



# THE BIG PICTURE

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The Impact of California's  
Groundbreaking Law to  
Advance Gender Diversity in  
Corporate Boardrooms



California Partners  
PROJECT



# THE IMPACT

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# Women in Corporate Leadership: California’s Unprecedented Leap Forward

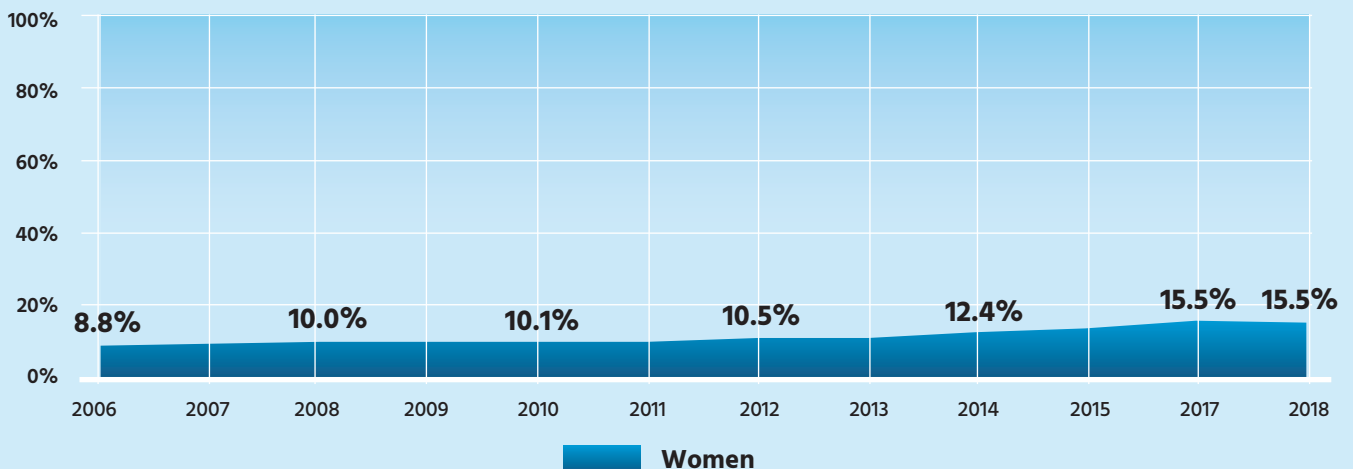
Executive Summary by Jennifer Siebel Newsom and Olivia D. Morgan

Between the two of us, we are raising six young Californians – ranging in age from six to seventeen. Our heads and hearts are dedicated to advancing a healthy, equitable, and sustainable future for our state, our planet, and all the children who call it home.

So we are both proud and grateful that California serves as the nation’s laboratory for smart, innovative ideas that help our country live up to its ideals and potential – and produce the best possible outcomes for our workplaces and our businesses. Since we co-founded the California Partners Project (CPP) in 2020, we have focused on one example of our state’s leadership in action – California Senate Bill 826, which addresses the persistent, substantial underrepresentation of women on public company boards. SB 826 has fundamentally changed how corporate boards in California approach representation. **Despite a recent adverse court ruling, the societal ripple effects caused by intentionally diversifying California’s public boards is here to stay.**

We know from ample research and experience that diverse groups make better decisions. Yet, until SB 826 was enacted in 2018, women’s presence on California’s corporate boards stagnated at 15.5%, despite mounting stakeholder pressure and a state senate resolution encouraging companies to diversify their boards. Even though women comprise over half the population and drive 83% of U.S. consumption, companies were not benefiting from their perspectives in the boardroom.<sup>1</sup>

## Women on Boards at Public Companies in California before SB 826, 2006 - 2018<sup>2</sup>



1 Morgan Stanley, *Beyond the VC Funding Gap*, 2019.

2 Kimball, A. *UC Davis Study of California Women Business Leaders: A Census of Women Directors and the Highest-Paid Executives*. UC Davis Graduate School of Management, 2015; Barrett, A. *Women on Board of Public Companies Headquartered in California*. Board Governance Research, 2018. All data in this report from 2017 and 2018 drawn from Board Governance Research reports.

# THE BIG PICTURE

Board directors oversee key aspects of the corporate agenda, including recruitment, oversight, and compensation of the CEO; long-term strategic planning; and risk management. Think about what that purview can cover: everything from environmental best practices to family-friendly workplace policies.

Corporations have growing influence over issues that impact everything from global communications, health care, the environment, and energy and economic policies, as well as responses to gender and racial equity and human rights demands. So it matters more than ever who sits in their boardrooms. That’s why we have made it a priority to understand – with accurate data and qualitative research – the impact and implications of California’s groundbreaking board gender diversity legislation.

In our four-part report series, we’ve highlighted the perspectives and experiences of women directors, shared focus-group-sourced strategies for improving board diversity, and meticulously tracked corporate compliance with SB 826 as the number of public companies in California swelled from 632 to 769. **The number of women holding seats on public company boards across the state also nearly tripled – from 766 in 2018 to 2,055 today.**

## In 2022, business is booming in California and so is gender representation on corporate boards

### Number of public companies headquartered in California



### Board seats held by women on California public company boards



California public companies now rank among the most gender diverse in the nation, with 32% of public company board seats held by women. We are setting an example for the country to follow. Setting an example for the world to follow: our economy is the fifth largest globally. The tremendous advance in women in leadership here proves that companies can diversify their boards when they make it a priority.

## THE BIG PICTURE

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We are heartened to see so many talented women in these roles, enthusiastic about the competitive advantage this gives our state, and hopeful that the broader expertise guiding corporate strategy and risk management will pay long-term dividends for communities and shareholders.

The exceptional women in these seats did not materialize overnight; it took California's law and persistent efforts from organizations, investors, and other corporate stakeholders to shake up old ways of thinking and encourage companies to broaden their recruiting networks, think more critically about candidate qualifications, and create recruiting processes that allow them to see all the talent available to them.

With the support of our staff, board, advisors, funders, and our data partner Equilar, we've created a body of work that helps investors, journalists, and consumers hold companies accountable. As we've tracked and spotlighted our state's successes, we have also uncovered places where progress has fallen short – namely, the pernicious underrepresentation of women of color. For example, **while Latinas represent nearly 20% of California's population, they hold only 1.5% of director seats in our state** – and even that is a marked increase from a few years ago.

