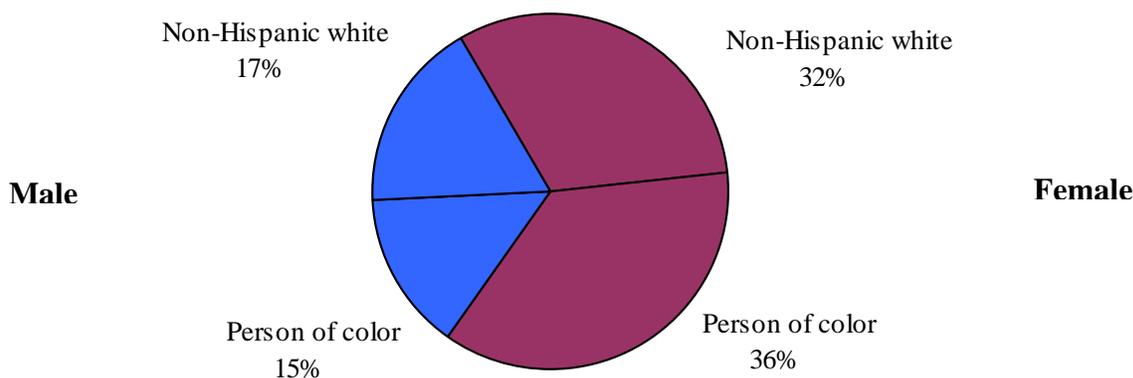
Sources: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues; the U.S. Census Bureau, American Community Survey, 2006–08.

Notes: The percentages are based on the total number of paid staff slots (6,253). Percentages may not sum to 100 because of rounding. Fifty-eight respondents did not provide information on paid staff or did not have paid staff members.

Women make up the majority of paid workers in the Baltimore–Washington region’s nonprofit sector.

- **Two of every three paid workers in the region’s nonprofit sector is a woman.** Men hold about 32 percent of the paid positions in the sector.
- **The typical employee is a woman of color: 36 percent of all nonprofit employees.** Non-Hispanic white women are the second-largest group (32 percent).
- **A similar share of non-Hispanic white men and men of color are employed in the nonprofit sector:** 17 and 15 percent, respectively.
- **Despite the prominence of people of color in the nonprofit sector’s paid workforce, not all nonprofits in the region are diverse.** Twenty-two percent of organizations reporting paid staff have all white (non-Hispanic) staff, and 12 percent employ only people of color.

Gender Composition of Paid Staff Members



Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: The percentages are based on the total number of paid staff slots (6,253). Fifty-eight respondents did not provide information on paid staff or did not have paid staff members.

Diversity of paid staff is related to the size and type of the nonprofit and the race-ethnicity of the executive director.

- **Large nonprofits tend to have more racial-ethnic staff diversity than smaller ones.** On average, nonprofits with expenditures of less than \$1 million have staff in which the majority is non-Hispanic white. In large organizations (expenditures of \$1 million or more), most staff (52 percent) are people of color.
- **Health and human service nonprofits in the Baltimore–Washington region have the most diverse staff.** On average, 60 percent of paid staff are people of color.
- **Nonprofits in the arts and educational fields generally have less than half their paid staff from racially and ethnically diverse backgrounds.** Twenty-seven percent of staff in arts organizations are people of color, as are 37 percent of those in educational nonprofits.
- **Executive directors of color are much more likely than their non-Hispanic white counterparts to have a highly diverse paid staff.** On average, an executive director of color has a staff in which three-quarters of the staff are people of color. In contrast, a non-Hispanic white executive director leads a staff in which the majority is non-Hispanic white. The data do not indicate reasons for this difference.

Staff Diversity by Characteristics of the Organization and Executive Director

Characteristic	Paid staff of color (%)	Non-Hispanic white paid staff (%)
All nonprofits in the Region	50.8	49.2
Size of organization, based on expenditures		
Less than \$250,000	47.5	52.5
\$250,000–\$999,999	47.5	52.5
\$1 million or more	52.0	48.0
Type of organization		
Arts, culture, and humanities	26.6*	73.4*
Education	37.2	62.8
Health	59.8	40.2
Human services	60.3	39.7
Other	39.4	60.6
Race-ethnicity of executive director or CEO		
Person of color	73.5*	26.5*
Non-Hispanic white	47.6	52.4

Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: The percentages are based on the total number of paid staff slots (6,253). Fifty-eight respondents did not provide information on paid staff or did not have paid staff members. Four respondents did not provide information on the race/ethnicity of their CEO or executive director. Seven respondents did not provide information on their board members. “Other” includes all organizations that responded to the survey but were not numerous enough to form a single category. It includes civil rights and advocacy organizations, animal welfare groups, and many more.

