

## **Missing Pieces Report:**

The 2018 Board Diversity Census of Women  
and Minorities on *Fortune* 500 Boards

## 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 increase the representation of women and minorities on corporate boards. More information about ABD is available at [www.theabd.org](http://www.theabd.org).

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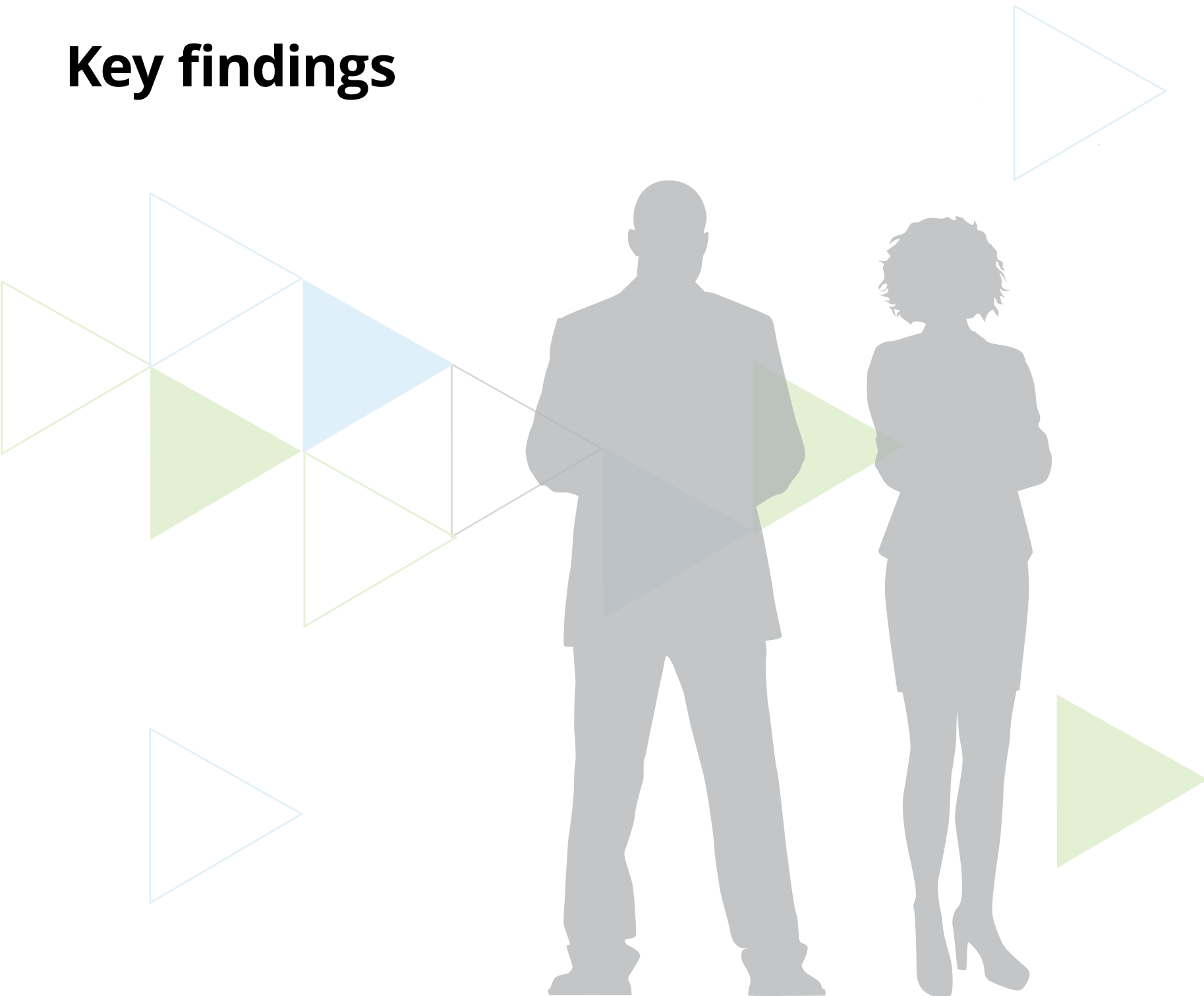
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# Key findings



# Key findings

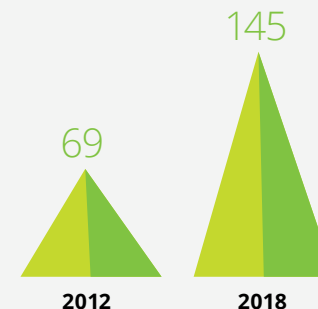
A critical need for inclusive leadership, the shifting US demographics, and investor pressure in the United States have increased the focus on diversity in the c-suite and on public company boards.

As demographics and buying power<sup>1</sup> in the United States become increasingly more diverse, forward-thinking boards are determining ways to gain more diversity of background, experience, and thought in the boardroom.

Since 2004, the Alliance for Board Diversity (“ABD” or “we”) has been striving to increase the representation of women and minorities on corporate boards. Over the past 14 years, ABD has celebrated the movement forward on diverse board representation, but the fact remains that progress has been painfully slow.

This study is the culmination of a multiyear effort organized by the Alliance for Board Diversity, collaborating with Deloitte for the 2016 and 2018 censuses, which has examined and chronicled the representation of women and minorities on public company boards of directors across America’s largest companies. Originally organized as a “snapshot” of board diversity, the data since accumulated over time has allowed for the development of information on trends relative to overall diversity as well as the comparative differences in rates of representation among minorities and women over a period of more than a decade. This 2018 *Missing Pieces Report* highlights

the progress to date that has been made (or not) for women and minorities on corporate boards. While there have been a few gains for some demographic groups, advancement is still slow. This movement is also not representative of the broad demographic transformations that have been seen in the United States over the same period of time.



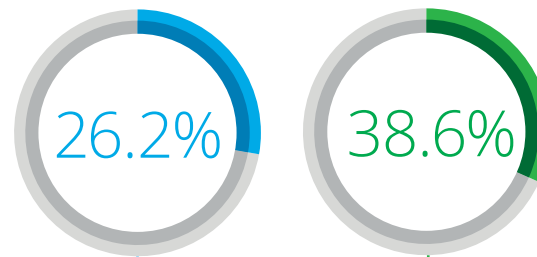
In the analysis of the distribution of *Fortune* 500 companies by diversity of their boards, the most significant difference is that **since 2012, the number of companies with greater than 40 percent diversity has doubled.**

1. The Selig Center estimates that the nation's African American buying power will rise to \$1.54 trillion by 2022 (a five-year estimated growth of 21 percent, vs. 18 percent for non-Hispanic Whites), driven by inspirational gains in population, income, and education. The Nielsen Company (US), Inc., *From consumers to creators; The digital lives of black consumers*, September 13, 2018, <https://www.nielsen.com/us/en/insights/reports/2018/from-consumers-to-creators.html#>. Asian/Pacific Islanders are the fastest-growing ethnic group in the United States with purchasing power of \$986 billion in 2018, up 257 percent since 2000. The Nielsen Company (US), Inc. 2018 Asian American Consumer Report, *Asian Americans: Digital Lives and Growing Influence*.

# Key findings

Reviewing the data provides us with insight into board diversity changes from 2016 to 2018 across the *Fortune* 500. The companies included in the *Fortune* 100 and 500 change over time. A few specific summary items to note:

**African American/Black** women and **Asian/Pacific Islander** women made the **largest percentage increase in board seats gained in both the *Fortune* 100 and *Fortune* 500**, larger than any other group or gender. **African American/Black** women saw an increase in seats of **26.2 percent** in 2018, while **Asian/Pacific Islander** women saw an increase of **38.6 percent**. While strong percentage increases, the raw numbers are still quite small.

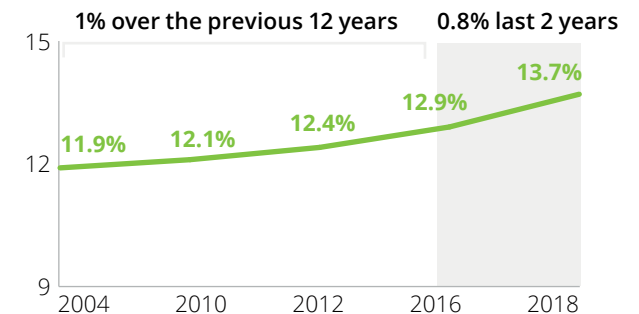


At the current rate of progress, we predict that we would see the number of women and minorities increase to 40 percent (a target percentage set by the Alliance for Board Diversity) by year 2024.<sup>2</sup>



In the *Fortune* 100, **minority men** show an **increase in the rate of progress, nearly an additional 1 percent gain in just the last two years**, as compared to the total 1 percent gained over the course of the previous 12 years.

