Unleashing Your Board's Potential

COMPREHENSIVE REPORT

from ECFA's Nonprofit Governance Survey

By Warren Bird, Ph.D.

Featuring These Previously Published Reports:

• Four Challenges for Governing Boards
• Ten Ways to Improve Your Board
• Where CEO and Board Differ
Plus Frequencies, Comparisons, and Other Analysis

ECFA

Evangelical Council for Financial Accountability

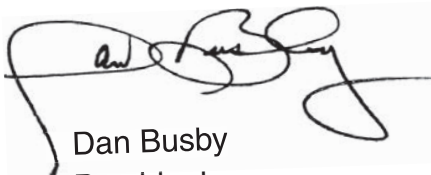440 West Jubal Early Drive, Suite 100 • Winchester, VA 22601

Enhancing Trust

Dear Colleague,

ECFA named 2019, our fortieth year as an organization, as the Year of Excellence in Governance. We wanted to help the Christ-centered ministries we serve do governance in a way that enhances trust, trains in best practices, increases board effectiveness, and as a result sees greater spiritual fruit among the people being reached and served. To that end, 2019 saw the release of several books, a series of eight governance forums, two major surveys, and more—all described in further detail on our website.

This report is a strong contribution toward those goals. We limited our survey to the leadership—CEOs, board chairs, and board members—of ministries accredited by ECFA. We drew an impressive 1,662 responses (more details on page 4) and we learned a lot!

It is my hope and prayer that your ministry will significantly benefit from the findings of this important study.

Serving Him joyfully,

Dan Busby
President

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> **When asked what they would do differently,**
> **retired CEOs most often say,**
> **"I would give more time to developing the board."[1]**
>
> Dr. David l. McKenna

Who Participated?[2]

1,662 participants

23% CEOs | **15%** board chairs | **62%** board members

77% | **23%**

Age of survey participants:

26 (lowest) | **61** (median) | **91** (highest)

Annual ministry budget:

35% under $1 million | **45%** $1 million to $9.99 million | **20%** $10 million and over

Survey Overview

1,003 ECFA-accredited organizations represented

126 questions | **22** minutes

Top 12 Highlights

1. Boards overwhelmingly affirm the distinctiveness of **Christ-centered governance**. (See pages 6-7, 27, 35-36.)

2. Boards report a remarkable level of understanding and personal passion for their **ministry's mission**. (See pages 7-8, 20-22, 27, 29, 31, 38-39, 41, 45.)

3. Three quarters of board members aren't prepared for **CEO succession**, and fewer than 1 in 4 have a written succession plan. (See pages 24-25, 28, 31, 41, 44, 46.)

4. Only two-thirds of CEOs have board-approved annual **measurable goals** and barely half of all board participants feel their **measurements** often cause them to change course or add more resources to certain programs. (See pages 10, 21, 23, 29, 31, 39-41, 43-44.)

5. Effective boards affirm a high **clarity of roles and responsibilities**, while ineffective boards report a major lack of clarity. (See pages 21, 25, 38-39, 47.)

6. Boards acknowledge that **too much "tactical" engagement and micromanagement** is occurring. (See pages 9, 12, 23, 41-43, 45.)

7. Only half say their board has policies in place—and the spiritual integrity required—to **ask an under-performing board member** to resign. (See pages 10, 42-43.)

8. Just over half of participants feel their board has the **right board composition** for the challenges ahead. (See pages 13, 30, 34.)

9. Cultivating and training **new board members** is an area of major need. (See page 46.)

10. About two-thirds of boards carve out time to creatively address the **current and future needs of their ministry's "customers."** (See pages 15, 30, 43-45.)

11. CEOs especially don't feel that the board's **executive sessions** (i.e., without the CEO) are helping the board do its job. (See pages 15, 40-41.)

12. About two-thirds of survey participants say their board chair or a designated board member regularly encourages their CEO to address **"soul care"** topics in his or her own life, but a smaller percentage of CEOs feel that way. (See pages 14, 23, 31, 36-37.)

Where CEO and Board Differ

Seven Ways Nonprofit Boards Can Help Their CEO
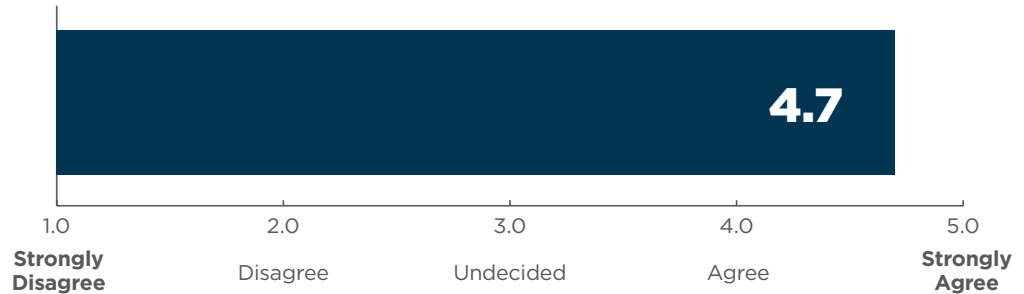
By Warren Bird, Ph.D.

ECFA

See our library of free research findings at ecfa.org/surveys
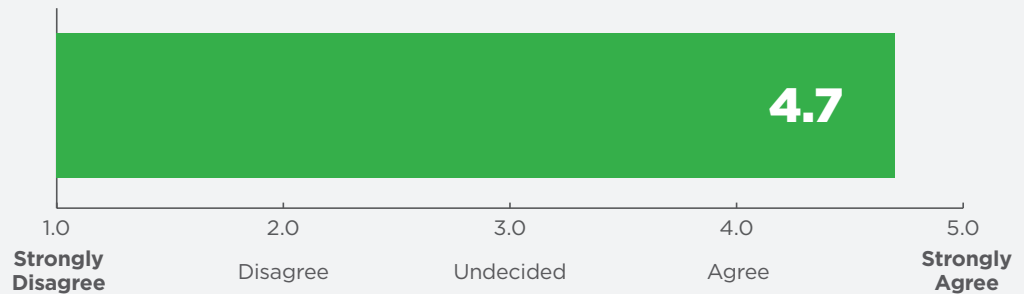
Part One: Strongest Practices of Boards

What do boards say they're doing best? Our national survey of ECFA-accredited ministries asked people to rate their board on 45 statements about best practices. Of those, here are the top 12, grouped into clusters. For each, the numbers range from low to high, from strongly disagree (1.0) to strongly agree (5.0). These self-scores are from everyone combined—CEO, board chair and board member. The list starts with the highest best-practice scores.

1. They Get the Idea of Christ-Centered Governance

"Board members clearly see the board's work as Christ-centered."

4.7

| 1.0 | 2.0 | 3.0 | 4.0 | 5.0 |
| Strongly Disagree | Disagree | Undecided | Agree | Strongly Agree |

"Board members demonstrate faith when asking for God's direction and blessing."

4.7

| 1.0 | 2.0 | 3.0 | 4.0 | 5.0 |
| Strongly Disagree | Disagree | Undecided | Agree | Strongly Agree |

"Board members conduct their work with Christ-centered character."

4.7

| 1.0 | 2.0 | 3.0 | 4.0 | 5.0 |
| Strongly Disagree | Disagree | Undecided | Agree | Strongly Agree |

"Board members pray regularly for the ministry and the CEO."

4.6

| 1.0 | 2.0 | 3.0 | 4.0 | 5.0 |
| Strongly Disagree | Disagree | Undecided | Agree | Strongly Agree |

"I believe there are important distinctives between how a 'secular' board governs and how a 'Christ-centered' board governs."

4.5

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

"Board members, increasingly, are practicing spiritual discernment in board decision-making."

4.4

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**
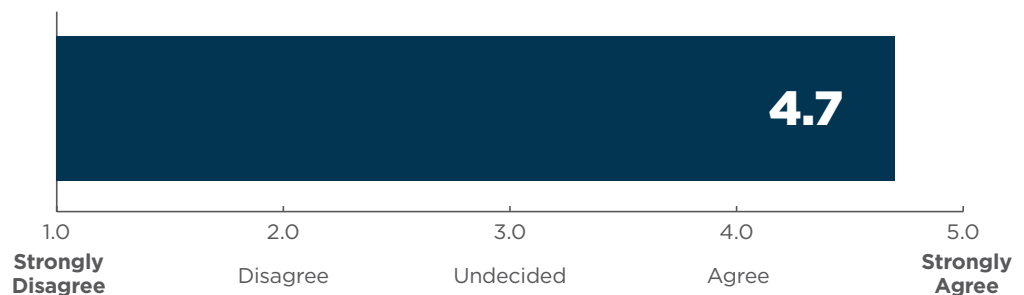
2. They See Their Mission as Understandable, Passion-Inviting and Clear

"Our board understands the organization's mission."
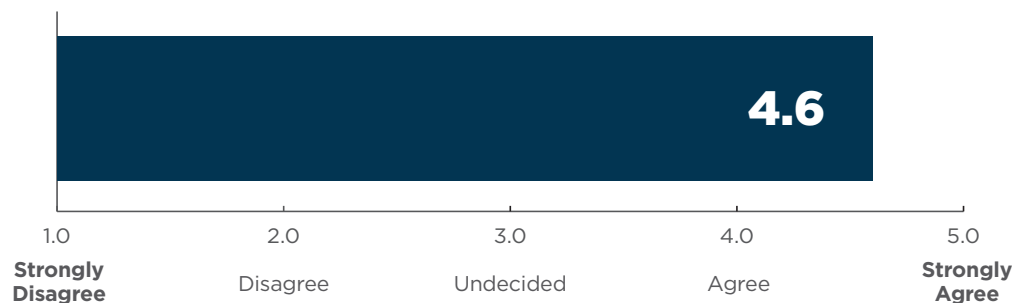
4.6

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

"Our board members have high passion for the ministry."

4.5

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

"Our board understands the core programs, products, and services of the organization."

4.5

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

"The primary mission/vision of our organization is a very clear one."

4.4
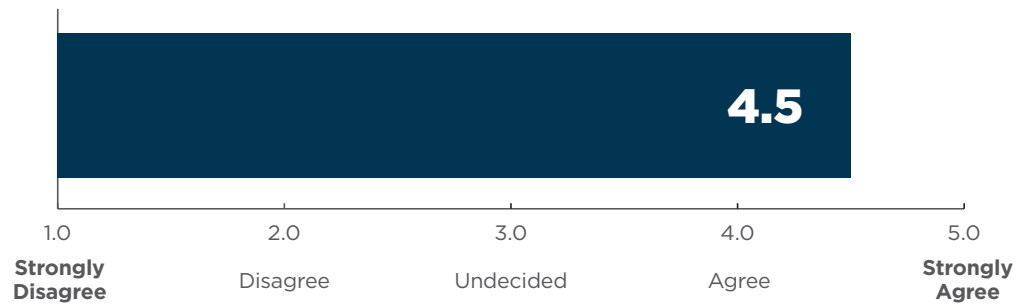
1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**
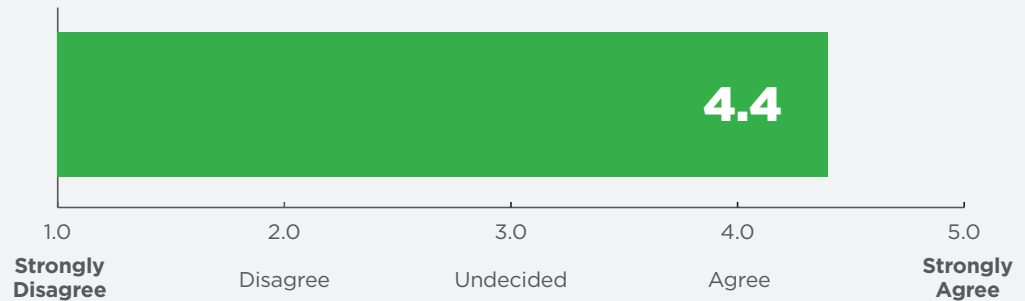
3. They Indicate a Strong Relationship Between CEO and Board Chair

"The working relationship between our CEO and Board Chair is excellent."
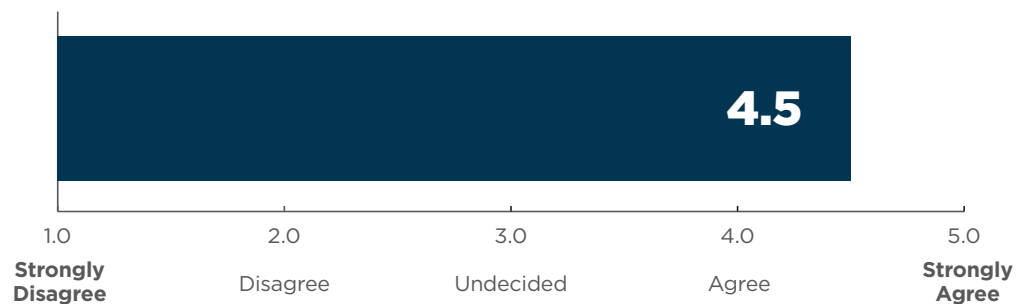
4.5

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

"The trust shared between CEO and board members is a key factor in board effectiveness."

4.5

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**
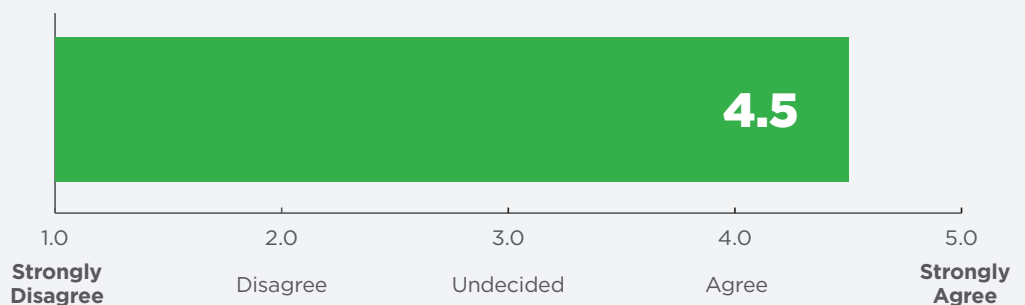
Part Two: Biggest Improvements Needed

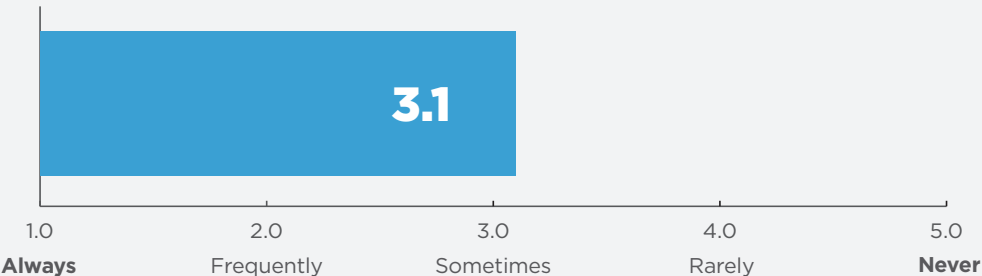What do boards indicate as the places where they're weakest? Our national survey of ECFA-accredited ministries asked people to rate their board on 45 statements about best practices. Of those, here are the *lowest* 7, grouped into clusters. The numbers range from low to high, from undesirable to very desirable. These self-scores are from everyone combined—CEO, board chair and board member. The list starts with the *lowest* best-practice scores.

## 1. The Board Struggles with Staying at 30,000 Feet

"How often does the board discuss tactical versus strategic topics?"

