The Problem

The economic impact of women is high, yet their representation in leadership is low.

Despite making up about 50% of the workforce, women hold under 20% of Fortune 1,000 board seats.

The Rationale

Economic
Companies with greater board diversity are more competitive because they better connect with their constituents, employees, investors, and the communities in which they operate. Research from McKinsey & Company and Credit Suisse have documented greater:

- Return on equity
- Return on invested capital
- Return on sales

Good Governance
Business is an institution essential for American prosperity. Its makeup should thus more closely reflect society. A high-performing board is one that generates and implements the best ideas. Those ideas arise when a diverse pool of thought is brought to the table.

The CED Solution

Fill every other vacant board seat with a woman.

Do this while retaining existing female seats, and women can occupy nearly a third of board seats by 2018.

How We Get There

Expand the Criteria for Board Directors

- Extend beyond the conventional pool of current and former CEOs. Cast a broader net to include senior female executives with a strong business track record.

Voluntarily Set Goals and Disclose Status

- Build and support a pipeline to enable rising female managers.
- Demonstrate responsiveness to stockholders.

Accelerate Progress with Direct Contact

- Meet with CEOs and nominating committees to explain the benefits of gender-balanced boards.
- Share best practices.

A Supply of Top Board-Ready Women

Nominating committees should expand their criteria to include:

- C-suite executives
- Divisional presidents
- Retired senior law firm attorneys
- Retired accounting firm partners
- Investment bankers and money managers
- Entrepreneurs
- Risk management, compliance and governance officers
- Management consultants
- Nonprofit, academic and public sector executives

For more recommendations and information, see CED’s “Every Other One” report: ced.org/everyotherone

Seats Occupied By Men

Fortune 1,000 Board Seats in 2014

Seats Occupied By Women

NOW 2018