

# Elite Interlocks in Three U.S. Sectors: Nonprofit, Corporate, and Government\*

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This study traces elite interlocks between the economic, political, and civil sectors of the United States in the late 1990s. We assess integration and fragmentation through analyzing patterns of overlap and interaction among influential organizations and leaders in these sectors. Network analyses are conducted with UCINET 5 on the Elite Directors Database, a new data set composed of the directors/trustees for the largest organizations in the business and nonprofit sectors in addition to individuals holding positions on federal advisory committees. The complete data set contains individuals holding 3,976 seats from 100 businesses, 109 nonprofit organizations, and 98 government committees. The network structure reveals substantial linkages between organizations and elites within and across the three sectors. Major corporations and their directors are the best integrated in the intersectoral networks. In spite of the tremendous growth of the nonprofit sector, nonprofit organization linkages fail to offer compelling evidence of elite pluralism in the United States.

## Introduction

C. Wright Mills's (1956) classic study of the American elite described a cohesive interpersonal network composed of top leaders in business, the federal executive branch of the government, and the military, who successfully controlled key national decisions. Mills depicted the power elite as enmeshed in "a set of overlapping 'crowds' and intricately connected 'cliques'" (1956:11) that were fundamental to the scope and retention of

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this power. Much subsequent research has sought to systematically test claims that American elites—individuals in the top positions of the most powerful institutions—constitute a cohesive, densely connected leadership group.

Some scholars contend that elite cohesion is the product of social homogeneity. Social similarity and comparable outlooks emerge from the upper-class or upper-middle-class origins of most political and economic elites in the United States (e.g., Baltzell, 1964; Barton, 1985; Useem and Karabel, 1986; Dye, 1995; Domhoff, 1998) and elsewhere. Others have focused on elites' attitudes and values, often finding considerable agreement on major issues and on the rules of the game in democratic societies (e.g., Barton, 1985; Higley et al., 1991; Putnam, 1976).

Rather than using social origins or attitudes as indicators of elite cohesion or fragmentation, we examine elite interaction structures, tracing networks among top organizations and their leaders in the economic, political, and civil sectors. Occasionally, scholars have sought to map interpersonal or interorganizational connections reported by elites themselves (e.g., Moore, 1979; Laumann and Knoke, 1987), but more often researchers have imputed interpersonal and interorganizational connections through what Domhoff refers to as "membership network analysis" (1998:23). Individuals with common organizational memberships, such as serving on the same corporate boards of directors, are assumed to interact and thus to form interpersonal networks. By equivalent logic, organizations connected through common members form organizational networks (Domhoff, 1998:23–27).

In this study, we trace interlocks between U.S. leaders and organizations in the economic, political, and civil sectors in the late 1990s. We examine patterns of overlap and interaction among influential organizations in these sectors and, to a lesser extent, among the elites who lead them. As we discuss below, the nonprofit sector is a large and expanding part of economic and social life in the United States that has been omitted from most elite research. It has been well documented that this third sector is no longer an independent sector, but instead is interpenetrated by the economic and government sectors (e.g., Giner and Sarasa, 1996; Hall, 1987; Salamon and Abramson, 1986; Watt, 1991). In light of the growing awareness of the relationship between the nonprofit world and the state and market, we ask to what degree important nonprofit organizations and their leaders have become connected to leaders of the other sectors. This project builds on elite network analyses from survey data (Moore, 1979; Higley et al., 1991; Hoffmann-Lange, 1992), as well as on extensive research on interlocking directorates among large corporations (e.g., Useem, 1984; Mintz and Schwartz, 1985) and a few studies of linkages between business and other sectors (e.g., Salzman and Domhoff, 1983; Domhoff, 1998; Burris, 1992).