1.0	2.0	3.0	4.0	5.0
Always	Frequently	Sometimes	Rarely	**Never**

1.8
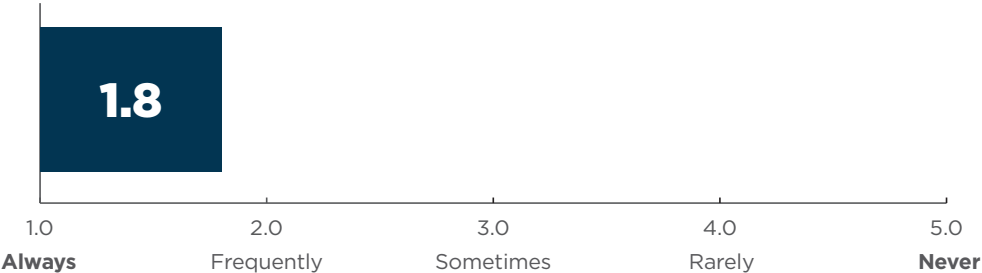
"How often does the board chair allow one or more members to tilt inappropriately towards micromanagement (without the board chair addressing it)?"

| 1.0	2.0	3.0	4.0	5.0
Always	Frequently	Sometimes	Rarely	**Never**

3.1

"Our board understands its governance role, but thoughtfully and regularly leverages the wisdom in the boardroom for 'generative thinking'."

| 1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

3.5
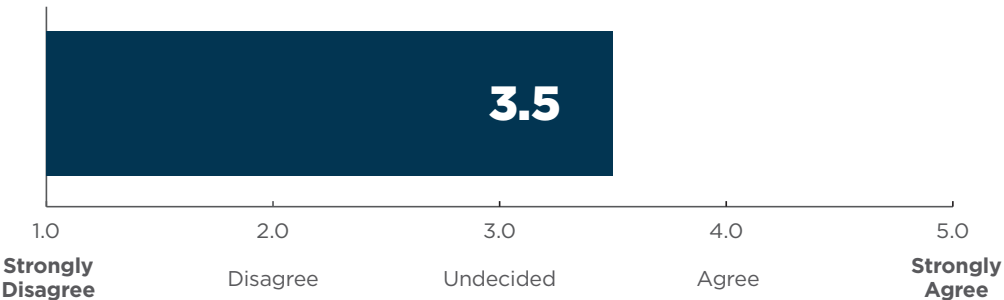
2. The Board Struggles with Its Members' Stewardship Roles

"We provide training and encouragement to help board members encourage others to give financially to our organization."

| 1.0 Strongly Disagree | 2.0 Disagree | 3.0 Undecided | 4.0 Agree | 5.0 Strongly Agree |

2.8
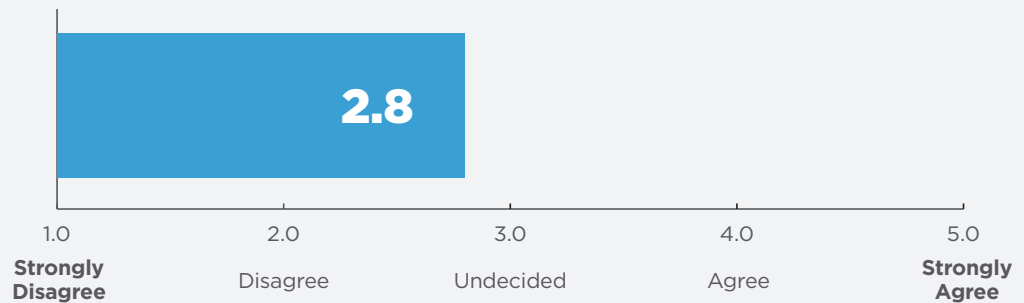
"We have WRITTEN policies that address board member giving expectations to our organization."

| 1.0 Strongly Disagree | 2.0 Disagree | 3.0 Undecided | 4.0 Agree | 5.0 Strongly Agree |

2.8
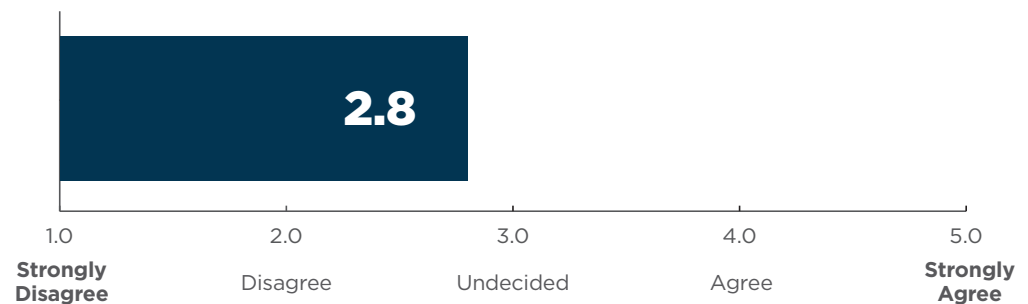
3. The Board Struggles with Moving Someone Off the Board

"Our board has policies in place—and the spiritual integrity required—to ask an under-performing board member to resign."

| 1.0 Strongly Disagree | 2.0 Disagree | 3.0 Undecided | 4.0 Agree | 5.0 Strongly Agree |

3.4
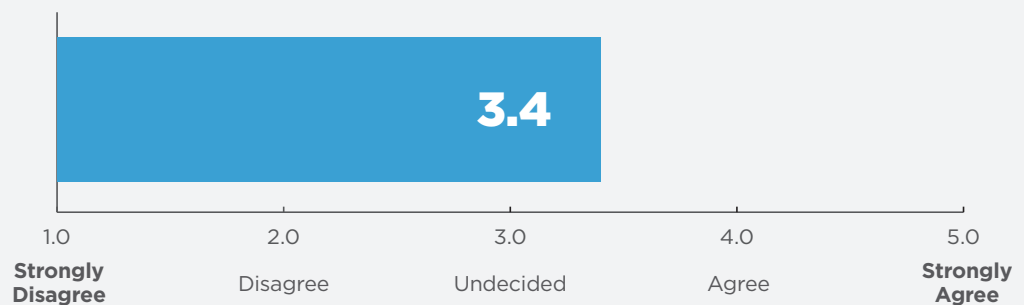
4. The Board Struggles with Knowing How to Respond to Ministry Feedback

"Our measurements often cause us to change course or add more resources to certain programs."

| 1.0 Strongly Disagree | 2.0 Disagree | 3.0 Undecided | 4.0 Agree | 5.0 Strongly Agree |

3.5
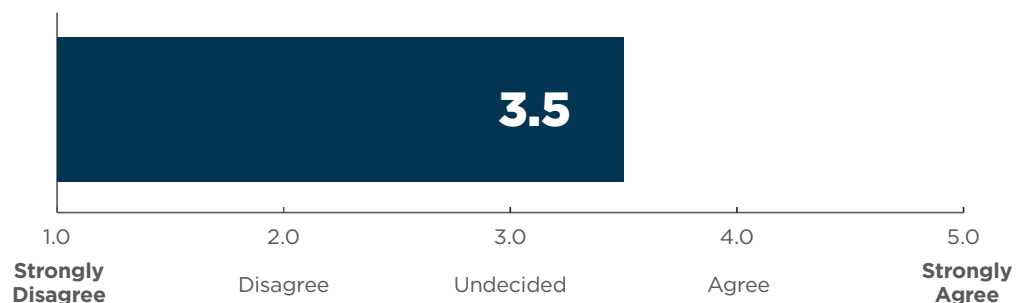
Part Three: Areas Where CEO, Board Chair and Members Align *Most*

The best news in our national survey of ECFA-accredited ministries is that CEO, board chair, and board members *often* work fr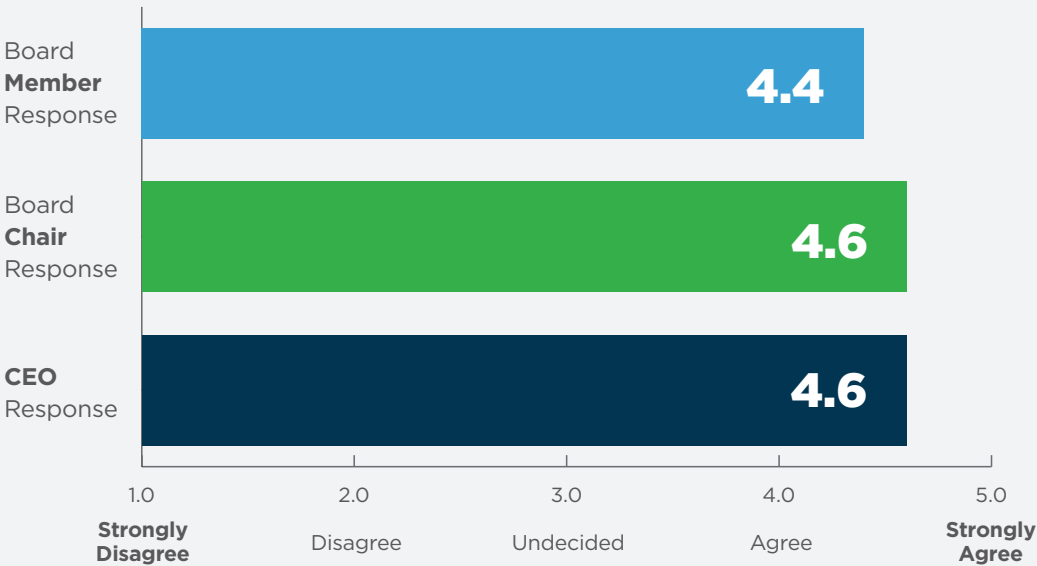om the same page, as detailed below. The areas of alignments below are all strong, with the very strongest listed first.

1. Everyone Is Aligned and also Highly Rated

Prayer Support Is Very High – from Everyone

"Board members pray regularly for the ministry and the CEO."

Board **Member** Response: 4.4
Board **Chair** Response: 4.6
CEO Response: 4.6

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

Overall Board Relationships Receive High Marks

"The working relationship between our CEO and Board Chair is excellent."

Board **Member** Response: 4.4
Board **Chair** Response: 4.6
CEO Response: 4.4

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**
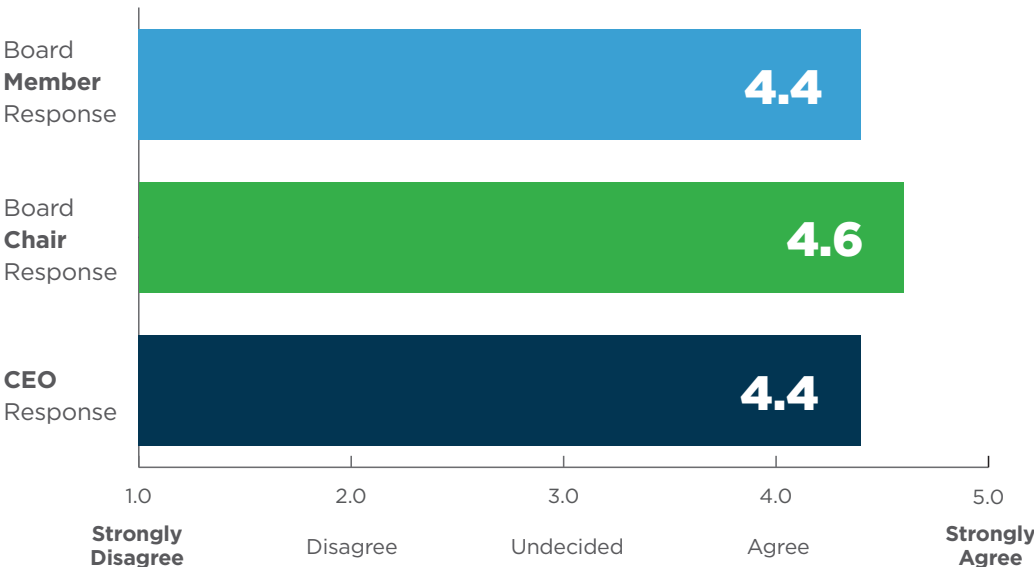
Everyone Agrees on the Importance of Trust

"The trust shared between CEO and board members is a key factor in board effectiveness."

Board **Member** Response: **4.4**
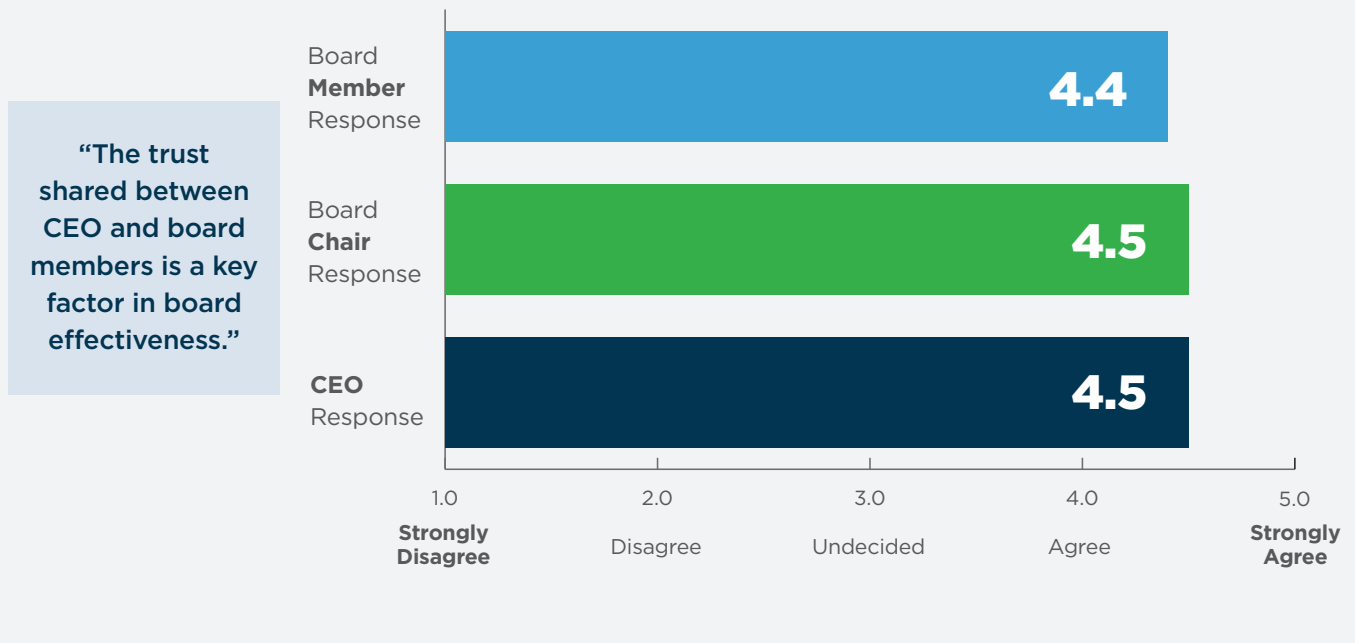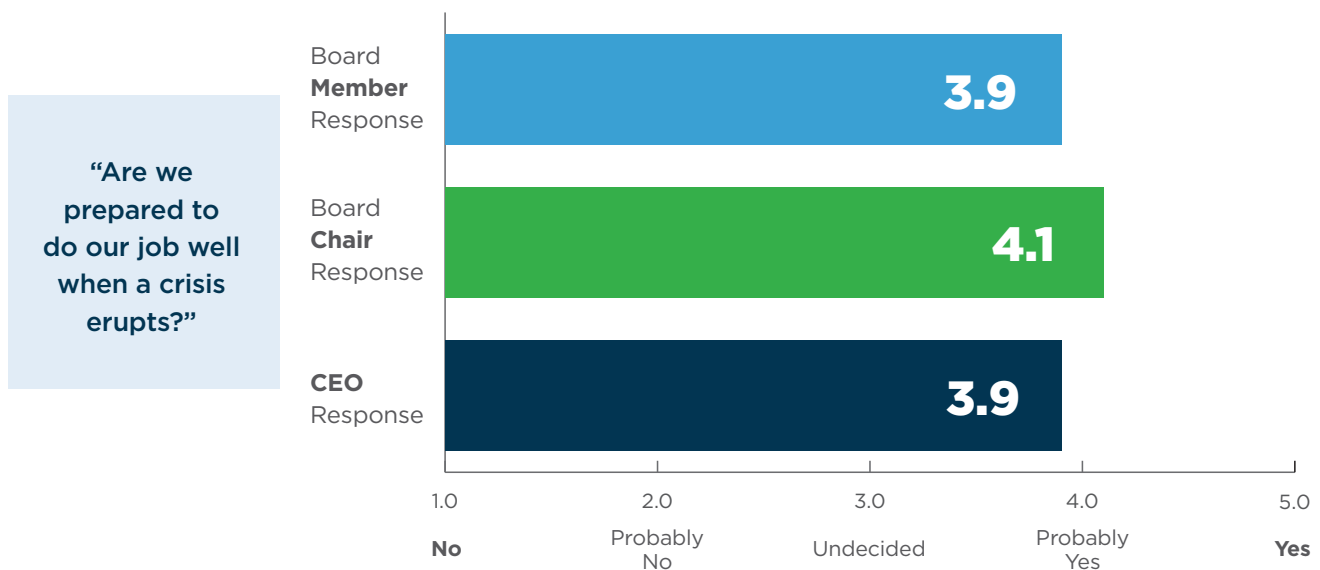
Board **Chair** Response: **4.5**

CEO Response: **4.5**

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

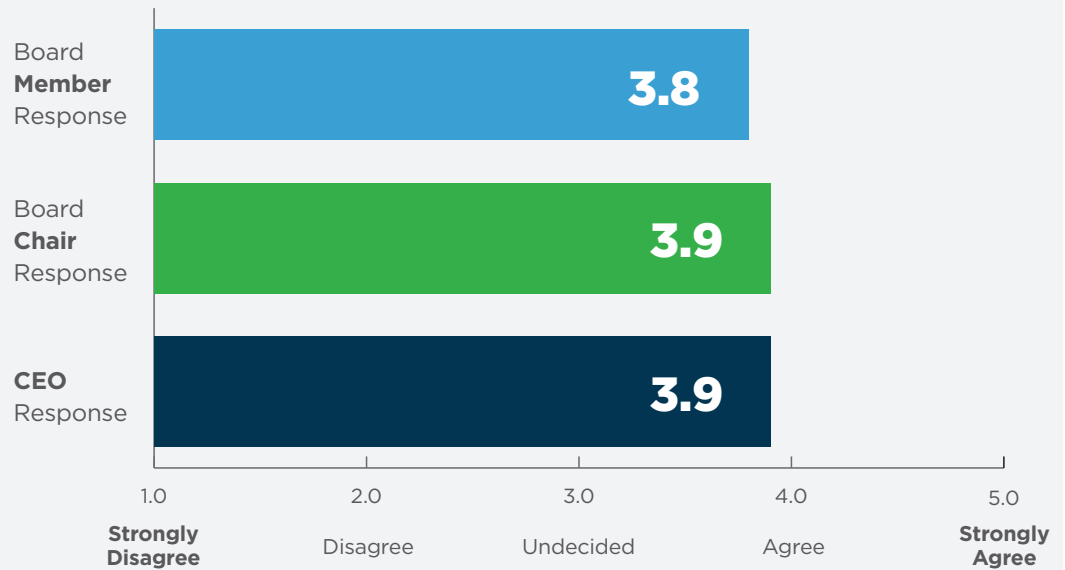## 2. Everyone Is Aligned But Not as Optimistic

In other areas everyone's ratings were not as optimistic, but at least CEOs, board chairs and board members are still largely aligned on what they think! This set of findings continues the pattern of the previous set, starting with the stronger responses.

Everyone Has Similar Responses on Readiness for a Crisis

"Are we prepared to do our job well when a crisis erupts?"

Board **Member** Response: **3.9**

Board **Chair** Response: **4.1**

CEO Response: **3.9**

1.0	2.0	3.0	4.0	5.0
No	Probably No	Undecided	Probably Yes	**Yes**

Everyone Views "Strategic vs Tactical" Similarly

"Most board members help the CEO, in appropriate ways, by offering strategic input (as opposed to tactical input)."