* Differences for respondents were statistically significant at the 95% confidence level.

Management staff in the region’s nonprofit sector is less diverse than the paid staff.

- **Although most nonprofit workers are people of color, most managers, on average, are non-Hispanic white.** Nearly three in five nonprofit managers (58 percent) are white.
- **About one in three nonprofit managers is African American**—the highest share of managers among people of color.
- **For all racial-ethnic groups of color, the share of managers is smaller than the group’s corresponding share of the sector’s paid workforce.** For example, whereas 4 percent of the sector’s paid staff is Asian-Pacific Islander, 3 percent of managers are in this group. African Americans make up 38 percent of paid staff, but are 31 percent of managers.
- **Not all nonprofits in the region have management teams.** About 40 percent of nonprofits do not have distinct management teams.
- **Executive directors of color are more likely than their non-Hispanic white counterparts to have management teams.** Roughly three-quarters of executive directors of color have management teams, compared with two-thirds of non-Hispanic white directors.

Diversity of Paid Staff to Management Staff

Race/ethnicity	Paid staff (%)	Management staff (%)
Non-Hispanic white	49.2	58.2
Person of color	50.8	41.8
<i>Asian-Pacific Islander</i>	4.0	2.9
<i>Black/African/African American</i>	37.7	30.7
<i>Hispanic or Latino/a</i>	6.8	6.2
<i>Other/mixed race/multiracial</i>	2.4	1.9

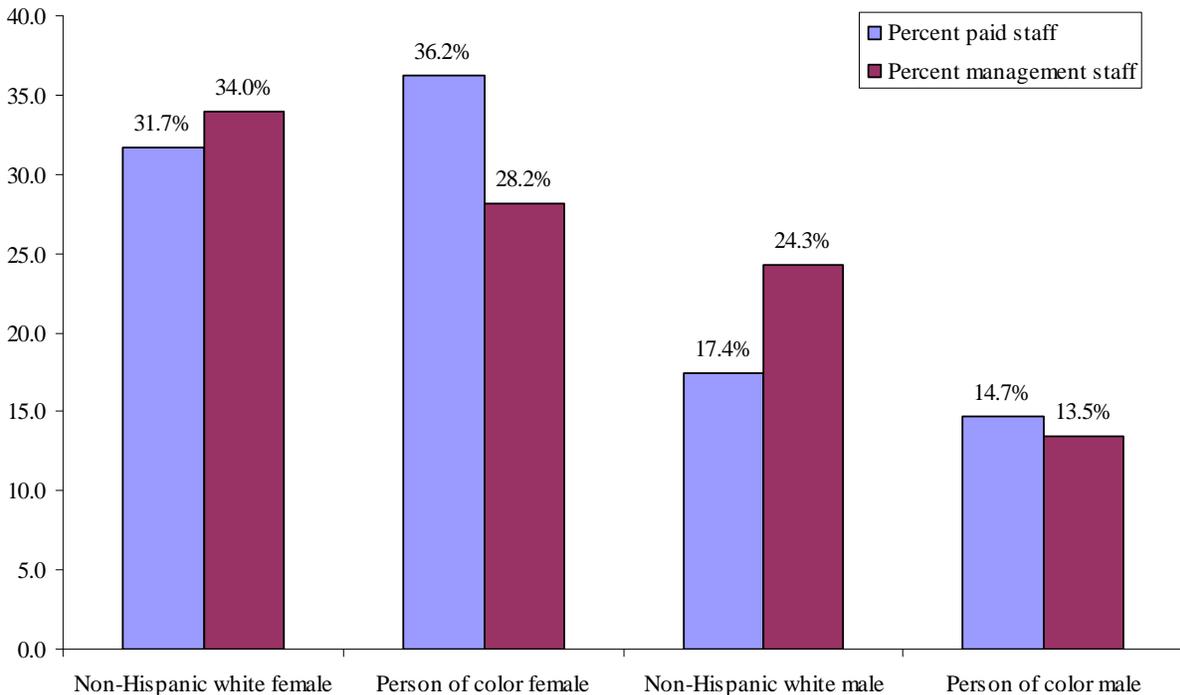
Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: The percentages are based on the total number of paid staff slots (6,253) and the total number of paid management staff (1,022). Percentages under “Person of color” may not sum to subtotal because of rounding. Fifty-eight respondents did not provide information on paid staff or did not have paid staff members. Twenty-three respondents did not provide information on management staff.