## Elite Networks

Research on elites has demonstrated the importance of informal communication networks as key mechanisms joining elites in diverse organizational positions (e.g., Barton, Denitch, and Kadushin, 1973; Laumann and Pappi, 1976; Mintz and Schwartz, 1985; Burris, 1992; Higley et al., 1991; Whitt and Mizruchi, 1986). In a comparative interview study of elite interaction networks in Australia, the United States, and West Germany, Higley et al. (1991) found tightly integrated elite circles in all three nations along with representation of diverse elite groups in the "central circles." The authors concluded that the existence of large, densely connected central circles of several hundred elite persons in each nation revealed tight integration, as Mills argued, but that the circles' broad inclusiveness of major elite groups was more consistent with a pluralist model of power (1991:45; also see Kadushin, 1968; Moore, 1979; Higley, Deacon, and Smart, 1979; Hoffmann-Lange, 1989, 1992). Higley et al. identified not only cohesive and inclusive central circles, but also core groups within each central circle consisting of the most powerful elites in each country. The authors concluded:

The mechanisms we describe are shifting, informal and mainly invisible central power circles which afford the leaders of different organizations, institutional sectors and camps of opinion relatively easy, safe access to one another. (1991:50)

During the past quarter century many European and North American researchers have analyzed "networks of corporate power" (Scott, 1991), tracing director linkages among large businesses in order to assess degrees of elite cohesion (see Mizruchi, 1996 for a review). In some instances, they have gone beyond the economic sector, looking also at elite connections involving government or a small number of foundations, think tanks, and arts organizations (Useem, 1980; Salzman and Domhoff, 1983; Allen, 1992; Burris, 1992; Domhoff, 1998). Investigations of interlocking corporate directorates in the United States and elsewhere have found extensive connections among major corporations (e.g., Mintz and Schwartz, 1985; Scott, 1991; Windolf, 1998; Ornstein, 1989; Burris, 1991; Domhoff, 1998).

In an influential study of corporate directors in the United States and Great Britain, Useem (1984) demonstrated the crucial role played by the "inner circle" of directors—persons holding several corporate directorships—not only in leading the corporate community but also in holding seats on key nonprofit boards of trustees. Related research has found extensive linkages between the proprietary sector and two components of the nonprofit sector, foundations and policy-planning organizations (Domhoff, 1998; Salzman and Domhoff, 1983). Other research has found dense connections between sets of foundations and policy-planning organizations within the nonprofit sector (Allen, 1992; Burris, 1992). Although some

writers have examined a subset of corporate-nonprofit overlaps, these studies have omitted a large component of the nonprofit sector, charities. We therefore include three components of the nonprofit sector in our analysis: charities, foundations, and policy-planning organizations, as well as the business and governmental advisory sectors.

Consistent with previous interlock studies, we assume that individuals who sit on the same corporate or nonprofit board or the same federal advisory committee know one another through common participation in regular board or committee meetings. In addition, individuals appointed to a federal advisory committee or commission interact not only with fellow committee members, but also with government officials working with the advisory body. We therefore view membership in such an advisory body as a link to the federal government, while recognizing it as a somewhat imperfect indicator. Examples of these advisory bodies are the U.S. Commission on National Security in the 21st Century (Department of Defense), the National Park System Advisory Board (Interior Department), and the Defense Policy Board Advisory Committee (Defense Department).

### **The Nonprofit Sector**

Although network analyses have emphasized elite power within the state and the economy, literature on civil society indicates that a vibrant third arena exists, and empirical research documents the size and scope of organizations occupying this terrain. The prominence of associational life in American society suggests that analyses of elite structures must include this domain, known variously as the independent, nonprofit, voluntary, or third sector. Three broad changes in the U.S. nonprofit sector render its inclusion in analyses of elite networks increasingly salient. These trends are (1) the increased size of the sector, (2) the changing structure of nonprofit organizations, and (3) the growing interpenetration between the state, the economy, and civil society.

The nonprofit sector<sup>1</sup> in the United States is expansive. It includes non-charitable nonprofit organizations (e.g., labor unions, credit unions, social clubs), public charities (e.g., churches, colleges, the United Way), operating foundations (which spend at least 85 percent of their annual incomes directly engaged in furthering their respective charitable purposes), and non-operating or conduit foundations (which distribute their earnings in the form of grants to other charitable nonprofit organizations). Since the federal tax advantages for nonprofits were initiated in 1913, the number of tax-

<sup>1</sup> The term "nonprofit" is, in fact, a misnomer; many nonprofit organizations generate profits (e.g., universities, cultural institutions). The manner in which these profits are distributed marks the difference between nonprofit and proprietary corporations. Nonprofit organizations must direct their profits toward the public good and are prohibited from distributing earnings to those in control of the organization.

exempt categories has increased and the legal framework has expanded in terms of the organizational goals and activities that fall under its auspices. The contemporary sector is hence characterized best by its internal diversity and complexity rather than by any overarching commonality.

