



What is the Best Size for Your Board?

Ask a foundation member what's the best size for a board of directors and you'll likely get a different answer every time. Size varies from board to board, depending on factors such as the type of foundation, the asset size, the board culture and the nature of its work. A board of four might be perfectly suitable for a family foundation, for example, but unheard of for a community or public foundation.

With so many variables at work, is there an ideal size for foundation boards? There are many opinions out there, and even more uncertainty. One foundation member called ideal board size the "unanswerable question." Yet in an era of sustained scrutiny and the potential for more government oversight, it's more important than ever for your board to revisit its size and determine the right number to carry out effective and responsible governance in your foundation.

This article will help your board consider three main questions:

- What are the advantages and limitations of large versus small boards?
- What size will help us best accomplish our mission?
- How do our colleagues approach this question?

Although board size varies significantly among different foundation types, this article speaks generally to all foundation boards—community, family, independent, public and corporate. Those issues that are type-specific are noted throughout the text.

Why It's Important to Discuss Board Size

In most states, state law dictates the minimum size for nonprofit boards organized as corporations. Usually it's three, but some states only require one board member. For nonprofits organized as trusts, one trustee is typically all that's required but this number could change at some point. There has been and continues to be much public debate within the philanthropic and public sector about appropriate board size.

During the early years of the century, the Senate Finance Committee raised concerns that some charitable organizations were not functioning effectively to protect the public interest. In 2004, the committee released a staff discussion draft containing proposals to improve nonprofit accountability and governance. One of the proposals recommended mandating the minimum and maximum number of members that could serve on nonprofit boards—including the boards of foundations. While the public discussion continued, the proposal failed to advance.

In 2005, the Council on Foundations [Stewardship Principles](#) likewise included board size as an important and necessary consideration of a foundation board without actually recommending a specific minimum or maximum size by stating that foundations should: "Identify the desired characteristics of the governing board, including size, composition and member skills and experience; ..."

In 2007, the Panel on the Nonprofit Sector, a group of nonprofit leaders convened at the request of the Senate Finance Committee, issued its [Principles for Good Governance and Ethical Practices](#). In it, the panel

generally recommended that boards should have a minimum of five members. According to the panel, “The board of a charitable organization should establish its own size and structure and review these periodically. The board should have enough members to allow for full deliberation and diversity of thinking on governance and other organizational matters. Except for very small organizations, this generally means the board should have at least five members.”

Two years later, in 2009, The National Committee for Responsive Philanthropy came out with its best practices criteria, [*Philanthropy at its Best*](#). Agreeing with the Panel-recommended minimum number of board members, it prescribed boards should consist of “at least five people” reasoning that “(r)esearch indicates that diverse groups make better decisions, and that a minimum of five people is needed to achieve a plurality of perspectives.”

That same year, the IRS paid attention to foundation board size as well. In its staff training materials on tax-exempt organization, it stated that while recognizing that no size fits all, it believed appropriate size important in ensuring that organizations obey tax laws, safeguard their charitable assets, and further their charitable purposes. The materials further stated small boards are thought to run the risk of not representing a sufficiently broad public interest and of lacking the required skills and other resources required to effectively govern the organization. At the same time, the materials acknowledged that very large boards may have a more difficult time getting down to business and making decisions. These large boards, according to the training materials, might want to establish an executive committee with delegated responsibilities or advisory committees.

The above shows that board size remains a hot topic and foundations should take note. Normally a foundation’s governing documents (the bylaws or the trust agreement) in addition to state law requirements determine the size of the board. If your governing documents do not address board size, or you haven’t discussed the rationale behind your board’s size recently, take the time to do so now.

What Is the Average Board Size?

Size varies dramatically among foundations boards, depending on a number of factors including:

- Type of foundation and the nature of the board’s work
- Mission and purpose
- Asset size
- Donor’s original intent
- Board structure
- Life cycle stage of the foundation
- Attention to or need for inclusiveness
- Size and culture of the family in family foundations
- Requirements for fundraising in community and public foundations

Newly formed boards often start cautiously with a donor or small number of members and expand as the organization (or family) grows and funding areas or programs diversify. Typically, foundations with greater assets have more board members than those with smaller assets. Although research data may suggest average board sizes, every board is different and averages merely reflect what exists— not necessarily what is recommended as a norm.

