

# Board Diversity Report



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## Introduction

Women on America's corporate boards are increasing but not at the pace that certain societal forces are demanding.

Concern over equal representation in US boardrooms has led to a 2018 state law mandating female board members in California. Other states including Colorado, Illinois, Massachusetts, and Pennsylvania have adopted nonbinding resolutions encouraging companies to improve female representation on their boards.

With public opinion and policy driving the conversation, MyLogIQ looked at diversity at the end of 2018 in S&P 500 boardrooms.

Specifically, our report looks at how US publicly traded companies on the S&P 500 index are working to establishing gender balance on their boards.

To do this our CompanyIQ™ platform analyzed the 2018 proxy filings of S&P 500 companies.<sup>1</sup>

We identified some encouraging trends in board appointments, but the numbers speak for themselves.

Some of our major findings with our AI-augmented platform are that:

- Only a quarter of S&P 500 directors are women,
- 80% are in their 50s and 60s,
- Only 6% of women directors are in leadership roles on their boards, and
- Two S&P 500 companies, Copart (NASDAQ: CPRT) and TripAdvisor (NASDAQ: TRIP), have no female board members.

### Women in the S&P 500:

- **1/4 of S&P 500 directors are women**
- **80% are in their 50s and 60s**
- **Less than 10% are in leadership roles**
- **2 companies have all male boards**

<sup>1</sup>An individual director can serve on multiple boards.

## Executive Summary

- **Men Dominate the Boards of the S&P 500:** Of the 5,584 members of the S&P 500 boards, 25%, or 1,364, are female. (Chart 1, p. 4)
- **80% of Female S&P 500 Directors Are in Their 50s and 60s:** 609 female S&P 500 directors are in their 60s. Another 477 are in their 50s. Only 11 are in their 30s. (Chart 3, p. 6)
- **Female Board Leadership is Rare:** Only 6% of S&P 500 female board members are board chairs, executive directors, or lead directors. (Chart 4, p. 7)
- **75% Have Served Less Than 10 Years:** 59% were appointed in the last 5 years and another 12% (166) were appointed in 2018. (Chart 5, p.8)

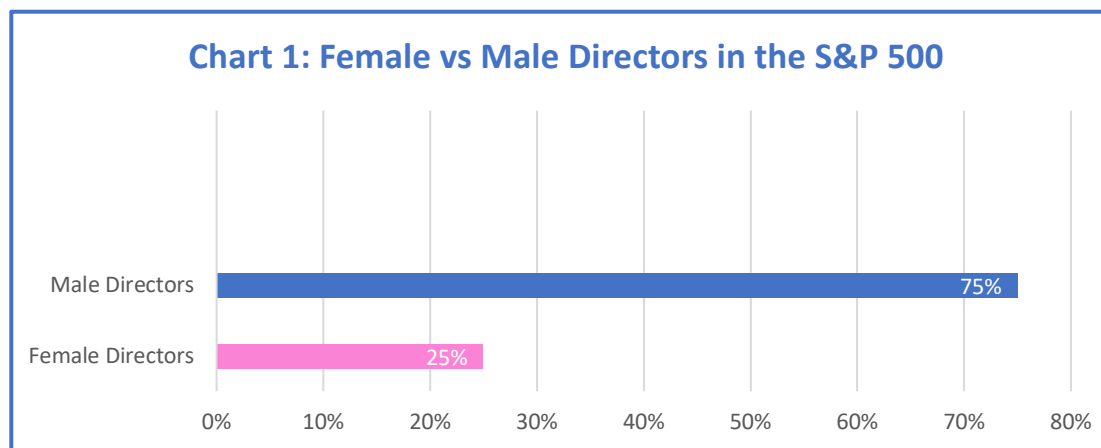
## Methodology

In order to determine a S&P 500 company's female board composition, we analyzed the latest definitive proxy statements and definitive proxy amendments of the 500 companies in the S&P 500 companies released between January 1, 2018 and December 31, 2018.