In addition to the nonprofit sector's increasing breadth, there has also been pronounced growth in the total number of tax-exempt organizations. In 2001, there were well over 1.5 million tax-exempt nonprofit organizations registered with the Internal Revenue Service (*Internal Revenue Service Data Book*, 2001).<sup>2</sup> Given the sheer number of these organizations, it is not surprising to find that the contemporary nonprofit sector is an important component of the U.S. economy. The nonprofit sector employed 9.3 percent of all paid employees in 1998 (Lampkin and Pollack, 2002).

The second reason elite activity in the independent sector is increasingly important involves changes at the organizational level. The organizational structure of nonprofit organizations has become increasingly professionalized and bureaucratized (Berry, 1999; DiMaggio and Anheier, 1990; Galaskiewicz and Bielefeld, 1998; Skocpol, 1999), taking the modal form away from the small community groups described by Tocqueville (1984) and toward large hierarchical bureaucracies. The result is that control over most large nonprofit organizations resides increasingly in the hands of a few, specifically high-level managers and boards of directors. Questions have thus emerged over whether nonprofit organizations further Tocquevillian pluralism or whether they are instruments of elite interests (Odendahl, 1990; Ostrander, 1984, 1989; Ostrower, 1995).

The most important overarching shift for those interested in elite networks has been the movement away from an independent sector per se toward a blurring of the boundaries between the state, the market, and civil society (Hall, 1987). These developments have evolved out of the changing political, economic, and social contexts in which nonprofit organizations operate. The nonprofit sector was historically smaller and more clearly defined and indeed was an "independent" sector in many respects (Boris, 1999).

Today, nonprofit organizations frequently act more as independent contractors for the state (i.e., filling the role of the state when the state is unable to satisfy public demand) than as an independent sector. For example, in the early 1980s when the Reagan administration sought to dismantle the welfare state, it established the Task Force on Private Sector Initiatives to promote private-sector social programs. Nonprofit social-welfare organizations and charities in particular were framed as more efficient alternatives to federally funded programs (Boris, 1999). The present Bush administration is taking the same tack with a program of "faith-based initiatives" aimed at

<sup>2</sup>This number fails to include churches, organizations with less than \$25,000 in gross receipts, and those organizations that are incorporated by the government, because these organizations are not required to petition for nonprofit status or to file tax returns.

involving religious organizations in publicly funded social-welfare programs. In addition to the state relying on the nonprofit sector, the nonprofit sector depends on the state. The U.S. government gives over \$42 billion annually to nonprofit organizations (Mukherjee, 1997). Nonprofit organizations rely on the state for direct and indirect (e.g., Medicare and Medicaid) financial disbursements. Further, nonprofit organizations are highly vulnerable to government policies that alter the "cost of giving" for corporate and individual contributors.

The boundaries between the market and civil society have also blurred; nonprofit organizations today look more like, and often compete with, proprietary organizations. Many nonprofits have turned to market strategies in efforts to increase revenues (Boris, 1999; Weisbrod, 1997; Galaskiewicz and Bielefeld, 1998). As nonprofits expand into the market, proprietary organizations are forced to confront nonprofits as competitors (Weisbrod, 1997), leading to the new assumption that both the state and market exercise significant control over nonprofit organization financial resources (e.g., Chang and Tuckman, 1994). Further, some research explores the impact that the existence of nonprofit organizations has on governmental decision making and business opportunity.

Gronbjerg (1998) finds that relationships of competition and cooperation form between business and nonprofit organizations. In some instances, nonprofit organizations and proprietary organizations are competing for the same consumers. Weisbrod (1997) offers the example of private health clubs entering what had long been the domain of the YMCA. In other instances, nonprofit organizations and proprietary organizations cooperate with one another. Cooperative relationships can be seen in partnerships, board memberships, and donations/sponsorships. Nonprofit organizations desperately need the resources available through corporate involvement and corporations improve their public images through associations with nonprofit organizations. Gronbjerg sees board memberships as formalized linkages that offer status opportunities for both parties. Proprietary organizations and the elites who work in their highest ranks benefit from the status associated with being asked to sit on the boards of prominent benevolent organizations (e.g., museums, universities) and nonprofit organizations that recruit prominent board members can use their names to recruit other prominent board members to raise money and to demonstrate legitimacy to other potential donors (see also Ostrower, 1995).

