

News Release

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Fortune 500 Boards Still Decades Away from Representation Parallel to the Presence of Women and Minorities in the US Population

Alliance for Board Diversity (ABD) and Deloitte report shows women and minorities continue to make progress in board representation, with over 40% diversity nearly quadrupling since 2010

NEW YORK and WASHINGTON, June 8, 2021 — The number of *Fortune* 500 companies with over 40% diversity on their boards is nearly four times higher than it was in 2010, according to the sixth edition of the “Missing Pieces Report: A Board Diversity Census of Women and Minorities on *Fortune* 500 Boards,” a multiyear study published by the Alliance for Board Diversity (ABD), in collaboration with Deloitte.

It will take until 2074 – when the U.S. celebrates its tricentennial, before the number of *Fortune* 500 board seats held by minorities reaches the ABD’s aspirational 40% board representation rate. And while women and minorities have made more progress in board representation for the *Fortune* 500 between 2016 and 2020 than between 2010 and 2016, the average growth for minority representation on boards since 2004 (the first year this data was collected) is less than 0.5% per year. *Fortune* 500 board representation for women and minorities continues to climb, up from 34% (1,929 board seats) in 2018 to 38.3% (2,253 board seats) in 2020. Since 2010, the number of companies with greater than 40% diversity has nearly quadrupled.

The social justice movements of 2020 served as a wake-up call for many in corporate America, accelerating the focus for greater gender, ethnic, and racial diversity in the boardroom. As many stakeholders around the country have demanded change, businesses are increasingly expected to serve the workforce and community, as well their bottom line. The business case and benefits of diversity – of background, experience, and thought – are evident, and many companies have listened.

Additional key findings for the *Fortune* 500 include:

- African American/Black women gained 29 seats in 2020, an increase of 18.8% from 2018. Surprisingly, African American/Black men lost 5 seats in 2020, a decrease of 1.5% from 2018. African American/Black board members hold 8.7% (510 seats) as of June 30, 2020 per the report’s methodology.
- Hispanic/Latino men gained 13 seats in 2020, an increase of 7.7% from 2018. Hispanic/Latina women gained 14 seats in 2020, an increase of 31.1% from 2018. Hispanic/Latino(a) board members hold 4.1% (240 seats).
- Asian/Pacific Islander men gained 33 seats in 2020, an increase of 22.3% from 2018. Asian/Pacific Islander women gained 28 seats, an increase of 45.9% from 2018. Asian/Pacific Islander board members hold 4.6% (270 seats).
- White women made the largest strides, gaining 209 board seats in 2020 for an increase of 20.6% from 2018.

- After a further analysis of variance (ANOVA) of the data from 2016, 2018, and 2020, the impact of placing women and minorities into the positions of board chair and nominating or governance chair can pay immediate and future dividends for the promotion of board diversity.
- While 29 companies demonstrate 60% or greater women and minority representation, no companies in the *Fortune* 500 are representative of the demographics of the United States, with the benchmarks of 50% women, 13% African American/Black, 18% Hispanic/Latino(a), and 6% Asian/Pacific Islander per the most recent (July 2019) United States Census Bureau, “Population Estimates Quick Facts.”
- The study also showed that boards more frequently will pull from a pool of existing minority board members instead of bringing in new directors. Two out of every five African American/Black board members serve on multiple *Fortune* 500 boards.

“While we applaud the progress that businesses have made in increasing board diversity, we need to ensure representation is holistic and inclusive for all – not just for one segment of an underrepresented population,” said [Linda Akutagawa](#), chair for the Alliance for Board Diversity and president and CEO, LEAP (Leadership Education for Asian Pacifics). “Despite heightened focus on board diversity the past year, not a single *Fortune* 500 boardroom is representative of the population of the US.”

Once again, as documented in previous Missing Pieces reports, the *Fortune* 100 lead the way, exceeding the rate of board seats held by minorities in the *Fortune* 500, which was close to 18%. The Alliance for Board Diversity initial goal for 40% of all board seats in the *Fortune* 500 occupied by women and minorities has now been met in the *Fortune* 100.