Compared with their share of paid employees, women hold fewer management positions in the region’s nonprofit sector.

- **Whereas women hold 68 percent of all paid positions in the sector, they hold 62 percent of management positions.** Men hold somewhat more management positions than their share of the nonprofit paid workforce (38 percent versus 32 percent, respectively).
- **Still, the typical nonprofit manager is a white (non-Hispanic) woman:** 34 percent of all managers. Women of color are the second-largest group of managers (28 percent).
- **About one in four management positions is held by a non-Hispanic white man.** Compared with their share of paid staff (17 percent), white men hold a greater share of management positions (24 percent).
- **Men of color hold about the same share of management positions (14 percent) as their share in the nonprofit paid work force (15 percent).**

Diversity of Paid Staff to Management Staff by Gender



Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: The percentages are based on the total number of paid staff slots (6,253) and the total number of paid management staff (1,022). Fifty-eight respondents did not provide information on paid staff or did not have paid staff members. Twenty-three respondents did not provide information of management staff.

Relatively few nonprofits have written policies on racial-ethnic diversity.

- **The most common type of written diversity policy relates to staffing (38 percent of nonprofits have such policies), followed by board diversity (30 percent).** Only 20 percent of nonprofits in the region have a written diversity policy on consultants and contractors.
- **Organizations with executive directors of color are more likely to have written diversity policies.** More than 40 percent of nonprofits with executive directors of color have written policies on staff and board diversity. By comparison, 37 percent of nonprofits with white (non-Hispanic) executive directors have written policies on staff diversity, and 27 percent have written policies on board diversity.
- **Larger organizations are more likely than smaller ones to have written diversity policies.** About 44 percent of large nonprofits have written staff diversity policies, compared with 30 percent of small nonprofits. Similarly, one in three large nonprofits, but only one in four small nonprofits, has a written board diversity policy.
- **There is no clear pattern related to which types of nonprofits have diversity policies.** Staff diversity policies are most common in human service (43 percent) and arts (40 percent) organizations. Board diversity policies are most common in human service and education nonprofits (about a third of each group). Excluding hospitals, nonprofit health organizations in the region are least likely to report having written diversity policies.

Written Policies Regarding Racial-Ethnic Diversity

Characteristic	Percent of Nonprofits with Written Policy Regarding Race/Ethnicity of:		
	Board	Staff	Consultants
All nonprofits in the region	30.3	38.3	20.0
Race-ethnicity of executive director or CEO			
Person of color	40.5	44.3	30.5
Non-Hispanic white	27.2	36.5	17.3
Size of organization, based on expenditures			
Less than \$250,000	25.6	30.4	18.0
\$250,000–\$999,999	31.8	39.4	12.1*
\$1 million or more	32.8	43.7	27.9
Type of organization			
Arts, culture, and humanities	25.6	39.8	14.4
Education	34.4	31.1	24.0
Health	27.2	25.1	12.3
Human services	33.0	42.5	17.2
Other	27.9	44.8	28.2

Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: Twenty-one respondents did not provide information on written policies. Four respondents did not provide information on the race/ethnicity of their CEO or executive director. Seven respondents did not provide information on their board members. Size is based on the organization's total expenditures. "Other" includes all organizations that responded to the survey but were not numerous enough to form a single category. It includes civil rights and advocacy organizations, animal welfare groups, and many more.

* Differences for respondents were statistically significant at the 95% confidence level.

The economic downturn generally has decreased funding for the region’s nonprofit sector and increased demand for services.