Board **Member** Response: 3.8

Board **Chair** Response: 3.9

CEO Response: 3.9

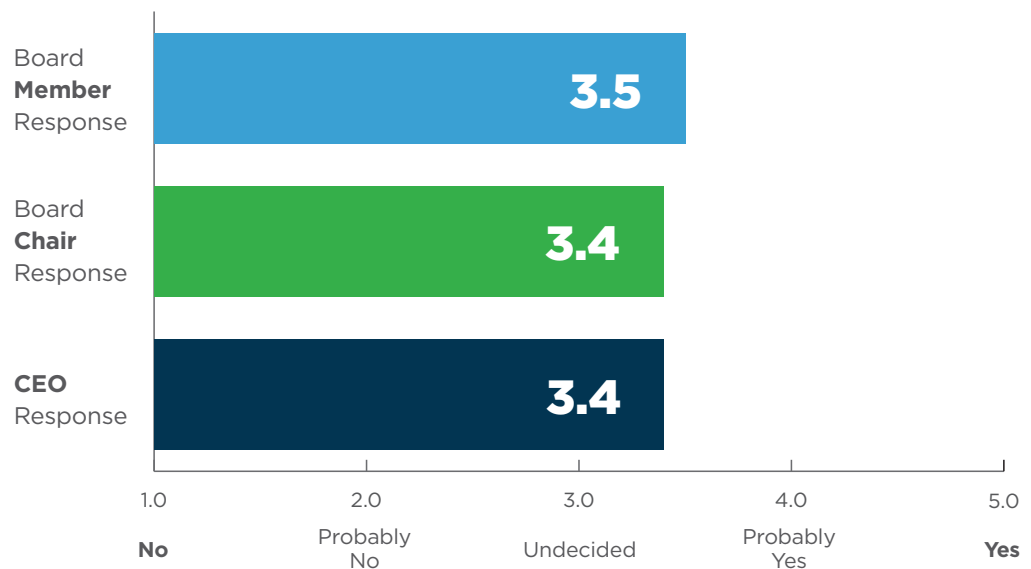| 1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

3. Everyone Is Aligned But Not in the Best Way

The following graphic is troublesome in how the average for each group landed between "undecided" and "probably yes." This means they show very little confidence in having the right board composition. However, everyone is quite unified with each other in equally sensing the same lack of confidence!

Everyone Has Similar Responses on Whether the Board Makeup Is Best

"Is our board composition right for the challenges ahead?"

Board **Member** Response: 3.5

Board **Chair** Response: 3.4

CEO Response: 3.4

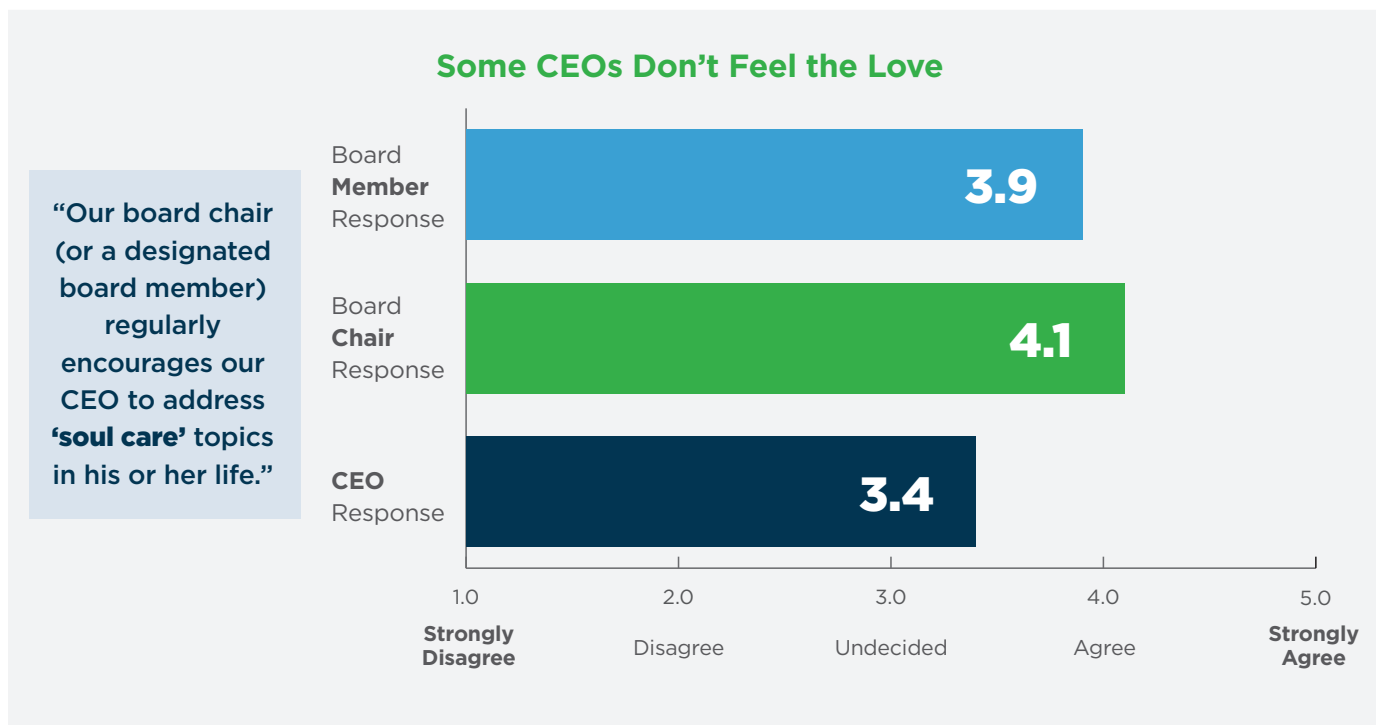| 1.0	2.0	3.0	4.0	5.0
No	Probably No	Undecided	Probably Yes	**Yes**

Part Four: Seven Areas Where CEO, Chair and Members *Don't* Closely Align

The challenging news is that CEOs, board chairs, and board members don't read each other's minds too well! Our hope is that by showing how these three roles compare, everyone will gain insight in how to work together even better. The following section looks at seven areas of comparison between what CEOs, board chairs and other board members said. We start with the greatest gap between CEO and the rest of the board, then the second-greatest gap, and so forth.

1. Different Views Surface on CEO Soul Care

When asked about soul care for the CEO, a difference in perspective shows up. The board chairs and members report that they're doing much more soul care than the CEOs report receiving. In other words, CEOs don't sense the same level of "soul care concern" that others *think* is being provided.
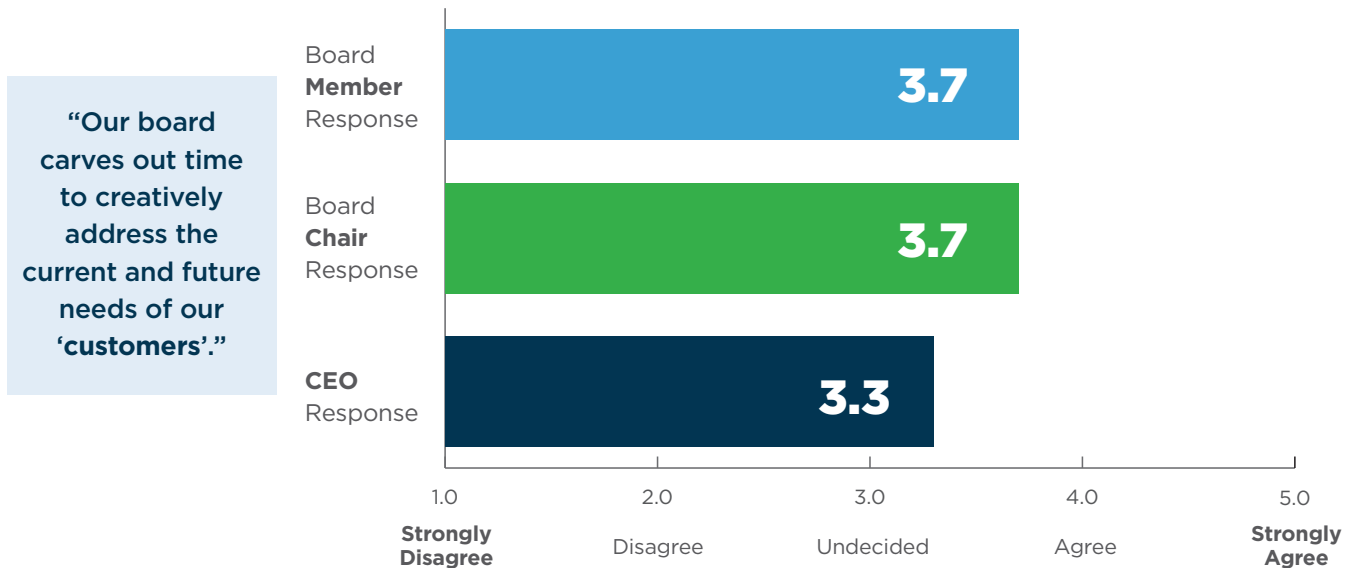
The survey defined soul care as follows: "In today's culture, boards are increasingly recognizing the responsibility to attend to the CEO's spiritual and emotional health – also known as 'soul care.' (This might include encouragement and accountability from the board that the CEO attends to his or her soul in healthy ways—such as regular times in the Word, prayer, reflection, taking a day off and a Sabbath each week, taking a full and uninterrupted vacation time each year, and following sound practices for personal accountability.)"

Some CEOs Don't Feel the Love

"Our board chair (or a designated board member) regularly encourages our CEO to address **'soul care'** topics in his or her life."

Board **Member** Response	3.9
Board **Chair** Response	4.1
CEO Response	3.4

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

2. Different Views Surface on Customer Focus

Another big gap between CEOs, board chairs, and members (the second-biggest gap in the questions we asked) involves discussions about "**customers**" – those people the ministry is now reaching and also seeks to reach. Again, CEOs were not as convinced that adequate board time is being given to this topic.
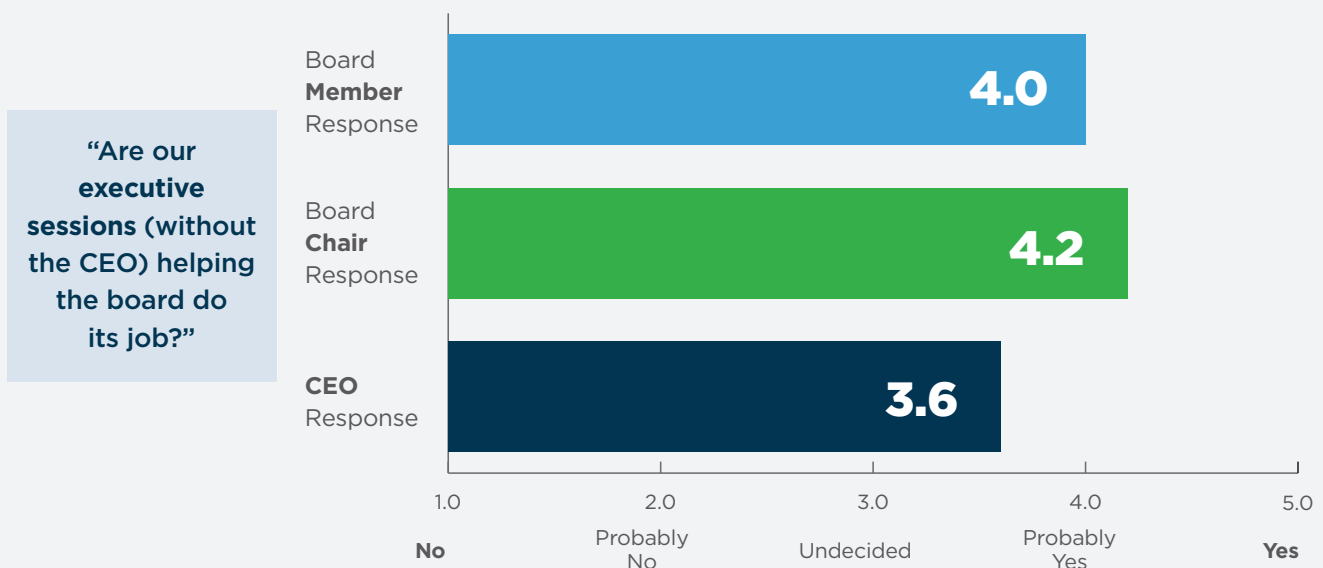
CEOs Observe Less Discussion About "Customer" Needs

"Our board carves out time to creatively address the current and future needs of our 'customers'."

Board **Member** Response: **3.7**

Board **Chair** Response: **3.7**

CEO Response: **3.3**

1.0	2.0	3.0	4.0	5.0
Strongly Disagree	Disagree	Undecided	Agree	**Strongly Agree**

3. Different Views Surface on Executive Sessions

Another gap in perception involves the section of a board meeting, known as executive sessions, when the CEO is not present. We limited the question to those boards where the CEO is a member (whether a voting member or not).
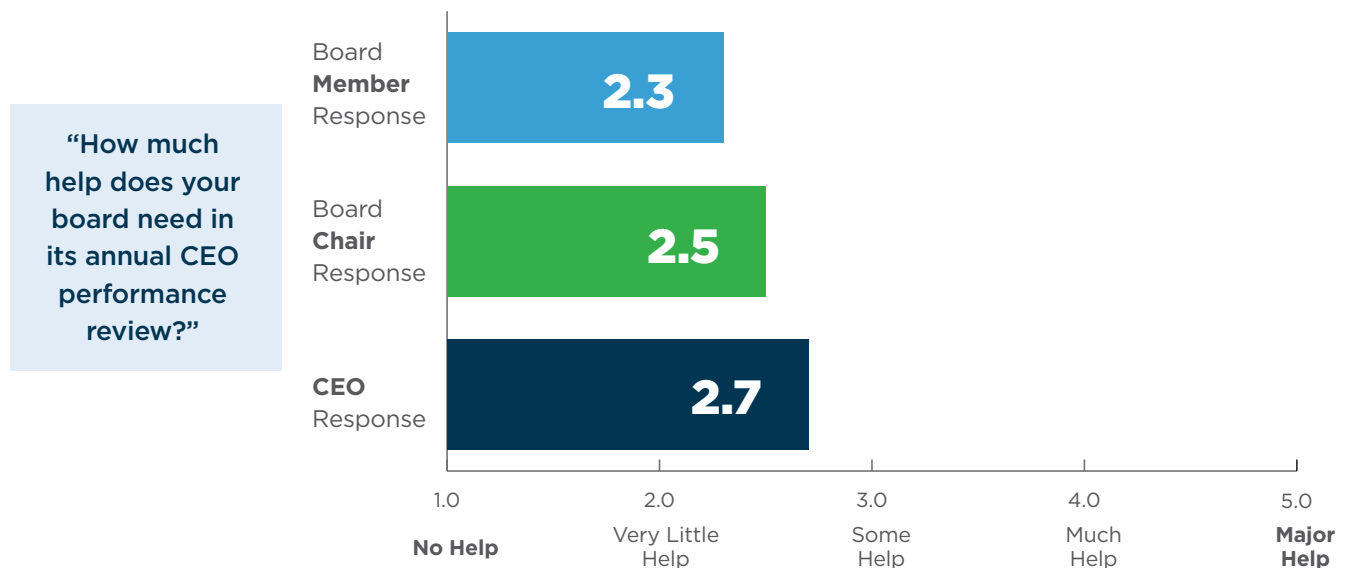
Some CEOs Aren't as Convinced About Executive Sessions

"Are our executive sessions (without the CEO) helping the board do its job?"

Board **Member** Response: **4.0**

Board **Chair** Response: **4.2**

CEO Response: **3.6**

1.0	2.0	3.0	4.0	5.0
No	Probably No	Undecided	Probably Yes	**Yes**

4. Different Views Surface on Where the Board Needs Help

We also asked 27 different questions of what the board needs help on. On almost all of them, the CEO expressed slightly more need than the rest of the board. In other words, if the board said "need *very little* help," the CEO often said "need *some* help," and if the board said "need *some* help" the CEO often said "need *much* help." The difference was the greatest—not dramatic, but noticeable—on the question of **annual CEO performance review** with CEOs wishing for more help than their board chairs or members voiced.
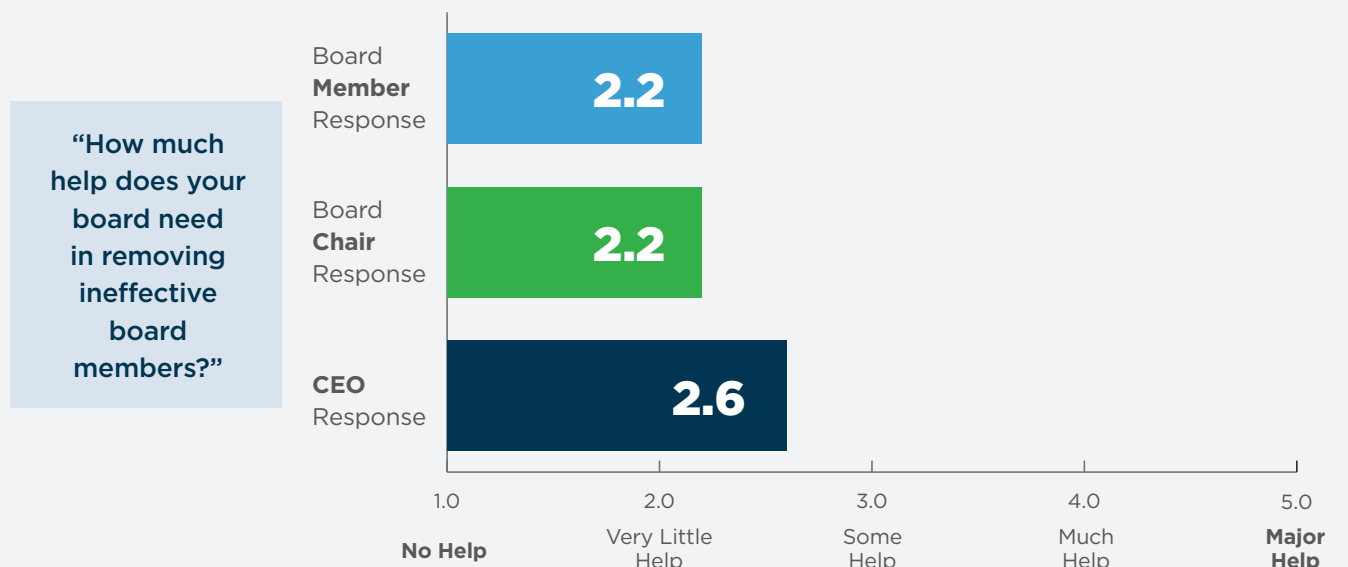
Some CEOs Want Additional Help with the Performance Review Process