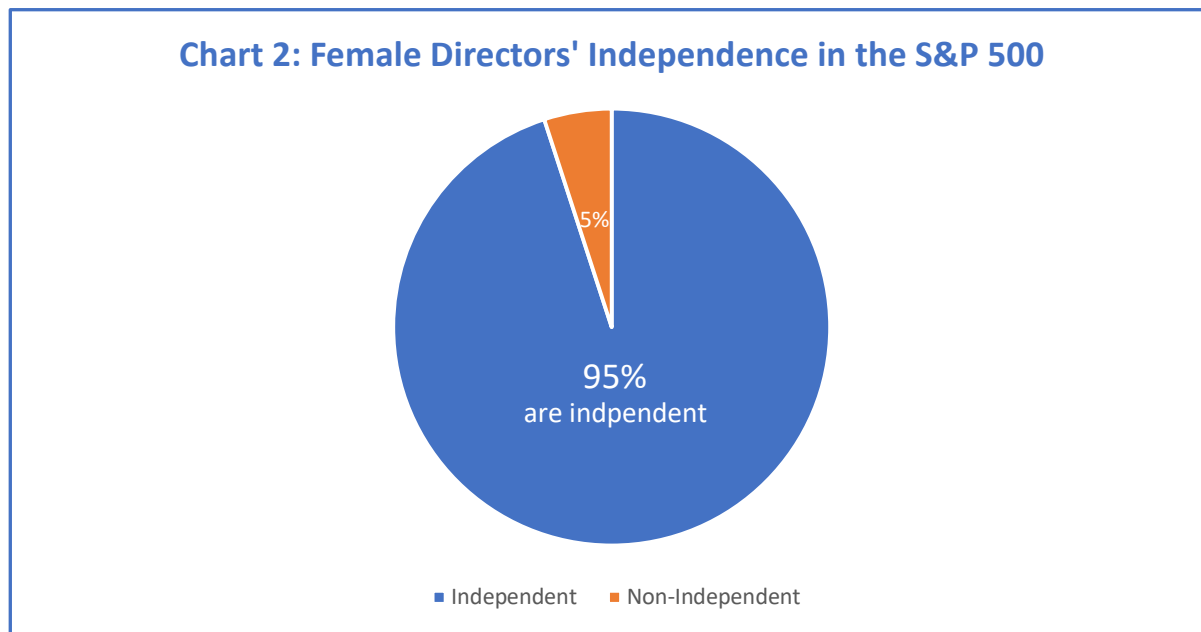
## What Does the S&P 500 Tell Us About Gender Parity on US Company Boards of Directors?

Below is a deeper look at what the S&P 500 tell us about how companies are responding to the push for more female corporate directors.

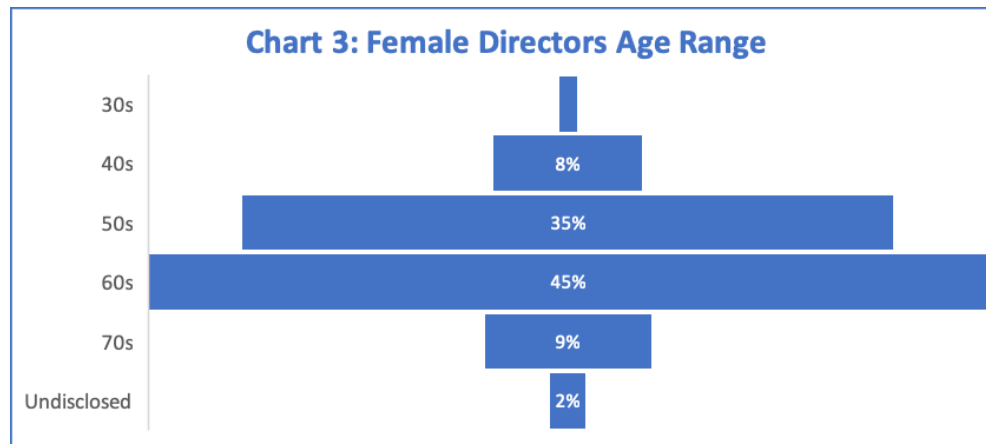
- **Diversity – Only 25% of S&P 500 Directors are Female:** As Chart 1 indicates, only a quarter of the 5,500 plus members of the board are female. As the #MeToo movement continues to impact corporate America, it would seem that these numbers need to rapidly improve soon.



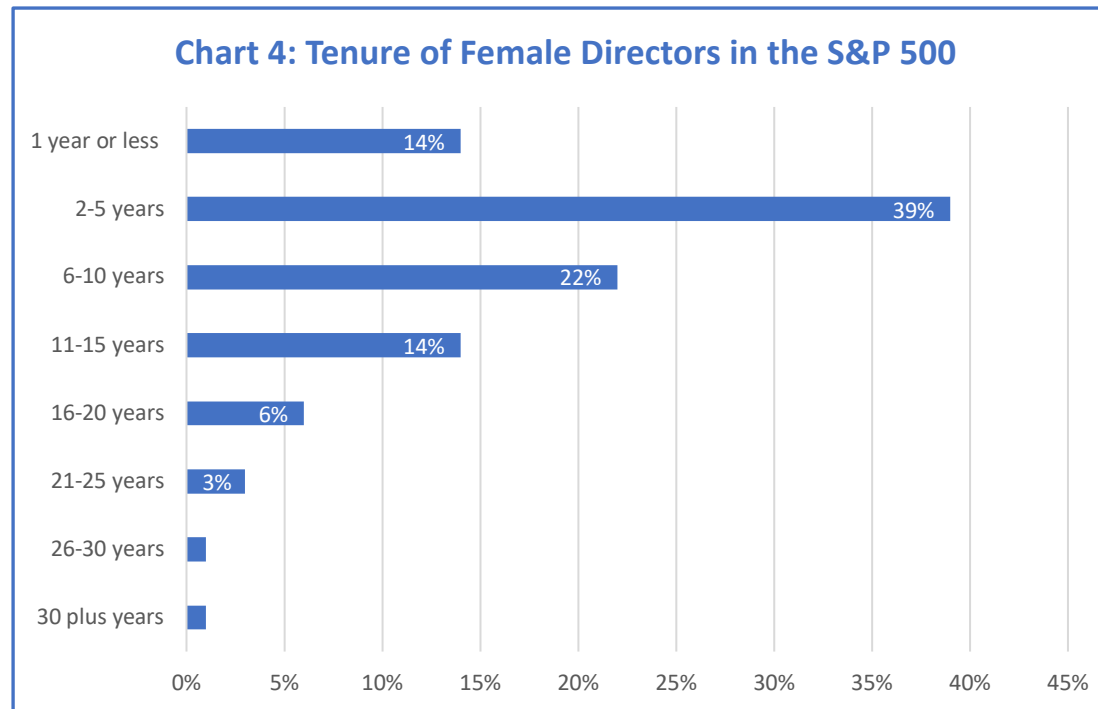
- **Independence:** 95% of female directors in the S&P 500 are independent board members. In comparison, 82% of male directors are independent, and 86% of all directors are independent.