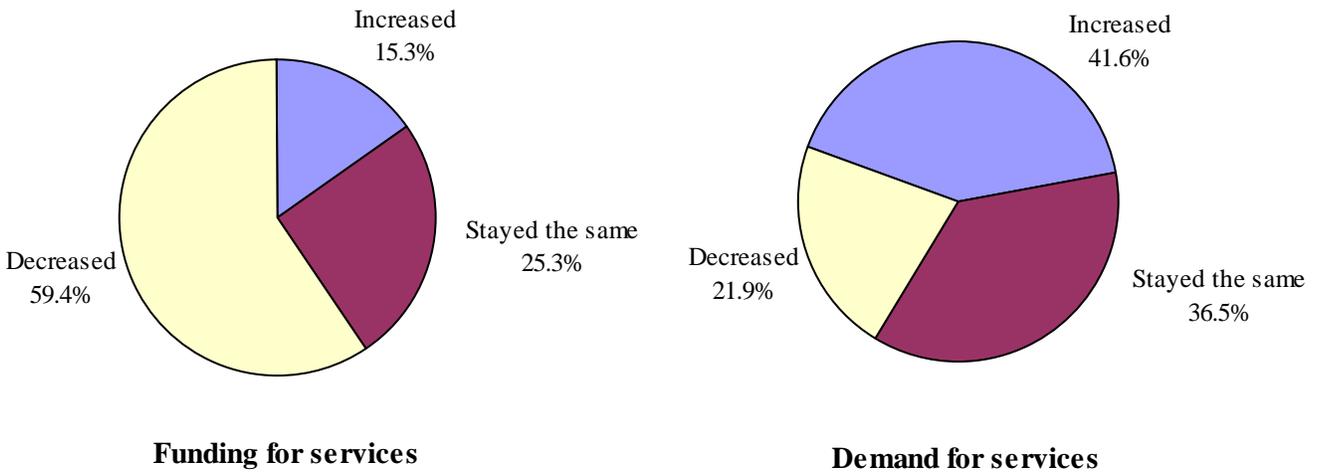
Change in Funding

- Nearly 60 percent of the nonprofits in the Baltimore–Washington region reported a decrease in revenues.
- Small nonprofits were somewhat more likely than large ones to report decreases.
- Nonprofits with white (non-Hispanic) executive directors were more likely than nonprofits with executive directors of color to report cuts in funding: 73 versus 56 percent, respectively.

Change in Demand

- About two in five nonprofits in the region reported increases in demand for their services.
- Large nonprofits were more likely than small ones to report greater demand for their services.
- Nonprofits with executive directors of color were somewhat more likely than their non-Hispanic white counterparts to report increases in demand: 23 versus 19 percent, respectively.

Recent Changes in Funding and Demand for Services



Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.
Notes: Six respondents did not provide information on changes in funding for services. Three respondents did not provide information on changes in demand for services.

Jurisdictions in the Baltimore–Washington region have been differentially affected by the economic downturn.

Change in Funding

- Three in four nonprofits in Baltimore City reported a decrease in funding.
- In Northern Virginia and the District of Columbia, just over half reported funding cuts.

