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Despite Modest Gains, Women and Minorities See Little Change in Representation on *Fortune* 500 Boards

Alliance for Board Diversity study shows almost 70 percent of Fortune 500 board seats still held by Caucasian/white men; collectively, women and minorities comprise an all-time high of 30.8 percent of board seats among Fortune 500 companies, up from 26.7 percent in 2012

NEW YORK and WASHINGTON, Feb. 6, 2017 — Boardroom diversity in Fortune 100 and Fortune 500 companies has increased for women and certain minority groups, according to the “Missing Pieces Report: The 2016 Board Diversity Census of Women and Minorities on Fortune 500 Boards,” a multiyear study published by the [Alliance for Board Diversity \(ABD\)](#), collaborating with [Deloitte](#) for the 2016 Census. However, minority men and women have experienced only slight gains in the last six years, since the ABD first started tracking Fortune 500 board diversity in 2010, up from 12.8 percent in 2010 to 14.4 percent in 2016. The total number of board seats also has not changed much during this time; there were 5,440 total board seats in the Fortune 500 in 2016, compared to 5,463 in 2010.

Key findings include:

- In 2016, fewer than 15 percent of all board seats in the Fortune 500 were held by minorities, including African Americans/blacks, Asian/Pacific Islanders and Hispanics/Latino(a)s.
- Some progress has been made for African Americans/blacks in securing/holding Fortune 500 board seats, with the bulk of the African American male increases occurring within the Fortune 100. There has been an increase in the Fortune 500 of African American women board members by 18.4 percent, while the total number of African American male board members in the Fortune 500 had only an increase of 1.0 percent. African Americans/blacks appear to have the highest rate of individuals serving on multiple boards – indicating that companies are going to the same individuals rather than expanding the pool of African American/black candidates for board membership.
- Asian/Pacific Islanders have shown continued growth in percentage representation on Fortune 500 boards. However, their starting baseline was small – the overall representation of Asian/Pacific Islanders is only 3.1 percent, representing a total of 167 seats.
- Hispanic/Latino men picked up a nominal gain of eight board seats, while there was a loss of two Fortune 500 board seats for Hispanic/Latina women since 2012. Overall, Hispanic/Latino(a) men and women hold 188 total board seats, or 3.5 percent of the total.

“The increase in boardroom diversity over the last four years is a small step in the right direction – but it’s equally important to note the larger context in which these gains were made. Almost 70 percent of board seats in the Fortune 500 are still held by Caucasian/white men, and at the current rate of progress, we won’t likely see the number of women and minorities increase to ABD’s target of 40 percent board representation until the year 2026. This is not acceptable,” said Ronald C. Parker, ABD chair and president and CEO of The Executive Leadership Council. “A great deal of work remains for corporate board composition to keep pace with the changing demographics of the country at large.”

In addition, the report includes data for the Fortune 100 – showing these companies lead the growth in boardroom diversity, outpacing the Fortune 500 with 35.9 percent of women and minorities holding board seats, compared with 30.8 percent in the Fortune 500. Currently, 65 percent of Fortune 100 boards have greater than 30 percent board diversity, compared to just under 50 percent of Fortune 500 companies in the census. However, since the ABD began conducting its census of Fortune 100 board directors in 2004, collective gains for women and minorities have been minimal. In 2016, women and minorities held 35.9 percent of board seats in the Fortune 100, compared to 30.1 percent in 2010 and 28.8 percent in 2004.

Other findings include:

- Representation of minorities within the Fortune 500 is smaller than in the Fortune 100, where minorities held nearly 20 percent of board seats. Minority men have gained only 1.0 percent in the period 2004-16, and today 82.5 percent of total Fortune 100 seats are held by Caucasian/white individuals.
- While nearly 50 percent of Fortune 500 boards have reached at least 30 percent women and minorities on their boards, the “recycle rate” – or rate at which individuals serve on more than one board – is higher for women and minorities than Caucasian/white men, which indicates that while diversity on boards may be increasing, there needs to be a broader net cast to capture “new” women and minorities on boards. This rate also points to the need to look at a broader set of networks, backgrounds, skills and experiences in potential board candidates.