Survey Data

Various philanthropic infrastructure groups conduct periodic surveys on board composition. Keep in mind the survey samples these groups use, meaning the actual organizations included in each survey with their specific traits, differ, which helps account for possible significant discrepancies in respective survey data as shown below.

In the Council on Foundations' *2009 Foundation Management Survey*, respondents reported a median overall board size of 12, with a range from seven to sixteen. (See chart below) 2006 survey respondents also reported a median board size of 12. The boards of family and independent foundation respondents are significantly smaller than those of community and public foundation respondents. Also, among respondents board size varies more by grantmaker type than by asset size.

A [2009 Foundation Center study](#) of 11,600 foundations found a median of four and an average of 5.5 board members.

According to a study by the Association of Small Foundations (ASF), smaller-staffed foundation (defined as three persons or fewer) boards had a median of five board members. (*2007–2008 Foundation Operations and Management Survey*, www.smallfoundations.org).

In the wider nonprofit universe, the *2010 BoardSource Nonprofit Governance Index* found the average board size to be 16. (www.boardsource.org).

Median Board Size and Gender Composition of Governing Boards, By Grantmaker Type

Grantmaker Type	Foundations Responding	Percent Male	Percent Female	Median Size
Community	220	63.1%	36.9%	16
Family	108	51.8%	48.2%	7
Independent	144	64.9%	35.1%	9
Public	45	57.2%	42.8%	13
All	517	61.6	38.4%	12

Source: Council on Foundations Foundation Management Series, 2010 Edition, Board Composition and Compensation.

How Foundation Type Affects Board Size

Some boards function under a representational mandate; their composition needs to reflect those they serve. For example, community foundation boards must be representative of the community. In a narrow legal sense, “representative” means that the board must not be controlled by a small number of the foundation’s principal donors. Because of this, community foundations typically have larger boards than private (family, independent or corporate) foundations. Because community foundation boards are required to fundraise, bigger may be better—more members can share the responsibility of giving money and finding donors.

For other types of foundations, few rules exist (other than state established minimums). Some foundations designate seats on their board for public officials, staff, community experts, or those with legal and financial expertise. The Charities Aid Foundation America (CAF America), for example, has a membership structure in which one seat is always reserved for the founding organization in the United Kingdom.

Depending on the foundation's purpose or donor intent, private foundation boards may be limited to drawing their members from a designated group, such as company employees (for corporate foundations or giving programs) or family members (for family foundations). In such cases, board size may be dictated by how many people are able to serve.

For example, the Wallace Alexander Gerbode Foundation has four members on its board. "At some point another generation may come along, but for now, our board size is purely a function of how many people are available from the family," said Tom Layton, president of the foundation.

Some family foundations have the express purpose of keeping the family together over time. For this reason, the bylaws may state that only lineal descendants of the donor may serve on the board. This often creates challenges for family foundations later on. For example, as the family grows, so does the board, which sometimes makes for an unmanageable number. Smaller families might have the opposite problem: Eventually there may be few or no descendants to inherit the work of the foundation.

Other private foundations open their membership to include nonfamily members or in corporate foundations, representatives from outside the company. They may invite community leaders, public officials or those who have knowledge of a funding area or legal and financial skills. Many foundations that stick to family or to company employees seek outside perspectives by inviting community members to serve on grant distribution panels or advisory committees, inviting outside speakers to board meetings and/or convening members of the community.

Determining the Right Size for You

So then, what is the right size for your foundation board?

When setting (or reviewing) the size of your board, start by discussing your mission and what your board needs to fulfill that mission. Ask yourselves: *What kind of work does the board do at its meetings? Is the board a policy board, a hands-on "working" board, or a combination of the two? What skills does the board need to meet its goals? How would expanding or shrinking the board affect its culture, communication and work style?*

Many boards set a range instead of an exact number—although some states' laws require nonprofits to fix an exact number in their organizing documents. A range gives the foundation greater flexibility as it grows and changes. Some boards go larger out of concern for meeting a quorum—the percentage of board members that must be present at a board meeting (usually set by state law)—for a vote to count. One example of a quorum might be half the total number of all board members, plus one (e.g., in a board of 12, a quorum would be seven).