> **"How much help does your board need in its annual CEO performance review?"**

Board **Member** Response	2.3
Board **Chair** Response	2.5
CEO Response	2.7

1.0	2.0	3.0	4.0	5.0
No Help	Very Little Help	Some Help	Much Help	**Major Help**

5. Different Views Surface on Removing Ineffective Board Members

The next-biggest gap was "**Removing Ineffective Board Members.**" Again, the boards said, on average, "need very little help," while the CEO was a notch up, saying "need some help."
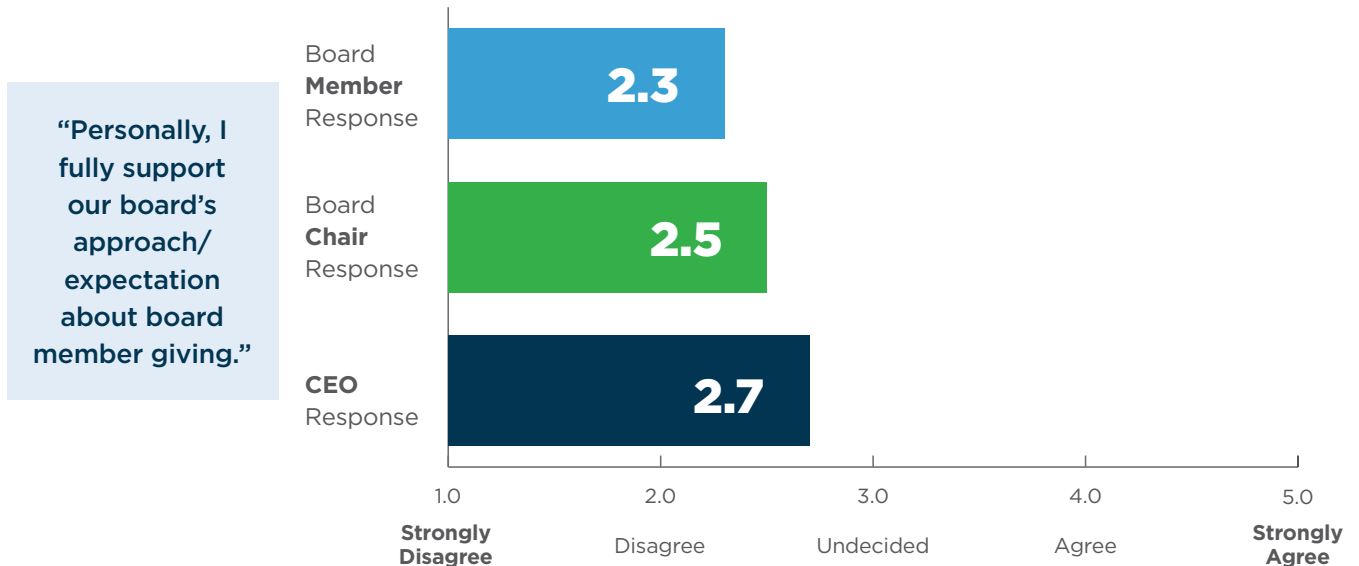
CEO and Boards Differ on Needing Help to Remove Ineffective Board Members

> **"How much help does your board need in removing ineffective board members?"**

Board **Member** Response	2.2
Board **Chair** Response	2.2
CEO Response	2.6

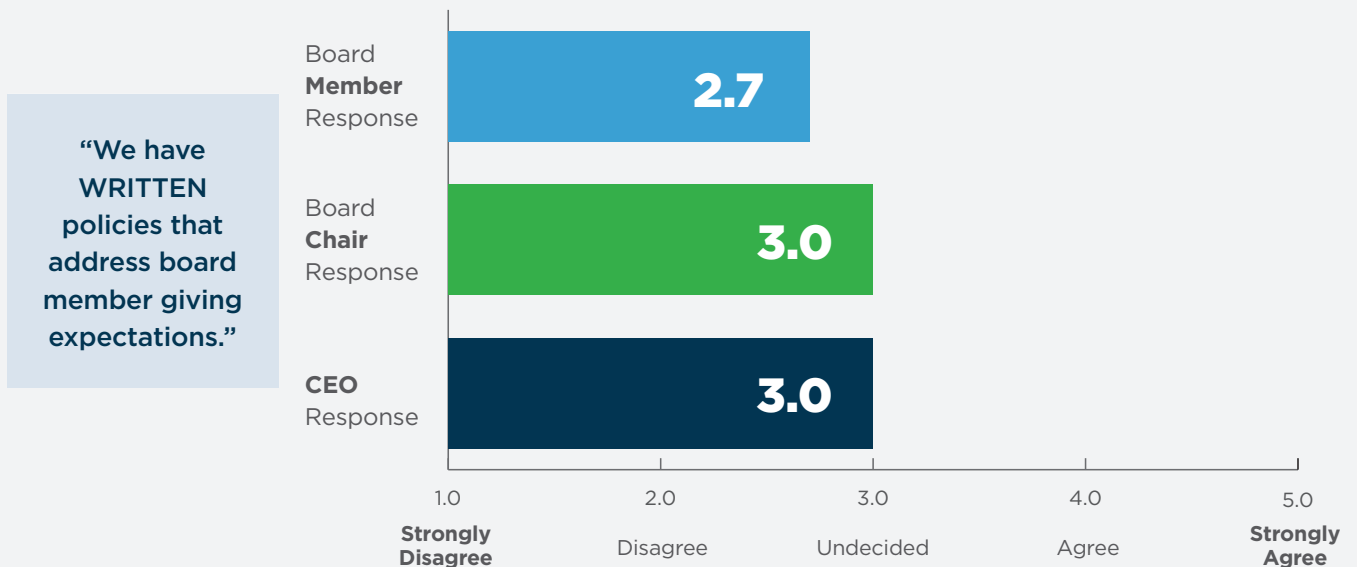| 1.0	2.0	3.0	4.0	5.0
No Help	Very Little Help	Some Help	Much Help	**Major Help**

6. Different Views Surface on Stewardship Expectations

We asked five questions about **expectations for financial giving** from board members. The two questions with the biggest contrast between CEO, board chair and board members are depicted below. On both, the CEO has a higher expectation than others do.

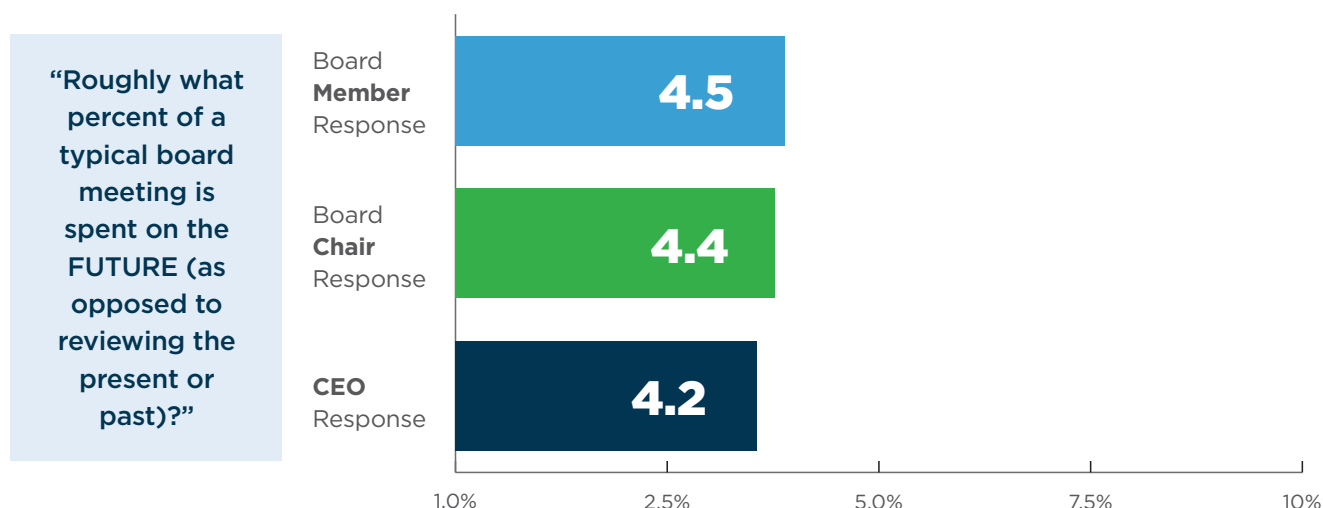## Some CEOs Want a Higher Commitment to Giving from their Boards

"Personally, I fully support our board's approach/ expectation about board member giving."

Board **Member** Response	2.3
Board **Chair** Response	2.5
CEO Response	2.7

1.0 — **Strongly Disagree** | 2.0 — Disagree | 3.0 — Undecided | 4.0 — Agree | 5.0 — **Strongly Agree**

Fewer Board Members Know about Written Expectations for Their Giving

"We have WRITTEN policies that address board member giving expectations."

Board **Member** Response	2.7
Board **Chair** Response	3.0
CEO Response	3.0

1.0 — **Strongly Disagree** | 2.0 — Disagree | 3.0 — Undecided | 4.0 — Agree | 5.0 — **Strongly Agree**

7. Different Views Surface on the Amount of Future Focus

If you divide board meeting agendas, in terms of time spent, into a **future focus** vs. reviewing the present or past, CEOs say that in board meetings less agenda time focuses on the future than what others say. (Policy setting/review falls under a future focus.)

CEOs Don't Experience a "Future Focus" as Much as Board Members Do

"Roughly what percent of a typical board meeting is spent on the FUTURE (as opposed to reviewing the present or past)?"

Board **Member** Response	4.5
Board **Chair** Response	4.4
CEO Response	4.2

1.0%   2.5%   5.0%   7.5%   10%

What Your Board Can Do with These Findings

What can you do with findings from a nonprofit governance survey like this? We hope our research will help both CEOs and boards review areas where they can celebrate—and perhaps strengthen even further. We also hope it will trigger a review and discussion of areas where boards may need to improve and to step further into their God-given mission.

A good starting point is to discuss the survey findings together as a board. Ask each person to nominate what your Christ-centered nonprofit does best among the "Strongest Practices" (Part One) and "Areas of Greatest Alignment" (Part Three). Talk about why you're doing these things well, and how to continue keeping them strong.

Then do likewise with "Biggest Improvements Needed" (Part Two) and "Seven Areas Where CEO, Chair, and Members *Don't* Align" (Part Four). Have each person suggest one area to work on, suggesting one specific way that the board could improve. Depending on the "hat" being worn—CEO, board chair, board member—the suggestions will likely be different.
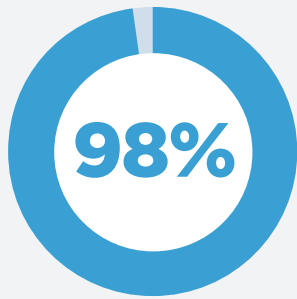
Ten Ways to Improve Your Board

Best Practices of Effective Nonprofit Governance
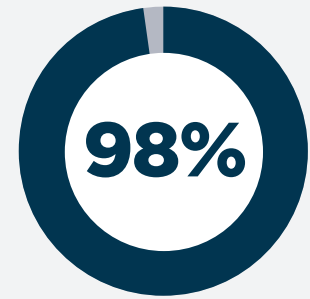
By Warren Bird, Ph.D.

It turns out that **effective boards** have a lot going for them. For example, among effective boards, look at these high, compelling percentages from their board members:

98%

"Our board understands the organization's mission"

98%

"Our board members have high passion for the ministry"

98%

"Our board understands the core programs, products, and services of the organization"

But what happens when we compare survey participants who rated their boards as effective against those who don't think their board is effective? The following list illustrates the areas where the contrast is greatest. These responses offer many implications for what effective boards do best, and how all boards can improve.

The following insights are framed as ten "best practice" steps you can take to improve your board's effectiveness. Each shows a comparison between effective boards and ineffective boards, starting with the comparisons where the gap was the greatest.

Big Differences Between Effective and Ineffective Boards

1. Set Clear Expectations

"Our board understands its roles and responsibilities."

Effective Boards: 93%
Ineffective Boards: 44%
49% GAP

AGREE
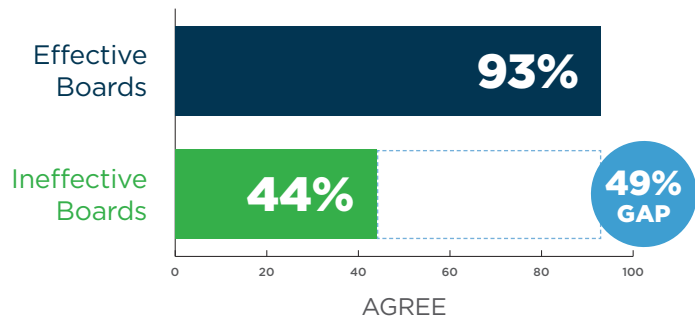
2. Prioritize Planning and Strategizing

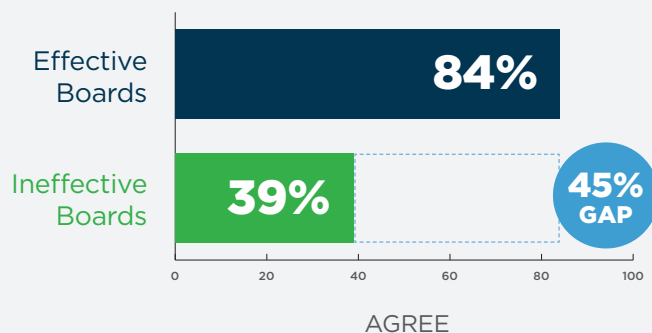"Our board ensures that the ministry has an active strategic planning process in place."

Effective Boards: 88%
Ineffective Boards: 40%
48% GAP

AGREE
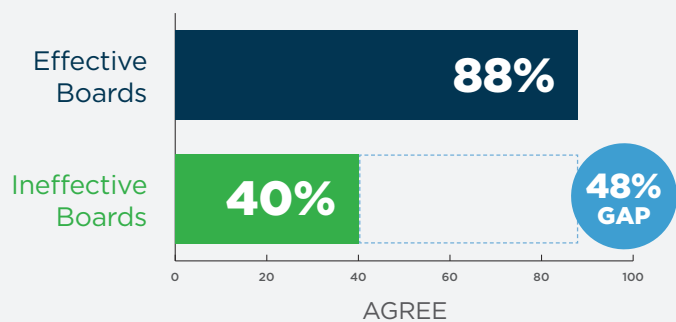
3. Focus on the Fruit

"Our board is very focused on measuring mission impact."

Effective Boards: 81%
Ineffective Boards: 36%
45% GAP

AGREE
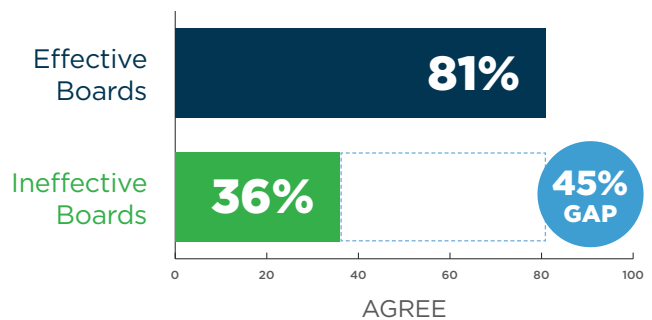
4. Study the Trends

"Our board devotes creative energy and board meeting time to assess risks and opportunities—and thus is well-informed about the outside forces impacting the organization."

Effective Boards: 84%
Ineffective Boards: 39%
45% GAP

AGREE

5. Increase Board Member Passion

"Our board members are passionate about our organization's primary mission/vision and invest time, talent, and treasure in personally enhancing our mission."

Effective Boards: **93%**
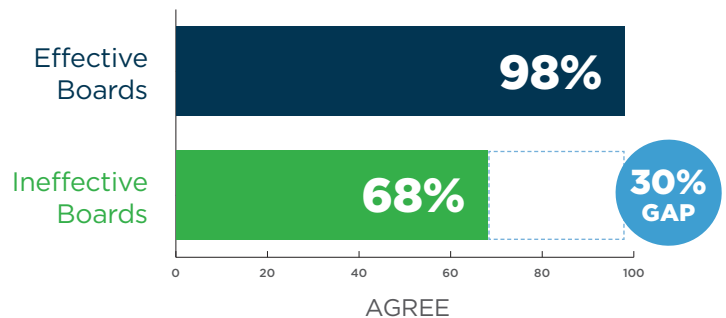Ineffective Boards: **49%**
44% GAP

AGREE
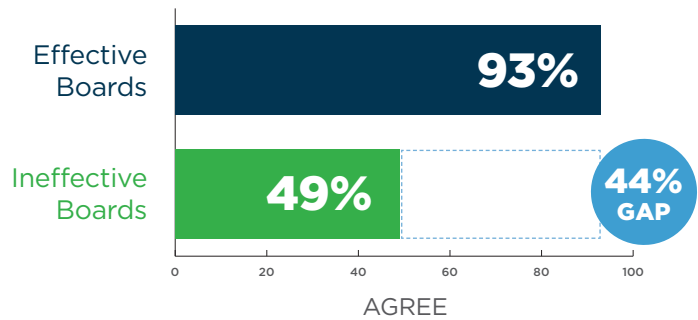
6. Minimize Opportunities for Scandal

"I am confident that the way our board currently does its governance has minimized the likelihood of a major scandal."
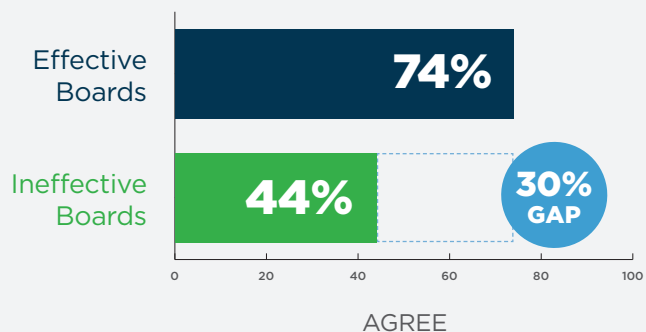
Effective Boards: **89%**
Ineffective Boards: **52%**
37% GAP

AGREE
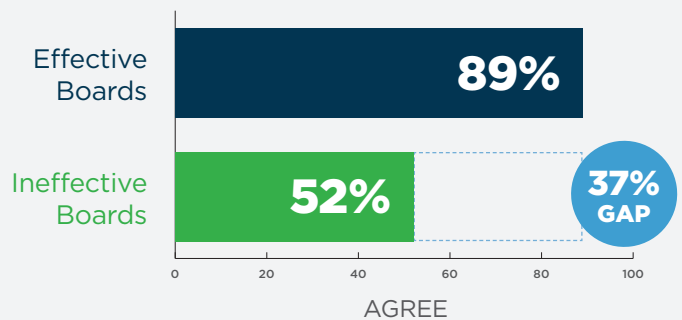
7. Clarify Your Mission

"The primary mission/vision of our organization is a very clear one."