Looking ahead, we have partnered with Stanford University's VMware Women's Leadership Innovation Lab to create two board playbooks offering tangible, tested strategies to reduce racial and gender inequities through intentional recruiting processes and board norms. Ultimately, we aim to increase the recruitment, retention, and inclusion of women of color in director roles. In addition, the California Partners Project will continue its work - in partnership with the First Partner's Office - advancing the impact of gender equity on boards, including its effect on the crucial issue of pay equity. Multiple studies show that women executives positively impact wage parity - and we will soon know if women on boards produce a similar result.

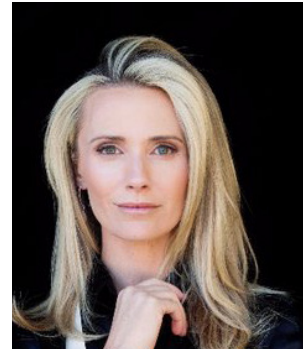
We are excited to collaborate with new and existing partners and continue to lead on the issues most pressing to our state's women and their families. We remain guided by the belief that giving women a seat at the table benefits everyone.

### **Jennifer Siebel Newsom**

*First Partner of California and Co-Founder of the California Partners Project*

### **Olivia D. Morgan**

*Board Chair and Co-Founder of the California Partners Project*



**Jennifer Siebel Newsom**



**Olivia D. Morgan**





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It is without a doubt that SB 826 has had a significant impact around the country. So many more business leaders, legislators, educators, advocates, investors, and organizations have come to recognize the power and progress of a law like this. When we wrote SB 826 we knew it was groundbreaking. We knew it would require businesses to do the right thing and we knew it would work. I am proud this movement started in California and know it will continue to have an impact here and across the nation.

**Former California State Senator Hannah-Beth Jackson**  
*Author of California Senate Bill 826*

# California’s Rapid Progress

The end of 2021 marked the final deadline for California headquartered public companies to comply with the gender requirements of SB 826. Since the law was enacted, women have nearly tripled their presence on public company boards in the state. **Impressively, 65% of California’s public companies now have three or more women directors, the critical mass threshold that allows women to influence board discussions more substantially.**<sup>3</sup>

Thanks to California’s forward-thinking legislation, women’s voices are now present on all but eight of the state’s 769 public company boards, where they are influencing the long-term strategic direction and viability of the companies that help California lead the world’s developed economies in **GDP growth, job creation, increasing household incomes, manufacturing growth, investing in innovation, and producing clean energy.**<sup>4</sup> Five California public companies alone – Wells Fargo, Walt Disney, Gap, Apple, and Concentrix – employ nearly 1,000,000 workers, all of whom are affected by human resources, strategy, and financial oversight decisions made at the board level.<sup>5</sup> All eyes are on California as we learn how this sea change in women’s influence in the board room impacts employees, communities, and our world.

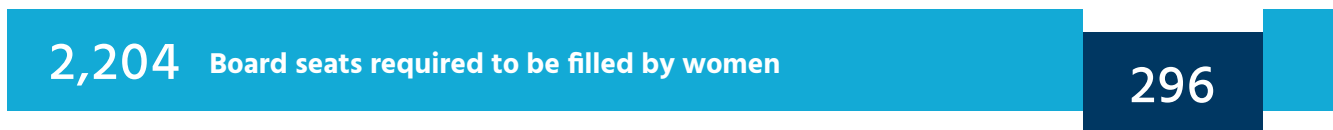
Board Size	Women Directors Required
6 or more	Minimum of 3
5 directors	Minimum of 2
4 or fewer	Minimum of 1

## OUR METHOD

The California Partners Project uniquely analyzes all companies subject to SB 826, including the public companies headquartered in California that are listed on the Russell 3000 index, as well as the 271 California public companies that are not included in the Russell 3000 index.<sup>6</sup>

### Claim Your Seat

California public companies have at least 296 board seats to fill with women directors to comply with the SB 826 gender requirement. **Visit our [Resource Hub](http://www.calpartnersproject.org/resourcehub)** ([www.calpartnersproject.org/resourcehub](http://www.calpartnersproject.org/resourcehub)) for an up-to-date list of the 231 California public companies with opportunities for women directors.<sup>7</sup>



<sup>3</sup> Drawn from legislative text of SB 826. Torchia, M., Calabrò, A., and Huse, M., Women Directors on Corporate Boards: From Tokenism to Critical Mass. *Journal of Business Ethics*, 2011; Kramer, V., Konrad, A.M., and Erkut, S., Critical Mass on Corporate Boards: Why Three or More Women Enhance Governance, 2006.

<sup>4</sup> Winkler, M., *California Defies Doom with No. 1 U.S. Economy*. Bloomberg, 2022.