One more tip: many foundations choose an uneven number of board members. This helps avoid tie votes.

What follows is a discussion of the advantages and limitations of small and large boards—presenting a case for each to help you decide.

The Case for Small Boards

Meaningful Membership

Board size affects how efficiently and effectively board members share and fulfill their responsibilities. If this is true, larger boards don't mean better boards.

“The larger the board, the more members defer to someone else to take on responsibility,” said Wayne Carmello-Harper, president and CEO of the Community Foundation of Calhoun County. Members of large boards may feel less ownership or accountability for the work.

With many people at the table, it can be difficult for everyone to engage in the meetings. A few members may dominate the discussion, while quiet members fade into the background. If one, two or even five people control the meeting, what good is having a large board at all? It also feeds the danger of a “herd” mentality developing where the majority blindly follows a few board members who take the lead.

“When serving on boards of 20 or more, there's not always equal participation among members,” said Susan Saxon-Harold, CEO of Charities Aid Foundation America. On some boards I've served on, meetings were highly structured. The materials and agenda have been designed for public show rather than detailed discussion. There also tends to be less questioning on large boards. A member's affiliation is sometimes more important than their contribution—and meetings are much less engaging.”

Kevin Murphy, president of the Berks County Community Foundation, would agree. “When we had 30 on our board, I felt like we were having a press conference.”

Added Efficiency

The smaller the board, the more likely members will experience a feeling of unity, common purpose and ownership. Every member can be active and engaged, which makes for a more rewarding experience. Board members tend to know each other better, which may make their work together more fruitful.

“We've found that a board of three helps us be more efficient in our work and speedy in getting things done,” said Tom Teeling, executive director of the John & Susan Dewan Foundation. “With a smaller board, there's no bureaucracy.”

Small boards can be flexible in terms of scheduling meetings and setting agendas. Most states now allow boards to hold meetings and conduct official business by phone or other electronic communica-

tion. With fewer people's schedules to accommodate, small boards may meet more frequently both in person and by phone to take care of matters as they arise.

Easier to Manage

Most foundation staff would say smaller boards are easier and less expensive to manage. Their meetings require less staff time to coordinate (scheduling, preparing briefing books, etc.) and to facilitate the volume and flow of board activity.

"If you have a big board, any more than 12 or 13, and a small staff, the obligations can be considerable," said Susan Saxon-Harold of Charities Aid Foundation. "The vast majority of time is spent servicing advisory boards and committees."

According to Denise Spencer, president & CEO of Midland Area Community Foundation and Clare County Community Foundation, "As the CEO, the 'care and feeding of the board' is a very large part of my job. I need to make sure that everyone's needs are being met, that they all have the individualized attention and all their questions answered, and that they are all well-trained in their responsibilities."

"For this reason, the board must be a reasonable size to manage," she continued. "A reasonable size is a group that is not too expensive to feed, that is not too expensive to send to a conference, that is not too expensive to provide agendas or policy notebooks, and that is not too large to fit in a conference room."

The Case for Large Boards

Diversity and Inclusiveness

One way small boards can fall short, however, is in diversity.

The Council on Foundations' [Stewardship Principles](#) state that foundations should incorporate a wide array of people, experience, knowledge and skills into their work. Larger boards provide more opportunity for diversity and a culture of inclusiveness. The larger the board, the greater the range of viewpoints and ideas, which can lead to more thorough and thoughtful consideration of the issues.

A diverse board makes for a more responsive and effective board. Diversity demonstrates your board's connection to the community. It broadens the board's perspective on the economic, political or social problems you are working to resolve. Because it helps board members understand and respond to different groups seeking grants, diversity also strengthens grantmaking.