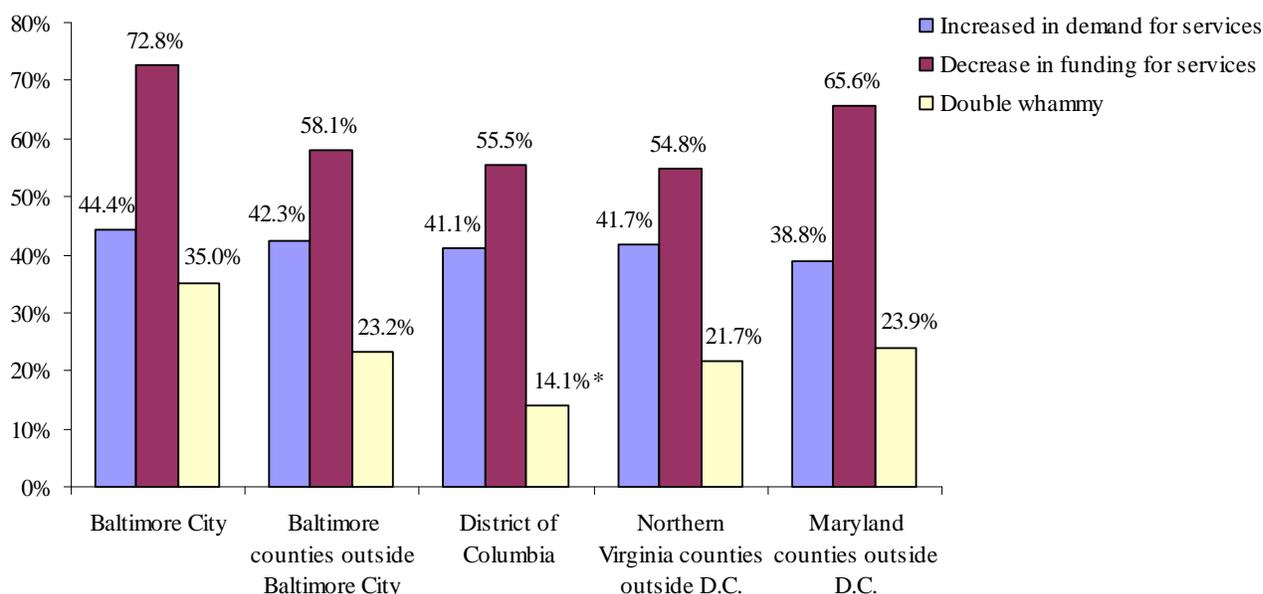
Change in Demand

- About 40–45 percent of nonprofits in every jurisdiction reported an increase in demand for their services.
- Baltimore City had the greatest share of nonprofits (44 percent) reporting increased demand; the Maryland counties outside D.C. had the lowest share (39 percent).

Simultaneous Decrease in Funding and Increase in Demand

- One in five nonprofits in the region felt the double whammy of a decrease in funding and an increase in demand for service.
- Thirty-five percent of Baltimore City nonprofits felt this dual impact, compared with 14 percent of D.C. nonprofits.

Recent Changes in Funding and Demand for Services by Region



Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.

Notes: Six respondents did not provide information on changes in funding for services. Three respondents did not provide information on changes in demand for services.

* Differences for respondents were statistically significant at the 95% confidence level.

Different types of nonprofits in the Baltimore–Washington region have been affected differently by the recession.

Changes in Funding

- On average, most nonprofits in the region have seen their revenue drop, but arts organizations were most likely to report a decrease. Two of every three arts groups reported a decline in funding.
- Health and other nonprofits (e.g., civil rights and advocacy groups, environmental organizations, relief agencies, etc.) were somewhat less likely to report declines in funding: 56 and 53 percent, respectively.

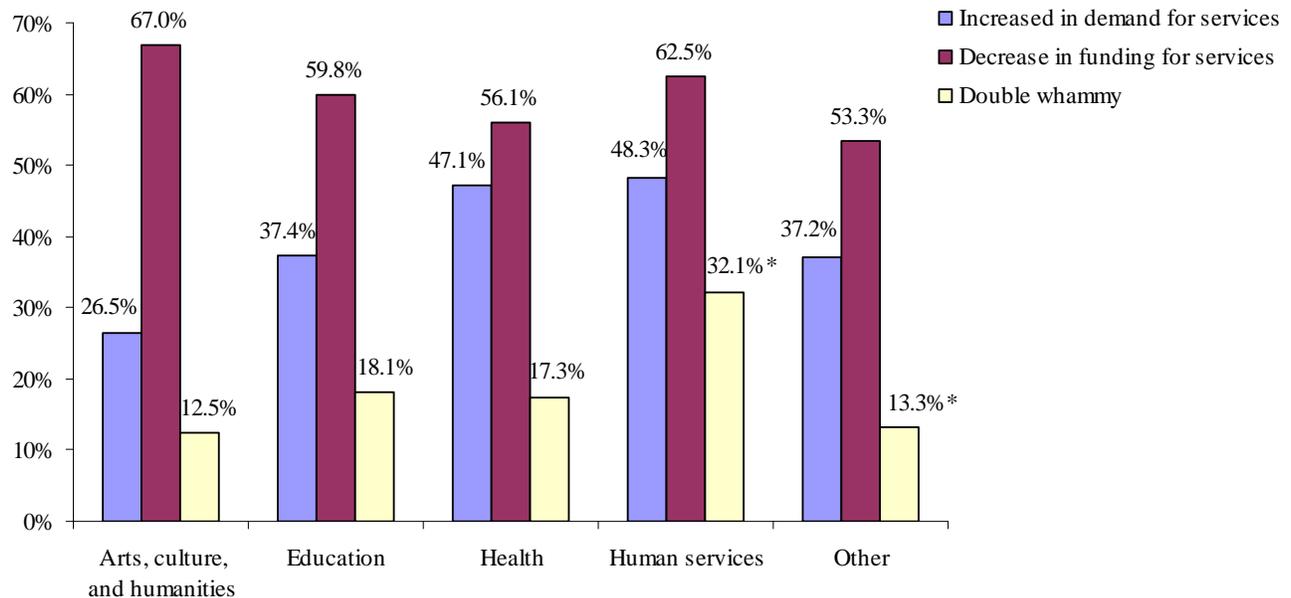
Changes in Demand

- Nearly half the health and human service nonprofits in the region reported an increase in demand for their services.
- Only a quarter of arts organizations reported an increase in demand.