**Minority men have made almost as much progress in the last 2 years as they did in the 12 years before that.**



2. This year is calculated assuming that the percentage of Caucasian/White men on boards continues to decrease by 1 percent per year. While this is a simple straight-line trend, this metric provides a sense of the progress to expect in the next decade (while not accounting for the nuances of board terms and board member pipelines).

# Key findings

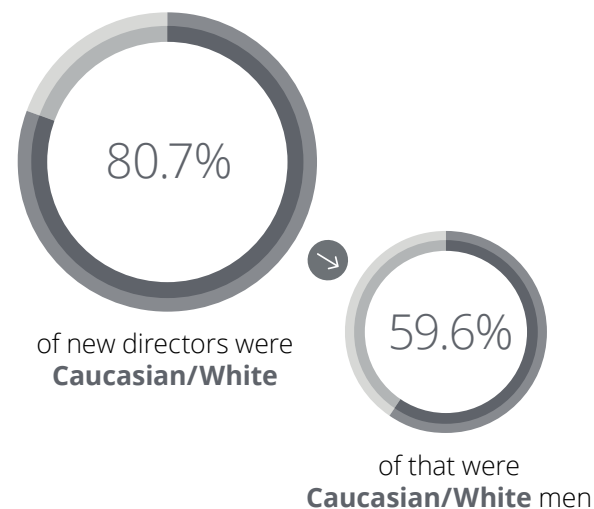
Overall, women and minorities have made more progress in board representation for the *Fortune* 500 between 2016 and 2018 than between 2012 and 2016. This increased rate of change, while still slow, is encouraging.



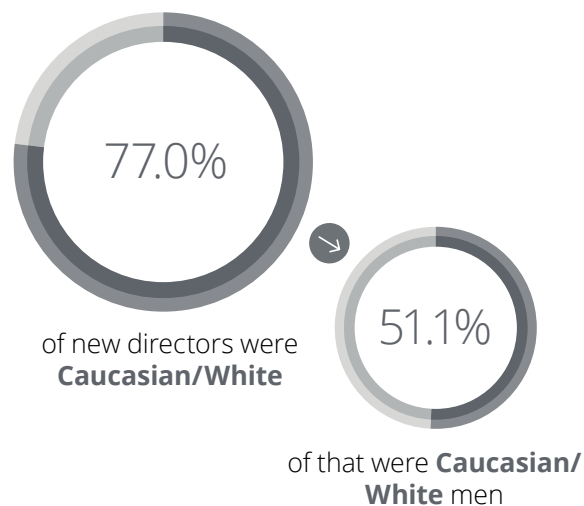
In the *Fortune* 500, 1,033 board seats were filled by directors new to *Fortune* 500 boards (i.e., those not present on boards in the 2016 census).<sup>3</sup> Of those 1,033 board seats, 80.7 percent were filled by **Caucasian/White** directors, with 59.6 percent filled by **Caucasian/White** men.

- **The percentage of minority directors holding board seats is slightly better for the *Fortune* 100** (77 percent of board seats filled by new directors were filled by **Caucasian/White** directors, with 51.1 percent filled by **Caucasian/White** men).

**Fortune 500 board seats**



**Fortune 100 board seats**



- The Alliance for Board Diversity would like to see higher percentages for minority participants as we **work toward the goal of 40 percent women and minorities** holding *Fortune* 500 board seats.



Of the many correlations examined, we found **the strongest positive correlation with board diversity to be the tenure of the company on the *Fortune* 500 list**. While exhibiting a slight positive correlation, we did not find that boards with term and/or age limits were any more likely to have diverse boards.

Overall, this year's census provides **powerful metrics on the slow change of diversity in the boardroom** and may help to guide corporations and advocates toward **future improvements in accelerating minority and women board participation**.

3. This number contains both directors who are new to board service and any board member on a board who was not in the *Fortune* 500 in 2016 (the date of the last census).

# 2018 *Fortune* 100 findings

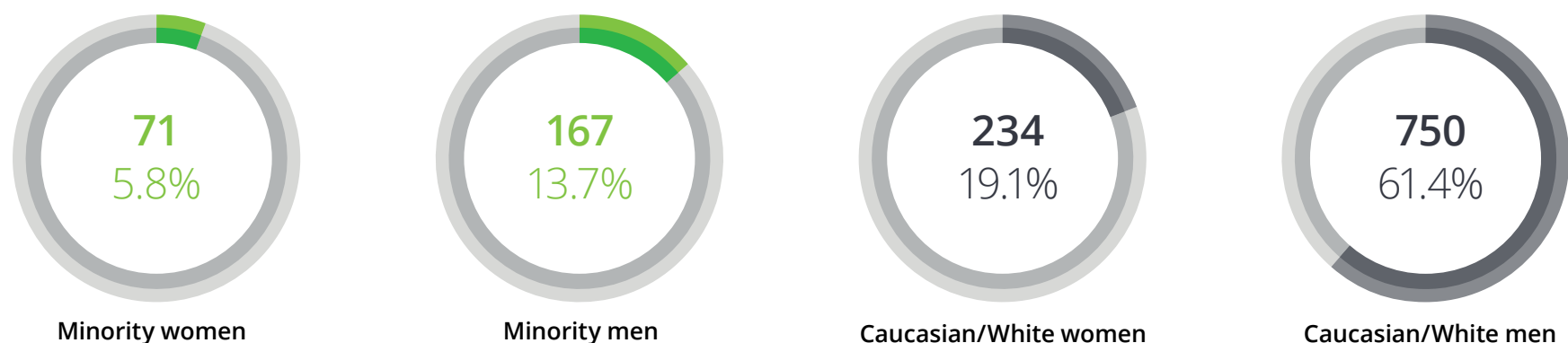




# 2018 *Fortune* 100 findings

Data for the *Fortune* 100<sup>4</sup> from the 2018 census paints a clear picture of progress in diversity.

Figure 1. *Fortune* 100 number and percentage of board seats by gender and minority status



The representation of women and minorities in the *Fortune* 100 has reached a high of 38.6 percent, outpacing the broader *Fortune* 500, which is 34 percent. Minority men and women saw a greater increase, by percentage, than **Caucasian/White** women. Despite some notable gains, women and minorities remain underrepresented in the boardroom, whether considered relative to historic numbers—when boards were almost entirely **Caucasian/White** men—or in relation to the rapidly shifting US demographics toward greater diversity.

