

# AFRICAN AMERICAN AND WOMEN BOARD MEMBERS OF ECONOMIC DEVELOPMENT ORGANIZATIONS IN THE PITTSBURGH REGION (7/99)

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## Executive Summary

This is the first report of the One Economy Research Project at the University of Pittsburgh. This project aims to monitor economic conditions of African Americans and women in the region and to suggest ways to improve those conditions. The purpose of this first report is to:

- outline the reasons that diversity on economic development boards is important;
- show levels of inclusion of African Americans and women on economic development boards in the Pittsburgh region; and
- suggest ways to improve the representation of women and African Americans on boards.

### There are many reasons why board diversity is important for economic development agencies:

A more diverse board improves relationships with and understanding of the community.

If some people are not being considered for board positions, an important source of talented board members is being overlooked.

Underrepresentation of African Americans or women may be due to intentional or inadvertent exclusion. This could jeopardize an organization's ability to receive public funds.

Public trust in and support for economic development decision making processes may be enhanced by increasing the diversity among those involved.

### How are we doing in terms of board diversity?

In March 1999 we called the 44 largest economic development organizations in the Pittsburgh region to request information on board members. Of these organizations, 41 focus on general economic development and three focus on African Americans. In April we interviewed nine leaders of these organizations about the diversity of their boards and about their efforts to improve board diversity.

**We found that African Americans and women are seriously underrepresented on the boards of most major economic development organizations in the region (see table below).**

<b>Board Membership of 41 General Economic Development Organizations Compared to Estimated Population, Pittsburgh Region, March 1999</b>				
<b>Group</b>	<b>% of Board Members</b>	<b>Est. Proportion of Working Age Pop.</b>		
		<b>City</b>	<b>County</b>	<b>Region</b>
<b>African Americans</b>	6%	30%	15%	10%
Men	4%	15%	7%	5%
Women	2%	15%	8%	5%

<b>Other Race</b>	93%	70%	85%	90%
Men	79%	35%	42%	45%
Women	14%	35%	43%	45%
<b>Women-Total</b>	16%	50%	52%	50%

Among the 41 general economic development organizations:

- 6% (56) of the 881 board positions are held by African Americans and 16% (142) are held by women; and
- 15 (37%) of the 41 organizations have no African American board members and nine (22%) have no women board members.

**Based on the above data on working-age population, we propose the following goals for the representation of African Americans and women on the boards of economic development organizations:**

*African Americans:* Organizations that primarily serve the city or whose board members come primarily from the city should have boards, executive committees, and advisory committees that are made up of about 30% African Americans. Organizations that primarily serve Allegheny County should have between 15% and 30% African American members, and those that serve the whole region should have between 10% and 30% African Americans.

*Women:* Women comprise about 50% of the working age population throughout the region, and approximate parity for male-female board membership should be the goal.

**The leaders of economic development organizations can improve board diversity if they:**

1. Make a formal commitment to board diversity by adopting a diversity provision in the by-laws.
2. Make special efforts to identify qualified African American and female candidates. Sources of assistance are listed in the final section of this report.
3. Develop and follow systematic procedures for recruiting and nominating qualified members that meet the criteria for board membership. Make criteria for board membership explicit.
4. Make board membership seem attractive and important to African American and women candidates, and work hard to retain them as board members once they are recruited.
5. Set goals for diversifying boards and review progress on a regular basis.

These efforts to diversify boards work best when they are part of a comprehensive organizational plan for diversity, which includes board membership, employment, contracting and subcontracting.

**Public and private sector leadership in the region can:**

- strengthen and support individual organizations' efforts by hiring a race and gender diversity facilitator to assist economic development organizations in identifying and recruiting qualified African American and women candidates.
- take steps to promote diversity on boards and in organizations in general, not just in relation to economic development. Funding organizations, such as foundations and government agencies, can improve the level of diversity in the region by requiring or encouraging organizations to meet minimum diversity requirements for funding, such as diversity in board membership, project management, project-related employment and contracting, and the like.

