

WORKING PAPER

**Who Leads Nonprofit Organizations? Leadership Representation, Governance,
and Community Alignment in the Nonprofit Sector**

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Abstract

This paper synthesizes existing scholarship on leadership representation in the nonprofit sector, examining who occupies executive director and board chair positions, why that matters for organizational governance, what the literature reveals about barriers to greater representation, and where meaningful research gaps remain. Drawing on national survey data, peer-reviewed studies, and practitioner research, the paper argues that leadership representation is a governance question; one that shapes mission priorities, resource allocation, and community accountability, rather than a workforce diversity metric. The descriptive picture is clear: approximately 79% of nonprofit executive directors and board chairs are non-Latinx White, despite a substantially more diverse U.S. population. The literature increasingly locates this gap not in talent shortages but in structural and cultural barriers embedded in how nonprofits recruit, develop, and advance leadership. The paper concludes by identifying research opportunities grounded in practitioner knowledge, with particular attention to community alignment at the organizational level.

Keywords: *nonprofit leadership, board diversity, executive directors, governance, racial representation, community alignment*

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Introduction

The question of who leads nonprofit organizations has received growing scholarly attention over the past decade, and for good reason. Nonprofits occupy a distinct position in American civic life—they are trusted to serve public purposes, to advocate on behalf of communities, and to fill gaps that neither government nor markets adequately address. That trust carries an implicit claim: that the sector is accountable to the communities it serves. Leadership composition is one place where that claim can be examined concretely.

The evidence has not been encouraging. According to the Urban Institute's 2021 national survey, approximately 79% of nonprofit executive directors and board chairs were non-Latinx White—this in a country where that population represents roughly 60% of the total (Faulk et al., 2021). About 70% of nonprofit boards included at least one member of color, yet only 21% of executive directors and board chairs were people of color. These numbers describe more than a diversity gap in the conventional sense. They describe a governance sector whose decision-making authority is concentrated among a demographic group that is not representative of the broader population the sector claims to serve, nor of the communities most dependent on nonprofit services.

This paper synthesizes existing scholarship on nonprofit leadership representation. It does not present original empirical findings. Instead, it examines what the literature establishes about who occupies leadership roles in the sector, what structural and cultural conditions produce those patterns, what associations between leadership composition and organizational outcomes have

been documented, and what research questions remain open. The argument running through the paper is that leadership representation is fundamentally a governance issue. Not a workforce diversity question with governance implications, but a governance question. Who holds authority in an organization shapes what that organization does, who it serves, and how it defines success.

A note on scope: this review draws primarily on research published since 2009, with heavier reliance on work from 2016 onward, when the literature on nonprofit board diversity and leadership pipelines became substantially more developed. The paper is also informed by practitioner experience in the sector, which shapes the research questions I find most pressing and the framing I bring to interpreting the evidence.

Why Leadership Representation Matters

To treat leadership representation as primarily a moral or symbolic concern is to underestimate what is at stake. The more important argument runs through governance. In nonprofit organizations, executive directors and boards are not simply the most senior employees or the most prominent volunteers. They are the locus of organizational authority. They set strategy. They make resource allocation decisions. They determine hiring and firing. They shape organizational culture and define what the mission means in practice rather than in language. They cultivate partnerships and decide which communities the organization will enter and on what terms. These decisions are not incidental to organizational effectiveness they are organizational effectiveness.

When leadership composition diverges substantially from the demographics of the communities an organization serves, a specific accountability problem emerges. It is not that leaders from outside a community cannot serve it well. Many do. The problem is structural: the people making consequential decisions about a community's services, representation, and

resources are not drawn from and do not answer to that community in any direct sense. They answer to funders, to peer organizations, to professional norms, and to each other. Community members may receive services, but they are not in the room where organizational decisions are made.