Table 1. *Fortune* 100 board seats by gender and minority status, 2004–2018

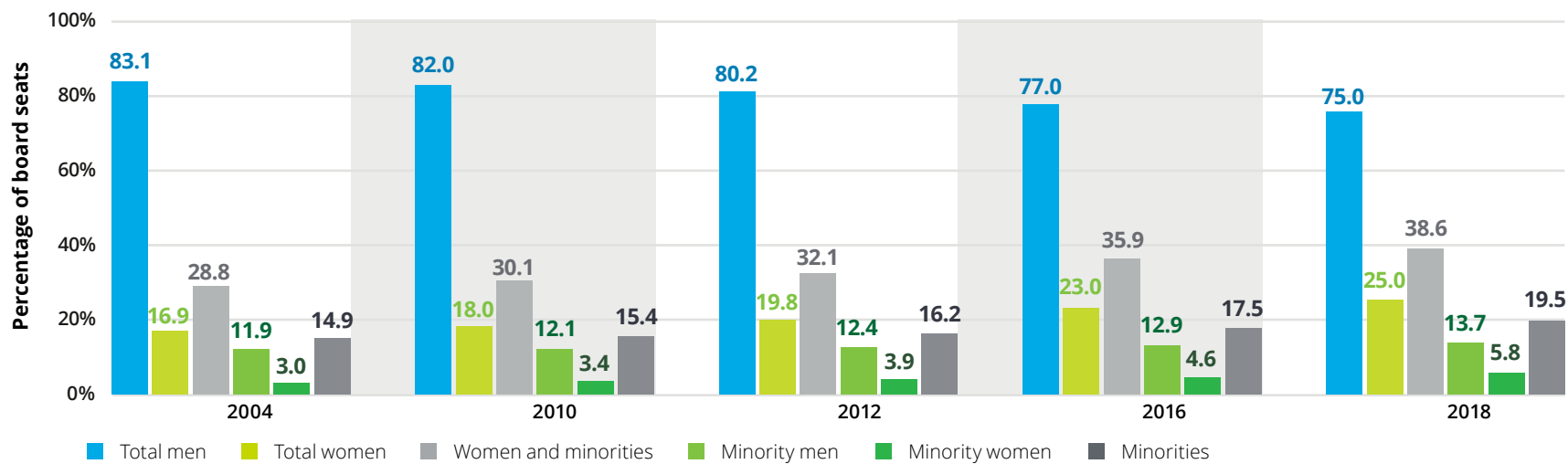
	2004		2010		2012		2016		2018	
	#	(%)	#	(%)	#	(%)	#	(%)	#	(%)
<b>Total men</b>	993	83.1%	993	82.0%	974	80.2%	928	77.0%	917	75.0%
<b>Total women</b>	202	16.9%	218	18.0%	240	19.8%	277	23.0%	305	25.0%
<b>Women and minorities</b>	344	28.8%	364	30.1%	390	32.1%	432	35.9%	472	38.6%
<b>Minority men</b>	142	11.9%	146	12.1%	150	12.4%	155	12.9%	167	13.7%
<b>Minority women</b>	36	3.0%	41	3.4%	47	3.9%	56	4.6%	71	5.8%
<b>Minorities</b>	178	14.9%	187	15.4%	197	16.2%	211	17.5%	238	19.5%
<b>Total board seats</b>	1,195		1,211		1,214		1,205		1,222	

4. *Fortune* 100 analyses are based on data from 98 companies in the *Fortune* 100. Results were accurate within one-tenth of a percent. Percentages may not sum to 100 because of rounding; please see the methodology for more details.

# 2018 *Fortune* 100 findings\*

Since 2004, board seat gains for women and minorities have been slow, but there are indications of an acceleration.

**Figure 2. *Fortune* 100 percentage of board seats by gender and minority status**



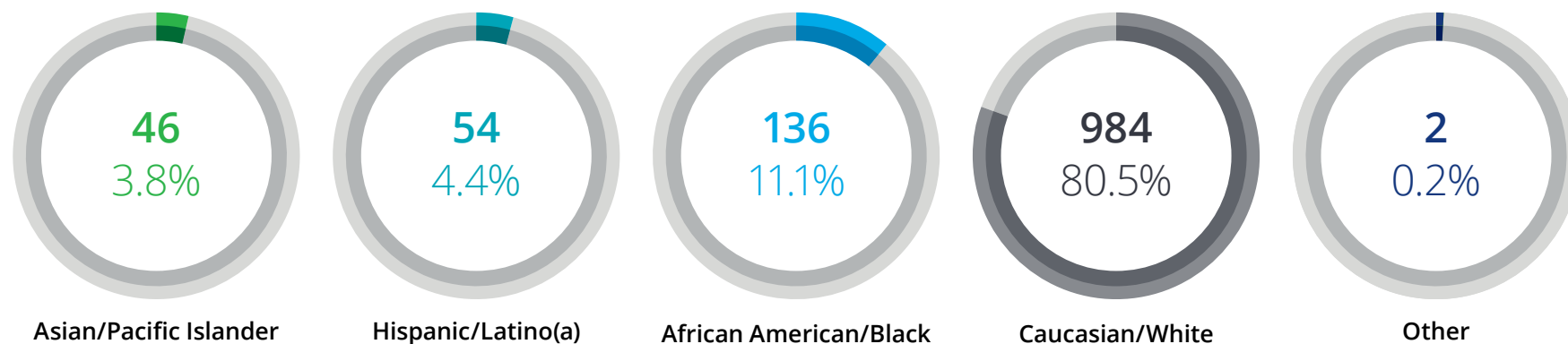
The Alliance for Board Diversity began conducting its census of *Fortune* 100 board directors in 2004, and since that time, gains have been slow for women and minorities. In 2018, women and minorities held 38.6 percent of board seats compared to 28.8 percent in 2004. However, looking solely at minority men in that time period, the data show that the gains of minority men were relatively flat with a gain of only 1 percent between 2004 and 2016. However, in a relatively promising trend, minority men have seen nearly a 1 percent gain in just the last two years. Minority women have also had slight gains, increasing from holding 3 percent of board seats in 2004 to 5.8 percent in 2018. Although small, there is a slight increase in the rate of change in representation of minority women over the full reported time period as well.

\*For this census, we measured the top companies by revenue as identified by our research cutoff date (for 2018, the research cutoff date was June 30, 2018). The census compares *Fortune* 100 or 500 results against results from prior censuses, not against a specific identified set of companies over time (in other words, the composition of the *Fortune* 100 and 500 groups changes over time, but the methodology to identify them does not).

# 2018 *Fortune* 100 findings

In 2018, 19.5 percent of board seats in the *Fortune* 100 were held by minorities.

Figure 3. *Fortune* 100 total board seats by race/ethnicity, 2018



In 2018, just 19.5 percent of board seats in the *Fortune* 100 were held by **African American/Blacks**, **Asian/Pacific Islanders**, **Hispanic/Latinos**, and **Others**, though that is still a larger percentage than in the *Fortune* 500 as a whole (16.1 percent). While the pace has been slow, the Alliance for Board Diversity's mission is to increase diverse representation on corporate boards, and recently the ABD set a target for 40 percent of all board seats to be occupied by women and/or minorities in the *Fortune* 500 by 2020. At this pace, the target will be met in 2024. In our 2016 *Missing Pieces Report*, the pace of change was slower, with the desired target unreachable until 2026. This illustrates the increased rate of change during the two-year period since the last census. The *Fortune* 100 may set the tone and pace for companies in the *Fortune* 500 and beyond; therefore, we are cautiously optimistic for future data to show a faster rate of change.

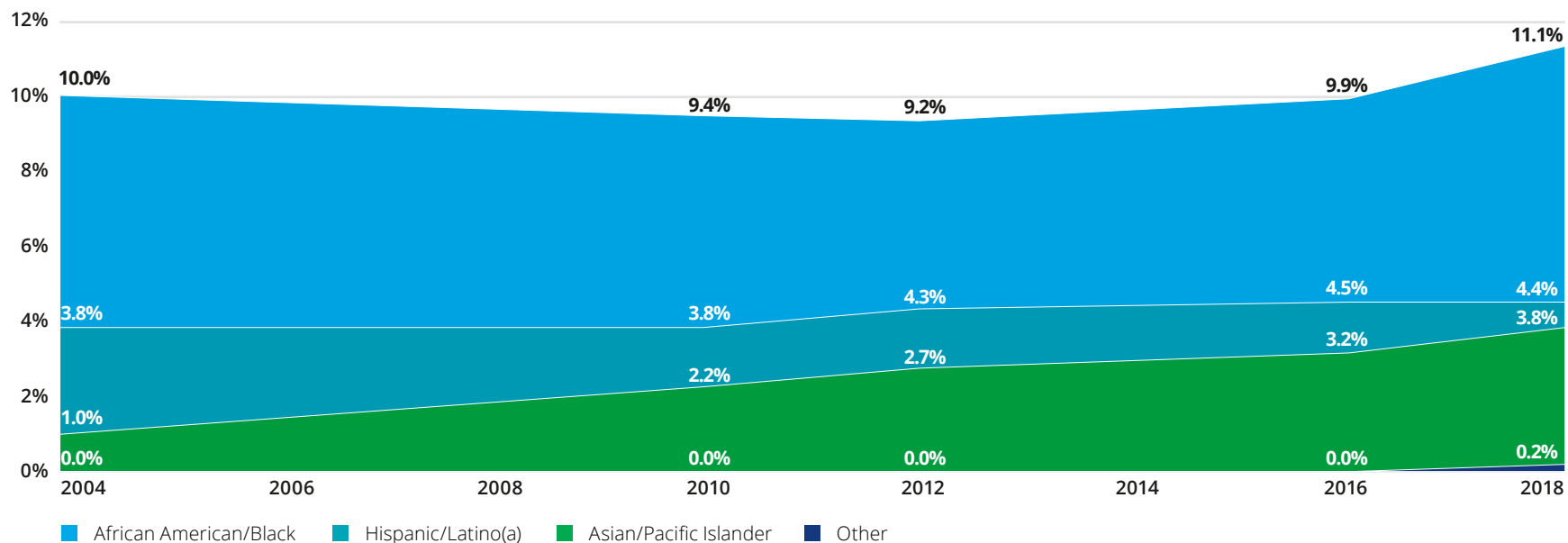
66 Since our founding 35 years ago, diversity and inclusion have been an integral part of our core principles and values. We embrace diversity of thought, ethnicity, age, and gender at Ariel. Research has demonstrated organizations that cultivate diversity are more likely to attract top talent, foster innovation, stimulate creative thinking and improve problem solving—all leading to better outcomes. I will continue to push corporate boards to foster an environment where inclusivity and diversity are considered key performance indicators for success.