Other key findings for the *Fortune* 100 include:

- In 2020, slightly more than 20% of board seats in the *Fortune* 100 were held by African American/Black, Asian/Pacific Islander, and Hispanic/Latino(a) members.
- The total number of companies with greater than 40% diversity increased from 46 companies in 2018 to 53 companies in 2020. In other words, over half of companies have 40% of their boards composed of women and minorities.
- The total number of companies with over 50% diversity on their boards has nearly doubled in two years – from 10 in 2018 to 19 in 2020.
- Hispanic/Latino(a) women and Asian/Pacific Islander men achieved the largest percent increase in board seats: 27.3% (three seats) and 20.7 % (six seats), respectively. African American/Black women gained six seats as well, for an increase of 14.3%.

“The Missing Pieces report shows that while considerable progress has been made, and that companies are moving in the right direction in terms of equal representation on boards, there is still work to be done,” said [Carey Oven](#), national managing partner, Center for Board Effectiveness and chief talent officer, Deloitte Risk & Financial Advisory, Deloitte & Touche LLP. “We hope, and encouragingly, are starting to see boardrooms reflect on this information and apply it to ensure a more inclusive process for recruiting not just future board members, but influencing management as well.”

To download the full report, “The Missing Pieces Report: The Board Diversity Census of Women and Minorities on *Fortune* 500 Boards, 6th edition,” 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 <https://theabd.org/> and www.deloitte.com.

Research Methodology

The Alliance for Board Diversity (ABD) and Deloitte used a census methodology for the 2020 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 from year to year, but on the *Fortune*-listed companies in the given years for which the census was conducted.

Board Diversity Census analyses are based on companies on the *Fortune* 500 list published in 2020. ABD examined *Fortune* 500 companies because they are recognized as some of the most influential businesses in the United States. *Fortune* selects companies for inclusion in or exclusion from the *Fortune* 500 based on the annual revenue of a company. The companies with the largest 500 annual revenues comprise the *Fortune* 500.

For the 2020 Board Diversity Census, to confirm individual board members' gender, race, and ethnicity, Deloitte leveraged a combination of independently verified insight from the Alliance for Board Diversity, third-party data obtained from ESG MSCI, an independent provider of research-driven insights and tools for institutional investors, and ISS Corporate Solutions. To ascertain each company's total number of directors and board composition, Deloitte reviewed Securities and Exchange Commission (SEC) annual filings submitted as of June 30, 2020, where the annual meeting was also held by June 30, 2020. If these statements were not available or did not list the board of directors, Deloitte leveraged other financial statements, such as S-4/A and S1/A. For insurance companies that do not submit annual filings to the SEC, Deloitte obtained information from the National Association of Insurance Companies (NAIC) regulatory database of annual statements submitted as of June 30, 2020.¹ Certain data fields (e.g., board chair, lead director, and committee chairs) are not typically identifiable in filings from insurance companies. Additionally, the annual shareholder meeting had to have occurred by June 30, 2020. If these two conditions were not met, Deloitte referred back to the most recent filing that satisfied those parameters. For additional information on the research methodology, please reference the report's appendix.

Additional quotes from members of the Alliance for Board Diversity: Catalyst, Deloitte, Diversified Search Group, HACR, LEAP, The ELC

"We recognize the pool of new board directors is more diverse than ever, but progress is slow and will only improve when companies set intentional targets for gender and underrepresented groups on boards," said [Lorraine Hariton](#), Catalyst president and CEO. "A diverse and inclusive board comes from breaking the habit of relying on the usual candidates, and tapping into various networks to identify board-ready candidates. Without this effort, companies risk falling behind in having a board positioned to address complex challenges."

"To build sustained long-term change for the better, it will take leadership accountability to achieve equitable outcomes for all identities. One of the best ways to do that is through measurement. That starts with disaggregating diversity data at all levels and assessing equity across all systems. With this data in hand, boards have a critical role to play in holding management accountable." – [Janet Foutty](#), executive chair of the board, Deloitte US

"Representation matters, and companies that are intentional in their selection of board leadership have proven successful in recruiting other strong diverse candidates. Diversified Search Group recognizes that opportunity begets opportunity, and that leading by example is often the most effective way to bring about real and substantial progress." – [Dale E. Jones](#), CEO, Diversified Search Group