Effective Boards: **98%**
Ineffective Boards: **68%**
30% GAP

AGREE

8. Provide CEO Soul Care

"Our board chair (or a designated board member) regularly encourages our CEO to address 'soul care'[2] topics in his or her own life."
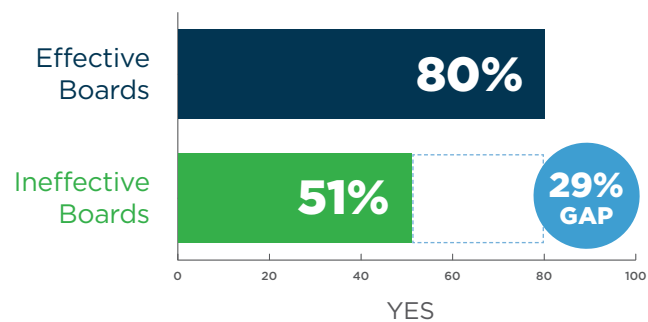
Effective Boards: **74%**
Ineffective Boards: **44%**
30% GAP

AGREE

9. Keep Improving Program Quality

"Did the quality of your programs increase in the last 12 months?"

Effective Boards: **80%**
Ineffective Boards: **51%**
29% GAP

YES

(0, 20, 40, 60, 80, 100)

10. Avoid Micromanaging

"On a scale of 1 to 10, how do you rate your board on micromanaging?"
(1 is "way too much micromanagement" and 10 is "healthy level of management/governance." Micromanaging refers to when the board is inappropriately "in the weeds" of operations that should better be left to staff.)[3]

Effective Boards: **85%**
Ineffective Boards: **62%**
23% GAP

AGREE

(0, 20, 40, 60, 80, 100)
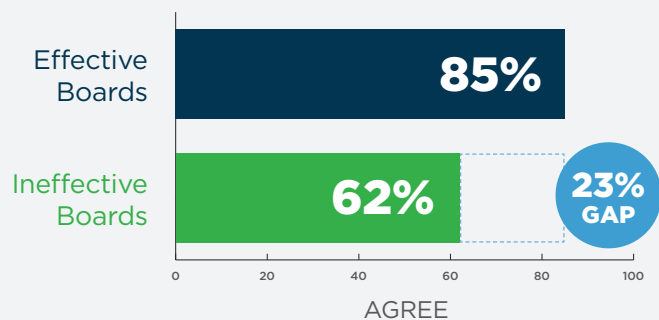
Bonus: Set Measurable Goals

"Did your CEO offer 3 or more measurable goals that your board approved this year?"

Effective Boards: **60%**
Ineffective Boards: **39%**
21% GAP
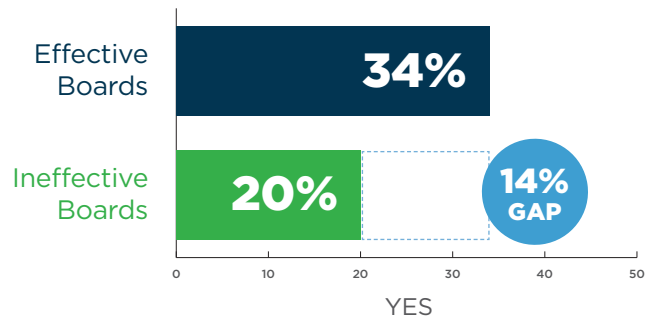
YES

(0, 20, 40, 60, 80, 100)
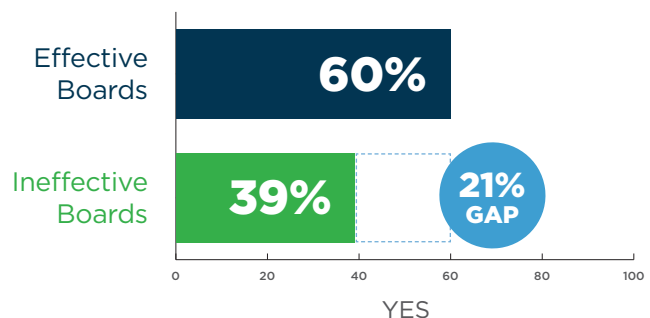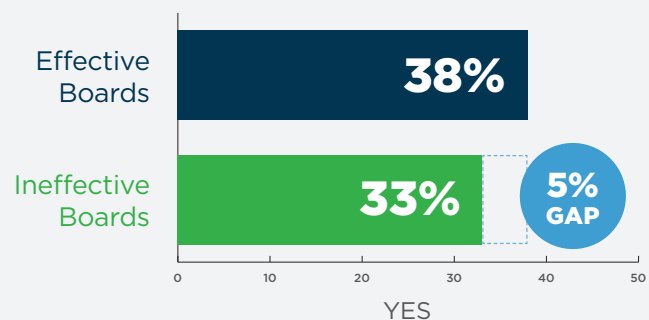
Areas of Concern for *ALL* Boards

1. Plan for CEO Transition

"Does your board have a written succession plan in the event of the CEO's death, long-term illness, or unexpected resignation?"
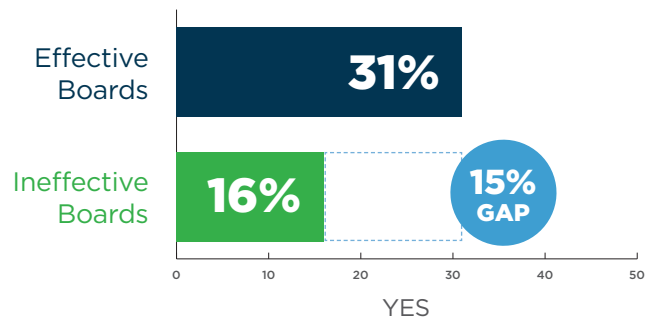
Effective Boards: **34%**
Ineffective Boards: **20%**
14% GAP

YES

2. Evaluate Whether to Grow Younger

"Do you have one or more board members age 35 or under?"

Effective Boards: **38%**
Ineffective Boards: **33%**
5% GAP

YES

3. Be Intentional in Recruitment

"Do you have a strategy for recruiting younger board members?"

Effective Boards: **31%**
Ineffective Boards: **16%**
15% GAP

YES

4. Develop Additional Giving

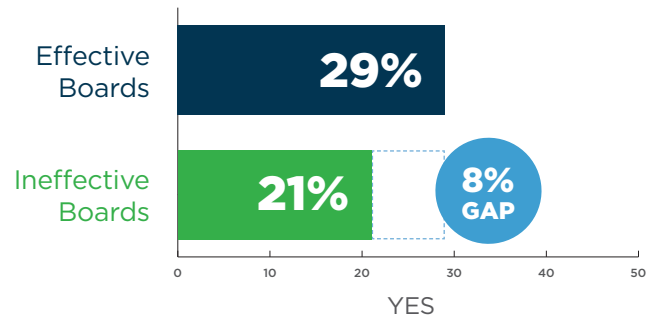"We provide training and encouragement to help board members encourage others to give"

Effective Boards: **36%**
Ineffective Boards: **22%**
14% GAP

AGREE

5. Commit to Improvement

"In the last two years, have you had an outside person help your board look in the mirror to do self-assessment for how it could improve?"

Effective Boards	**29%**
Ineffective Boards	**21%** **8% GAP**

0   10   20   30   40   50

YES

Seek Outside Help?

One section of the survey asked people in which areas they feel they need help. The list begins with the areas where the contrast is greatest.

Ineffective Boards Reveal a Greater Need for Outside Intervention

Board Members Who Agree They Need "Much Help" or "Major Help" with...

	Effective Boards	Ineffective Boards	Difference
1. Board/CEO/senior team clarification of roles and responsibilities	4%	41%	37%
2. Assessing ministry results and kingdom outcomes	8%	37%	29%
3. Annual CEO performance review	10%	39%	29%
4. Improving board agendas and reports	4%	31%	27%
5. CEO succession planning	18%	42%	24%
6. Recruiting and selecting the next CEO	18%	41%	23%
7. CEO/Board communication	4%	27%	23%
8. Hearing from God about the future	14%	34%	20%
9. Being spiritually discerning	5%	23%	18%
10. Staff roles in board meetings	4%	19%	15%
11. Resolving conflicts of interest	2%	15%	13%
12. Establishing spiritual qualifications of board members	3%	16%	13%
13. Understanding financial reports	5%	17%	12%

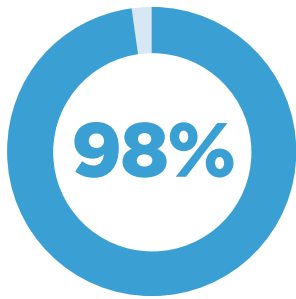# Four Challenges for Governance Boards

Many Boards Unprepared for the Future
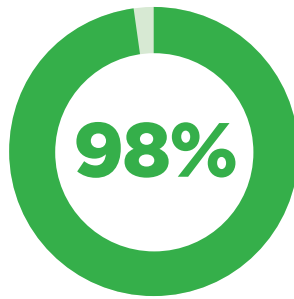
By Warren Bird, Ph.D.

ECFA

See our library of free research findings at ecfa.org/surveys

Let's start with good news:
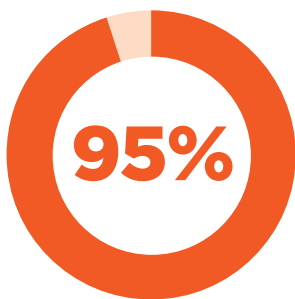## Boards are highly passionate about their Christ-centered mission.

98%
clearly see the board's work as **Christ-centered**
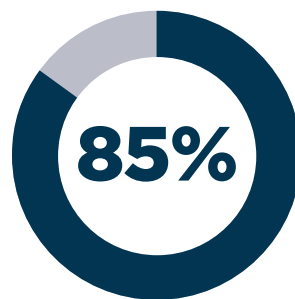
98%
strive to conduct their work with **Christ-centered character**

96%
agree with this statement, "It's very important that we know and leverage the **God-given strengths of every board member**."

95%
pray regularly for the ministry and the CEO

85%
say they are **passionate about their organization's primary mission/vision** and that they invest time, talent, and treasure in personally enhancing the mission
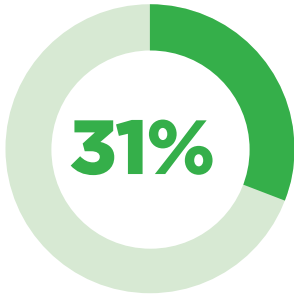
"We need board members who have the ability to lead the organization into the future"
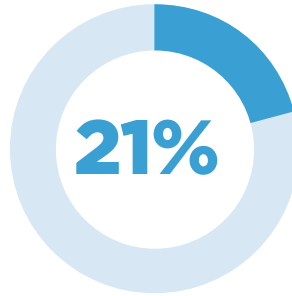
1. Succession
Fewer than one in three boards have a written CEO succession plan.

31%

only 31% said yes to "Does your board have a written succession plan in the event of the CEO's death, long-term illness, or unexpected resignation?"

21%

meanwhile, 21% said they need "much help" or "major help" with their CEO succession planning

20%

and 20% said they need "much help" or "major help" recruiting and selecting the next CEO

Further, the survey responses show that for the ministry's most recent board leadership change, only one person was considered. That is, 52% of respondents said "yes" to this statement: "When your board selected its current chair… only one person was considered (example: vice chair "automatically" became the chair)." That suggests that boards do not have many members who qualify for the chair position and/or they are so locked into the progression from vice-chair to chair that there is no openness to consider other candidates.

2. Measurable Goals
Boards want to monitor impact, but too often don't track measurable goals to get there.

79%
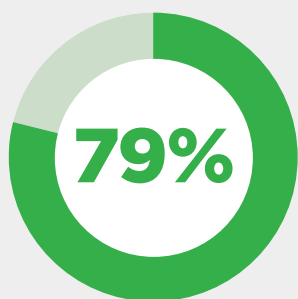
agree that "our board is very focused on measuring mission impact"

79%
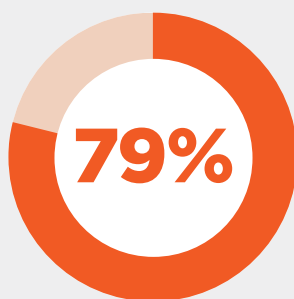
say that their board ensures that the ministry has an active strategic planning process in place

78%
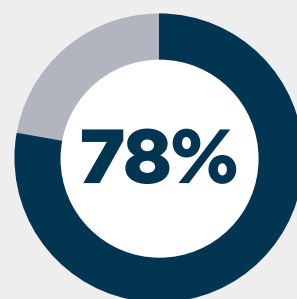
say that their board annually affirms and owns the ministry strategy

YET...

55%
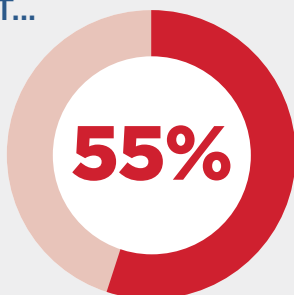
of board members receive monthly or quarterly dashboard reports that identify agreed-upon metrics or measurements, outcomes, and impact for programs, products, and/or services

52%
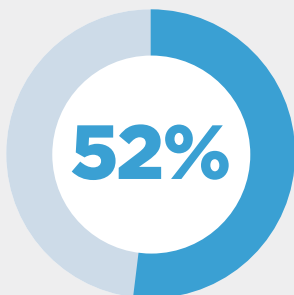
say that if the CEO has provided annual measurable goals, progress on those goals is "regularly reported to the board"

39%

of the staff that directly report to the CEO each have three or more annual measurable goals

3. Future Focus
Boards recognize the need to be more future-focused, but don't always do so.

67% agree: "Our board carves out time to creatively address the current and future needs of our 'customers'."

67%

87% of boards that rate themselves as *effective* spend half or more of a typical meeting dealing with the future

87%

Yet across all ministries, only 44% of a typical board meeting is spent on the future as compared to reviewing the present or past.

44%

0   20   40   60   80   100
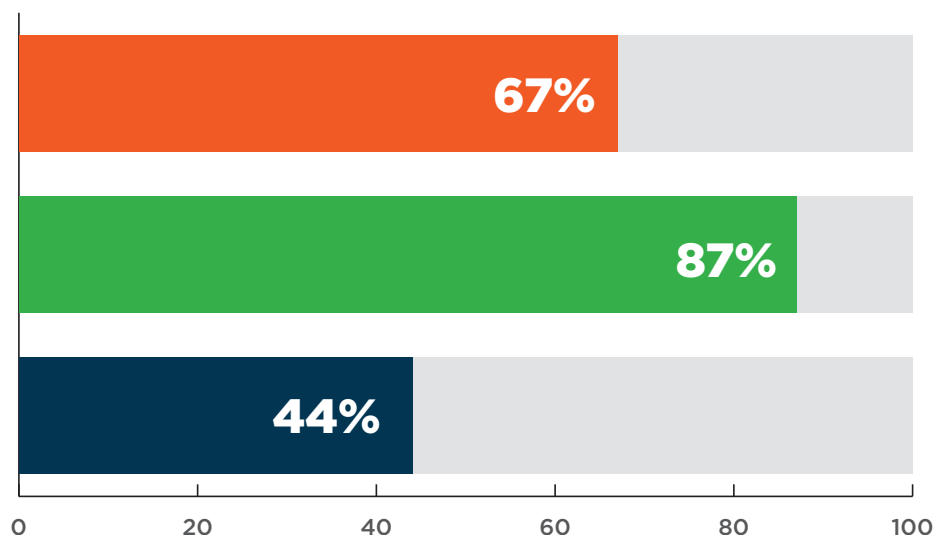
4. Best Board Composition
Not enough board members feel they have the right board composition for the future.

59%
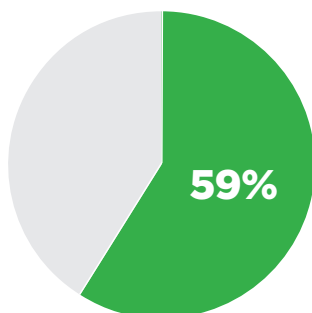
59% answer affirmatively to "Is our board composition right for the challenges ahead?"

41%
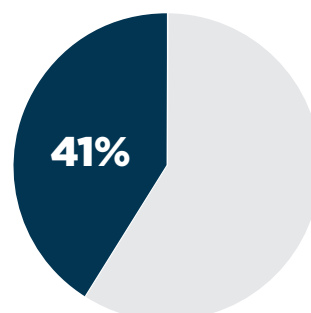
41% say they need "some," "much," or "major" help to remove ineffective board members.

Budget Matters:
How Ministries from Large to Small Compare in Their Responses

How does the size of a ministry affect people's responses to our survey questions? What happens when you analyze survey participants in three groups, based on the annual income of the Christ-centered ministry their board serves? Here are the category sizes, followed by ten findings in which the responses varied most significantly.