John W. Rogers, Jr., Chairman and CEO, Ariel Investments, LLC; Director, Exelon Corp, McDonald's Corp, the New York Times Company, and Nike Inc.

## 2018 *Fortune* 100 findings

The percentage of board seats held by African American/Blacks and Asian/Pacific Islanders increased at a faster rate between 2016 and 2018 than in the previous years.

Figure 4. *Fortune* 100 percentage of board seats by race/ethnicity

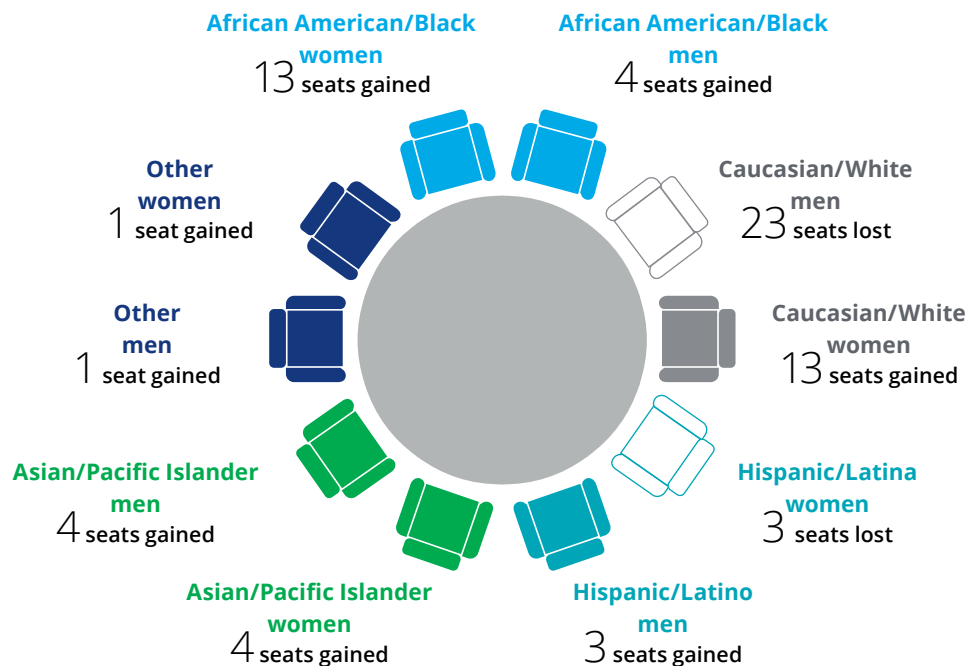


Since 2004, when the *Missing Pieces* census began, the general progress of board seat penetration rates by minorities in *Fortune* 100 companies has been slow. Representation of **Hispanic/Latinos** on boards has remained relatively flat since the study first was conducted, and since 2016, **Hispanic/Latinos** saw a percentage decrease of board seat representation. After experiencing losses in 2010 and 2012, **African American/Blacks** have continued to see an increase in board member representation in 2016 and 2018, highlighting an increase in the pace of change. After a slight uptick from 2012 to 2016, this group saw an increase of 1.2 percent—the largest increase of any minority group in 2018, though it represents only 17 board seats (see Figure 5). The board seat rate for **Asian/Pacific Islanders** has risen as well, including a slight increase in 2018. Recognizing the small number of **Asian/Pacific Islander** board seats in 2016, the 2018 *Fortune* 100 totals only represent an additional eight board seats.

# 2018 Fortune 100 findings

While the actual number of seats gained by women and minorities remains relatively small, African American/Black women and Caucasian/White women each saw the largest number of seats gained—13 for each group.

Figure 5. Fortune 100 seats gained/lost from 2016 to 2018 by gender and race/ethnicity



66 It is important to send a signal to the management that diversity is in everything we do as a company—starting at the top and all the way through this organization. It is not just about achieving token representation. 99

**Ilene Gordon, Presiding Independent Director, International Paper; Director, Lockheed Martin Corp**

66 Diversity in the boardroom is an imperative for the success of every organization today. At AT&T, we have had this belief for a long time and are proud of our track record in this area and the fact that half of our board members are from diverse backgrounds. 99

**Randall L. Stephenson, Chairman and Chief Executive Officer, AT&T Inc.**

# 2018 *Fortune* 100 findings

African American/Black women and Asian/Pacific Islander women saw the largest percentage increase in board seats gained in 2018.

Table 2. *Fortune* 100 board seats by race/ethnicity

		Seats in 2016	Change in seats	% increase or decrease in seats from 2016 to 2018
<b>African American/Black</b>	<b>Men</b>	90	4	4.4%
<b>African American/Black</b>	<b>Women</b>	29	13	44.8%
<b>Asian/Pacific Islander</b>	<b>Men</b>	25	4	16.0%
<b>Asian/Pacific Islander</b>	<b>Women</b>	13	4	30.8%
<b>Hispanic/Latino</b>	<b>Men</b>	40	3	7.5%
<b>Hispanic/Latina</b>	<b>Women</b>	14	(3)	-21.4%
<b>Other</b>	<b>Men</b>	-	1	n/a
<b>Other</b>	<b>Women</b>	-	1	n/a
<b>Caucasian/White</b>	<b>Men</b>	773	(23)	-3.0%
<b>Caucasian/White</b>	<b>Women</b>	221	13	5.9%
<b>All</b>	<b>Men</b>	928	(11)	-1.2%
<b>All</b>	<b>Women</b>	277	28	10.1%

66 A company's brand is important, and diversity and inclusion helps us distinguish JLL's brand. Our managers around the world know that our D&I reputation helps in recruiting talent. 99

Sheila Penrose, Chairman of the Board, Jones Lang LaSalle Inc.;  
Director, McDonald's Corp

Percentage wise, **African American/Black** women and **Asian/Pacific Islander** women achieved the largest increase: 44.8 percent and 30.8 percent, respectively (see Table 2). **Caucasian/White** men saw a decrease of 23 board seats. There is an overall decrease in men on boards, at 1.2 percent (11 seats lost).

# 2018 *Fortune* 100 findings

Nearly 50 percent (46) of *Fortune* 100 companies have greater than 40 percent diversity on their boards.