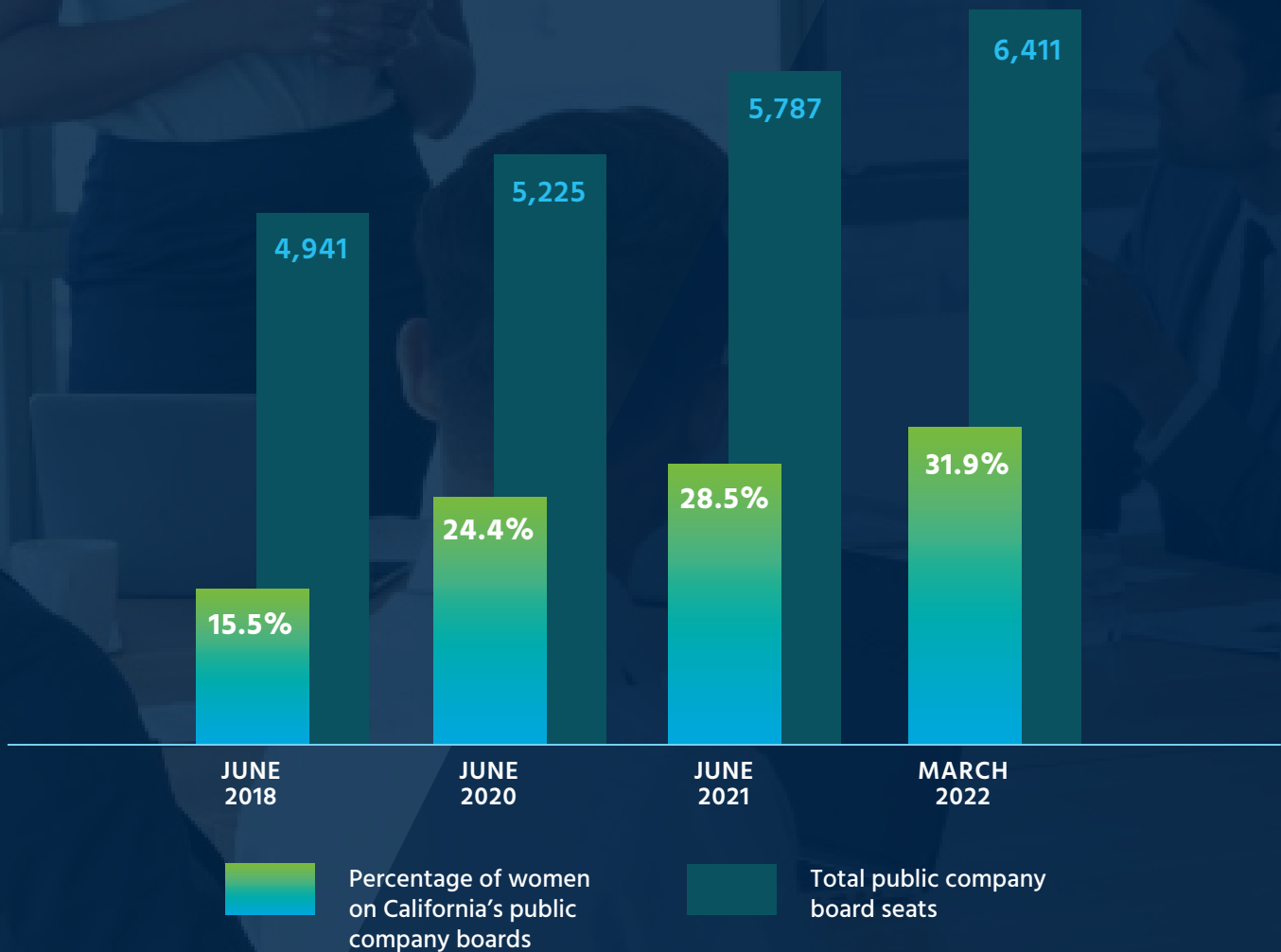
<sup>5</sup> *Leading Companies Headquartered in California in 2021, by Number of Employees*. Statista, 2022.

<sup>6</sup> Hayes, A. Investopedia, 2022. The Russell 3000 Index is a market-capitalization-weighted equity index maintained by FTSE Russell that tracks the performance of 3,000 of the largest U.S.-traded stocks.

<sup>7</sup> These calculations assume that companies’ board sizes remain the same.

## FROM 2018 TO TODAY

### Percentage of seats held by women on California's public company boards



While the percentage of women on California's public company boards has more than doubled, **the actual number of women has nearly tripled – from 766 to 2,055** – because California has 137 more public companies and 1,500 more public company board seats than it did in 2018.



# FROM 2018 TO TODAY

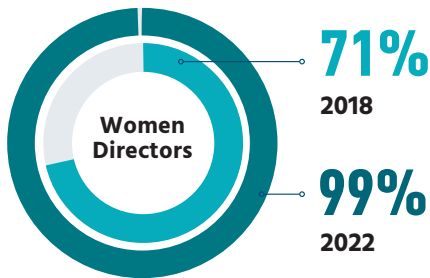
## Board seats held by women at Russell 3000 companies<sup>8</sup>



California leads nationwide board diversity by 5%

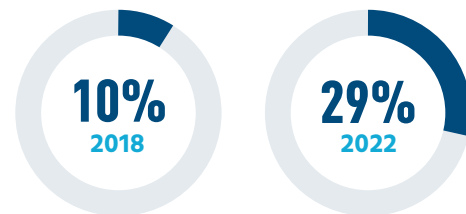
## Women on CA public company boards

Only 1% of California public companies do not have a woman on their board.



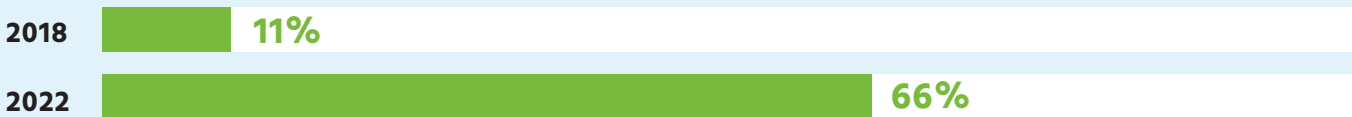
## Microcap Progress

Percentage of board seats held by women at California's public microcap companies with market capitalizations of less than \$300 million

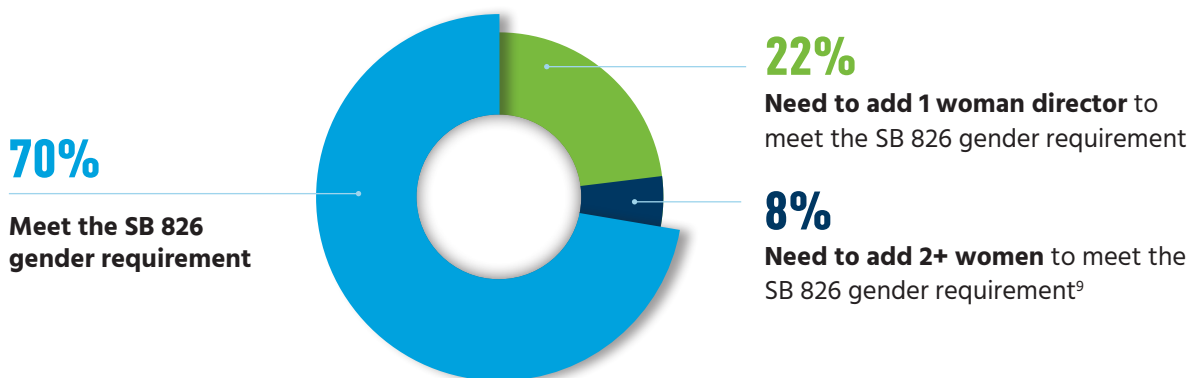


## Critical Mass

California public companies with three or more women directors.