In sum, these three trends (the pronounced growth of the nonprofit sector, the concentration of power in the hands of a few that has accompanied bureaucratization of the sphere, and the increasing interpenetration of the state and the market with nonprofit organizations) lead us to ask about the role of the nonprofit sector in elite networks.

## Directorate Ties

Useem (1984) demonstrated the crucial role played by the “inner circle” of directors holding seats on the boards of multiple corporations. Multiple-board directors are often more liberal in their views than single-board directors, tend to place a higher value on philanthropy, and frequently sit on the boards of a wide spectrum of nonprofit organizations. Useem found inner-circle members to be increasingly displacing members of the social upper class as preferred recruits to nonprofit boards. He also found that members of the inner circle differ from their single-board colleagues in their broad view of the interests of the business community; these members demonstrate concerns that extend beyond the goals of any individual organization. According to Useem, this broad view allows these directors to play a leading role in unifying the national business class (see also Burris, 1992). In addition, corporate leaders stress the career value of holding multiple board seats. As one such leader told Useem (1984:47–48):

You're damn right it's helpful to be on several boards. It extends the range of your network and acquaintances, and your experience. That's why you go on a board, to get something as well as give.

Over the past two decades, research on national elite networks has shown that persons in central network positions—with extensive ties to other elites—are generally more prominent, visible, and active in policy formation than their less central peers (Higley et al., 1991). Indeed, network ties are sometimes viewed as social capital, offering individuals and collectivities valuable interpersonal connections (e.g., Bourdieu, 1986; Coleman, 1988). Similarly, organizations probably benefit from extensive top-level connections to other organizations in their own and other sectors; such ties may serve as valuable resources that isolated organizations lack. By contrast, elites and organizations with few ties to others and those relatively isolated in elite networks lack these informal but important resources and information.

This study investigates the network ties between organizations in the business, nonprofit, and government advisory sectors that are established by individuals holding prominent positions in multiple organizations. Based on the shifting relationship between the nonprofit, market, and state sectors discussed above, and the absence of major charities from research on elite networks, we ask: (1) which organizations and individuals form linkages within and across these sectors, as well as (2) which organizations and individuals are most central in the networks and which remain isolated. We are particularly interested in uncovering whether those in control of major nonprofit organizations have become enmeshed in intersectoral elite networks and if certain types of nonprofit organizations are more tightly integrated than others.

## Data

This research utilizes our newly constructed Elite Directors Database. This database is composed of the directors/trustees for the largest organizations in the business and nonprofit sectors in 1997–1998 as well as individuals holding positions on government advisory committees during this period.

In the business sector, the 100 largest corporations were selected for inclusion using the 1998 *Fortune* 500 list (ranked by revenue).<sup>3</sup> For the nonprofit sector, three sets of organizations were included in the data set: the 50 largest charitable organizations in 1997, ranked by the total value of private support received (*The Chronicle of Philanthropy*, 1997),<sup>4</sup> the 50 largest foundations in terms of assets (*The Foundation Directory*, 1998), and 12 prominent policy organizations selected because they have been frequently cited in previous research on elites and power (e.g., Allen, 1992; Burris, 1992; Dye, 1995; Domhoff, 1998).<sup>5</sup> The 12 policy-planning organizations are: the American Enterprise Institute, the Brookings Institution, the Business Roundtable, the Committee for Economic Development, the Conference Board, the Council on Foreign Relations, the Heritage Foundation, the Hoover Institution, the National Bureau of Economic Research, the Rand Corporation, the Trilateral Commission, and the Urban Institute. Finally, for government advisory committees we included each of the 1998 federal advisory committees and the individuals holding each of their 37,000 positions.<sup>6</sup>

The Elite Directors Database includes the name, position, organization, and gender of each person appearing on any of these director/trustee/-committee member lists for the organizations included in the sample. Persons holding positions in two or more organizations create linkages. In most instances, individuals appearing more than once are identified by the same name. Some names in the database are similar, though not identical (e.g., with a middle initial on one list and without one on another). Such similar

<sup>3</sup>The five largest corporations are General Motors, Ford Motor, Exxon, Wal-Mart Stores, and General Electric.