**Table 3. Distribution of *Fortune* 100 companies by diversity of board, 2004–2018**

	2004	2010	2012	2016	2018
<b>0–10%</b>	4	6	7	3	2
<b>11–20%</b>	22	16	17	3	3
<b>21–30%</b>	33	32	23	28	18
<b>31–40%</b>	29	28	28	31	29
<b>41–50%</b>	11	14	14	24	36
<b>Greater than 50%</b>	1	4	11	9	10

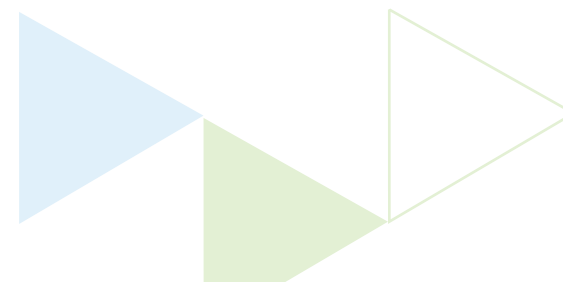
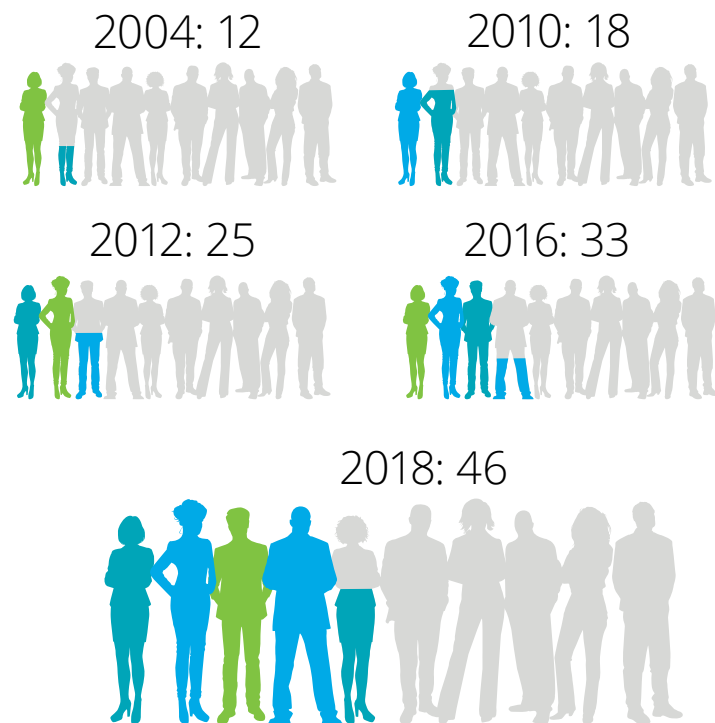
A portrait of progress and perhaps an implicit benchmark for the future, the data (see Table 3) shows the relative board penetration by minorities and women across the *Fortune* 100.

Of note are the changes across reporting periods:

- There has been a continued decrease in the number of companies with 0–10 percent diversity on their boards.
- Significant is the leap of *Fortune* 100 companies with board diversity of 41–50 percent women and/or minorities—from 14 representatives in 2010 and 2012, to 24 in 2016, to 36 in 2018.

The total number of companies with greater than 30 percent diversity increased from 64 companies in 2016 to 75 companies in 2018. With the benchmark ABD has set (40 percent women and/or minorities by 2020), the *Fortune* 100 is at the forefront of achieving that milestone. This strong majority of companies with greater than 30 percent diversity is encouraging for the direction of change and will hopefully be a signal as to what we may expect from the broader *Fortune* 500 list in the future. The Alliance for Board Diversity hopes that in the next two years, we see an elimination of companies with 20 percent diversity or less. We expect these boards will do the work to identify and recruit more diverse talent and continue to show how the *Fortune* 100 leads the pace of change for the *Fortune* 500.

**Companies with greater than 40 percent of board members who are women and/or minorities**



# 2018 *Fortune* 500 findings

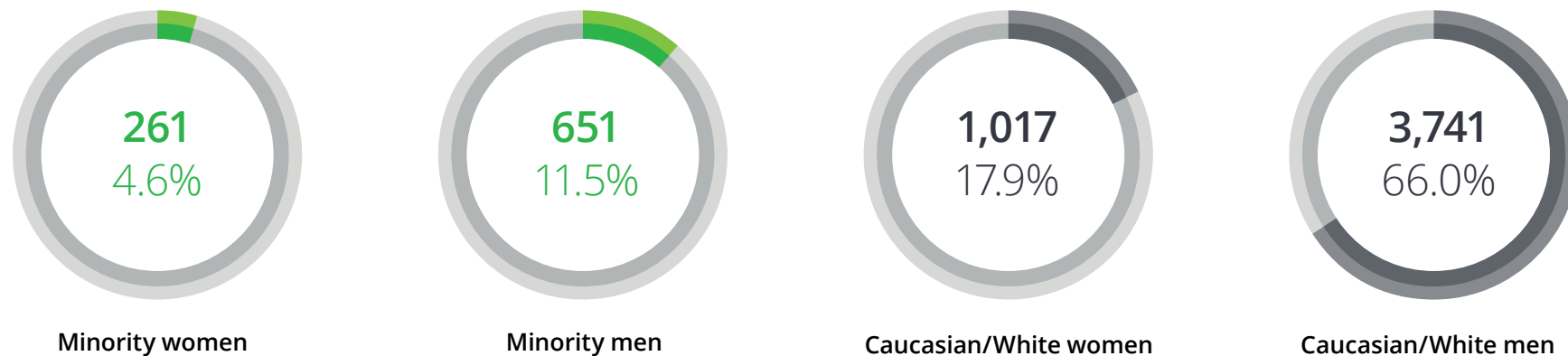




# 2018 *Fortune* 500 findings

In the 2018 census, representation of women and minorities has reached an all-time high.

Figure 6. *Fortune* 500 number and percentage of board seats by gender and minority status<sup>5</sup>



The data show slight increases across the years, but board representation of women and minorities is increasing at a slow rate. In the 2018 census, representation of women and minorities has reached an all-time high of 34 percent—an increase from 30.8 percent in 2016. This growth seems to be led by *Fortune* 100 companies—of total board seats, 38.6 percent are held by women and minorities. The total percentage of women on *Fortune* 500 boards has risen to 22.5 percent in 2018, up more than two percentage points from the 2016 census. Total minority representation is 16.1 percent, an increase from 12.8 percent in 2010, the first year *Fortune* 500 data was captured.

Table 4. *Fortune* 500 board seats by gender and minority status, 2010–2018

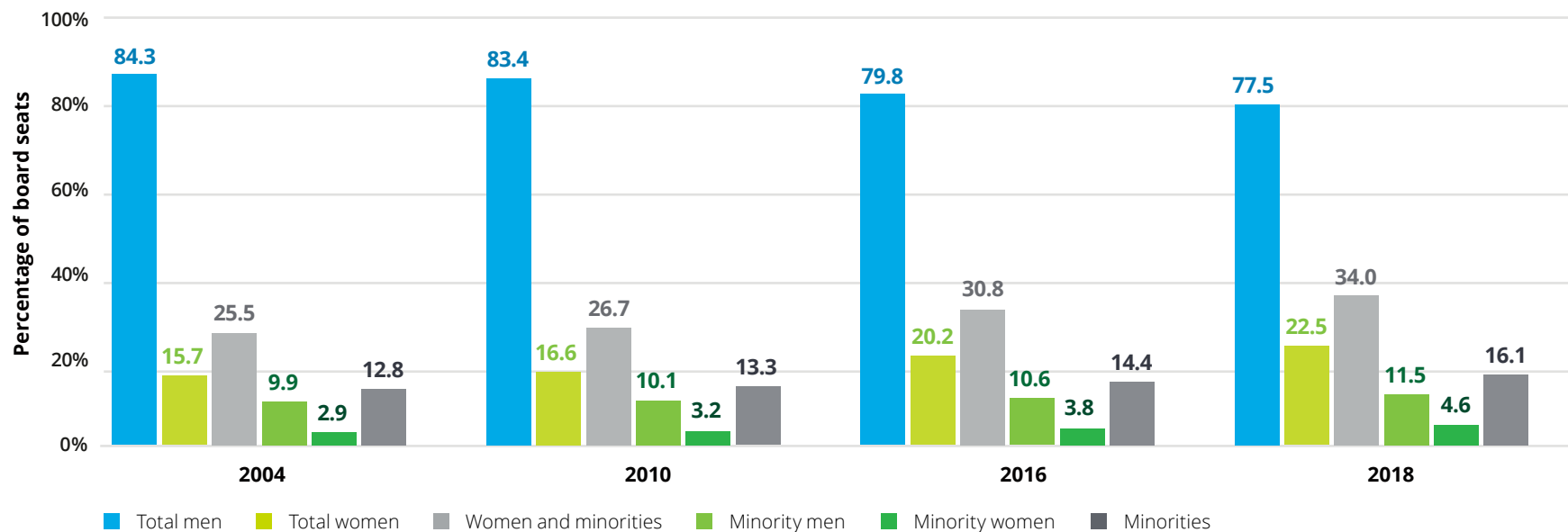
	2010		2012		2016		2018	
	#	(%)	#	(%)	#	(%)	#	(%)
<b>Total men</b>	4,607	84.3%	4,575	83.4%	4,340	79.8%	4,392	77.5%
<b>Total women</b>	856	15.7%	913	16.6%	1,100	20.2%	1,278	22.5%
<b>Women and minorities</b>	1,395	25.5%	1,468	26.7%	1,677	30.8%	1,929	34.0%
<b>Minority men</b>	539	9.9%	555	10.1%	577	10.6%	651	11.5%
<b>Minority women</b>	161	2.9%	176	3.2%	207	3.8%	261	4.6%
<b>Minorities</b>	700	12.8%	731	13.3%	784	14.4%	912	16.1%
<b>Total board seats</b>	5,463		5,488		5,440		5,670	

5. *Fortune* 500 analyses are based on data from 490 companies in the *Fortune* 500. Results were accurate within one-tenth of a percent. Percentages may not sum to 100 because of rounding; please see the methodology for more details. The analysis for the *Fortune* 500 began in 2010. The differences are statistically significant, but there was no statistical sampling performed due to the fact that we look at all elements of the population.