## 2022: Compliance with SB 826



<sup>8</sup> 50/50 Women on Boards, Gender Diversity Index: Fourth Quarter 2021 Key Findings.  
<sup>9</sup> These calculations assume that companies' board sizes remain the same.

# New Analysis on Board Diversity & Revenue in California

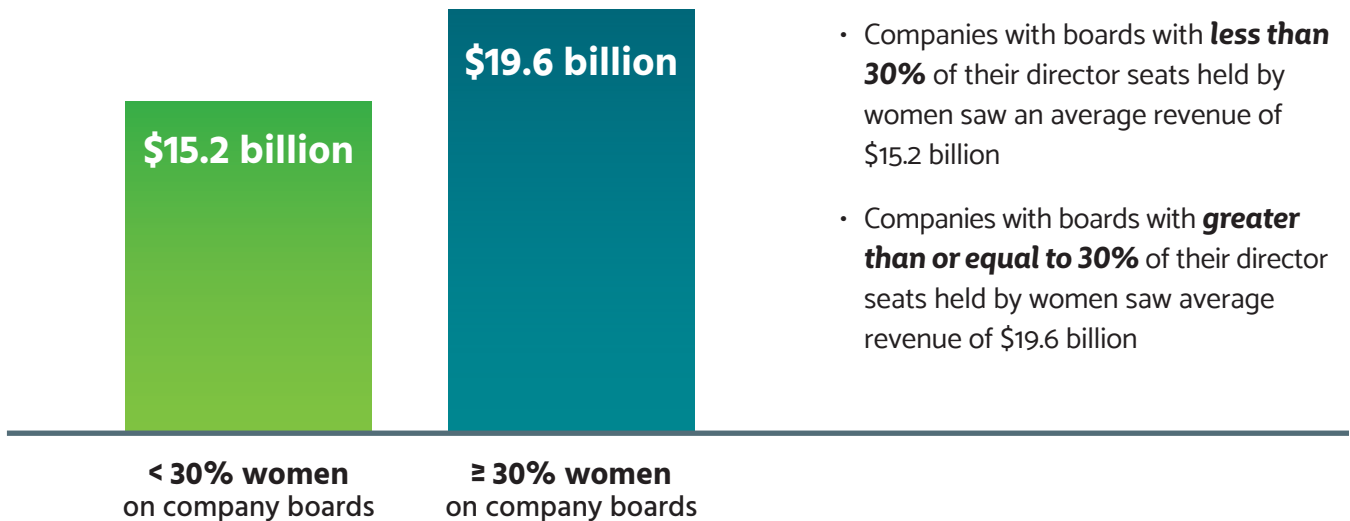
Investors and proxy advisors are increasingly focused on board diversity because of its correlation with improved financial performance and better governance. **We are already seeing the correlation between board diversity and financial performance in California.** New data analysis prepared for this report by our friends at BoardReady shows that among S&P 500 companies headquartered in California, those with 30% or more women directors on their board correlated with higher revenue than companies with less than 30% women directors.



Original Analysis by BoardReady

Among the 72 S&P 500<sup>10</sup> companies headquartered in California in 2021, **companies with an increased percentage of women on their boards correlated with higher revenue.**

## Gender and Revenue



<sup>10</sup> Kenton, W. Investopedia, 2022. The S&P 500 Index, or Standard & Poor's 500 Index, is a market-capitalization-weighted index of 500 leading publicly traded companies in the U.S.

## THE IMPACT

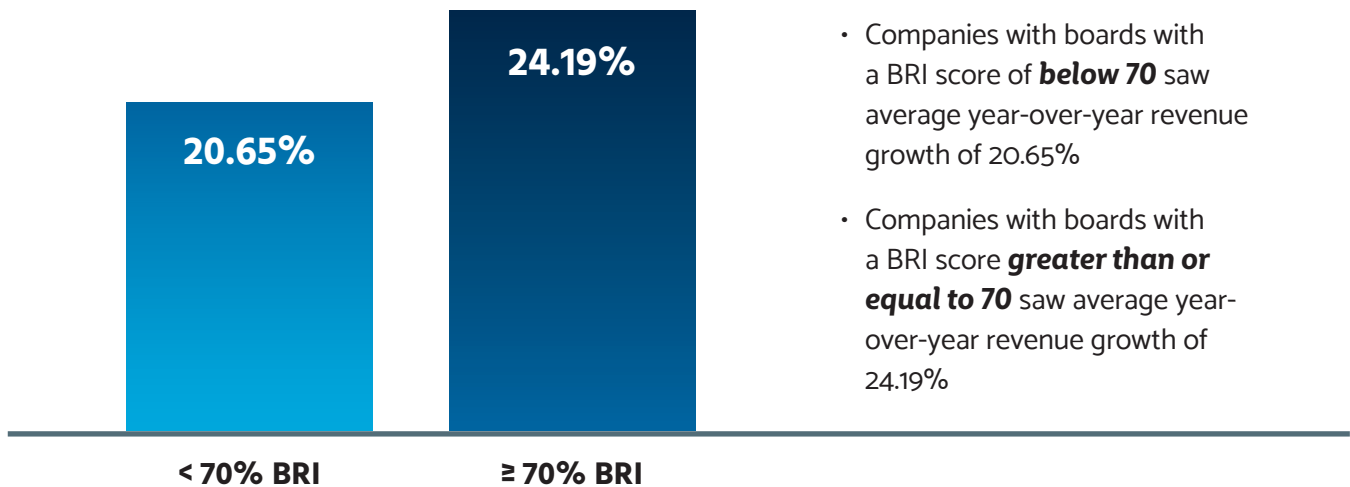
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Among S&P 500 companies headquartered in California in 2021, **companies with higher diversity among board directors show higher year-over-year revenue growth.**

The BoardReady Index (BRI) considers the broad range of diversity dimensions that contribute to a board's competencies, including gender, race, age, age span, and director tenure on a company's board. The higher the score, the more diverse the board.

### Board Diversity and Revenue Growth

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“It’s amazing, albeit unsurprising, to see diversity on boards consistently correlated with better financial performance. Like decades of research before, BoardReady’s findings have linked more diverse boards to better performance, specifically increased revenue and higher year-over-year growth.”