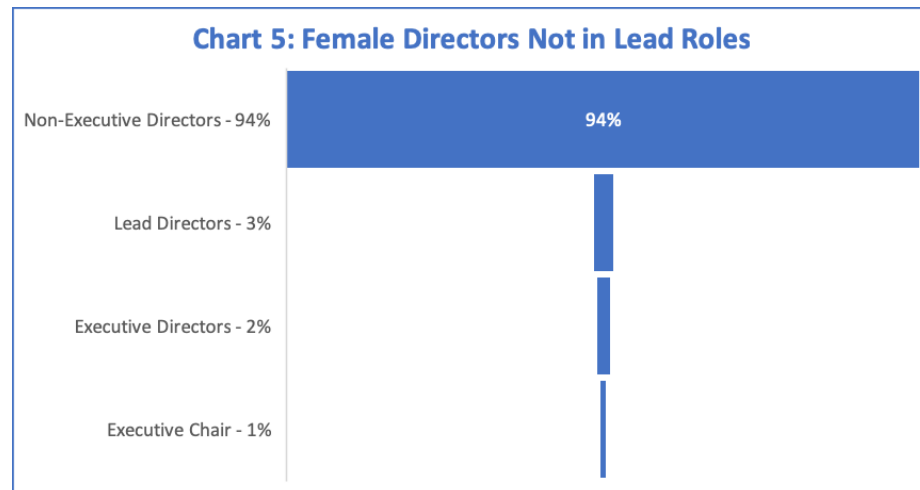
- **Age is a Factor:** 80% of S&P 500 female directors are in their 50s and 60s. The youngest female director is 31. The oldest is 79.



- **Tenure - 10 Years or Less is the Norm:** 75% of S&P 500 female directors, or 1,025, have served 10 years or less. The longest serving female director, Rosalie O'Reilly Wooten of O'Reilly Automotive, has been serving since 1980, nearly 40 years. 53% were appointed in the last five years. Another 14% (195) were appointed in 2018.



- **Female Directors Not Leading Boards in Significant Numbers:** Only 6%, or 77, female directors in the S&P 500 lead the boards they serve on either as lead director, executive director, or board chair.



- **13% Serve on Multiple Boards:** 180 of the female S&P 500 directors serve on at least two boards.
- **2 S&P 500 Companies Have No Female Board Members:** Texas-based online auto auction company, Copart (NASDAQ: CPRT), has no women on its eight-member board. TravelAdvisor (NASDAQ: TRIP), the online travel review company headquartered in Massachusetts, also has an eight-member all male board.



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### Multidimensional Public Company Intelligence · Simple · Proactive · Comprehensive

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- 3) Benchmarking Financial Footnotes in Annual and Quarterly Filings
- 4) Changes in MD&A Discussion
- 5) Non-GAAP Disclosures and Compliance
- 6) What Has Been the SEC's Focus on Comments?
- 7) ASC 842 Lease Commitments, Early Adopters Trend

### Corporate Governance:

- 1) Director Gender and Diversity
- 2) Are You an Independent Board Member If You Serve More Than 10-15 Years?
- 3) How Much Does a Board of Director Earn Per Meeting?
- 4) Analysis of Shareholder Proposals and Leading Trends
- 5) Risk Oversight and Cybersecurity and Company Boards - Who Is Responsible?

### Executive Compensation:

- 1) CEO Pay Ratio - S&P 500 and Russell 3000 - How Long Does a CEO Work to Earn a Median Employee's Annual Pay?
- 2) What Is the CFO Pay-Ratio and How Does It Compare with the CEO Pay-Ratio?
- 3) Pay Elements of CEO and CFO Compensation Across Large Cap, Mid-Cap and Small-Cap Companies