The financial pressures operating on nonprofit leaders make this more consequential, not less. Nonprofit executives entering 2025 identified financial sustainability as their primary concern, with revenue uncertainty, rising costs, and escalating service demand as the dominant themes (Fallon et al., 2025). Under those conditions, resource allocation decisions become more difficult and more consequential simultaneously. Which programs get cut? Which communities get deprioritized when funding contracts? Who is consulted when strategic direction shifts? These decisions are made by boards, executive directors, and the positionality those leaders bring to the decisions matters, even when the intent is entirely good.

Buse et al. (2016) framed the organizational stakes clearly: board diversity and inclusion practices are associated with stronger governance outcomes, including clearer role definition, more effective oversight, and more robust strategic planning. This is an association, not a causal claim, and the paper returns to that distinction in a later section. But it suggests that the composition of organizational leadership is not separate from organizational quality. It is part of it. The governance question and the representation question are not two different conversations.

What the Literature Says About Who Leads Nonprofits

The scholarly and practitioner literature on nonprofit leadership composition has grown considerably since the mid-2000s, developing from broad descriptive surveys toward more nuanced examination of the structural conditions that produce observed patterns. Several themes emerge consistently.

The most comprehensive national picture comes from the Urban Institute's Nonprofit Trends and Impacts research program. Their 2021 findings established the baseline: nonprofit executive directors and board chairs are overwhelmingly White, with people of color holding approximately 21% of those positions despite representing a far larger share of the U.S. population (Faulk et al., 2021). What the aggregate numbers obscure, however, is that this pattern holds even within organizations whose missions are explicitly oriented toward communities of color. Sixteen percent of nonprofits primarily serving communities of color were governed by all-White boards—a figure that is difficult to square with any straightforward account of mission-leadership alignment (Faulk et al., 2021). Mitchell (2021) summarized the overall pattern by noting that nonprofit leadership has not kept pace with demographic change in the broader population, a framing that positions the representation gap not as a static feature of the sector but as a widening one.

Geographic variation complicates the national picture in ways that matter for interpretation. Fifty-eight percent of rural nonprofits reported having no board members of color at all (Faulk et al., 2021). The standard explanation, that rural areas have less racially diverse populations, therefore less diverse leadership pools, has some validity. But it is incomplete. Rural areas with substantial populations of color do not uniformly produce diverse nonprofit leadership, which suggests that population demographics are a constraint rather than a full explanation. Recruitment practices, organizational culture, and the social networks through which board membership is typically extended operate as independent variables.

Lee's (2022) study of 2,150 GuideStar Platinum nonprofits offers one of the more precise quantitative accounts of how board composition and executive leadership interact. She found that each one-percentage-point increase in board racial diversity was associated with approximately a

1.1% increase in the probability that the organization's CEO was a person of color. This is a correlation, not a mechanism—it does not tell us whether diverse boards actively recruit diverse executives or whether organizations committed to diverse leadership build both simultaneously. But the relationship is consistent with a broader pattern in the literature: board composition and executive composition tend to move together, reinforcing whatever demographic character the organization has established over time. Lee's (2025) subsequent work extended this analysis to examine gender and race in combination, finding that intersectional dynamics do not simply add: women of color face compounding barriers that cannot be captured by analyzing gender and race as separate variables.

Organizational mission and subsector are related to leadership composition, though not in a straightforward way. Nonprofits focused on racial equity and social justice tend toward more diverse leadership than those focused on arts, education, or environmental issues. But variation within any given subsector is substantial enough that subsector alone is a weak predictor. Some arts organizations have genuinely diverse leadership; others are effectively monoracial. The implication is that organizational choices about recruitment, culture, and board development matter independently of subsector context. Organizations that have achieved greater representation did not simply inherit it from their mission area. They built it.

Leadership Pipelines and Advancement

One of the more durable misreadings of the nonprofit leadership representation gap is the pipeline explanation: there are not enough qualified candidates of color, so organizations cannot diversify their leadership. The literature has been increasingly direct in challenging this account. People of color represent a substantial and growing share of nonprofit sector employees,

concentrated heavily at the program and direct service levels. The pipeline exists. What constrains it is advancement.