**Deanna Oppenheimer**, Founder, BoardReady, a nonprofit organization focused on measuring the impact of diversity at the board level.

# Modern Board Governance

The following are insights from directors and board experts who share how the boardroom is evolving and the importance of board diversity in navigating the complexities of the modern business environment.



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Boards are tasked to ask hard questions in service of their fiduciary responsibility – yet evidence shows that even well-intentioned boards can have blindspots. Initiatives to diversify boards aim to catch blindspots before they lead to poor decision-making and can strengthen problem solving, innovation, and inclusion. In this era of increased focus on ESG investing, it makes sense that boards turn that lens on their own work as they seek to advise organizations to do the same. **Adding women to boards – and especially women from underrepresented groups – will bring welcome perspectives, insights and life experiences needed during these turbulent times.**

**Lori Nishiura Mackenzie**

*Co-founder, Stanford VMware Women's Leadership Innovation Lab*



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Today's boards need to be different from even ten years ago. They need to be diverse because the challenges that companies are facing are broad, and directors are tasked with overseeing everything from financial disclosures to ESG strategy and corporate culture. ***In my experience, the most nimble, effective boards bring together people with a broad range of experiences who see things from different perspectives and can bring that to the table in a very open way.***

**Helene Gayle, MD, MPH**

*11th President of Spelman College*

*President & CEO, The Chicago Community Trust*

*Board Member, The Coca-Cola Company (NYSE: KO)*

*Board Member, Palo Alto Networks (Nasdaq: PANW)*

*Board Member, Organon (NYSE: OGN)*





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***A diverse board allows for increased innovation.***

Latinas bring new and different perspectives that contribute to solving new and different challenges faced by companies today. Such diversity contributes to better business results for all.

**Zulema Garcia**

*Senior Vice President — Internal Audit, Herbalife Nutrition (NYSE: HLF)  
Board Member, Skechers U.S.A., Inc. (NYSE: SKX)*



“

As boards continue to navigate important topics surrounding ESG such as climate, sustainability, equity, and inclusion, new and diverse perspectives in the boardrooms will help boards to look at these issues not only as risk mitigation and compliance matters but, more importantly, as an opportunity to create long-term, sustainable competitive advantage and truly integrate ESG into companies' culture and strategy. **Having more diverse perspectives in boardrooms will help boards more successfully navigate the challenges and opportunities of the 21st century.**

**Sonita Lontoh**

*Board Member, Sunrun Inc. (Nasdaq: RUN)*

*Board Member, TrueBlue Inc. (NYSE: TBI)*



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I'm proud to serve as a board director for a mission-driven organization like Coursera because our decisions have an impact not only on our stakeholders and employees, but also in shaping how we approach critical societal issues that impact our global community of learners, partners, and institutions. As a public B Corp, Coursera recognizes that better decisions are made when the directors reflect differing skills, experiences, identities, and ways of thinking. **The diversity of our board is a major strength.**

**Amanda Clark**

*Board Member, Coursera (NYSE: COUR)*

*Chief Development Officer, Papa John's International (Nasdaq: PZZA)*



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During my career I benefitted as a larger number of senior women leaders were not only present in the boardroom, but increasingly were members of boards. **Boards that make a concerted effort to ensure that women are both fully represented and have a valued voice, often find the richer conversations and diverse perspectives brought by the women allow them to come to decisions faster and with a more complete view.** I am proud to serve on the board of public companies who are intentional about and focused on ensuring that the board embraces diversity among its members and is supportive of growing the number of women who serve on boards.

**Kay Matthews**

Board Chair, SVB Financial Group (Nasdaq: SIVB)

Board Member, Coherent, Inc. (Nasdaq: COHR)

Board Member, Main Street Capital Corporation (NYSE: MAIN)

## National Traction

California is not working alone. Critical efforts by the investment community and advocacy groups are augmenting California's efforts to increase the number of women directors serving on corporate boards.

### Investment Community Makes Board Diversity a Priority

The world's largest asset managers, pension funds, and proxy advisors are among the voices advocating for greater representation of women on corporate boards. Their efforts are helping shift focus to boardroom diversity.



“Many of the largest and most influential institutional investors have continued to make board diversity a priority, not only by voting against directors on boards that have made insufficient progress on diversity, but also by engaging with companies to impose lasting commitments to board diversity through strengthening nomination policies, expanding the search process, and disclosing board composition. In combination with proxy advisory firms’ voting recommendations, Nasdaq’s listing requirements, and Goldman Sachs’ imposition of a board diversity requirement to take companies public, these investor efforts have had tremendous impact in promoting gender, racial, and ethnic diversity on boards over the past few years. These initiatives, along with the increased focus on issues of racial inequity, will continue to put significant pressure on companies to achieve greater board diversity.”

**Amanda K. Packel**, *Managing Director, Rock Center for Corporate Governance at Stanford University*



## BUILDING ON CALIFORNIA'S MOMENTUM

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<b>Moody's</b>	Moody's – which provides credit ratings, research, and analysis for global capital markets – has found that board-level gender diversity is correlated with higher credit ratings in the U.S. and Europe. Women's presence on boards and the diversity of opinion they bring supports good corporate governance which improves a company's credit quality. <sup>11</sup>
<b>Nasdaq</b>	Nasdaq, one of three major stock exchanges in the U.S., established a Board Diversity Rule requiring companies listed on its U.S. exchange to publicly disclose board-level diversity statistics and have, or explain why they do not have, at least two diverse directors. <sup>12</sup>
<b>CalSTRS</b>	The California State Teachers' Retirement System (CalSTRS), the largest educator-only pension fund in the world with \$318.1 billion in assets under management, will vote against the entire board of directors at companies that do not have at least one woman or against nominating committee members if the company does not have at least 30% women board members. <sup>13</sup>
<b>Goldman Sachs</b>	Goldman Sachs will only take a company public in the U.S. or Western Europe if it has at least two diverse board members, one of which must be a woman. <sup>14</sup>
<b>BlackRock</b>	BlackRock, the world's largest asset manager with \$10 trillion in assets under management, asks boards to disclose how diversity is considered in board composition and believes U.S. boards should aspire to have at least two directors who identify as female and at least one who identifies as a member of an underrepresented group. Lack of board diversity was the top reason BlackRock withheld votes from directors in 2021. <sup>15</sup>
<b>State Street</b>	State Street Global Advisors, among the world's largest asset managers with \$3.9 trillion in assets under management, requires that all global companies in which it invests have at least one woman on their board to gain the firm's support during the upcoming proxy-voting season and expects boards of companies in major indexes in the U.S., Canada, Britain, Europe, and Australia to have at least 30% women directors for the 2023 proxy-voting season. <sup>16</sup>
<b>Institutional Shareholder Services (ISS)</b>	ISS, a leading proxy advisory firm that provides research and recommendations for shareholder votes by institutional investors, generally recommends "against" or "withhold" votes for the chair of the nominating committee where there are no women or no racial or ethnically diverse members. <sup>17</sup>
<b>Glass Lewis</b>	Glass Lewis, another leading proxy advisory firm, generally recommends voting against the chair of the nominating committee of a board with fewer than two gender diverse directors or against the entire nominating committee of a board with no gender diverse directors at companies in the Russell 3000 index. Glass Lewis may also recommend voting against the chair of the nominating and/or governance committee for companies in the S&P 500 index that fail to disclose director diversity and skills. <sup>18</sup>