To download the full report “Missing Pieces Report: The 2016 Board Diversity Census of Women and Minorities on Fortune 500 Boards,” which includes additional data on board diversity in the Fortune 100, Fortune 500 and a list of companies with the broadest diversity on their boards, please visit www.deloitte.com and <http://theabd.org/>.

Methodology

The Alliance for Board Diversity and Deloitte utilized a census methodology for the 2016 Board Diversity Census. The Board Diversity Census counts Fortune 500 board directors to provide a measurement of the representation and progress of women and minorities in business leadership and to allow for comparable statistics based not on a discrete list of identical companies, but on the Fortune-listed companies in the given years for which the census was conducted.

The Board Diversity Census analyses are based on companies on the Fortune 500 list published in 2016. ABD examined Fortune 500 companies because they are recognized, and serve as the most influential businesses in the United States, ranked by revenue each year.

For the purposes of this study, extensive research was conducted to confirm the gender, race, and ethnicity of board directors. To ascertain each company's total number of directors and board composition, Deloitte reviewed Securities and Exchange Commission annual filings submitted as of June 30, 2016. For more details on the methodology and definitions used for this census, see the full report at www.deloitte.com and <http://theabd.org/>.

Quotes from Deloitte and Alliance for Board Diversity members: Catalyst, The ELC, HACR, LEAP and Diversified Search

"Unfortunately, U.S. companies have a long way to go to achieve diversity in their boardrooms and their executive ranks. Progress is glacially slow and boardrooms don't look anything like the customers and stakeholders they serve and represent. It takes intentional, bold action to accelerate meaningful change," said Deborah Gillis, president and CEO, Catalyst. "We'll continue to work with business leaders across the country to prioritize board diversity, build it into the fabric of their decision-making, and help them take advantage of an incredible talent pool they're currently missing out on."

"Studies have shown that boardroom diversity is tied to company performance. We're committed to a diverse board here at Deloitte, and have seen first-hand the benefits of diversity on board performance through our own board, as well as our work with clients," said Deb DeHaas, vice chairman and national managing partner, Center for Board Effectiveness, and chief inclusion officer, Deloitte. "Because the majority of new board members are still selected through relationships with other board members, it's important to ask boards to consider board diversity based on gender, race/ethnicity, age and other perspectives as they look to fill positions, and to consider their extended networks both in business and in their communities."

"While the report clearly indicates there is much to be done, I think there is some light pouring into the tunnel," said Patrick Prout, a managing director for Diversified Search, one of the nation's premier executive search firms for recruiting minority talent in the C-suite and on corporate boards. "I can tell you that our clients are increasingly demanding that candidate slates be diverse. And it's not just lip service. There is a growing feeling—and it's growing quickly—among corporate leadership that board diversity is vital for generating new ideas and strategies, which in turn makes it great for the bottom line."

"Progress has been slow for Hispanic representation in Fortune 500 boardrooms, even as we constitute 17 percent of the total U.S. population," said Cid Wilson, president and CEO of the Hispanic Association on Corporate Responsibility (HACR). "The data are pointing in the right direction, but there's more work to do. As Corporate America sets out to create shareholder value, HACR will continue to be at the forefront in supporting corporations that make a commitment, do the work, and foster Hispanic inclusion."

"Asian and Pacific Islanders are often stereotyped as 'doers' and not leaders which often results in exclusion from leadership pipelines that lead to board positions. We challenge companies to expand their concepts of what a leader looks like. This is even more important as the U.S. becomes a 'majority minority' country and non-western countries become increasingly important in the world economy," said Linda Akutagawa, CEO and president, Leadership Education for Asian Pacifics, Inc. (LEAP).