# 2018 *Fortune* 500 findings

While the number of board seats held by women and minorities continues to increase, they remain underrepresented in the boardroom.

**Figure 7. *Fortune* 500 percentage of board seats by gender and minority status**



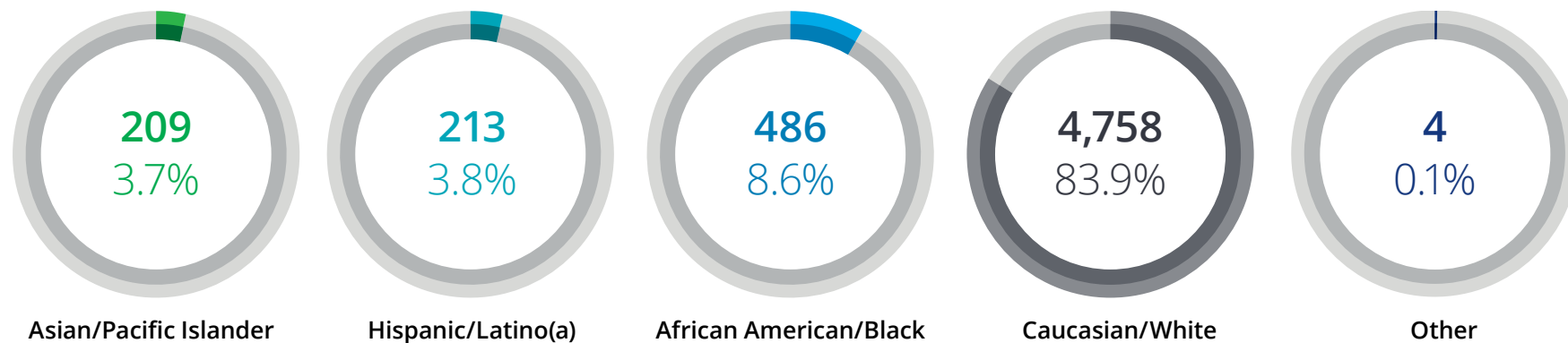
In 2018, women and minorities held 34 percent of board seats—a total 1,929 seats—among *Fortune* 500 companies. While this number represents an increase from 2016 (just 30.8 percent), women and minorities continue to be underrepresented at the decision-making tables of these companies.<sup>6</sup> While both minority men and minority women saw less than 1 percent growth between 2016 and 2018, it is still a greater increase than 2012 to 2016 (see Figure 8). Similar to the trends observed in the *Fortune* 100, minority men and women experienced only slight gains in the eight-year span the Alliance for Board Diversity has been tracking *Fortune* 500 board diversity.

6. For this census, we measured the top companies by revenue as identified by our research cutoff date (for 2018, the research cutoff date was June 30, 2018). The census compares *Fortune* 100 or 500 results against results from prior censuses, not against a specific identified set of companies over time (in other words, the composition of the *Fortune* 100 and 500 groups changes over time, but the methodology to identify them does not).

# 2018 *Fortune* 500 findings

The percentage of *Fortune* 500 board seats held by minorities rose 1.7 percent since 2016.<sup>7</sup>

Figure 8. *Fortune* 500 total board seats by race/ethnicity, 2018



In 2018, 16.1 percent of board seats in the *Fortune* 500 were held by **African American/Blacks**, **Asian/Pacific Islanders**, **Hispanic/Latinos**, and **Others**. This is up 1.7 percentage points from 2016, an encouraging but small increase. The step-up also follows the trend that minorities have seen more growth in representation between 2016 and 2018 (1.7 percent) than between 2012 and 2016 (1.1 percent)—which was twice as many years. Representation of minorities within the *Fortune* 500 is smaller than in the *Fortune* 100, where minorities hold 19.1 percent of board seats.

“The numbers don’t lie about the lack of progress. My hope is that more experienced directors get past their political and power hang-ups and change the lens that they use to decide who should be on the board, welcoming people who come from different backgrounds and experiences.”

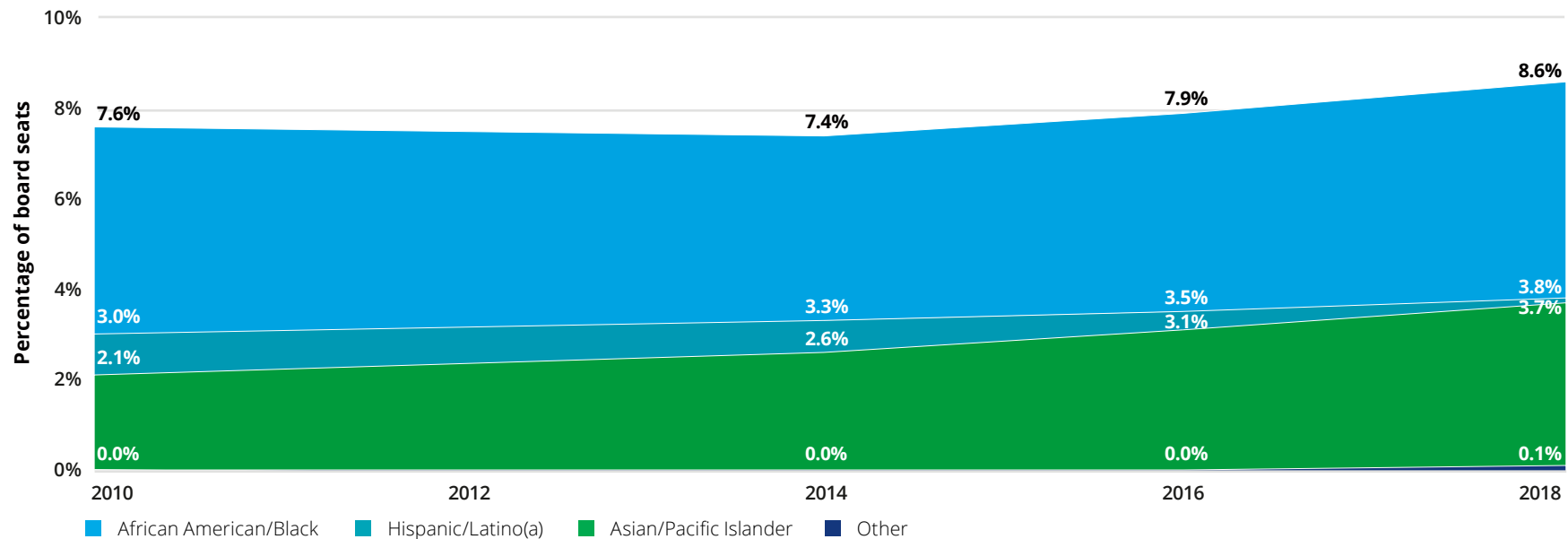
**Gaurdie Banister, Lead Independent Director, Tyson Foods;  
Director, Russell Reynolds Associates, Bristow Group Inc.**

7. *Fortune* 500 analyses are based on data from 490 companies in the *Fortune* 500. Results were accurate within one-tenth of a percent. Percentages may not sum to 100 because of rounding; please see the methodology for more details.

# 2018 *Fortune* 500 findings

For minority groups, there is a small but consistent upward trajectory of representation and percentage of board seats held.