<sup>11</sup> Moody's, [Breaking the Bias: How Gender Equality Will Transform Economies, Finance and Business](#), 2022.

<sup>12</sup> Nasdaq, [Nasdaq's Board Diversity Rule](#), 2022.

<sup>13</sup> Doron, K., [CalSTRS Will Escalate Proxy Votes to Achieve Board Diversity Net Zero Progress and Climate Change Action](#). CalSTRS Press Release, 2022.

<sup>14</sup> Goldman Sachs, [Board Diversity Initiative](#), 2022.

<sup>15</sup> BlackRock, [BlackRock Investment Stewardship – Proxy voting guidelines for U.S. securities](#), 2022; [Pursuing long-term value for our clients](#), 2022.

<sup>16</sup> Kishan, S., [State Street Expects More Companies to Have Women on Their Boards](#). Bloomberg, 2022.

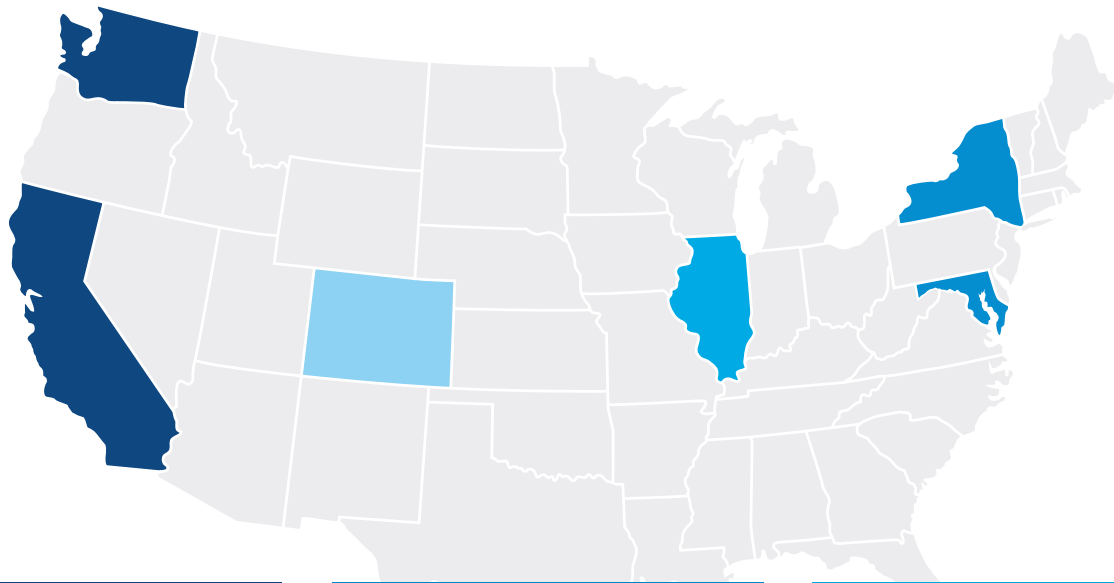
<sup>17</sup> ISS, [Americas Proxy Voting Guidelines Updates for 2022](#).

<sup>18</sup> Glass Lewis, [United States 2022 Policy Guidelines](#).

# BUILDING ON CALIFORNIA'S MOMENTUM

## State Legislatures Press for Corporate Board Diversity

California's leadership has sparked additional legislative efforts to increase the number of women and other underrepresented groups on the boards of companies across the United States. Several states have passed or proposed legislation implementing diversity thresholds and requiring disclosures of board director demographic data for companies headquartered or doing business in their state.<sup>19</sup>



### Mandatory Threshold – Gender and/or Racial Diversity

**California** law requires public companies with principal executive offices in California to have a specific number of women on their boards beginning in 2019, depending on board size. Building on this law, AB 979 was passed in 2020 to require Black/African American, Hispanic/Latino, Asian/Pacific Islander, Native American, Native Hawaiian, or Alaska Native directors or people who identify as gay, lesbian, bisexual, or transgender on their boards.<sup>20</sup>

**Washington** law requires public companies incorporated in the state to have at least 25% female board directors by the end of 2022 or provide shareholders with a diversity analysis of ongoing board recruitment processes or the reason they are not in compliance.

### Mandatory Disclosure – Gender Composition

**Maryland** law requires tax-exempt, non-stock domestic corporations in the state with operating budgets of more than \$5 million, and domestic stock corporations with total sales of \$5 million or more, to report the total number of female directors and the total number of directors overall.<sup>21</sup>

**New York** law requires public and private corporations authorized to do business in the state to disclose the total number of female directors and the total number of directors overall. Findings will be published by the Secretary of State every four years, beginning in 2022.

### Mandatory Disclosure – Gender and/or Racial Composition

**Illinois** law requires publicly listed companies headquartered in the state to disclose director demographics, including gender, race, and ethnicity, about their board directors and their plans for promoting diversity annually. In 2020, legislation similar to California's diversity laws was proposed.

