

MARKING TIME:
BLACK BOARD
PARTICIPATION IN
NEW YORK CITY, 2.0

John Morning

Dēmos

DĒMOS is a non-partisan public policy research and advocacy organization founded in 2000. Headquartered in New York City, Dēmos works with policymakers around the country in pursuit of four overarching goals—a more equitable economy with widely shared prosperity and opportunity; a vibrant and inclusive democracy with high levels of voting and civic engagement; an empowered public sector that works for the common good; and responsible U.S. engagement in an interdependent world.

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METHODOLOGY The 2007 employer figures were drawn from Crain’s New York Business “Book of Lists 2007, New York City’s Largest Employers,” based on employees in the five boroughs. The racial statistics were compiled by BrandSphere, a consulting firm, using web sites, published reports, media coverage, and direct information from calls and e-mails.

For 2010, Bayley Consults LLC provided a new list of the 25 largest employers, in the absence of an updated one from Crain’s, using U.S. Bureau of Labor statistics, annual reports, direct company responses, and various media sources. They compiled black board member information from e-mail requests, follow-up calls and reviewing annual reports for names and images. Dēmos re-checked the racial attributions through additional e-mails and calls.

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If America in actual practice could show the world a progressive trend by which the [black] became finally integrated into modern democracy, all mankind would be given faith again—it would have reason to believe that peace, progress and order are feasible. And America would have a spiritual power many times stronger than all her financial and military resources—the power of the trust and support of all good people on earth.

Gunnar Myrdal

An American Dilemma, 1944

INTRODUCTION

Sixty-eight years ago the eminent Swedish economist and Nobel Prize-winner stated in haunting and unerring terms a moral basis for racial diversity in this country. A small examination of that premise occurred in 2007 when the New York Urban League together with the Black Equity Alliance issued a report entitled “The State of Black New York City.” It was a study of black New Yorkers’ experience in such varied areas as education, business, housing, health, and criminal justice as viewed by authors on each topic. I contributed an essay on corporate and nonprofit board participation by blacks in which 39 metropolitan organizations were surveyed in order to gain some general impressions.

Participation on corporate and influential non-profit boards is a critical measure of the integration of any group—in this report African-Americans—into the fabric of decision-making in our society. While government is one place where decisions are made that affect the lives of Americans, these institutions make major decisions about employment, location of enterprises, marketing, and—in the case of the cultural institutions—how we see ourselves as a society. A city, and a democracy, that is vibrant and inclusive will make continuous progress in the diversity of its major institutions, and it is a measure worth serious attention on a continuing basis.

This 2010 survey follows an initial 2007 version that looked at the participation of black directors and trustees at New York City’s 25 largest private employers, and at 14 premier metropolitan institutions. The racial data for the 2007 study was compiled by Brandsphere, and for the current study, as of the end of 3Q 2010, by Bayley Consults LLC, with corroborating work by Dēmos researchers. The organizations selected provide a lens to judge what level of representation the city’s 2.03 million black residents—25.1% of New York’s population—have in these positions of power and influence outside of government. This update was made possible by a generous grant from the Carnegie Corporation of New York, under its president Dr. Vartan Gregorian.

THE RESULTS, THEN AND NOW

The numbers prove to be low by any measure, and the trend is static. In one of the most dramatic four-year periods in American history, with the occurrence of the Great Recession and the election of President Barack Obama, none of these events helped the cause of African-American board membership.

- The 25 largest employers in 2010 had a total of 697 directors. Only 40 were black; an average of 1.66 per board.
- Black directors on these boards were 5.7% of the total.
- The 14 influential institutions surveyed had a slightly higher average of 2.36 African-American trustees on each board.
- All 39 organizations in the study totaled 73 black directors. Four of their boards had *no* black members: Bloomberg LLP, Goldman Sachs, Morgan Stanley, and *The New York Times*.
- 25% of New York City's population of 8.1 million is black. This is more than 2 million people—equivalent to the fourth largest city in the U.S. and ahead of fifth-place Philadelphia with 1.4 million residents.

IN MORE DETAIL

The accompanying tables give detailed figures on the status of individual organizations, almost all of which are New York City icons, and give the details of a disillusioning picture of black participation at the highest levels of corporate and institutional life in New York City.

CHANGES IN THE LISTS, CORPORATE AND INSTITUTIONAL

The 2010 list showed a number of significant changes from 2007. Seven of the companies were newcomers to the list: American Express, Bloomberg LLP, Bristol-Myers Squibb, Ernst & Young, Price Waterhouse Coopers, Thomson Reuters, and UBS. Departed from the list in 2010, in some cases not surprisingly, were Bear Stearns, Medisys Health, Montefiore Medical Center, Merrill Lynch, Personal-Touch Home Care, St. Vincent's Medical Center, and United Parcel Service.

Overall, the 2010 top 25 had a total of 697 directors, 96 fewer than in 2007, and an average board size of 29, down from the earlier average of almost 32 per board, a 10 percent drop. This no doubt reflects the economic duress of the intervening years and a drawing in of corporate horns. Where the original list of employers employed 315,000 people (or 11% of the city's workforce then), that same top 25 list employed 275,400 in 2010, a 12.5% decline.