Smaller: under $1 million annual ministry income (35% of survey participants)
Mid-Size: $1 million to $9.99 million annual ministry income (45% of survey participants)
Larger: $10 million and over in annual ministry income (20% of survey participants)

|	$ Smaller Income	$$ Mid-Size Income	$$$ Larger Income
1. "Currently, how many voting members are on your board?"[3]	8	10	15
	Percent who "agree" or "strongly agree"		
2. "Our board chair (or a designated board member) regularly encourages our CEO to address 'soul care' topics in his or her own life."	63%	67%	78%
3. "Our board conducts an annual performance review of the CEO."	59%	68%	80%
4. "Our board ensures that the ministry has an active strategic planning process in place."	76%	77%	87%
5. "Our measurements often cause us to change course or add more resources to certain programs."	55%	56%	65%
6. "Our senior leaders are very focused on measuring mission impact."	76%	79%	85%
	Percent who said "yes"		
7. "Our board ensures that the ministry has an active strategic planning process in place."	76%	77%	87%
8. "Does your board have a written succession plan in the event of the CEO's death, long-term illness, or unexpected resignation?"	19%	24%	27%
	Percent who said "frequently" or "always"		
9. "How often does the board discuss tactical versus strategic topics?"	5%	23%	18%
	Percent who replied with an 8, 9 or 10		
10. "On a scale of 1 (low) to 10 (high), how do you rate your board on micromanaging?"	65%	71%	75%

Survey Frequencies of 128 Questions

What did the actual survey ask? Below are almost all the questions from the survey along with the responses. The questions have been rearranged and grouped in clusters designed for quickly finding the topics that interest you most. We hope you learn much as you see how others assessed themselves.

1. Who's On The Board (see also the infographic on page 4)

Experience	25th Percentile[4]	Median 50th Percentile	75th Percentile
How many **years have you served in your current** board role at your organization? (If you currently serve on more than one ECFA-accredited organization's board, please select just one board for your answers in this survey.)	3	5	10
Counting every nonprofit ministry you have served, how many **total years have you served on a board**?	7	15	25
How many of those years, if any, have you **served as CEO** (or equivalent) for ANY nonprofit?	4	8	18
What is your **age**?	53	61	68

Context	25th Percentile[4]	Median 50th Percentile	75th Percentile
How many **full-time equivalent (FTE)** employees does your ministry currently have?	5	15	60
Currently, how many **voting members** are on your board?	7	10	13
How many of those current **voting members** of the board, including the CEO, are **paid staff**?	0	1	1

Frequency of In-Person Board Meetings

More than 12 in-person meetings/year	1%
12 in-person meetings/year	4%
7-11 in-person meetings/year	8%
6 in-person meetings/year	8%
5 in-person meetings/year	3%
4 in-person meetings/year	17%
3 in-person meetings/year	16%
2 in-person meetings/year	**32%**
1 in-person meeting/year	11%
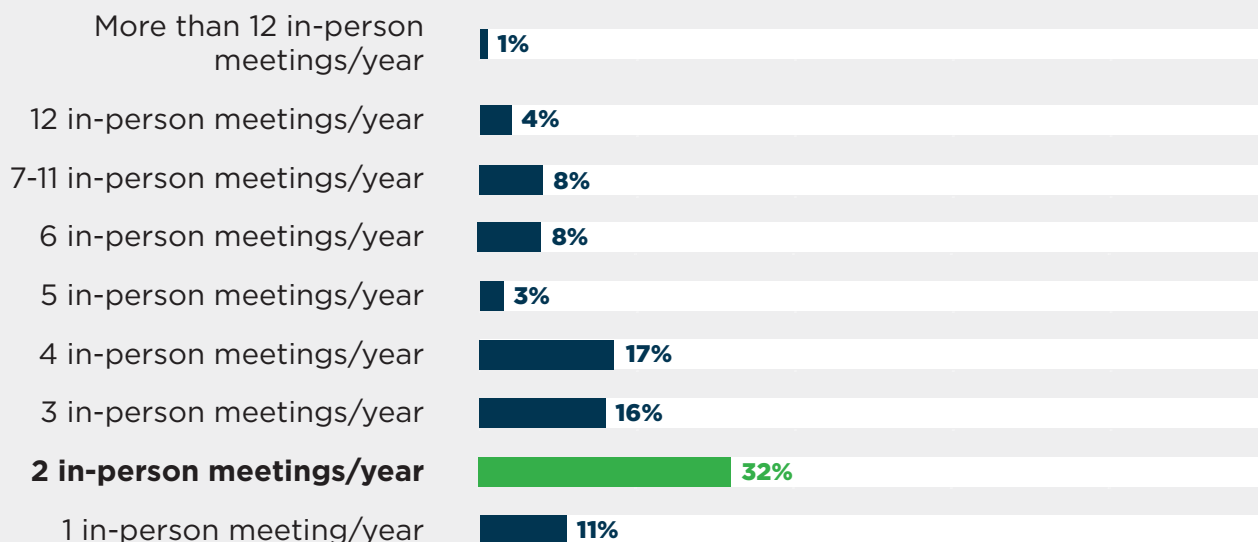
NOTE: Thus, 76% of boards meet 4 times or less in person per year (not counting conference calls).

Board Term Lengths

1-year term	11%
2-year terms	12%
3-year terms	**39%**
4-year terms	12%
5-year terms	9%
6-year terms	8%
More than 6-year terms	9%
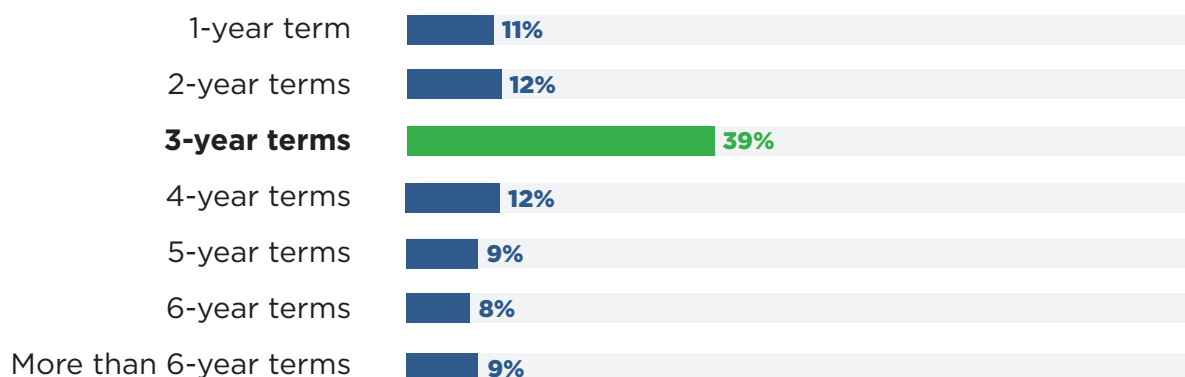
Board Term Limit Practices

One term only (then 1 year off)	4%
Two term only (then 1 year off)	19%
Three term only (then 1 year off)	10%
No term limits	**67%**
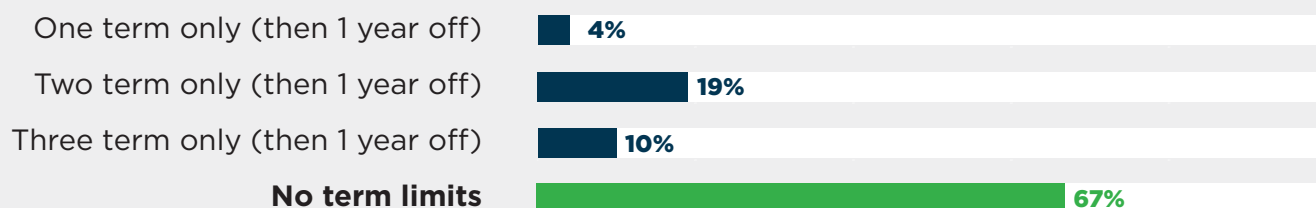
Selecting Your Board Chair -
When your board selected your current chair....YES[5]

Only **one person** was considered (example: vice chair "automatically" became the chair).

52%

Two or more candidates were considered.

46%

The board specifically looked into **character issues** (integrity, trust, humility, Spirit's anointing, etc.).

87%

Candidate(s) specifically affirmed a sense of the **call of God** for this role.

87%

TOP **12** FINDINGS *

#8. Just over half of participants feel they have the right board composition for the challenges ahead.

The Right Board Composition

Ram Charan doesn't waste words in *Owning Up*—firing this question onto the board table in the first paragraph of his first question, "Is Our Board Composition Right for the Challenge?"
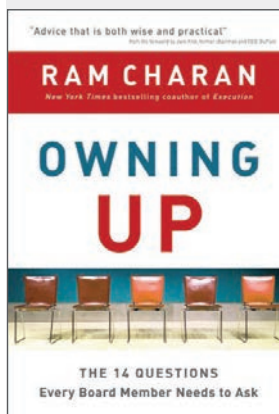
"The role of the board has unmistakably transitioned from passive governance to active leadership with a delicate balance of avoiding micromanaging. It's leadership as a group, not leadership by an appointed person."

Charan adds, "With the right composition, a board can create value; with the wrong or inappropriate composition, it can easily destroy value."[6]

Board Make-Up.....YES[7]

Are we prepared to do our job well **when a crisis erupts**?

77%

Is our **board composition** right for the challenges ahead?

59%

*The "top 12 findings" of this report are summarized on page 5. Then each finding is underscored with commentary wherever it happens to appear in this section of survey frequencies.

Types of Members.....YES[8]

Does your board **elect its own officers** (board chair, vice chair, etc.)?
93%

Does your board have **term limits for your board chair**?
48%

Do you have one or more **board members age 35 or under**?
39%

Does your board have **"emeritus" members**?
25%

Does your board have **"honorary" members**?
11%

Do your bylaws specify any **age limitation** for board service?
4%

2. Christ-Centered Governance

Values....AGREE[9]

Board members clearly see the board's work as **Christ-centered**.
98%

Board members conduct their work with **Christ-centered character**.
98%

Board members **demonstrate faith** when asking for God's direction and blessing.
98%

It's very important that we know and leverage the **God-given strengths** of every board member.
96%

Board members **pray regularly** for the ministry and the CEO.
95%

"I believe there are **important distinctives** between how a "secular" board governs and how a "Christ-centered" board governs."
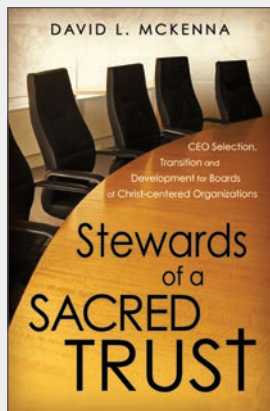**95%**

Board members, increasingly, are practicing **spiritual discernment** in board decision-making.
91%

Board members understand their role and God's role in **goal setting and kingdom outcomes**.
91%

#1. Boards overwhelmingly affirm the distinctiveness of Christ-centered governance.

Acknowledge God Is the Owner!

David McKenna says there are five distinctives of Christ-centered boards:

- **Distinctive #1:** A Common Christian Faith. Different than secular boards, Christ-centered boards are "involved in prayerful intercession and act in faith and in integrity."

- **Distinctive #2:** A Statement of Christian Faith. This provides the "values and theological framework for all decisions made by the board."

- **Distinctive #3:** A Christian Worldview. "The focus of a Christ-centered organization, therefore, is to seek to accomplish the Great Commission as outlined in the Bible."

- **Distinctive #4:** A Maturing Fellowship. Christ-centered boards create "a climate for personal, professional and spiritual growth for every employee of the ministry."

- **Distinctive #5:** An Accountability to God as Stewards. Acknowledging that God is the owner, "the board member's actions, plans, and policies are ultimately responsible for reflecting God's Will for the organization."[9]

If the CEO (or equivalent top leader) and Board Chair are currently two *different* people….AGREE[9]

The working relationship between the two of them is excellent. **96%**

Care for the CEO….AGREE

Our board chair (or a designated board member) regularly encourages our CEO to address **"soul care"** topics in his or her own life. **68%**

#12. About two thirds of survey participants say their board chair or a designated board member regularly encourages their CEO to address "soul care"[10] topics in his or her own life, but a smaller percentage of CEOs feel that way.

Keep Your Leader Alive!

Max De Pree (1924-2017) said the board must give its CEO four things: a mandate, trust, space, and "the fourth thing the board owes the president is care." He lists six priorities:

1. Care: devotional bonding
2. Care: recognizing the needs of the CEO's family for "friendship, support, and love"
3. Care: mandatory vacations and regular health checkups
4. Care: "the kind of care that goes the extra mile in compensation arrangements to include such things as budgeted spouse travel allowance and financial planning service"
5. Care: continuing education and professional development ("especialy the opportunity to be mentored")
6. Care: "the kind of care that keeps the president alive, that doesn't permit him to 'work himself to death.'"[11]

3. Board Effectiveness

Trust, Good Governance

The **trust** shared between CEO and board members is a key factor in board effectiveness.
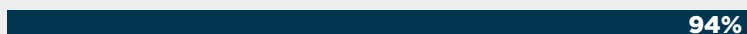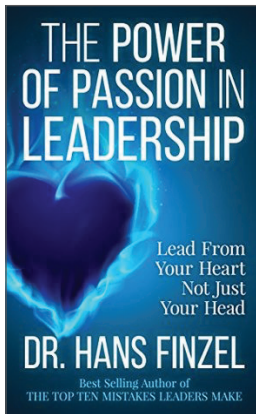
94%

"I am confident that the way our board currently does its governance has minimized the **likelihood of a major scandal**."

82%

Our board has been very effective over the last 12 to 18 months.

76%

#2. Boards report a remarkable level of understanding and personal passion for their ministry's mission.

The Power of Passion!

"The place God calls you to is the place where your deep gladness and the world's deep hunger meet."[12]
Frederick Buechner

"When who we are lines up with the role we are in, then we are in a place of passion."[14]
Hans Finzel

Hans Finzel on "You Know It's Time to Leave When…"
"…the juice is no longer worth the squeeze. You're worn out."[13]

#5. Effective boards affirm a high clarity of roles and responsibilities, while ineffective boards report a major lack of clarity.
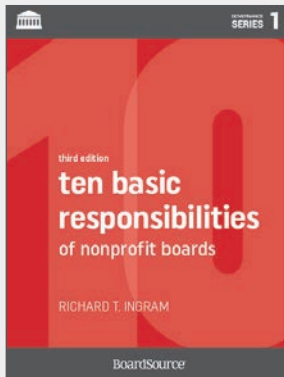
Eliminate the Ambiguities!

"This book addresses the 10 basic responsibilities of nonprofit boards within the broader context of contemporary best practices. Taken together, these 10 responsibilities constitute a job description:

1. Determine mission and purposes, and advocate for them.
2. Select the chief executive.
3. Support and evaluate the chief executive.
4. Ensure effective planning.
5. Monitor and strengthen programs and services.
6. Ensure adequate financial resources.
7. Protect assets and provide proper financial oversight.
8. Build a competent board.
9. Ensure legal and ethical integrity.
10. Enhance the organization's public standing."[15]

Board Self-Understanding....AGREE[9]

Our board understands the organization's **mission**.
97%

Our board members have **high passion** for the ministry.
95%

Our board understands the **core programs, products, and services** of the organization.
95%

Our board members are **passionate** about our organization's primary mission/vision and invest time, talent, and treasure in personally enhancing our mission.
85%

Our board understands its **roles and responsibilities**.
83%

Our board annually affirms and "owns" the **ministry strategy**.
78%

Outside of board meetings, most board members avoid offering opinions that differ from **agreed-upon board decisions**.
75%

4. CEO's Goals

CEO Priorities...YES[5]

Did your CEO offer three or more measurable goals that your board approved this year?
68%

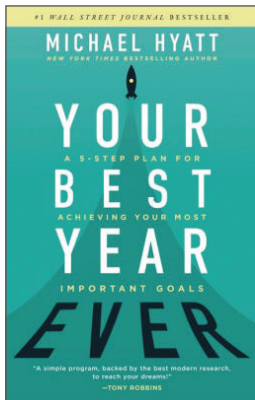If you have "CEO Annual frMeasurable Goals," is progress regularly reported to the board?
73%

#4. Only two thirds of CEOs have board-approved annual measurable goals and barely half of board participants feel their measurements often cause them to change course or add more resources to certain programs.

Michael Hyatt says that "great goals check seven boxes."

- ✅ Specific
- ✅ Measurable
- ✅ Actionable
- ✅ Risky
- ✅ Time-keyed
- ✅ Exciting
- ✅ Relevant

He adds this about **"S.M.A.R.T.E.R."** goals:

- "Goals poorly formulated are goals easily forgotten."
- "Dragging the worst of the past into the best of the future is another reason goals fail."
- "…if you already have everything you need to achieve your goal, then your goal's probably too small."
- "Resources are never the main challenge in achieving our goals."
- "…the mere act of writing one's goals boosted achievement by 42 percent."

Bonus! Hyatt's book includes 10 very practical pages of sample goal templates (pages 237-246).[16]

#11. CEOs especially don't feel the board's executive sessions (i.e., without the CEO) are helping the board do its job.

Botched Executive Sessions Are Not Pretty!

Here are four of seven key principles for conducting effective executive sessions noted in *More Lessons From the Nonprofit Boardroom*:

- "The CEO should generally be present at the beginning of an executive session so the CEO can gain a sense of the topics the board has in focus.
- Following an executive session, the gist of the discussion should be communicated to the CEO in a construction manner.
- During the executive session, not every comment made by every board member will necessarily be appropriate or substantive.
- If feedback to the CEO is not provided right after the session, it should be conveyed within a day or two so that the discussion is fresh in the minds of board members sharing the report."[17]

Value of Time Spent....YES[4]

Are our **executive sessions** (without the CEO) helping the board do its job? **70%**

Are we getting the **most value** out of our limited time together as a board? **68%**

5. What You Measure, Improves

Who Measures....AGREE

Our **givers** are very interested in knowing about our mission impact. **84%**

Our **senior leaders** are very focused on measuring mission impact. **78%**

Our **board** is very focused on measuring mission impact. **73%**

Our **measurements often cause us to change course or add more resources** to certain programs. **57%**

6. Board Best Practices

TOP **12** FINDINGS

#3. Three quarters of board members aren't prepared for CEO succession, and fewer than 1 in 4 have a written succession plan.