Figure 9. *Fortune* 500 percentage of board seats by race/ethnicity

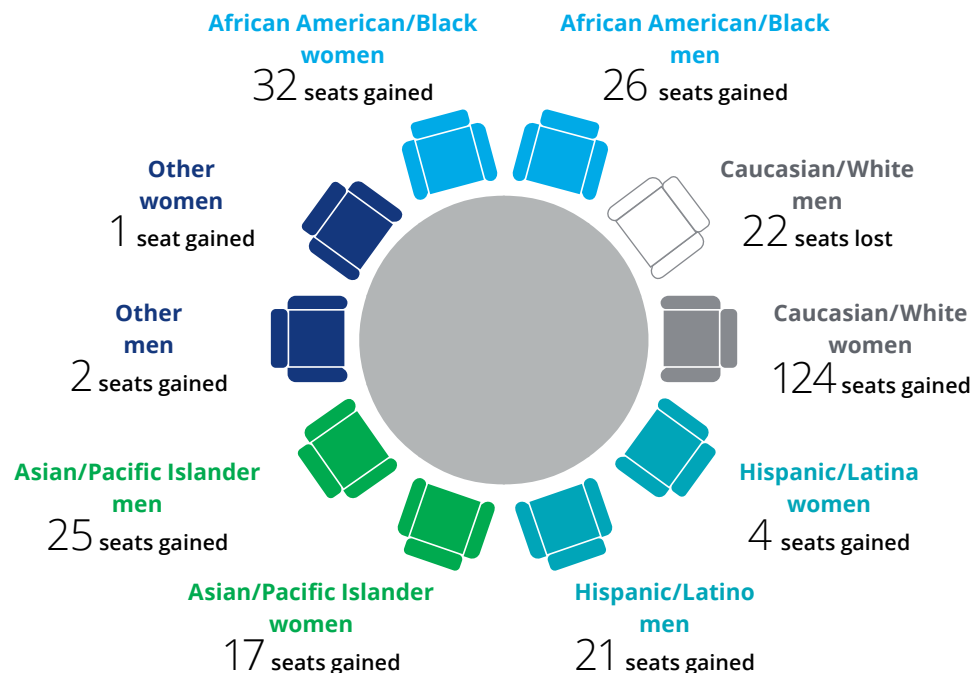


Between 2016 and 2018, the data show the steepest incline for **African American/Blacks**, a faster percentage change and increase in board seats than the same group saw from 2012 to 2016. For **Asian/Pacific Islanders**, there is a small but consistent upward trajectory of representation of board seats held. For **Hispanic/Latinos**, the increase of a 0.3 percentage point from 2016 is small. This group has seen only a nominal increase of a 0.8 percentage since 2010 (the year data was first captured for this census).

# 2018 Fortune 500 findings

The 2018 data showed modest changes in the raw number of board seats gained for women and minorities.

Figure 10. Fortune 500 seats gained/lost from 2016 to 2018 by gender and race/ethnicity



“I believe the long-term success of a company will be impacted by the strength of interaction, credible challenge, and oversight that takes place in the boardroom. A strong and diverse board will be a competitive advantage.”

**James S. Turley, Board Member, Citigroup Inc., Northrop Grumman Corporation, Emerson Electric Co., Intrexon Corporation**

“Make it a priority because it helps the business not because it’s morally the right thing to do. Have a clear sense of the business case for diverse ideas, thoughts, and opinions brought about by different representation. Hire recruiters who have a track record of attracting very qualified and competent directors, who are also diverse in many ways.”

**Julio Portalatin, Board Member, DXC Technology**

# 2018 *Fortune* 500 findings

African American/Black women and Asian/Pacific Islanders saw the strongest percentage increases in board seats since 2016.

Table 5. *Fortune* 500 board seats by race/ethnicity

		Seats in 2016	Change in seats	% increase or decrease in seats from 2016 to 2018
African American/Black	Men	306	26	8.5%
African American/Black	Women	122	32	26.2%
Asian/Pacific Islander	Men	123	25	20.3%
Asian/Pacific Islander	Women	44	17	38.6%
Hispanic/Latino	Men	147	21	14.3%
Hispanic/Latina	Women	41	4	9.8%
Other	Men	1	2	200.0%
Other	Women	-	1	n/a
Caucasian/White	Men	3,763	(22)	-0.6%
Caucasian/White	Women	893	124	13.9%
All	Men	4,340	52	1.2%
All	Women	1,100	178	16.2%

The number of total board seats in the *Fortune* 500 increased from 5,440 in 2016 to 5,670 in 2018. Table 5 shows the comparative gains and losses for each group, and while modest changes in raw numbers, there are strong rates of change for a few groups. **African American/Black** women and **Asian/Pacific Islander** women made the largest percentage increase in board seats gained in both the *Fortune* 100 and *Fortune* 500—larger than any other gender or race/ethnic group. **African American/Black** women filled an additional 32 seats in 2018 (26.2 percent), while **Asian/Pacific Islander** women occupied 17 additional seats in 2018, but an impressive 38.6 percent increase from 2016. The data show a sizable uptick in seats overall going to women: 178.

# 2018 *Fortune* 500 findings

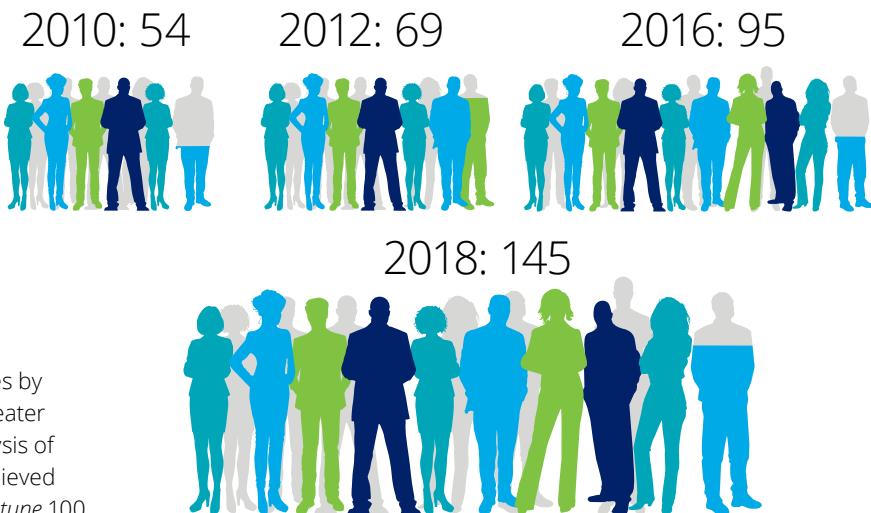
Since 2010, the number of *Fortune* 500 companies with greater than 40 percent diversity has nearly tripled, from 54 to 145.

**Table 6. Distribution of *Fortune* 500 companies by diversity of board, 2010–2018**

	2010	2012	2016	2018
<b>0%</b>	32	32	15	8
<b>1–10%</b>	31	32	21	15
<b>11–20%</b>	124	124	82	68
<b>21–30%</b>	148	133	133	112
<b>31–40%</b>	100	105	146	142
<b>Greater than 40%</b>	54	69	95	145

The most notable change seen in the analysis of the distribution of *Fortune* 500 companies by diversity of their board, in only six years (2012 to 2018), the number of companies with greater than 40 percent diversity has doubled, and it has nearly tripled since 2010. As in the analysis of the *Fortune* 100, there is a shift in representation, showing that more companies have achieved greater representation of women and minorities on their boards. Again, much like the *Fortune* 100, the number of firms reporting at the lower end has dropped, seven fewer companies reported “no diversity” on their board, and we saw growth in the greater than 40 percent category. Progress is evident across the reporting periods. Well over half of the *Fortune* 500 boards have reached diversity levels of at least 30 percent women and minorities on their boards, driven by companies with greater than 40 percent. The leap in this category, even since 2016, is encouraging. We hope that by 2020, the next census will report zero companies with no board diversity.

**Companies with greater than 40 percent of board members who are women and/or minorities**



In 2018, **nearly one-third** of all *Fortune* 500 boards have **greater than 40 percent diversity**.

66 Diversity is absolutely linked to innovation, on boards and overall for the business. With diversity, you get different questions, different points of view, different experiences that lead to very different outcomes. By questioning long held assumptions about the business or the future, you really get some creativity that informs business strategy. 99

**Phyllis Campbell, Chairman, Pacific Northwest, JPMorgan Chase & Co.; Advisory Board Member, Toyota Motor North America Inc.; Director, Alaska Air Group**

# 2018 *Fortune* 500 findings

Higher recycle rates for women and minorities mean that while diversity may be increasing, the absolute number of women and minority individuals on boards may be lagging.