### Non-Binding Resolution – Gender Composition

A **Colorado** nonbinding resolution urges public corporations in Colorado to have “equitable and diverse gender representation on corporate boards,” encouraging companies with nine or more directors to have at least three women, with five to eight directors to have two women, and with fewer than five directors, at least one woman.

<sup>19</sup> Deloitte, *Progress at a snail's pace. Women in the boardroom: a global perspective*. Deloitte Global Boardroom Program, Seventh Edition, 2022. Most of the state legislative research highlighted is drawn from this report.

<sup>20</sup> The status of SB 826 and AB 979 are currently pending due to recent court decisions.

<sup>21</sup> Jaffari, K.I. & Hallgren, P.D., *Roundup of Boardroom Diversity Legislation*. Today's General Counsel, 2021.

# BUILDING ON CALIFORNIA'S MOMENTUM

## Advocacy Efforts Bring Change

50/50 Women on Boards and Women Business Collaborative are among the groups doing important, cutting-edge work coordinating collaborative education, advocacy, and business efforts to share ideas and expertise and serve as a bridge between women interested in board service and companies looking for fresh talent.

Nationally, women now hold 27% of the seats on Russell 3000 company boards, up from 24% in 2020. As Women Business Collaborative and 50/50 Women on Boards shared in their recently released report, this was the largest year-over-year increase among the Russell 3000 companies.



**Women Leading Boards**  
**April 2022 Special Report** ›



Edie Fraser



Betsy Berkhemer-Credaire

“While gender diversity is increasing in U.S. boardrooms, diversity efforts need to reach and extend beyond gender to adequately represent a company’s clients, customers, employees, and shareholders. We are working with 23 key partner organizations that contributed to the report to collaborate on increasing diversity in the boardroom, which helps tackle social impact issues affecting companies worldwide. Laws such as SB 826 and AB 979 in California compel gender and racial diversity. However, challenges to such policies mean that we must continue to reinforce the message to investors of public and private companies that committing to advancing board diversity and ESG efforts help build equitable workplaces which benefit profitability and productivity.”

**Edie Fraser**, CEO, Women Business Collaborative

**Betsy Berkhemer-Credaire**, CEO, 50/50 Women on Boards

## International Perspective

Legislation ensuring gender parity on boards of publicly listed companies in the E.U. will move to the next stage of internal negotiations, with the intention of gaining support from the Council of the E.U. The “Women on Boards” Directive calls for “transparent recruitment procedures in companies so that at least 40% of non-executive director posts are occupied by women. In cases where candidates are equally qualified for a post, priority should go to the candidate of the under-represented sex.” Currently, nine of the E.U. member states have some form of gender mandate for company boards: Spain, Belgium, France, Italy, the Netherlands, Germany, Austria, Portugal, and Greece.<sup>22</sup>

**Women comprise 30.6% of board members of the E.U.’s largest publicly listed companies.**

## California Partners Project Resource Hub

Visit our Resource Hub, [calpartnersproject.org/resourcehub](https://calpartnersproject.org/resourcehub), to find advocacy organizations and board recruiters that are sourcing top talent and connecting women with corporate board opportunities.

### KEY FEATURES

- Learn More about Board Service
- Connect with Placement Organizations to find Diverse Talent
- List of California Public Companies with Opportunities for Women Directors

California Partners PROJECT About Us Women on Boards Media, Tech & Kids Join Us

“ I’m interested in bringing my expertise to a corporate board and am not sure where to get started. “ We’d like to add women directors to our board and need help finding candidates.

HOW CAN WE HELP YOU?

**CANDIDATES**  
Women interested in board service  
[Learn More](#)

**COMPANIES**  
Companies looking to diversify their board  
[Learn More](#)

**California Partners Project Resource Hub >**

<sup>22</sup> [Women on boards: committees give green light for negotiations with member states](#). European Parliament Press Release, 2022.

# Building on California’s Competitive Advantage

As California’s public companies benefit from record numbers of women on their boards, there is still much room for improvement to ensure all companies build boards that better reflect their consumer base, workforce, and our country’s population.

## Representation of Women of Color

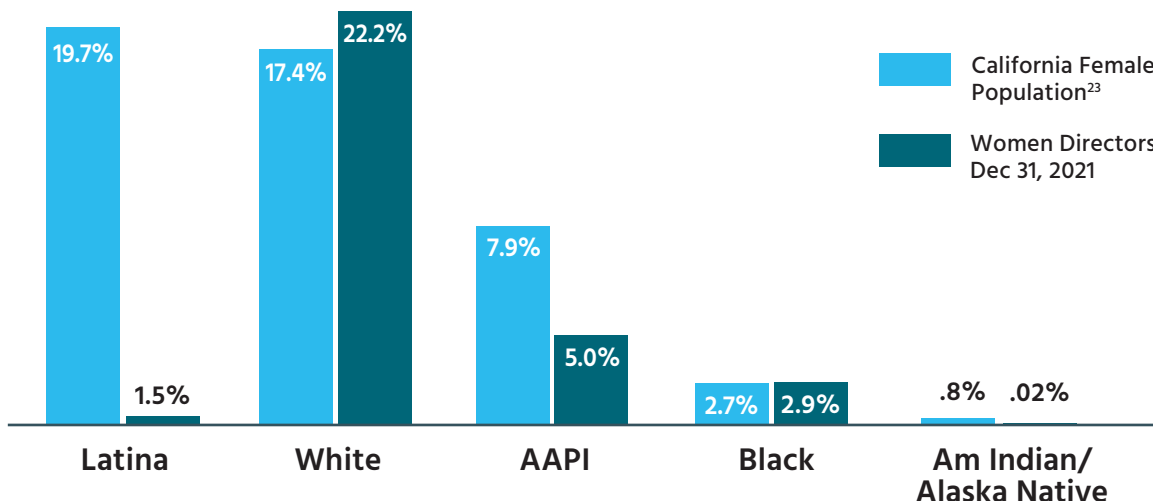
Women of color remain underrepresented on California’s public company boards. Knowing where we stand is a critical component of improving representation but remains a challenge due to the lack of transparency around the race and ethnicity of corporate board directors. Our changemaker partners at the Latino Corporate Directors Association (LCDA) painstakingly track the demographic data of corporate directors to provide a data-based look at the race and ethnicity of the women serving.



All of the figures are from LCDA’s recently released [California Boardroom Equity Report](#).