SERIES No. 4
SUCCESSION PLANNING

From the *ECFA Governance Toolbox Series:*

Address the Elephant in the Room! Your CEO will retire someday, as will the senior leaders reporting to the CEO. Healthy boards and healthy CEOs address these facts of life! Your CEO should ask: "Do I still have fire in my belly for the future of this organization?"[18]

When Should Your CEO Leave? David McKenna says "timing is everything" when discerning when to leave a ministry. He notes three questions from Peter Drucker:
- What needs to be done?
- Can I do it?
- Do I want to do it?[19]

#6. Boards acknowledge that too much "tactical" engagement and micromanagement is occurring.
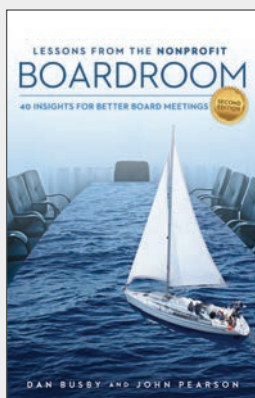
Noses In, Fingers Out!

When Rich Stearns served as CEO of World Vision U.S., he embraced the acronym NIFO—"Noses in, Finders out"—which he called shorthand for "keeping board members operating at a policy level."

Dan Busby and John Pearson recommend three solutions when board members are tempted to wallow in the tactical weeds:

- **Solution No. 1:** Start with a strong philosophy of governance, documented in your Board Policies Manual, defined in board orientation materials, and reinforced with governance refresher training.
- **Solution No. 2:** Empower the board chair to address operational overreach through setting the agenda and monitoring board discussions.
- **Solution No. 3:** Inspire board members to speak up when the board veers into operational matters.[20]

#7. Only half say their board has policies in place—and the spiritual integrity required—to ask an under-performing board member to resign.

A Draining Experience!

Sometimes board members are ineffective (and under-perform) because they have minimal passion for the ministry—and *never should have joined the board in the first place*.

John Pellowe speaks to the hearts of future board members about passion and calling:

- "If the ministry's mission is not closely tied to your interests, your board service will be a draining experience…"
- "The Holy Spirit can nudge us towards those good works that God has prepared for us to do (Eph. 2:10); this nudging is usually described as a call."
- "God's individual call is normally in line with the gifts that you already have."[21]

Board Priorities....AGREE

Our board ensures that the ministry has an active **strategic planning process** in place.
**79%**

Most board members help the CEO, in appropriate ways, by offering **strategic input** (as opposed to tactical input).
78%

Our board devotes creative energy and board meeting time to assess **risks and opportunities**—and thus is well-informed about the outside forces impacting the organization.
75%
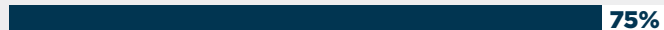
Our board approves the CEO's **annual measurable goals** that align with the strategy.
74%
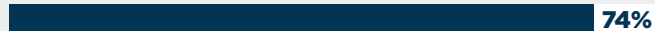
Our board carves out time to creatively address the **current and future needs of our "customers**."
67%

Our board conducts an **annual performance review** of the CEO.
67%

Our board understands its governance role, but thoughtfully and regularly leverages the wisdom in the boardroom for **"generative thinking"** (what some call the "fuzzy front end" of product or program development).
**59%**

Our board has policies in place—and the spiritual integrity required—to **ask an under-performing board member** to resign.
50%

Roughly what percent of a typical board meeting is **spent on the FUTURE** (as opposed to reviewing the present or past)? *Percent who spend half or more of their meeting on the future:*
49%

#10. About two thirds of boards carve out time to creatively address the current and future needs of their ministry's "customers."
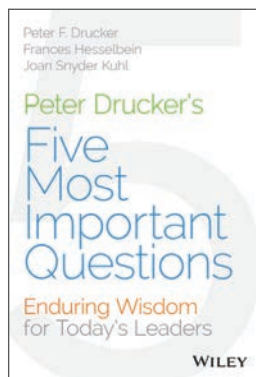
Ask the Five Drucker Questions!

Peter Drucker urged nonprofit boards to address his "five most important questions: 1) What is our mission? 2) Who is our customer? 3) What does the customer value? 4) What are our results? and 5) What is our plan?" On the third question, he wrote:

"The question, What do customers value?—what satisfies their needs, wants, and aspirations—is so complicated that it can only be answered by customers themselves. And the first rule is that there are no irrational customers. Almost without exception, customers behave rationally in terms of their own realities and their own situation. Leadership should not even try to guess at the answers but should always go to the customers in a systematic quest for those answers."[22]

More Board Priorities....YES[3]

Does your board have a **written employment agreement** with the CEO?
62%

Do board members receive **monthly or quarterly dashboard** reports that identify agreed-upon metrics or measurements, outcomes, and impact for programs, products, and/or services?
58%

Do you have a strategy for **recruiting younger board members**?
34%
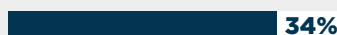
In the last two years, have you had an **outside person** help your board look in the mirror to do self-assessment for how it could improve?
31%

Does your board have a **written succession plan** in the event of the CEO's death, long-term illness, or unexpected resignation?
24%

7. Avoiding the Weeds

On a scale of 1 (way too much micromanagement) to 10 (healthy level of management/governance), how do you rate your board on micromanaging?....8, 9 or 10

Our board is currently at this level [i.e., 8, 9 or 10].
69%

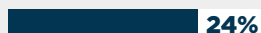In the next 12-18 months, I'd like our board to be at this level.
92%

How Often Does....Never or Rarely[23]

...the board discuss **tactical** versus strategic topics?
19%

...the board conclude a discussion, **leaving the CEO unclear** if a "strong suggestion" was a board-approved mandate, or just personal opinions?
77%

...the board chair allow one or more members to **tilt inappropriately towards micromanagement** (without the board chair addressing it)?
82%

8. Greatest Needs

Which areas, from these 10 choices, need the greatest improvement in your ministry? (5 choices allowed per survey participant)

Area	%
Fundraising	82%
Strategic Planning	64%
Marketing and Public Relations	62%
Achieving Mission Results	56%
Programs, Products, and Services	42%
Human Resources	39%
Team Building	39%
Meeting "Customer" Needs	36%
Governance	33%
Finance and Accounting	26%
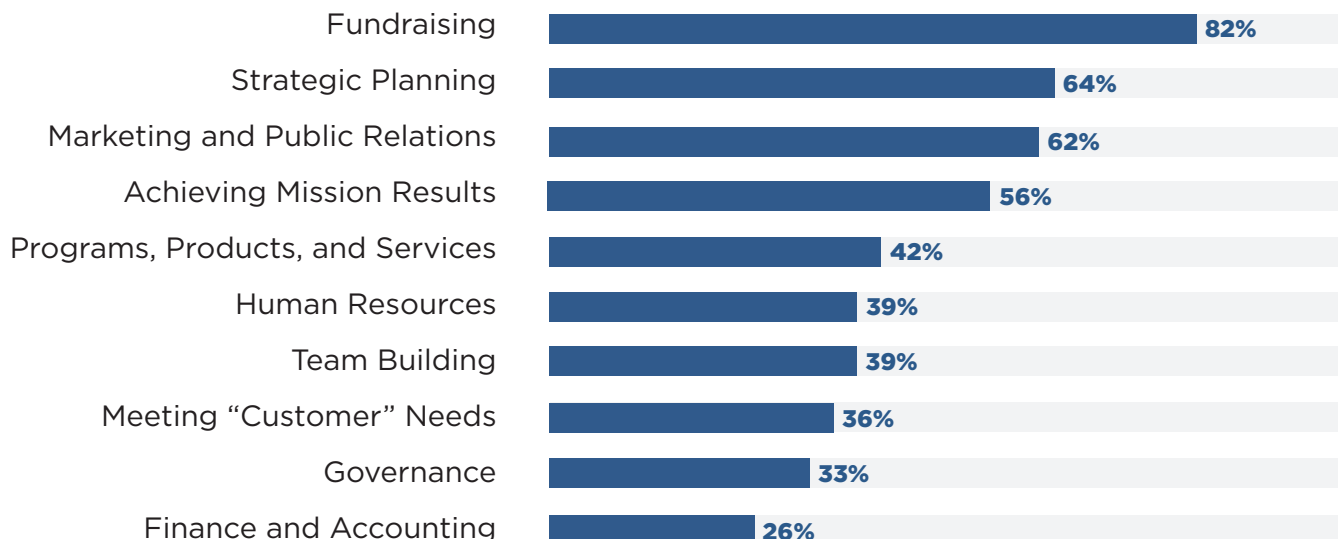
TOP 12 FINDINGS

#9. Cultivating and training new board members is an area of major need.

From the *ECFA Governance Toolbox Series*:

SERIES No. 1

RECRUITING BOARD MEMBERS

Don't Propose Marriage on Your First Date! Cultivation is the first of four phases of the board member recruitment process. Effective boards don't short-change this phase—they leverage it—because spiritual discernment takes time.

If you're married, you (hopefully) didn't propose marriage on your first date! But many boards do just that. In the "Recruiting Board Members" video, the ministry's CEO invited "Tom" onto the board after only one meeting over a steak lunch. Not wise. Not smart.

Sometimes this get-acquainted process may take up to 18 or even 36 months, as you raise the bar for the kind of board members you'll need in the future. During this time of seeking God's direction and assessing prospective board members, you'll often eliminate some prospects.[24]

How much help does your board need in the following areas? (Top 10 of 27 choices where MOST help is needed)....Much or Major Help Needed[25]

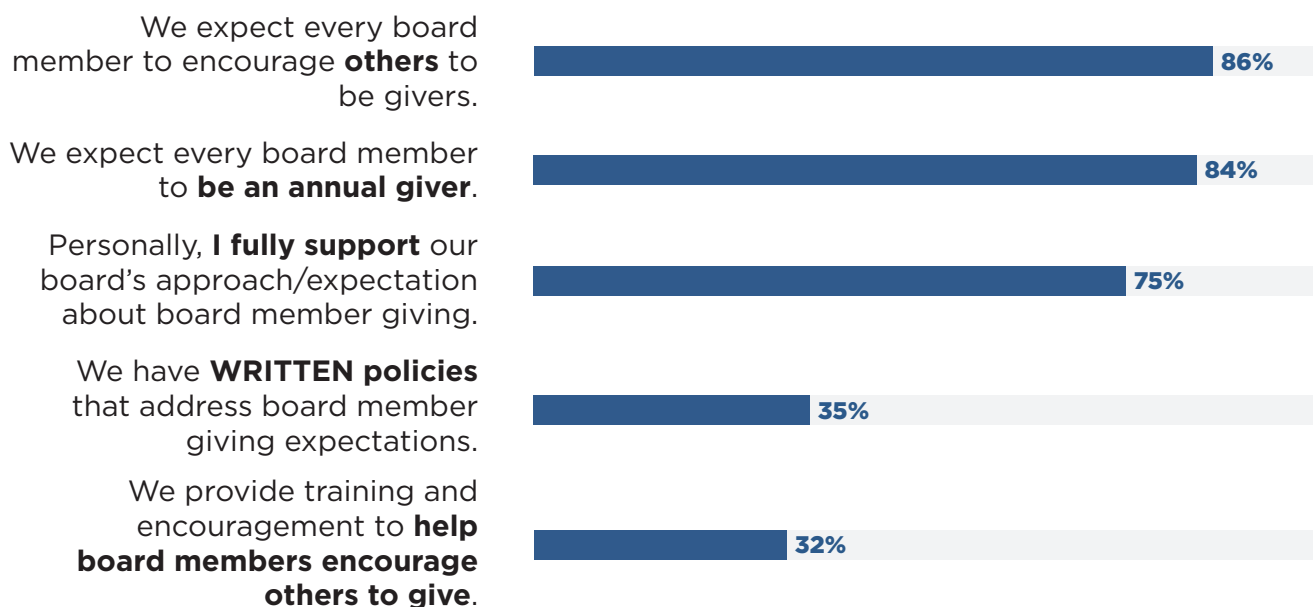| Area	Percentage
Cultivating and Recruiting New Board Members	28%
CEO Succession Planning	23%
Recruiting and Selecting the Next CEO	23%
Helping Board Members Annually Self-Assess Their Board Service	21%
Orienting New Board Members	19%
Annual CEO Performance Review	15%
Engaging All Board Members	15%
Removing Ineffective Board Members	15%
Assessing Risk Management	15%
Assessing Ministry Results and Kingdom Outcomes	13%
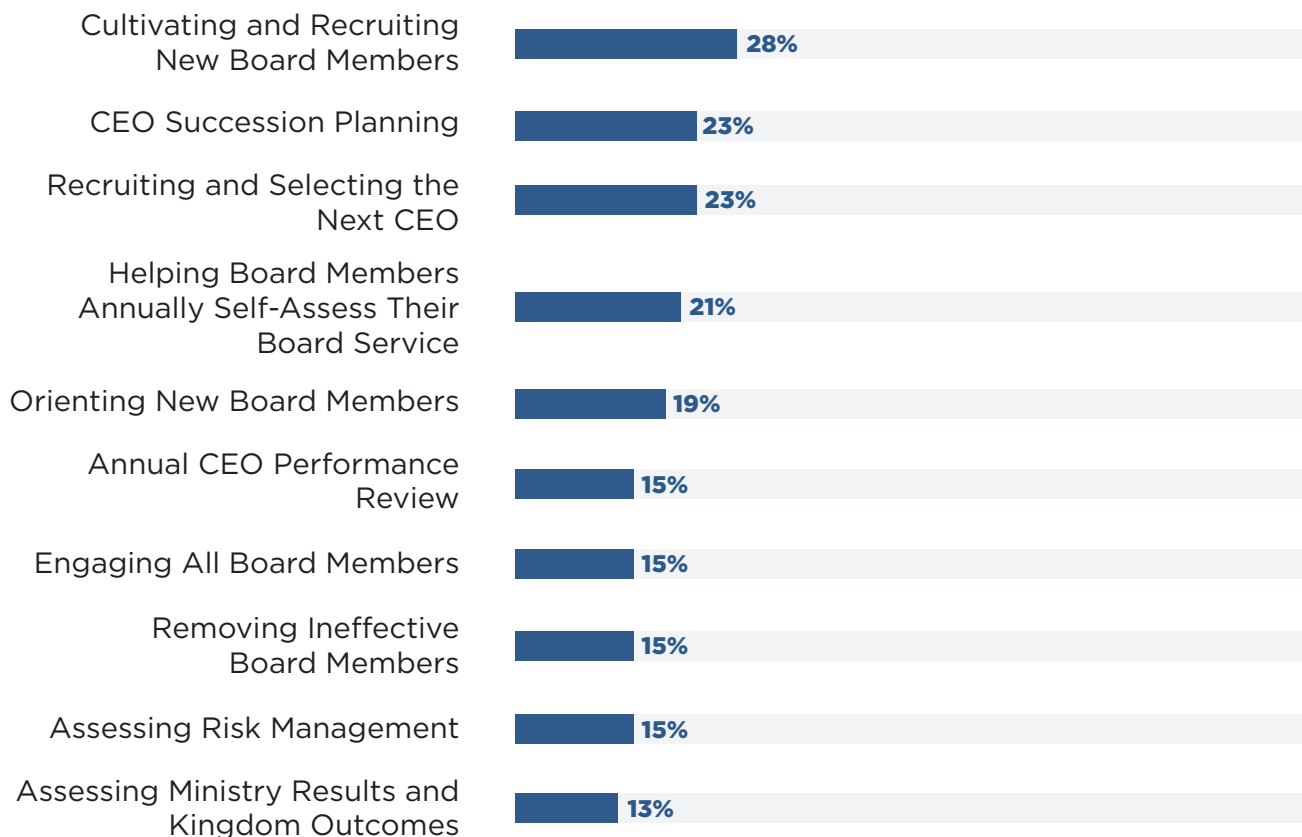
How much help does your board need in the following areas? (Top 10 of 27 choices where LEAST help is needed)...None or Very Little Help Needed[26]

Area	%
Resolving Conflicts of Interest	87%
Establishing Spiritual Qualifications of Board Members	76%
Staff Roles in Board Meetings	75%
CEO/Board Communication	70%
Being Spiritually Discerning	68%
Understanding Financial Reports	68%
Improving Board Agendas and Reports	68%
Board/CEO/Senior Team: Clarification of Roles and Responsibilities	64%
Clarifying Board Member Volunteer Roles	64%
Setting CEO Compensation	63%

10. Financial Giving by the Board

Practices and Training on Board Giving....AGREE

Statement	%
We expect every board member to encourage **others** to be givers.	86%
We expect every board member to **be an annual giver**.	84%
Personally, **I fully support** our board's approach/expectation about board member giving.	75%
We have **WRITTEN policies** that address board member giving expectations.	35%
We provide training and encouragement to **help board members encourage others to give**.	32%

What's the single biggest obstacle that may be preventing your board from becoming healthier?

Samples:

"Lack of meaningful connection in between face-to-face board meetings."

"Everyone is so ... inexperienced, we need training on the critical role of a board to an organization."

"We don't have term limits. Many board members have been on for 10+ years, including the board chair."

"The board doesn't know what it doesn't know, namely what a healthy board is and/or what they need to do to become one."

What is the most challenging board governance issue your board is facing in the next 1-2 years?

Samples:

"Growing our CEO."

"Developing a new leader to replace our founder."

"Finding and recruiting qualified and passionate board member candidates."

"Need to expand our donor base and improve revenue."

"Accountability of the CEO toward improving on his measurable goals."

"The growth of our organization is outpacing staff/volunteers/structure."

What is your board's single greatest need?

Samples:

"God's guidance / listening."

"Defining roles and expectations of board members."

"Developing a stronger atmosphere of truth plus love."

"Renewal and being more relevant to needs of stakeholders."

"Shifting away from reviewing results toward developing a strategy."

Comparison to 2014's Nonprofit Governance Survey

In 2014, ECFA conducted a major survey and produced a 62-page insight-rich report titled "3rd Annual Nonprofit Governance Survey." It is still a great collection of relevant insights and is available for free download at **ecfa.org/surveys**.