Johnson (2009), writing at an earlier moment in this conversation, argued that concerns about a nonprofit leadership deficit were somewhat overstated—that the more important question was not whether qualified leaders existed but whether organizational conditions supported their emergence and retention. That framing has proven durable. The question is not supply. It is the conditions under which diverse candidates can advance, and those conditions have been found to be unequally distributed.

Mentorship is one such condition. The Nonprofit HR (2020) examination of women of color in nonprofit leadership found that access to senior mentors was unequally distributed by race and gender in ways that compounded over careers. Mentoring relationships form through proximity and perceived similarity. People tend to invest in those who remind them of themselves at an earlier career stage. In a sector with predominantly White senior leadership, this produces structurally unequal mentoring even without any individual intent to exclude. The result is uneven development of leadership capacity across demographic groups.

Sponsorship operates differently and matters more directly for advancement. A mentor advises and develops; a sponsor uses their positional authority to advocate. They recommend candidates for promotions, executive searches, board seats, and conference platforms. The Nonprofit HR research found that women of color received mentoring at roughly comparable rates to White women but received sponsorship at significantly lower rates. This distinction matters because advancement in nonprofit leadership, particularly the move into executive director roles, depends heavily on informal networks and personal recommendations. Credentials

are necessary but not sufficient. Without someone in a position of authority actively opening doors, careers stall at middle management levels regardless of qualifications.

Organizational culture mediates these dynamics. Some nonprofits build explicit pathways for leadership development, offer structured mentoring programs, and actively recruit emerging leaders of color into board service. Others operate through informal relationships and ad hoc practices that tend to reproduce existing demographic patterns. The difference is not simply organizational resources. Smaller organizations with limited budgets have successfully built diverse leadership pipelines by being intentional about it. The more determinative factor appears to be whether senior leadership and boards treat pipeline development as a governance priority or as an HR function.

Governance and Organizational Outcomes

The most difficult question in this literature is whether leadership diversity truly affects organizational outcomes, and if so, how. The honest answer is that the evidence is suggestive but limited, and the mechanisms are not fully understood.

Several studies have found positive associations between aspects of board diversity and governance quality. Buse et al. (2016) found that organizations with formal board diversity practices demonstrated stronger governance outcomes overall, including clearer role definition, higher board member engagement, and more effective strategic oversight. Dula et al. (2020) found that female board leadership in member-serving nonprofits was associated with stronger board performance across several dimensions. These studies are methodologically careful in framing their findings as associations rather than causal relationships, and that framing is important. Board diversity is correlated with stronger governance, but the direction of causality

is not established: it is possible that organizations with stronger governance cultures are more likely to prioritize board diversity, rather than the reverse.

Mumford's (2022) study of nonprofit resilience during the COVID-19 pandemic adds complexity that the field should take seriously. She found that organizations with greater Black board representation expanded service delivery and advocacy at higher rates during the pandemic than organizations with predominantly White boards, a finding consistent with the argument that diverse leadership produces greater organizational responsiveness to affected communities. But she also found that those same organizations reported lower financial reserves. This is not a contradiction. It may reflect a genuine difference in organizational priorities: a board that includes members from communities facing acute crisis during a pandemic may make different resource allocation decisions than a board insulated from those conditions. Whether expanded services with lower reserves represents better or worse organizational performance is a values question, not an empirical one. The evidence does not resolve it. But it does suggest that the effects of diverse leadership are more complicated than a simple "diversity improves performance" narrative would imply.

Didericksen et al. (2024) approached governance from a relational angle, examining board-executive director dynamics in youth-serving nonprofits through qualitative methods. Their findings centered trust, role clarity, and mutual accountability as the mechanisms through which board composition affects organizational effectiveness. This framing positions leadership diversity not as a direct driver of outcomes but as a condition that shapes the relational quality of governance. This includes factors like how well boards and executives understand each other, how effectively they navigate disagreement, and how clearly they define their respective roles.