<sup>4</sup>The data set includes just 47 charities because three of the top 50 (University of California at Berkeley, University of California at San Francisco, and University of California at Los Angeles) have the same board of trustees (the board is shared by the University of California system).

<sup>5</sup>The names of directors/trustees for the nonprofit organizations were obtained from IRS 990 forms filed by all 501(C)(3) nonprofit organizations and from organization websites. The top five foundations are the Ford Foundation, W.K. Kellogg Foundation, the David and Lucile Packard Foundation, the J. Paul Getty Trust, and the Lilly Endowment, Inc. The five largest charities are the Salvation Army, the American Red Cross, the American Cancer Society, Emory University, and Catholic Charities USA.

<sup>6</sup>A list of all federal advisory committee members is available in the FACA database at <<http://204.254.112.5/oms>>. We are grateful to Kennett Fussell of the General Services Administration for assistance in locating this database.



names were researched with biographical directories (e.g., *Who's Who in America?*) and on the Internet to distinguish cases where individuals truly hold multiple positions from those cases in which two distinct individuals merely have similar names. Duplicate names were treated as the same person only when outside confirmation was obtained, erring on the conservative side.

Because our concern was with linkages within and between businesses and nonprofit organizations, as well as between these and federal advisory committees, the numerous individuals who hold positions on federal advisory committees but not on the key business or nonprofit boards were deleted from the data set. As a result, this project must be understood as mapping the structure of the proprietary and nonprofit sectors and their ties to government advisory committees. The full data set contains 100 businesses, 109 nonprofit organizations, 98 government committees, 3,103 individual directors with a total of 3,976 seats.

UCINET 5 (Borgatti, Everett, and Freeman, 1999), a network analytic program, was used to trace linkages between organizations and individuals. This revealed the frequency of director or trustee ties among organizations in the business and nonprofit sectors, as well as between these organizations and federal advisory bodies. In addition, organizational centrality—a measure of the extent to which an organization has extensive ties to other well-connected organizations—was calculated using the Eigenvector (Bonacich) Centrality measure in UCINET 5. Analyses also identified all persons who held seats in both the business and nonprofit sectors and who also held at least two positions on government advisory committees. Because of their important role in connecting the three sectors, we refer to these individuals as linking directors, and we identify the organizations on which they serve. Cumulatively, these analyses map the network structure of organizational overlaps in the economic and independent sectors, as well as any ties that link the two sectors to each other. In addition, we map ties that link those two sectors to the federal sector.

### **Director/Trustee Ties in the Proprietary and Nonprofit Sectors**

An examination of the ties between the major corporations and nonprofit organizations (Table 1) indicates that virtually all businesses and policy-planning organizations are heavily connected to other organizations. Nearly all of the businesses and policy-planning organizations have directors or trustees serving on the boards of other organizations (see “% Connected” column). Over three-quarters of these 209 organizations overlap with at least one other organization in the data set. Far fewer national charities have trustees who also serve on business or other nonprofit boards; indeed, nearly half of charities have no overlapping trustees and are, thus, isolated in this network.

TABLE 1  
Director/Trustee Ties Among Proprietary and Nonprofit Organizations  
(1997–1998)

Sector	# of Organizations	% Connected	% Isolated
Business	100	94.0	6.0
Nonprofit			
Charities	47	51.1	48.9
Foundations	50	78.0	22.0
Policy-planning	12	100.0	0.0
Total	209	80.9	19.1

Table 2 depicts the distribution of dichotomized interorganizational ties, with each link counted as present for organizations sharing one or more directors and absent otherwise. The first column presents the distribution of interorganizational ties of business organizations; the second shows the same distribution for charities, the third for foundations, and the fourth for policy organizations. The table indicates that all four of these groups have a higher number of ties with business organizations than with any of the other types of organizations. The preponderance of business ties is only partially the result of the number of businesses in the study (48 percent of all organizations in the sample). Businesses, charities, and foundations overlap with policy-planning organizations at a rate far above the latter's representation in the organization sample (under 6 percent of sampled organizations). In contrast, relatively few interlocks involve charities or foundations.