Many of the questions are identical between the 2014 version and ECFA's recent survey[2] on which this report is based. What happens when we compare the findings from each? Here are some highlights:

1. Then and now boards affirm the distinctiveness of Christ-centered governance. In both surveys, questions about the spiritual task of the board received the highest scores of any set of questions.

2. Both surveys gave high marks to the unity of the board and the spiritual passion of the members, even if they indicated a need for more training on several fronts.

3. Healthy governance is not there yet. Most of the areas needing improvement came up the same in both surveys; for example, too much "tactical" engagement and excessive micromanagement.

4. Fundraising continues to be reported as a top area in need of help.

5. A sizable percentage of CEOs lack annual goals.

6. A sizable percentage of boards lack a written succession plan for their CEO.

How to Use This Report

How can your Christ-centered ministry benefit most from a nonprofit governance report like this? We hope our research will help both CEOs and boards review areas where they can celebrate and perhaps strengthen even further. We also hope it will trigger a review and discussion of areas where boards may need to improve and to step further into their God-given mission.Here is a general pathway you could follow: read the report yourself, circulate it to others, and discuss it together. As a board, prayerfully pick specific benchmarks to improve upon, and then set up a plan and a review date.

One caution: don't try to take on this entire report in one pass. Instead, select one specific area of the report for a deeper drill-down. For example, suppose you are most intrigued by the section of this report titled "Where CEO and Board Differ." In preparation for discussing the survey findings together as a board, ask each person to nominate what your Christ-centered nonprofit does best among the "Strongest Practices" (Part One) and "Areas of Greatest Alignment" (Part Three). Talk about why you're doing these things well, and how to continue keeping them strong.

Then do likewise with "Biggest Improvements Needed" (Part Two) and "Seven Areas Where CEO, Chair, and Members Don't Align" (Part Four). Have each person suggest one area to work on, suggesting one specific way that the board could improve. Depending on the "hat" being worn—CEO, board chair, board member—the suggestions will likely be different.

Set a date on the calendar as a time for following-up your discussion. At that point, plan to ask where your board has improved most and why, as well as what further improvements you could take. Maybe pick another section of the report for a similar deep dive and begin the entire process again.
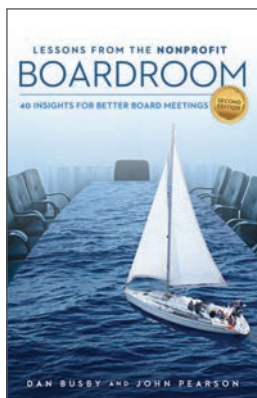
The fact that you're reading this report suggests that you have a strong commitment to making your board better. ECFA's confident encouragement to you is this: you can do it! Your board—any board—can improve. But as you do so, go only as fast as you can do so on your knees. As the ECFA book by Dan Busby and John Pearson, *Lessons From the Nonprofit Boardroom*, says in one of its lessons about ministry as a spiritual organization: "Sometimes what's missing is not the strategic plan, or the capital campaign, or all the i's dotted and all the t's crossed. What's missing is an encounter with God the Provider. What's missing is a genuine heart to implement His plan, not your plan. What's missing is a compelling vision that is God-inspired."[27]

Your board, plus God, is an unstoppable force for good!

Research Team Principals

Dr. Warren Bird, ECFA Vice President of Research and Equipping, is a nationally recognized researcher and an award-winning author/coauthor of 31 books for church and ministry leaders. Warren was the survey designer, data analyzer, and author of this report.

Dan Busby, President of ECFA, envisioned and commissioned the survey, critiqued drafts of the report, and contributed his expertise as author/co-author of numerous books and reports including *Lessons from the Nonprofit Boardroom*.

Kim Sandretzky, Executive Vice President, oversees ECFA's webinars, podcasts, videos, and other resources, as well as ECFA's advertising, marketing, social media, and website presence.

Travis Huntsman, Graphic Designer/Digital Specialist, has been responsible for ECFA's print and web design since 2011. He also assists with publishing books/eBooks, ECFA mobile apps, and social media.

John Pearson, consultant, is co-author of ECFAPress titles including *Lessons from the Nonprofit Boardroom*, is architect of the ECFA governance survey we adapted and updated for this study, and is the finder of many of the quotes featured in this report.

Endnotes

[1] David L. McKenna, *Stewards of a Sacred Trust: CEO Selection, Transition and Development for Boards of Christ-centered Organizations* (Winchester, VA: ECFAPress, 2010), quoted in "CEO Overassurance: Far Rosier than Reality" by John Pearson in the blog, "Governance of Christ-Centered Organizations," August 30, 2014, http://ecfagovernance.blogspot.com/2014/08/.

[2] ECFA's survey titled "Unleashing Your Board's Potential: ECFA 2018 Governance Survey" was fielded in late 2018 (10/23-11/30). It was sent by email, with three reminder emails, going solely to CEOs, board chairs, and board members of 2,030 ECFA-accredited organizations—all ECFA member types/categories except local churches. It asked each participant up to 126 different questions. From 18,531 invitations, we received 1,662 usable responses for a 9% individual response rate, but a 49% organizational response rate (1,003 of 2,030 ECFA-accredited organizations). Not everyone answered every question. Among the usable responses, 23% are CEOs, 15% board chairs only, and 62% board members. The data was not weighted.

[3] Each average is calculated as a median. The median is the middle value—the number that divides the higher half of the data set from the lower half.

[4] Here's what we mean by "percentile": The 25th percentile = 25% of the data is lower than the number shown; the 50th percentile = 50% of the data is lower than the number shown (this is also the midpoint or median); and the 75th percentile = 75% of the data is lower than the number shown.

[5] The options considered were with "Yes" or "No." (A third option of "Don't know/not applicable" was excluded.)

[6] Ram Charan, *Owning Up: The 14 Questions Every Board Member Needs to Ask* (San Francisco: Jossey-Bass, 2009), 1.

[7] The percentage is the sum of the *first* two choices on this five-point scale: yes, probably yes, undecided, probably no, no. A sixth option of "not applicable" was excluded.

[8] David L. McKenna, *Stewards of a Sacred Trust: CEO Selection, Transition and Development for Boards of Christ-centered Organizations*, 3-4.

[9] The percentage is the sum of the *final* two choices on this five-point scale: strongly disagree, disagree, undecided, agree, strongly agree. Same in other "agree" tallies in this report.

[10] This explanatory note in the survey accompanied the "soul care" question: In today's culture, boards are increasingly recognizing the responsibility to attend to the CEO's spiritual and emotional health – also known as "soul care." (This might include encouragement and accountability from the board that the CEO attends to his or her soul in healthy ways—such as regular times in the Word, prayer, reflection, taking a day off and a Sabbath each week, taking a full and uninterrupted vacation time each year; and following sound practices for personal accountability.)

[11] Max De Pree, *Called to Serve: Creating and Nurturing the Effective Volunteer Board* (Grand Rapids, MI: Wm. B. Eerdmans Publishing, 2001), 87-88. See also "Called to Serve: Goal No. 1—Keep Your CEO Alive!" by John Pearson, Governance of Christ-Centered Organizations (blog), Sept. 30, 2017, http://ecfagovernance.blogspot.com/2017/09/called-to-serve-goal-no-1keep-your-ceo.html.

[12] Frederick Buechner is quoted in *Crafting a Rule of Life: An Invitation to a Well-Ordered Way*, by Stephen A. Macchia (Downers Grove, IL: InterVarsity Press, 2012), 54.

[13] Hans Finzel, *The Power of Passion in Leadership: Lead from Your Heart, Not Just Your Head* (Highlands Ranch, CO: Top Ten Enterprises Publishing, 2015), 60.

[14] Ibid.

[15] Richard T. Ingram, *Ten Basic Responsibilities of Nonprofit Boards*, Third Edition (Washington, DC: BoardSource, 2015), 17-18.

[16] Michael Hyatt, *Your Best Year Ever: A 5-Step Plan for Achieving Your Most Important Goals* (Grand Rapids: MI, Baker Books, 2018) 108.

[17] Dan Busby and John Pearson, *More Lessons from the Nonprofit Boardroom: Effectiveness. Excellence. Elephants!* (Winchester, VA: ECFAPress, September 2019), 99-102.

[18] Adapted from: *ECFA Governance Toolbox Series No. 4: Succession Planning* (Winchester, VA: ECFAPress, 2017), 14.

[19] David L. McKenna, *The Leader's Legacy* (Newberg, OR: Barclay Press, 2006), 64.

[20] Adapted from Lesson 20, "Apply for a Staff Position and You Can Deal With That Issue!" in *Lessons From the Nonprofit Boardroom: 40 Insights for Better Board Meetings,* Second Edition, by Dan Busby and John Pearson (Winchester, VA: ECFAPress, 2018), 103-104.

[21] John Pellowe, *Serving as a Board Member: Practical Guidance for Directors of Christian Ministries* (Elmira, ON: Canadian Council of Christian Charities, 2012), 4-5.

[22] Peter F. Drucker, Frances Hesselbein, Joan Snyder Kuhl, Peter Drucker's *Five Most Important Questions: Enduring Wisdom for Today's Leaders* (Hoboken, NJ: John Wiley & Sons, Inc., 2015), 35.

[23] The options offered were never, rarely, sometimes, frequently, or always.

[24] Adapted from: *ECFA Governance Toolbox Series No. 1: Recruiting Board Members—Leveraging the 4 Phases of Board Recruitment: Cultivation, Recruitment, Orientation, Engagement* (Winchester, VA: ECFAPress, 2012), 14.

[25] The percentage is the sum of the *final* two choices on this five-point scale: need no help, need very little help, need some help, need much help, and need major help.

[26] The percentage is the sum of the first two choices on this five-point scale: need no help, need very little help, need some help, need much help, and need major help.

[27] Dan Busby and John Pearson, *Lessons From the Nonprofit Boardroom* (Winchester, VA: ECFAPress, 2017), 160.

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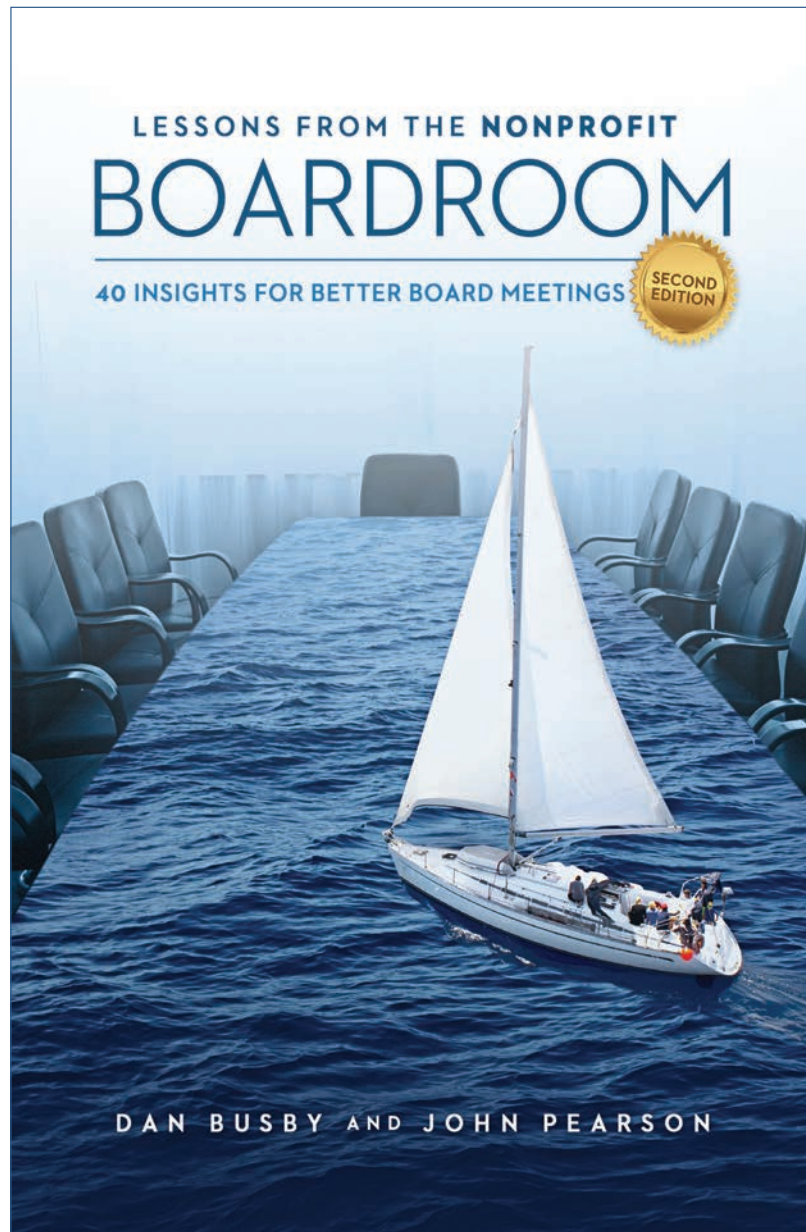## Lessons From the Church Boardroom

by Dan Busby and John Pearson

You will feel like *Lessons From the Church Boardroom* is describing many of the church board meetings that you have attended.

Disarming yet authoritative, enjoyable yet challenging, the authors quickly pinpoint a challenging situation and then show you a better way to handle it. Your future service on church boards will never be the same after reading this book.

You'll laugh and relate to painful moments, but most of all you'll walk away better equipped for your board's vital role in tackling your church's God-given mission.

Check out the Lessons From the Church Boardroom blog:
churchboardroom.blogspot.com.

Lessons From the Nonprofit Boardroom

by Dan Busby and John Pearson

This book is based on the wisdom and experience of two seasoned veterans in the Christ-centered nonprofit arena. Written in an engaging, easy-to-read and understandable style, the authors provide 40 short lessons for inspiring your board in God-honoring governance.

Discover how the role of preparation, policies, and most importantly, the Holy Spirit all converge in the boardroom.

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MORE Lessons From the Nonprofit Boardroom

by Dan Busby and John Pearson

Authors Busby and Pearson build on the wisdom shared in Lessons From the Nonprofit Boardroom. "More Lessons" is just that—40 more practical, to-the-point lessons that can be applied to your boardroom.

A special bonus lesson introduces a revolutionary resource, the NonprofitBoardScore™. It is an online digital resource that boards can use to evaluate their own performance. Six elements of board governance are measured: spiritual atmosphere, board-CEO synergy, intentionality, faithful administration, culture, and structure and style.
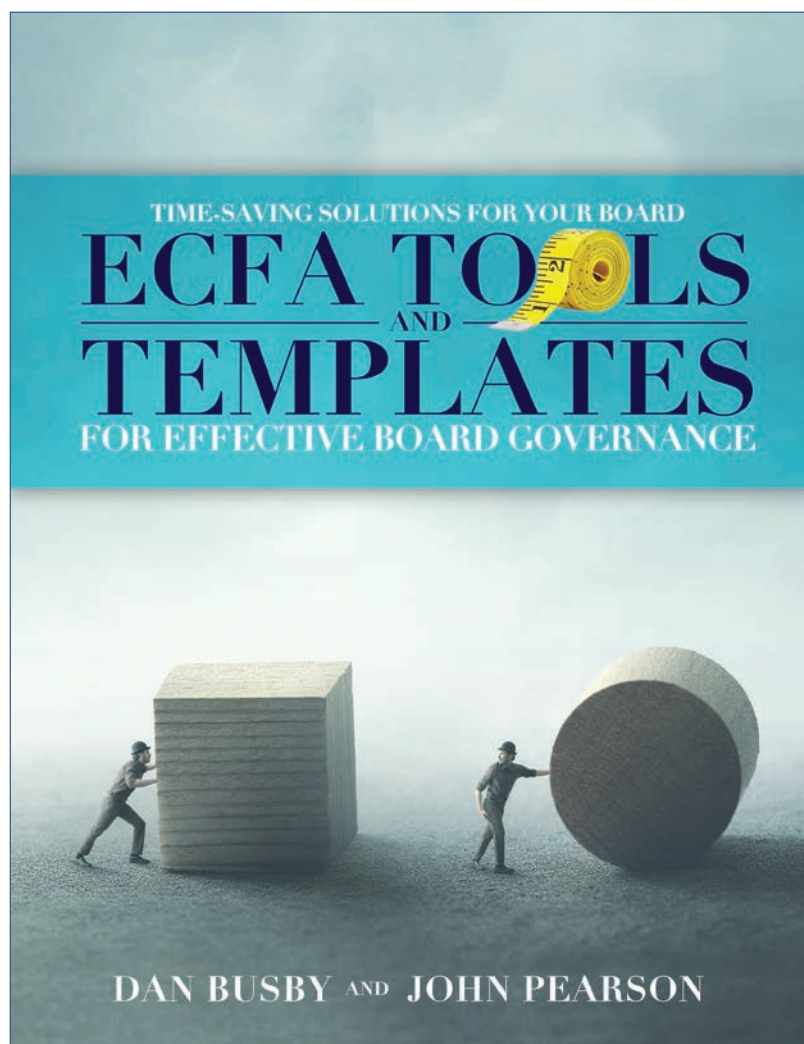
ECFA Tools and Templates

by Dan Busby and John Pearson

If you knew that by leveraging a specific tool or template it would exponentially enhance your communication, your outcomes, your results, and your governance joy—you'd do it right? This book includes 22 tools and templates that are built on a foundation of Christ-centered governance and that have been tested in hundreds of boardrooms. The templates for all of the tools may be downloaded and modified by you to fit your particular ministry's needs.

Peter Drucker once said, "Although I don't know a single for-profit business that is as well managed as a few of the nonprofits, the great majority of the nonprofits can be graded a 'C' at best. Not for lack of effort; most of them work very hard. But for lack of focus, and for lack of tool competence."

**Behind the Curtain:
Best Financial
Management
Practices
of Churches
and Nonprofits**

By Warren Bird, Ph.D.

1,235.01
0.00
25,187.70
7,645.05
210.95   12,411.80
149.16   27,752.93
23.26
1.41%

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**2020
Release
Date**

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