Today, only 42.5% of California’s public companies have at least one woman of color serving on their boards, meaning that most California companies lack the experience and perspectives of at least one director who is a woman of color. Females of color comprise 30.3% of California’s population, yet collectively women of color hold only 9.4% of California’s public company board seats. With the influence of SB 826 and AB 979, board seats held by women in California have increased, yet Latinas remain woefully underrepresented holding only 1.5% of board seats.

## Demographic Comparison

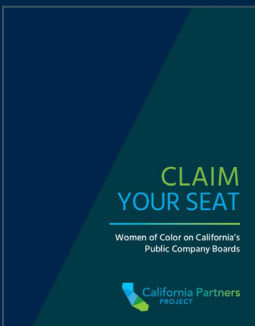


<sup>23</sup> Population statistics drawn from 2020 U.S. Census figures. American Indian/Alaska Native statistics provided exclusively for this report. Please note the AAPI category includes Far East, Southeast Asia, Indian subcontinent, and Pacific Islander women, and that the white category includes Middle Eastern and North African women to reflect the 2020 U.S. Census Bureau classifications.





[The LCDA California Boardroom Equity Report](#) >



[Check out our March 2021 report about women of color on California company boards](#) >



“Measuring and tracking the race and ethnicity of public company directors is vital and allows corporate stakeholders to make informed decisions about the companies with whom they invest, work, and do business. Another key role of LCDA is identifying and building the pipeline of qualified Latino talent and connecting those highly credentialed Latino candidates to companies that benefit from their skills.”

**Esther Aguilera**, *President and CEO, Latino Corporate Directors Association (LCDA)*

## Private Company Boards

While SB 826 has led to unprecedented gains in women’s representation on California’s public company boards, the law does not apply to privately held companies, which continue to lag their public company counterparts. [A recent study by Him for Her and Crunchbase](#) shows the most heavily funded private companies are making gains in adding women directors, but a significant number of boards remain all-male.

- 39% of private company boards are all male, down from 49% from 2020
- 14% of private company board members are women, up from 11% in 2020, and 7% in 2019
- Only 3% of private company board members are women of color, unchanged from the previous year’s study



“The current business climate poses unique challenges for today’s CEOs: unprecedented return to work strategies, people and staffing challenges, and consumers with an evolving lens on what services and products they will buy. Diverse boards can help corporate leaders anticipate and navigate complex issues, yet often the boards of even the largest private companies are all-male, and most don’t include a woman of color. The good news is there is no shortage of qualified women; they simply tend to be underrepresented within the board network.”

**Jocelyn Mangan**, *Founder & CEO, Him For Her*  
*Board Member, ChowNow*  
*Board Member, Wag*  
*Board Member, Papa John’s (Nasdaq: PZZA)*

## CONCLUSION

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**We are witnessing a historic and level-setting moment,** the effects of which we are only beginning to measure. While the status of SB 826 is still being determined in the courts, we celebrate the rapid and consequential addition of women directors at the highest levels of business. We approach the future with a spirit of perseverance, appreciating that history is not always linear and gains have not yet been achieved proportionately across all demographic groups of women. We look forward to continuing this important work with our partners as we all keep learning from this impressive California experiment and the people and organizations that made it possible.

## **SB 826 Data Analysis by California Partners Project**

This report examines the gender diversity of the boards of the 769 companies headquartered in California that are publicly traded on the NYSE, Nasdaq, or NYSE American exchanges, excluding Special Purpose Acquisition Companies (SPACs). Of the 6,441 board seats at these California companies, 2,055 are held by women.

The report's director data and company data are based on information in regulatory filings (e.g., proxy statements and Form 8-K) submitted to the SEC and were provided by **Equilar, Inc.**, an executive and director data firm. Companies are included in the study if their "Principal Executive Offices" reported on their most recent Form 10-K or 424B4 was in California. All assessments of compliance with California Senate Bill 826 were based on the composition of the boards studied as of **March 1, 2022**. Every effort was taken to identify all public companies headquartered in California and traded on the NYSE, Nasdaq, or NYSE American exchanges. Any errors or omissions are unintentional.

## **BoardReady Financial Performance Study**

BoardReady looked at the performance of S&P 500 companies for the calendar year 2021 based on data that BoardReady collected from publicly available data sources. All S&P 500 companies with Principal Executive Offices in California that reported full-year 2021 results directly, or through data provided by Equilar, were included in the analysis.

# ACKNOWLEDGEMENTS

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## Thank You to Our Partners



### MINE THE GAP

Jessica N. Grounds and Kristin Haffert, thank you for your ongoing partnership, creativity, and thought leadership throughout this report series. From advising the U.N. to teaching the next generation, we admire the many ways you use your expertise to make our world a better, more equitable place.

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### EQUILAR

We are grateful to our data partner, Equilar, Inc., who has provided data and analysis for our report series. Thank you to Dave Chun, Courtney Yu, and the entire data team for always saying yes to our latest ideas, for your partnership with us on our work, and for your unflinching commitment to providing accurate, top-quality data.

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# ACKNOWLEDGEMENTS

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Without our Women on Boards Advisory Council, we could not do this work. We appreciate your energy, inspiration, and wise counsel and are grateful to work with this exceptional group.

**Esther Aguilera** – President & CEO, Latino Corporate Directors Association

**Annalisa Barrett** – Senior Advisor, KPMG Board Leadership Center

**Betsy Berkhemer-Credaire** – CEO, 50/50 Women on Boards

**Reveta Bowers** – CPP Board; Chair Emeritus, Common Sense Media Board

**Julie Castro Abrams** – CEO and Chair, How Women Lead

**John China** – CPP Board; President, SVB Capital

**David Chun** – CEO & Founder, Equilar, Inc.

**Hannah-Beth Jackson** – California State Senator (Retired) and author of SB 826

**Amanda Packel** – Managing Director, Rock Center for Corporate Governance at Stanford University

**Anne Sheehan** – Director of Corporate Governance, CalSTRS (Retired)

**California Partners Project Board of Directors**, we are deeply grateful for your engagement, thought leadership, and belief in our work. Our Chair, Olivia Morgan, John China, Lisa Ling, Becky Beland McNaught, Sukhinder Singh Cassidy, Norah Weinstein, and Thomas Willis.



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