The most central organizations—those that overlap with other well-connected organizations—are overwhelmingly in the business sector (see Table 3).<sup>7</sup> Although businesses make up 48 percent of the organizations in the sample (see column “All Organizations” in table), nearly two-thirds of the 50 most central organizations are businesses. Eight of the 12 policy-planning organizations are also among the most central organizations. Again, charities and foundations lag behind, with each making up roughly 10 percent of the 50 most central organizations. Of the 10 most central organizations, seven are businesses and three are policy-planning organizations. The most central organization overall is the Committee for Economic Development, a policy-planning organization. No charities or foundations fall into the top 10.

<sup>7</sup> Because organizations with many directors potentially have more ties to other organizations than do those with smaller boards, centrality is sometimes calculated on a network data set that has been normalized to remove the impact of unequal board sizes (Bonacich, 1972; Burris, 1992). The results presented here are for nonnormalized data. The centrality results for calculations on a normalized data set differed little from those presented in Table 3.

TABLE 2

Interorganizational Ties by Sector Type (Percent of Ties Between Organizations in Column to Those in Each Row)\*

	Business	Charities	Foundations	Policy-Planning
Business	65.3	59.0	52.1	63.4
Charities	10.2	15.4	10.7	10.8
Foundations	8.1	9.6	18.6	11.2
Policy-planning	16.4	16.0	18.6	14.7
Total (%)	100.0	100.0	100.0	100.1
(N of ties)	898	156	140	232

\*Based on dichotomized ties between organizations (present if at least one director in common and absent otherwise).

To summarize the analyses thus far, over 80 percent of the nongovernmental organizations (i.e., businesses and nonprofit organizations) are connected to at least one other nongovernmental organization via their boards of directors or trustees. Policy-planning organizations and businesses are especially well networked. Major charities and foundations, in contrast, play a minor role in these interorganizational networks. Most are isolated, without trustees who simultaneously hold seats on other boards. We now turn to examine the ties between these nongovernmental organizations and federal advisory bodies.

### Nonprofit and Business Ties to Federal Advisory Boards

Table 4 shows that over half (58.4 percent) of the nongovernmental organizations are connected to federal advisory committees by their board members. Policy-planning organizations and businesses lead, with the highest proportions of overlaps with appointed federal committees. As in our previous analyses, charities and foundations are only sparsely represented in this business-nonprofit-government advisory network. Roughly four of every 10 large charities and foundations have a trustee who sits on a government advisory body.

There are more 37,000 positions on federal advisory committees. The majority of these are appointed positions on advisory boards to the Department of Health and Human Services (62.1 percent), with another 10 percent serving the Department of Transportation. Directors from the nongovernmental sectors in this data set rarely serve on committees in those two departments. Directors from the nongovernmental sectors who do serve on federal advisory committees most often work with the Department of Defense, the Energy Department, and the Federal Communications Commission. Foundations have a plurality of links with the Health and Human Services Department, whereas the business, charity, and policy-planning

TABLE 3  
Centrality by Organization Type (Eigenvector Centrality)\*

	50 Most Central Organizations		All Organizations	
	Number	Percent	Number	Percent
Business	32	64.0	100	47.8
Charities	6	12.0	47	22.5
Foundations	4	8.0	50	23.9
Policy-planning	8	16.0	12	5.7
Total	50	100.0	209	99.9

  

10 Most Central Organizations	Sector
Committee for Economic Development	policy-planning
Bell Atlantic	business
Sara Lee Corp.	business
Brookings Institution	policy-planning
General Motors	business
J.P. Morgan	business
Procter and Gamble	business
Citicorp	business
Council on Foreign Relations	policy-planning
Minnesota Mining and Manufacturing	business

\*Without controlling for board size.

organizations most commonly overlap with advisory committees in the Department of Defense.