Within the lists there was mobility of another sort, as only New York-Presbyterian Healthcare at number one retained its former rank; while a strong showing moved North Shore-Long Island Jewish Health System to second from ninth. One third of the entities (9) gained in rank, with New York University the biggest leapfrog, from tenth to third place, while Columbia rose one place to sixth. The greatest drop was Citigroup, from number 2 to 14, followed by Mt. Sinai from 11 to 19. Altogether, eight organizations declined in the standings. These changes show the ferment and uncertainty in two major economic activities in New York City, healthcare and finance—perhaps not such strange bed-fellows given their prominence in the news.

Table 1: NEW YORK CITY'S 25 LARGEST PRIVATE EMPLOYERS, 2010

RANK	COMPANY	EMPLOYEES	DIRS.	AFR/AM
1	New York-Presbyterian Healthcare System	26,781	84	3
2	North Shore-Long Island Jewish Health System	24,966	153	3
3	New York University	17,862	55	2
4	Continuum Health Partners	16,894	85	4
5	Consolidated Edison	15,541	11	1
6	Columbia University	14,766	24	3
7	Verizon	14,688	13	3
8	Macy's (Federated Department Stores)	14,500	10	1
9	JP Morgan Chase	14,361	11	1
10	Time Warner	11,789	13	1
11	● <i>UBS</i>	11,489	n/a	n/a
12	● <i>Ernst & Young</i>	11,127	22	1
13	Memorial Sloan-Kettering Cancer Center	10,384	57	4
14	Citigroup	9,222	15	2
15	Morgan Stanley	7,821	13	0
16	● <i>American Express</i>	7,627	13	3
17	● <i>Thomson Reuters</i>	7,274	15	1
18	Goldman Sachs	6,796	11	0
19	Mount Sinai Hospital	6,222	28	2
20	American International Group	5,320	12	1
21	● <i>Price Waterhouse Coopers</i>	5,148	2	1
22	● <i>Bristol-Myers Squibb</i>	4,898	11	1
23	Bank of New York	4,451	15	1
24	● <i>Bloomberg LLP</i>	3,181	9	0
25	Pfizer	2,322	15	1
	Totals	275,430	697	40

● INDICATES ORGANIZATION NEW TO THE LISTING.

In the nonprofit world, the justly renowned cultural and philanthropic entities that give so much to life here and throughout the country, we looked at 14 prestigious institutions (including *The New York Times*, the only for-profit operation) because of their sway over the attitudes and thinking of New Yorkers in regard to society and politics. This list of “Influentials” (Table 4) had only one minor change from the 2007 list—the addition of WNET Channel 13 in place of the New York City Opera.

In this category, there was very little drop in the number of trustees overall, 594 to 581, although the total number of African-American directors grew, from 31 to 33 or roughly

Table 2: NEW YORK CITY’S 25 LARGEST PRIVATE EMPLOYERS, 2007

RANK	COMPANY	EMPLOYEES	DIRS.	AFR/AM
1	New York-Presbyterian Healthcare System	28,909	76	2
2	Citigroup	26,809	16	2
3	J.P. Morgan Chase	20,883	14	1
4	Verizon	17,622	15	2
5	Federated Department Stores	17,000	10	1
6	Continuum Health Partners	15,592	91	7
7	Columbia University	13,151	23	3
8	Time Warner	12,890	13	2
9	North Shore-Long Island Jewish Health System	12,857	130	2
10	New York University	12,621	46	2
11	Mount Sinai Medical Center	12,279	72	2
12	Personal-Touch Home Care	12,000	0	0
13	Consolidated Edison	11,743	12	1
14	Saint Vincent Catholic Medical Centers	10,764	14	0
15	Montefiore Medical Center	10,682	47	4
16	Morgan Stanley	10,047	12	1
17	Medisys Health Network	8,974	57	0
18	Memorial Sloan-Kettering Cancer Center	8,791	53	2
19	Bank of New York	8,750	13	0
20	Merrill Lynch	8,400	12	3
21	Goldman Sachs	8,382	13	1
22	United Parcel Service	7,212	11	1
23	Bear Stearns	6,800	13	1
24	Pfizer	6,385	15	3
25	American International Group	6,213	15	1
	Totals	315,756	793	44

Table 3: FOURTEEN INFLUENTIAL NEW YORK CITY INSTITUTIONS, 2010

	DIRS.	AFR/AM
Carnegie Hall	66	4
Ford Foundation	14	1
Lincoln Center for the Performing Arts	74	4
Mellon Foundation	10	2
Metropolitan Museum of Art	38	3
Metropolitan Opera	51	1
Museum of the City of New York	45	1
Museum of Modern Art	58	2
Museum of Natural History	55	4
New York Philharmonic	46	1
New York Public Library	61	5
The New York Times	13	0
Rockefeller Foundation	15	3
WNET Channel 13	35	2
Totals	581	33

Table 4: FOURTEEN INFLUENTIAL NEW YORK CITY INSTITUTIONS, 2007

	DIRS.	AFR/AM
Carnegie Hall	65	4
Ford Foundation	14	3
Lincoln Center for the Performing Arts	64	2
Mellon Foundation	9	1
Metropolitan Museum of Art	37	2
Metropolitan Opera	139	4
Museum of the City of New York	12	0
Museum of Modern Art	39	1
Museum of Natural History	33	2
New York City Opera	36	2
New York Philharmonic	53	1
New York Public Library	63	5
The New York Times	13	1
Rockefeller Foundation	17	3
Totals	594	31

6%. In contrast, the employers' total list of directors shrank 12.1% from 793 to 697. Our 25 employers have 697 directors to 581 for only 14 non-profits; their average board size being 29 versus 41.5 for the cultural.