The Jessie Smith Noyes Foundation is a board that advocates for diversity. As president Victor De Luca said, "It's critical to have a diverse board. It reflects the real world and makes us more sensitive to various perspectives. We work really hard at trying to create a broad enough pool to attract diverse board and staff members. That's a practice that a lot of foundations say they can't do. My answer is: You just have to do it."

When discussing what diversity can bring to your board, consider geographic region, age, ethnicity, race, socioeconomic status and gender.

Added Expertise

A larger board opens more seats for different skill sets, experience and professions in the boardroom. Drawing from the expertise of its many members, the board can achieve better governance and grantmaking.

Boards with fewer members have fewer skills and experiences to bring to the table. A board that's too small can become insular, missing the perspectives needed for informed and effective decision making.

John Crain is president of the Summerlee Foundation, with a board of four. He notes, "Our board is ideal from a manager's perspective, but where it fails organizationally is in our lack of accounting, investment, other skills at the table. Even if we have independent members for board committees, we need additional skill sets on the actual board."

Shared Workload

Another benefit of big boards is that there are more people to *do* the work. A board that is too small may lack the people power to appoint committees and properly perform the board's job.

"When new members came on to our board, there were more people to populate the committees and more activity on the committees as a result," said Jane Stamstad, executive director of the James R. Thorpe Foundation. "They also brought new insights to our funding areas."

On community foundation boards, in particular, a larger board allows members to share the burden of fundraising. According to one study, bigger boards not only allow for a larger list of donor contacts, but they also inspire more members to give. (*Stanford Social Innovation Review*, www.ssireview.org.)

"A smaller number means each member accepts too much of the workload," said Peggy Ogden, president & CEO of the Central New York Community Foundation.

What Your Colleagues Say

In Favor of Small Boards

"A board between seven and 13 members can remain effective, informed and active. A smaller group takes more ownership of the legal obligations of duty and care." — Wayne Carmello-Harper, President and CEO, Community Foundation of Calhoun County

"We have five board members, and we keep our board small deliberately. Everyone must be engaged on a small board, and it helps create harmony in working together." — Susan Saxon-Harold, Executive Director, Charities Aid Foundation America

“A reasonable board size can depend on how long your board meetings are and how much time you are willing to spend while numerous board members weigh in on agenda topics. The chair will need to make sure that everyone is heard and that everyone’s questions are answered. That is easier with smaller rather than larger numbers.” —Denise K. Spencer, President and CEO, Midland Area Community Foundation/ Clare County Community Foundation

“The advantage to a small board is that you touch a lot more people. A good alternative might be a smaller board with outside advisory groups.—Michael Batchelor, President, Erie Community Foundation, PA

In Favor of Large Boards

“With 17 members (and a maximum number of 22), we now have a greater diversity of members, representing the full geographic area we serve. We formed six committees plus an executive committee—which means a heck of a lot more committee meetings—but those meetings allow us to truly engage our board members.” —Andrew Swinney, President, The Philadelphia Foundation

“A larger board (we have 24) helps us balance continuity on the board, diversity and the succession of leadership.” —Peter T. Cooper, President, Community Foundation of Greater Chattanooga

“New blood can be healthy for the board—it brings new energy, new passion—and it can rekindle the spirit of the foundation. When the new members came on, the passion grew on the board. The new members brought in a new, younger perspective and new insights on our funding areas. —Jane Stams-tad, Executive Director, James R. Thorpe Foundation

Summary

Small Boards	
<p>Advantages:</p> <ul style="list-style-type: none">• Board members feel more ownership and responsibility for the work.• Communication and interaction may be easier and more flexible.• Board members know each other as individuals, creating unity.• Every person’s participation counts.• Board members may gain more satisfaction from their meaningful involvement.• Fewer staff are required to support the administrative functions of the board.	<p>Limitations:</p> <ul style="list-style-type: none">• Small numbers limit opportunities for diversity and inclusiveness.• Fewer skills and perspectives are represented at the table.• Fewer people are available to serve on committees; heavy work load may create burnout.• For public/community foundations fundraising becomes a burden on the shoulders of a few.• The board has less continuity in times of leadership change.