"The 2021 Missing Pieces Report reveals some progress in overall corporate board diversity. However, the results make clear the necessity of advocacy work from groups like the Hispanic Association on Corporate Responsibility. The report shows that representation for Hispanics and Latinos on corporate boards remains consistently low since 2004, when the Missing Pieces census began. Despite corporate America's slow progress, I'm encouraged to see that, while

¹ Information submitted to the SEC and NAIC complies with federal or state law. Requirements ensure proper governance, restricting companies to specific content and timing of the filings. SEC filings require companies to list directors serving on the board up to the annual meeting of shareholders and those listed in NAIC filings as directors.

still underrepresented, Latinas were the demographic with the second-highest increase in board seats of those surveyed. Our research with ABD will help guide HACR's initiatives to achieve equity for Hispanics at the highest levels of corporate America." – [Cid Wilson](#), president and CEO, Hispanic Association on Corporate Responsibility (HACR)

"Anti-Asian hate and systemic racism against communities of color are direct attacks on our core belief that the strength of America lies in our diversity. It is not only urgent for the API community to mobilize the nation to #StopAAPIHate; it is just as important to challenge the corporate community to fill their open board seats to ensure an equitable representation of Asian and Pacific Islanders and other diverse directors. Advancing racial equity and economic inclusion for people of all races, ethnicities, genders and sexual orientation is crucial to ensuring the sustainability of corporate America's creativity and innovation." – [Linda Akutagawa](#), president and CEO, Leadership Education for Asian Pacifics (LEAP)

"Board diversity in the *Fortune* 500 is growing at a rate of 2% which is not quickly enough. On top of that, the recycle rate among Black directors remains high. If corporations are serious about achieving true board diversity, they must be intentional about reaching outside of their traditional networks to tap the plethora of qualified, Black board-ready executives who bring proven talent, innovation, and leadership to the boardroom." – [Michael C. Hyter](#), president and CEO of The Executive Leadership Council

About the Alliance for Board Diversity

Founded in 2004, the Alliance for Board Diversity (ABD) is a collaboration of four leadership organizations: Catalyst, The Executive Leadership Council (ELC), the Hispanic Association on Corporate Responsibility (HACR), and LEAP (Leadership Education for Asian Pacifics). Diversified Search, an executive search firm, is a founding partner of the alliance and serves as an 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 is available at <https://theabd.org/>.

About Catalyst

Catalyst is a global nonprofit working with some of the world's most powerful CEOs and leading companies to help build workplaces that work for women. Founded in 1962, Catalyst drives change with pioneering research, practical tools, and proven solutions to accelerate and advance women into leadership — because progress for women is progress for everyone. For more information, please visit <https://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 nearly 90% of the Fortune 500® and more than 7,000 private companies. Our people [come together](#) for the greater good and work across the industry sectors that drive and shape today's marketplace — delivering measurable and lasting results that help reinforce public trust in our capital markets, inspire clients to see challenges as opportunities to transform and thrive, and help lead the way toward a stronger economy and a healthier society. Deloitte is proud to be part of the largest global professional services network serving our clients in the markets that are most important to them. Building on more than 175 years of service, our network of member firms spans more than 150 countries and territories. Learn how Deloitte's more than 330,000 people worldwide connect for impact at www.deloitte.com.

About Diversified Search

Diversified Search Group (DSG) is the largest woman-founded executive search firm in the world and comprises a combination of specialty firms: Diversified Search, BioQuest, Koya Partners, Grant Cooper, and Storbeck Search. With their collective resources and expertise, the firms collaborate across sectors to access diverse talent whose values align with their clients' purpose, producing among the best rates in the industry for placements of women and people of color, repeat clients, and candidate retention. Headquartered in Philadelphia, DSG operates in over a dozen cities across the country and worldwide as the official U.S. partner of AltoPartners, the international alliance of executive

search firms with 63 offices in 36 countries around the world. For more information, please visit <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 (Leadership Education for Asian Pacifics)

Founded in 1982, LEAP's mission is to achieve full participation and equality for Asian and Pacific Islanders through leadership, empowerment, and policy. LEAP works to meet its mission by: Developing people, Informing society and Empowering communities. LEAP is the only Asian and Pacific Islander organization dedicated to cultivating a robust pipeline of leaders by encouraging individuals to assume leadership positions at work and in the community, and ultimately, to become role models for future leaders.

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 800 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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