Leaders from the private and nonprofit sectors are often appointed to federal advisory positions. Chief executive officers of major corporations comprise the entire membership of some federal advisory bodies. Five federal advisory councils have 10 or more members from our nongovernmental organizations (Table 4). Among these, the Defense Policy Advisory Committee on Trade in the Department of Defense is composed almost entirely of chief executive officers from major defense industries, and the President's National Security Telecommunications Advisory Committee in the Department of State consists predominantly of heads of telecommunications, information services, electronics, aerospace, and banking firms (Miller, 1997). The President's Export Council is composed of up to 28 private-sector members, 10 members of the Congress, five Cabinet officers, and three other federal officials (President's Export Council Website, 2001).

The nongovernment-government advisory links are formed by 154 persons who hold positions in both arenas. Thirty-five of these 154 persons occupy seats in all three sectors (corporate, nonprofit, federal advisory). Eight of these 35 individuals hold two or more seats on federal advisory boards. The names and positions of these top linking directors are shown in

TABLE 4

Director/Trustee/Member Ties Between Nongovernmental Organizations and Federal Advisory Bodies (1997–1998)

Sector	% Connected	% All Ties to Advisory Bodies	% All Orgs.
Business	72.0	56.9	47.8
Nonprofit			
Charities	40.4	18.0	22.5
Foundations	42.0	10.6	23.9
Policy-planning	83.3	14.5	5.7
Total	58.4	100.0	99.9
	(122)	(311)	(209)

  

Advisory Bodies with Largest Numbers of Nongovernment Directors/Trustees			
	Members in Data Set	Total Members	
National Petroleum Council, Department of Energy	19	30	
Network Reliability and Interoperability Council, Federal Communications Commission	13	26	
President's Export Council, Department of Commerce	11	28	
Defense Policy Advisory Committee on Trade, Department of Defense	11	12	
President's National Security Telecommunications Council, Department of Defense	10	26	

Table 5. They hold a total of 20 seats on the boards of businesses, 20 positions on federal advisory boards, eight seats in charities, seven seats in policy-planning organizations, and one position on a foundation board. Five of the top linking directors are current or former chief executive officers of large corporations (Lee, Esrey, Augustine, Friedman, Armstrong). Two of the other top linking directors are former government officials (Rudman, Sawhill) and the final top linking director is a college president (Massey). Most of these key figures also serve as trustees of at least one major charitable organization. The top linking directors hold an average of 2.5 positions on federal advisory committees, the most common agency for these positions being the Department of Defense (11 seats). The top linking directors, all men, are far more central in these interorganizational networks than are those directors who do not link the nongovernmental and governmental sectors, indicating that many well-placed business leaders are tapped for service on government advisory bodies, or vice versa.

TABLE 5  
Top Linkers on Government Advisory Boards (1998)

Name	Sectors	Positions
Norman Augustine (former CEO, Lockheed Martin)	Business Charities Gov't	Phillips Petroleum, Procter & Gamble Johns Hopkins University, Boy Scouts of America, American Red Cross 4 Dep't of Defense boards
Stephen Friedman (Principal, Marsh & McLennon Capital)	Business Charities Policy-planning Gov't	Wal-Mart, Fannie Mae Columbia University Brookings, NBER 2 Dep't of Defense boards
Charles R. Lee (CEO, GTE)	Business Charities Policy-planning Gov't	GTE, Procter & Gamble, USX Corp. Cornell University CED 1 Defense, 1 FCC
John Sawhill (Pres., Nature Conservancy)	Business Charities Policy-planning Gov't	PG&E, Procter & Gamble Nature Conservancy CED 2 Energy, 1 Interior
C. Michael Armstrong (CEO, ATT)	Business Charities Gov't	AT&T, Travelers Johns Hopkins University 1 FCC, 1 Commerce, 1 Defense
William Esrey (CEO, Sprint)	Business Policy-planning Gov't	Sprint, Exxon, Duke Energy CED 1 Defense, 1 FCC
Walter E. Massey (Pres., Morehouse Coll.)	Business Foundation Gov't	Amoco, Motorola, Bankamerica Andrew W. Mellon Foundation 1 Education, 1 Energy
Warren E. Rudman (former senator, partner law firm)	Business Policy-planning Charities Gov't	Raytheon Brookings Institution, CFR Fidelity Investment Trust 2 Defense boards

This analysis of ties between nongovernmental and governmental sectors reveals strong connections between major businesses, policy-planning organizations, and federal advisory committees. Business directors, especially

chief executive officers, and members of prominent policy-planning organizations are frequently invited to serve on federal advisory committees. Trustees of large foundations and individuals serving on the boards of directors for charities are rarely key linkers. The segment of the independent sector that is best integrated into this network is the policy-planning groups, such as the Committee for Economic Development and the Brookings Institution. Many of these organizations receive substantial funding from private business and foundations in addition to sharing these interpersonal and interorganizational networks.