When board members share lived experience with the communities an organization serves, that relationship carries a different kind of accountability than when they do not.

The persistent limitation across this body of research is the nature of the evidence available. Nonprofit organizations cannot be randomly assigned leadership compositions, which means true experimental designs are unavailable. The literature relies on cross-sectional and longitudinal observational data, which can identify patterns and associations but cannot firmly establish causation. This is not unique to this literature; it characterizes most organizational research. But it means that claims about what diverse leadership produces should be held carefully.

Questions That Remain

The existing literature establishes the broad demographic picture of nonprofit leadership with reasonable clarity. What it has not done, and what I find most interesting as a practitioner-researcher, is examine the gap between who an organization serves and who leads it at the organizational level rather than the sector level. National aggregate data telling us that the sector is 79% White-led is important context. But it does not tell us whether a health nonprofit serving a neighborhood that is 70% Black has Black leadership, or whether an education organization in a majority-Latino community is led by Latino professionals. Community-level alignment, or its absence, is the more consequential question from a governance accountability standpoint, and it remains largely unstudied.

Subsector variation also warrants more systematic attention. The literature suggests that representation patterns differ across nonprofit types, but comparative analyses are limited. Understanding what distinguishes subsectors with greater representational alignment from those with persistent gaps would require both better data and more careful attention to the

organizational choices that produce different outcomes within subsectors that face similar structural constraints.

The board-executive relationship that Lee (2022) identified, where board racial diversity is correlated with CEO diversity, raises a direction-of-causality question that has not been adequately addressed. Do diverse boards hire diverse executives? Or do organizations that hire diverse executives subsequently build more diverse boards? Or is there a third variable, organizational commitment to representational alignment, that produces both? The answer matters for intervention design. If the board is the lever, then board recruitment is the priority. If the executive director is the lever, then executive search practices are where attention belongs. The correlation alone does not tell us where to pull.

Finally, the sustainability question deserves more research than it has received. Organizations that have successfully diversified their leadership report that doing so required sustained commitment over years, not a single recruitment cycle or a revised job posting. What enables some organizations to maintain that commitment while others stall after initial efforts? What internal resistance do organizations encounter, and what organizational characteristics appear to support persistence? These questions are answerable through qualitative and mixed-methods research grounded in practitioner knowledge, and they would produce findings more directly useful to organizations trying to change than additional descriptive data about sector-level demographics.

Conclusion

The nonprofit leadership literature has arrived at a clear descriptive picture and a reasonably coherent structural account of how it was produced. The sector is led predominantly by White professionals whose demographic profile does not reflect the communities nonprofits

serve, and the literature increasingly attributes this not to qualification gaps but to structural and cultural conditions embedded in how organizations recruit, develop, and advance leadership.

This is progress. A decade ago, the field was still debating whether the pattern was real.

What the literature has not yet done adequately is examine what this means at the organizational level, where governance accountability is truly exercised. The gap between who an organization serves and who leads it is a governance question with real consequences for mission, resource allocation, and community trust. It deserves the kind of careful, organization-level research that the sector-level surveys cannot provide.

For practitioners, the most useful takeaway may be the simplest one: the barriers to more representative leadership are not primarily about candidate availability. They are about organizational choices. Choices in recruitment, in development, in culture, and in who gets sponsored and why. Organizations that have changed their leadership composition did so intentionally, over time, with commitment from senior leadership and boards. That is a harder message than "expand the pipeline," but it is a more accurate one.

Leadership representation should be understood as a governance issue in the full sense of that term: a question of authority, accountability, and organizational legitimacy. Who holds decision-making power in nonprofit organizations, and whether that power is connected to the communities most affected by organizational decisions, is not a secondary concern. It sits close to the center of what it means for a nonprofit to really fulfill its public purpose.

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