Large Boards	
<p>Advantages:</p> <ul style="list-style-type: none">• Larger numbers allow for more opportunities for diversity and inclusiveness.• More seats allow for inclusion of legal and financial advisors, community leaders and funding area experts.• Work can be shared among the group; more people are available to serve on committees.• Fundraising may be easier because there are more people on the board with more connections.• More board members helps maintain institutional memory in times of leadership change.	<p>Limitations:</p> <ul style="list-style-type: none">• Members may feel less individual responsibility and less ownership of the work.• Large groups may hinder communication and interactive discussion.• Cliques or core groups may form, deteriorating board cohesion.• Some voices may not be heard; a few active board members may dominate proceedings. Feeds danger of herd mentality where a few lead and the rest follow.• Bigger boards may not be able to engage all members, which can lead to apathy and loss of interest.• Meetings are more difficult to schedule; more staff time is needed to coordinate board functions.

A Mix of Both

Some foundations use a variety of alternative structures and ideas to get the “best of both” in terms of board size. For example, the Wallace Alexander Gerbode Foundation uses advisory committees, panel discussions and collaborative funding to bring more diversity to its small board. “We engage the expertise of people outside of our board. We put together first-rate committees and we take their advice,” said Tom Layton, president.

Here are some other ideas:

- Some foundation boards use a **two-tier structure**, which includes a larger advisory board and a smaller operating board. The advisory board may comprise outside community members, former or honorary board members or extended family branches in family foundations. This structure brings more perspective and voices to the board, without increasing its size.
- For those foundations that don’t mind a larger board, but would like to separate the board in members who govern and those who perform other functions, “bifurcation” may be right for you if your state allows it. This concept, outlined in detail in [this article](#) involves splitting your board in two sections: some board members will fulfill the board’s fiduciary duties and actually govern. Others will focus on such non-legally mandated governance functions such as fundraising, grantmaking and strategies. In theory this would allow board members to bring to the board what they do best and enjoy the most by placing them in a board role that most suits them. Be sure to clearly separate the lines between your multiple board forms so it’s clear who governs and is accountable and who deals with the “softer side” of foundation management. Note that not all states allow a bifurcated board.

- On larger boards, consider appointing a core **executive committee** to help the board function as a whole, but be careful that it doesn't cause the remaining board members to feel like "outsiders." In addition, be sure to have all decisions ratified by the full board or, for significant matters, reviewed and approved by the entire board before final decisions are made.
- To engage members on a large board, break into **small groups for brainstorming** and discussion.
- **Limit the number of representatives** from each geographic region and/or family branch. For example, instead of inviting all six likely candidates from a particular family or region, ask them to select one or two people to represent the group.

Conclusion

One size does not fit all foundations. Each board needs to define its optimal range or number. According to Peggy Ogden, president & CEO of the Central New York Community Foundation, "The right number depends on the amount of work to be done, and group dynamics."

Without a doubt, size can influence board effectiveness. Yet, before restructuring your board or changing its size, look at the way your board functions now. If there are continual problems, size may be a contributing factor—but not the root cause.

No matter what size your board chooses, it's important to discuss the issue. Doing so will improve more than your own board's effectiveness. By determining the right size for your board, you help the foundation field as a whole—you show Congress and the public that foundation boards are *indeed* responsible governing bodies.

In Sum, Ask Yourself:

- What does your board want to accomplish? How will the board's size contribute?
- Do your bylaws (or trust document) specifically state the desired size for your board? What are the minimum and maximum numbers?
- What is the rationale for the current board size? Does it help or hinder your mission?
- How does your board's size affect the board's culture and style?
- For small or mid-sized boards, what skills could expanding the membership bring?
- Would advisory groups bring more perspectives and skills to certain board functions? Could non-board members serve on certain board committees (e.g. finance or audit)?
- If you have a large board, how will you ensure members stay engaged in foundation activities? What tools can you use to make sure everyone's voice is heard?
- How often does the board revisit its bylaws or policy on board size?

–Updated in 2010

Please note: Some of the individuals being quoted in this article have changed jobs. The titles as listed reflect the positions the individuals held when they gave their quotes.