### **Discussion and Conclusions**

Substantial linkages exist between organizations and elites within and across the business, nonprofit, and government advisory sectors. The 100 largest corporations and their boards of directors are the best integrated in these interorganizational networks. The governing boards of virtually all of the largest corporations share one or more directors with other organizations in the business or nonprofit sectors, and most also have a director who sits on a federal advisory committee. The most central (i.e., the best-connected) organizations in these interorganizational networks are also major corporations.

The governing boards of policy-planning organizations also frequently overlap those of organizations in the business and nonprofit sectors. Though few in number, the policy-planning organizations are key participants in these networks. Three of the 12 organizations sampled rank among the most central organizations in the entire nongovernment network (the Committee for Economic Development, the Council on Foreign Relations, and the Brookings Institution). Charities and foundations, by contrast, rarely have trustees with positions on the boards of other nonprofit or proprietary organizations.

Our expectation that nonprofit organizations and their trustees would be important players in national elite networks received only partial support in these analyses. With the growth of the nonprofit sector and its increasing interaction with other sectors, we expected the largest charities, foundations, and policy organizations—three components of the nonprofit sector—to be well integrated in the interorganizational networks in the private and public sectors. Useem (1984) found that multiple-board directors placed a high value on philanthropy and were desired by nonprofit organizations as board members, yet even the largest charities and foundations have relatively isolated governing boards. Research on nonprofit organizations indicates that prominent business leaders bring economic and social resources to nonprofit boards (Useem, 1987), yet the major charities in this sample generally do not have high-profile corporate trustees on their boards. This pattern is somewhat less surprising for foundations, because while charities seek to

raise money from organizations and individuals, foundations dispense grants from their endowments and earnings and may thus be less concerned with forging external connections.

As found in previous studies (e.g., Domhoff, 1998; Allen, 1992; Burris, 1992), policy-planning organizations are well integrated into American elite networks. These groups seek to provide expertise, research, and advice to federal policymakers. The Council on Foreign Relations, the Committee for Economic Development, and others serve as forums for discussion of key policy issues, bringing together scholars, business leaders, government officials, and other national leaders to address specific policy concerns. Policy-planning organizations, such as the Brookings Institution, Rand, and the American Enterprise Institute, engage in the study of policy initiatives and alternatives, and have expert staff who hold or have held academic, government, or voluntary-sector positions. Policy-planning organizations, a tiny component of the voluntary sector in the United States, are extensively tied to other organizations via their trustees.

We sought to map the structure of intersectoral ties by investigating overlap between nongovernmental boards and federal advisory committees. Top business leaders and former government officials are among those most central in the government-nongovernment network. Our findings indicate that business elites and policy-organization trustees are the major participants in federal advisory roles. Indeed, some key advisory bodies are composed almost entirely of top officials of large corporations.

Analysis of links between businesses, charities, foundations, policy-planning organizations, and federal advisory committees reveals a distinct pattern of integration and isolation. This study confirms earlier findings of dense linkages among business, government, and policy-planning groups, and what appears to be the overwhelming structural dominance of corporations and corporate directors in the network as a whole. We also take our findings to indicate that the structural coherence of the corporate network itself is significantly understated by studies of interlocking directorates that fail to include the nonprofit and governmental spheres. In light of the finding that major national charities and foundations are relative outsiders to this interlocking network, nonprofit organizations fail to offer compelling evidence of elite pluralism in the United States. In spite of the tremendous growth of the nonprofit sector, the presence of intersectoral relationships, and the nonprofit elite that has been produced by widespread bureaucratization, the crowds and cliques identified by Mills remain resilient and relatively closed.

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