Simultaneous Decrease in Funding and Increase in Demand

- Nearly one in three human service organizations reported the double impact of a decrease in funding and increase in demand—a larger share than other types of nonprofits in the region.

Recent Changes in Funding and Demand for Services by Type of Organization



Source: 2009–10 Urban Institute Baltimore–Washington Survey of Nonprofit Economic and Diversity Issues.
 Notes: Six respondents did not provide information on changes in funding for services. Three respondents did not provide information on changes in demand for services.

* Differences for respondents were statistically significant at the 95% confidence level.

Conclusions

These survey data draw an important portrait of the racial-ethnic diversity of the leadership of the Baltimore–Washington region’s nonprofit sector. Five findings stand out:

1. Nonprofit leadership diversity lags population diversity. Whether measured by the share of nonprofit executive directors or governing board positions, people of color hold fewer positions than their share of the population.
2. Although all groups of color are underrepresented in the sector, Latinos are the most underrepresented. The increasing number of Latinos in the Baltimore–Washington area suggests that this inequity is likely to increase unless more attention is given to helping Latinos acquire the knowledge and skills needed to become executive directors in the sector.
3. Young people of color are not entering the ranks of executive directors as readily as their non-Hispanic white counterparts. Filling the leadership pipeline may require promoting the nonprofit sector to young leaders of color so they consider the sector a viable career option.
4. Recruitment of leaders of color focuses primarily on building networks and personal relationships. Better connections must be made between potential candidates of color and decisionmakers who fill leadership positions.
5. Very few national organizations have executive directors of color. Leaders of color primarily work in local or regional nonprofit organizations. Removing the glass ceiling in national organizations can expand the leadership opportunities for people of color and ultimately strengthen the sector.

The current economic recession has created substantial challenges for most nonprofits in the region. Nearly one in five organizations has experienced both a decline in funding and an increase in demand for services. Creating strong and effective leaders from every racial and ethnic group will be an important part of helping the nonprofit sector ride out this economic storm and help build the social vibrancy and economic vitality of local communities and the nation.

APPENDICES

Appendix A: Definition of the Baltimore–Washington Region

Region 1: District of Columbia

Region 2: Northern Virginia counties outside the District of Columbia (D.C.)

- Alexandria City
- Arlington County
- Fairfax City
- Fairfax County
- Falls Church City
- Loudoun County
- Manassas City
- Manassas Park City
- Prince William County

Region 3: Maryland counties outside D.C.

- Montgomery County
- Prince George’s County

Region 4: Baltimore City

Region 5: Baltimore counties outside Baltimore City

- Anne Arundel County
- Baltimore County
- Howard County

Appendix B: Types of Nonprofits in the Study by NTEE Codes

NTEE Code

Arts, Culture, and Humanities – A

Education – B

Note: Higher education (colleges and universities) was excluded from the sample

Health – E, F, G, H

Health care – E

Mental health and crisis intervention – F

Diseases, disorders, and medical disciplines – G

Medical research – H

Note: Hospitals were excluded from the sample

Human Services – I, J, K, L, M, N, O, P

Crime and legal-related – I

Employment – J

Food, agriculture, and nutrition – K

Housing and shelter – L

Public safety, disaster preparedness and relief – M

Recreation organizations – N

Youth development – O

Human services – P

Other – C, D, R, S, T, U, V, W, X, Y, Z

Environment – C

Animal-related – D

Civil rights, social action, and advocacy – R

Community improvement and capacity building – S

Philanthropy and voluntarism – T

Science and technology – U

Social science – V

Public and societal benefit - W

Religion-related - X

Mutual/membership benefit - Y

Unknown, unclassified – Z

Note: International, fundraising, and grantmaking organizations were excluded from the sample.



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