The New York Public Library, with five, followed by Lincoln Center for the Performing Arts and the Museum of Natural History with four each, had the largest number of African-American directors. At the same time, they had large directorates of 61, 74, and 55 respectively, showing how nonprofit boards tend to be significantly larger than those of corporate entities. With boards 40% larger on average, the institutionals did not have that much advantage in blacks per board, averaging 2.36 to 1.9, roughly just 20% greater. The only institutional without an African-American board presence was *The New York Times*.

ROOM AT THE TOP

These leading forces in society with such impact on people's lives are consistently disavowing the input of some minorities. A city that is less fair at the top is not good for business—or anyone else. It is simply not possible to look at these statistics without concluding that talented African-Americans are overlooked and underrepresented in board rooms—and not unconsciously. Eleven of the 25 boards of the 2010 employers had only one African-American representative; in 2007's list there were eight, further erosion of this unsung standard. All told, 14 of 25 boards in 2010, a clear majority, had either one or no black director.

Effectively, a generation of black leadership is being relegated to the bench, lost through the lack of opportunity, the denial of diligence and ability, and the favoritism that erodes competition for excellence and defeats meritocracy. If black board members were truly valued there would certainly be more of them. That more are not making a contribution rests to a great extent on what Derrick Bell, the late eminent legal scholar, has termed “the presumption of black inferiority.”

This perception, so avidly reinforced in society, the media, and daily life, is a large yet tacit obstacle to increased integration. It's expressed in pious or fearful disclaimers like “we can't find any,” or “they can't contribute money,” all the while ignoring that black individuals and professionals, in growing numbers, possess the skills that come with advanced degrees and have networks of similarly capable people from college, work, professional societies, and family.

A still broader, if more subtle, disincentive lies in the belief of a “post-racial” America following the election of President Obama. The implication or the myth that race is no longer a factor in this country is misleading at best and a grim illusion at worst. When it comes to the pursuit of diversity, it is a comfortable and welcome assumption for the lazy or uncommitted.

GOING FORWARD

In response to the static assessments of the report, there are steps that can be taken to reach out to prospective African-American directors and the potential they represent. What measures, in the face of apathy, cynicism, and covert resistance, can be taken in the effort to see all the people and their potential reflected in governing bodies?

One important realization is that such progress never comes without the active, deliberate support of the chief executive officer. It is no secret that most boards are very much the creation of their **CEOs**. Where a CEO is opposed, fuller integration of the board is a lost cause. To them, much blame or encouragement is due in the matter of who sits on the board. The fact that there are so few black CEOs (one in the list of 25; none among the 14) is not at all disconnected from the scarcity of black directors to put forth such names in executive searches or to see that people of color are in the upper ranks of management or among highly placed and paid outside sources.

Another positive action is to seek black board prospects in places not usually considered. **Existing minority directors** themselves know and can suggest other individuals of color to serve on boards. The challenges as well as the satisfactions of serving are not lost on people of color, who, contrary to some prejudicial views, do want chances for meaningful and rewarding involvement.

Academe has long provided corporate and other board members, especially in the sciences and management. In the same vein, the practically invisible world of historically black colleges and universities (HBCUs) offers numerous men and women of proven leadership with advanced degrees in a range of fields and experience in meeting the challenges of personnel, budgets, fundraising, strategic planning, and even interface with government.

Government and elected officials at all levels can be a source of board potential which is honed in consideration of far-reaching issues where public impact is key. Former US Congressman Harold Ford Jr., a director of Lincoln Center for the Performing Arts, is a model example of such insight.

Judging from the few **Nonprofits** looked at in this review, it is fair to say they should have more African-Americans on their boards. Such directors could have some voice in funding grantees and by doing so undercut the notion of black inability to bring money to programs. Despite the relatively small numbers of these directors, they are candidates for board roles in other, non-philanthropic organizations.

FIRST AND LAST

New York City throughout the 20th century has been an international magnet for capital, talent, and ambition. It remains so today for people of every color and persuasion. In the context of such human richness, this report is offered as a plea against the profligate waste of human ability.

The arguments for making boards more diverse because they are more effective have all been made often, if not yet enough. The economic, social, and political reasons are imperative, but there remains a moral basis for such social justice. It is powerfully present in the opening Myrdal quotation that shows what we do in our boardrooms reflects what we believe in and what will matter—for us, our city, and the world.

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