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# Business as Usual? Nonprofits in the US National Elite Network

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# Business as Usual?

## Nonprofits in the U.S. National Elite Network

Research in the United States on the distribution of power among elites at the national level has been primarily concerned with the role of business despite evidence from surveys of elite individuals themselves that points to a central core of powerful individuals inclusive of elites from the nonprofit sector. The literature all but ignores public charities in spite of the fact that charities often work with and for groups that seek to expand democratic participation and economic equality. The silence of elite research is particularly troubling given the dramatic growth of the public charity sector in terms of its size, diversity, and amount of resources. Despite this growth, however, some argue that public charities are relatively powerless because they are beholden to a corporate-financed network. Yet, I argue that public charities are potentially autonomous, and the empirical question becomes whether they have the capacity to promote their interests to other elites. The research that follows is part of a larger project that examines the interlocking directorates among the largest organizations in business and the nonprofit sector and looks at whether elite interaction networks are dominated by business—as usual.

### External & Internal Ties

Overall, it is clear that network analyses based on only corporate boards considerably understate the opportunities for acquaintance, socialization, and cohesion among elites. As seen in the table, nonprofit organizations share board members with organizations outside of their sector at similar or much higher rates relative to business (business mean = 6.69; charities = 5.05; think tanks = 11.23). Interestingly, public charities are as likely to have ties within their respective sector as they are to have ties external to their sector (E-I index close to zero). This demonstrates that while public charities are tied to business, they remain internally cohesive, evidence for their potential autonomy. The collection of think tanks and foundations are also likely to play important bridging roles in the overall network as evidenced by their substantial external orientation (foundations E-I = 0.83; think tanks E-I = 0.48). However, the distribution of external ties among think tanks is highly skewed with three organizations having over 20 external ties (Brookings Institution = 45; CFR = 26; Institute for International Economics = 23).

External and Internal Ties by Organizational Sector (Means)

Sector	Internal	External	Total	E-I Index
Business	3.56	3.13	6.69	-0.06
Charities	2.28	2.78	5.05	0.10
Foundations	0.26	2.81	3.06	0.83
Think Tanks	2.92	8.31	11.23	0.48
<b>Total</b>	<b>2.46</b>	<b>3.45</b>	<b>5.92</b>	<b>0.17</b>

Note: Table 1 examines the degree to which organizational sectors maintain ties to organizations in the same sector or whether they are more likely to have ties to organizations in other sectors. Negative E-I indices reveal a preference of organizations to share ties with other organizations like themselves and positive indices reveal a preference for dissimilar organizations in other sectors

Charities are internally cohesive.

Similarity in total number of ties between charities and business

Few think tanks with many external ties.

Foundations are primarily externally oriented.

### Structural Characteristics

Overall, nonprofit organizations tend to have significantly larger boards (mean = 29.9) than businesses (mean = 12.0). While public charities tend to be internally cohesive (see table above), they comprise a disproportionate amount of isolated organizations (35.2% of all organizations; 56.9% of isolates).

	All Organizations					Isolates	
	Orgs (N)	%	Avg. Board Size	Avg. Degree	S.D. Degree	Isolates (N)	%
Business	100	37.5	12.0	6.7	4.7	11	19.0
Charities	94	35.2	39.1	5.1	6.6	33	56.9
Foundations	47	17.6	13.0	3.1	3.5	11	19.0
Think Tanks	26	9.7	27.2	11.2	12.4	3	5.1
<b>Total</b>	<b>267</b>	<b>100</b>	<b>23.2</b>	<b>5.9</b>	<b>6.8</b>	<b>58</b>	<b>100</b>

### Cross-Sector Network Comparison

Ties within the sectors of business, think tanks, and charities are relatively diffuse (% in main component, business = 100%; think tanks = 76.9%; charities = 53.2%). Charities have relatively high levels of degree centralization demonstrating that a few organizations have a large number of connections (Am. Museum of Nat. Hist. = 16; Lincoln Center = 11).

	Main Component				Complete Networks (Centralization)	
	Member Orgs (N)	Density	Avg. Distance	Diameter	Degree	Betwn.
Business	100	.12	3.5	9	8.70%	8.11%
Charities	50	.04	3.1	7	15.08%	5.08%
Foundations	4	.50	1.7	3	3.96%	0.19%
Think Tanks	20	.31	2.4	5	22.00%	16.38%

### Percent of Ties Between Sectors

As is expected from the literature, businesses most often interlock with other businesses (53.2%). While think tanks and foundations seem to play an important role as meeting venues for elites, they still have a higher percentage of ties with business than they do with other sectors (think tanks = 38.7%; foundations = 41.7%).

Sector	Charities	Foundations	Think Tanks	Business
Charities	45.0	31.2	26.0	20.9
Foundations	9.5	8.3	9.3	9.0
Think Tanks	16.0	18.8	26.0	16.9
Business	29.5	41.7	38.7	53.2
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Note: Read down the columns. E.g., Charities have 45.0 percent of their total ties to other charities, 9.5 percent to foundations, and 16 percent to think tanks.

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