"The Executive Leadership Council is encouraged by the increase in African American women board members in the Fortune 500. However, at a time when our pipeline of African American talent is stronger than ever, there are still many companies that have zero African American representation on their boards. We are looking at an entire decade of virtually no growth. If other business objectives yielded the same results, it would be viewed as unacceptable business performance," said Ronald C. Parker, president and CEO, The Executive Leadership Council.

About The Alliance for Board Diversity

Founded in 2004, the Alliance for Board Diversity is a collaboration of four leadership organizations: [Catalyst](#), Inc. (ELC), the [Hispanic Association on Corporate Responsibility \(HACR\)](#), and [Leadership Education for Asian Pacifics, Inc. \(LEAP\)](#). [Diversified Search](#), an executive search firm, is a founding partner of the alliance and serves as advisor and facilitator. The ABD's mission is to enhance shareholder value in Fortune 500 companies by promoting inclusion of women and minorities on corporate boards. More information about ABD and access to the "Missing Pieces Report: The 2016 Board Diversity Census of Women and Minorities on Fortune 500 Boards" is available at <http://theabd.org/>.

About Catalyst

Founded in 1962, Catalyst is the leading nonprofit organization accelerating progress for women through workplace inclusion. With operations in the United States, Canada, Europe, India, Australia, and Japan, and more than 800 supporting organizations, Catalyst is the trusted resource for research, information, and advice about women at work. Catalyst annually honors exemplary organizational initiatives that promote women's advancement with the Catalyst Award. www.catalyst.org

About Deloitte

Deloitte provides industry-leading audit, consulting, tax and advisory services to many of the world's most admired brands, including 80 percent of the Fortune 500 and more than 6,000 private and middle market companies. Our people work across more than 20 industry sectors to deliver measurable and lasting results that help reinforce public trust in our capital markets, inspire clients to make their most challenging business decisions with confidence, and help lead the way toward a stronger economy and a healthy society.

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About Diversified Search

Diversified Search is the largest U.S. female-owned and -founded executive search firm in the world and one of the top ten largest executive search firms in the nation. Headquartered in Philadelphia, the company has offices in Atlanta, Chicago, Cleveland, Los Angeles, Miami, New York, San Francisco, and Washington, D.C. and is the exclusive U.S partner of AltoPartners, an international alliance of independent executive search firms that spans 35 countries across the Americas, Europe, the Middle East, Africa, and Asia Pacific. <http://www.diversifiedsearch.com/>

About HACR

Founded in 1986, the Hispanic Association on Corporate Responsibility (HACR) is one of the most influential advocacy organizations in the nation representing 14 national Hispanic organizations in the United States and Puerto Rico. Our mission is to advance the inclusion of Hispanics in Corporate America at a level commensurate with our economic contributions. To that end, HACR focuses on four areas of corporate social responsibility and market reciprocity: Employment, Procurement, Philanthropy, and Governance. For more information, please visit www.hacr.org.

About LEAP

LEAP's mission is to achieve full participation and equality for Asian and Pacific Islanders through leadership, empowerment, and policy.

Envisioned as a vehicle to develop future leaders, LEAP is a national nonprofit organization whose mission is to achieve full participation and equality for Asian and Pacific Islanders (APIs) through leadership, empowerment, and policy. LEAP works to meet its mission by: Developing people, because leaders are made, not born; Informing society, because leaders know the issues; and Empowering communities, because leaders are grounded in strong, vibrant communities. Unmatched in vision and scope, LEAP offers [leadership training and programs](#), publishes [leadership research](#) and conducts community education to advance a comprehensive strategy of API empowerment. www.leap.org

About The Executive Leadership Council

The Executive Leadership Council, an independent non-profit 501(c)(3) corporation founded in 1986, is the pre-eminent membership organization committed to increasing the number of global black executives in C-suites, on corporate boards and in global enterprises. Comprised of more than 600 current and former black CEOs, board members and senior executives at Fortune 1000 and Global 500 companies, and entrepreneurs at top-tier firms, its members work to build an inclusive business leadership pipeline that empowers global black leaders to make impactful contributions to the marketplace and the global communities they serve. For more information, please visit www.elcinfo.com

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