## A deeper dive into recycle rates

As one looks at these encouraging numbers, it is also important to consider the “recycle rate,” or rate at which individuals serve on more than one board. For example, if every board member served on exactly one board, the recycle rate would be 1, and if every board member served on two boards, the rate would be 2. The recycle rate is higher for women and minorities than for **Caucasian/White** men, showing that while the diversity of boards may be increasing, there is not necessarily an equivalent rate of increase in the number of new women and minorities on boards.

**African American/Black** women and **Hispanic/Latinas** hold recycle rates of 1.39 and 1.36, respectively. **Asian/Pacific Islander** women hold a recycle rate of 1.22. The recycle rate of many minority groups increased from 2016 to 2018. **African American/Black** men hold the highest recycle rate of any group—1.41. This means that boards more frequently will pull from a pool of existing minority board members instead of bringing new directors in. For comparison, **Caucasian/White** men have a recycle rate of 1.19. The higher recycle rate may also point to a need to look at a broader set of industry experiences, C-suite roles, backgrounds, and skills for potential board candidates. (More details on the recycle rates of each demographic group can be found in Appendix 4.)

“The first thing a board needs to do is to talk about diversity, and consciously make it a priority. The Nom/Gov Committee usually takes a lead on this. Next, search firms need to be tasked with finding diverse candidates as part of the director search process. I don’t feel there is a lack of diverse talent out there. Lastly, the board needs to be flexible in their criteria. Some diverse candidates may not be sitting or ex-CEOs, but may still have outstanding backgrounds for the board.”

**Grace Lieblein, Board Member, Southwest Airlines, Honeywell International**



# 2018 *Fortune* 500 findings

**Table 7. *Fortune* 500 boards with the broadest diversity by *Fortune* rank<sup>8</sup>**

These 35 companies demonstrate the broadest diversity based on the analysis.<sup>9</sup>

Rank	Company name	Total directors	Men	Women	Caucasian/ White	African American/Black	Asian/Pacific Islander	Hispanic/ Latino(a)	Other
26	Wells Fargo	19	12	7	13	2	1	3	0
33	Comcast	11	9	2	7	2	1	1	0
42	Procter & Gamble	12	8	4	9	1	1	1	0
45	PepsiCo	14	10	4	11	1	1	1	0
48	Archer Daniels Midland	12	10	2	7	1	1	2	1
52	Prudential Financial	12	9	3	6	3	1	2	0
55	Walt Disney	10	6	4	6	1	1	1	1
57	Pfizer	14	11	3	10	2	1	1	0
58	HP	12	7	5	7	2	2	1	0
74	Charter Communications	13	12	1	10	1	1	1	0
87	Coca-Cola	16	11	5	11	2	1	2	0
107	Hewlett Packard Enterprise	13	8	5	9	2	1	1	0
120	Macy's	12	6	6	8	2	1	1	0
122	U.S. Bancorp	16	12	4	13	1	1	1	0
129	Eli Lilly	14	10	4	10	1	1	2	0
132	Starbucks	14	10	4	9	2	2	1	0
140	Whirlpool	14	12	2	10	1	2	1	0
141	Union Pacific	12	10	2	9	1	1	1	0
154	Altria Group	13	10	3	10	1	1	1	0
163	Kimberly-Clark	13	10	3	9	1	1	2	0
168	PG&E Corp.	13	10	3	8	1	2	2	0
200	Aramark	11	8	3	8	1	1	1	0
244	Edison International	12	9	3	7	1	1	3	0
271	Sempra Energy	14	9	5	9	1	1	3	0
296	Republic Services	11	8	3	7	1	1	2	0
322	GameStop	10	8	2	7	1	1	1	0
323	Hormel Foods	14	11	3	9	2	2	1	0
333	Avis Budget Group	14	12	2	9	1	3	1	0
358	Campbell Soup	14	9	5	11	1	1	1	0
380	PPL	10	8	2	6	2	1	1	0
385	Newmont Mining	13	8	5	10	1	1	1	0
424	United Rentals	12	8	4	8	2	1	1	0
468	Clorox	12	8	4	8	2	1	1	0
475	Magellan Health	9	8	1	6	1	1	1	0
482	Booz Allen Hamilton Holding	11	8	3	7	2	1	1	0

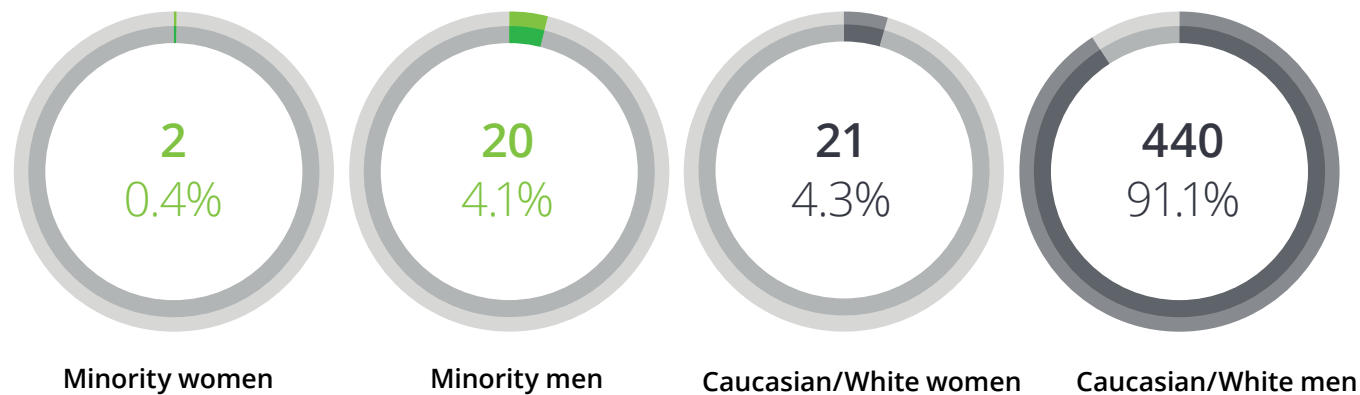
8. Broadest diversity is defined as having at least one director from each of the four major racial/ethnic groups defined by the census and at least one woman director. Race/ethnicity categories used here are those defined by the US Census Bureau.

9. 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, 2018. Please see the research methodology for more information.

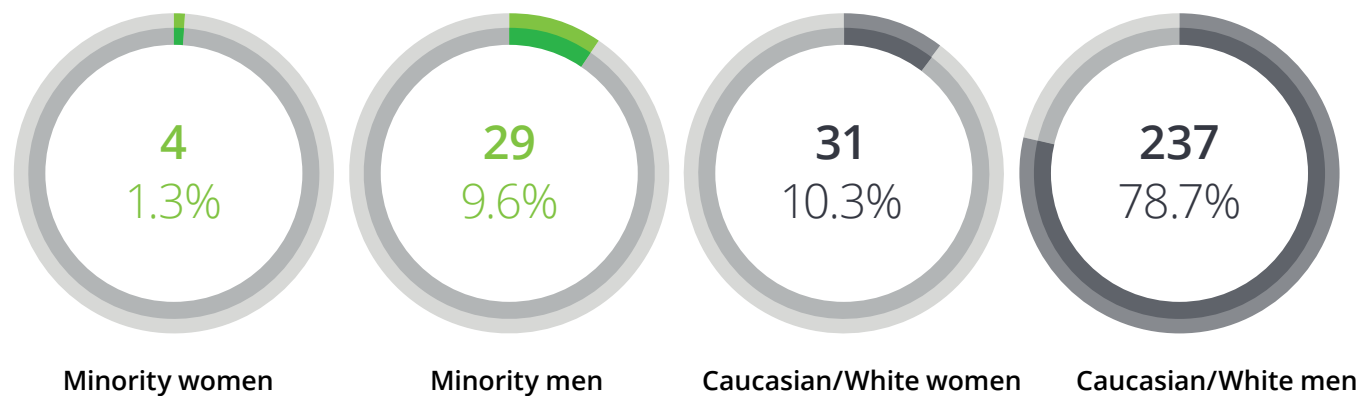
# 2018 *Fortune* 500 findings

In 2018, the percentage of women and minorities holding the Board Chair role decreased since 2016. The board leadership role with the highest representation of women and minorities is the Nominating/Governance Committee Chair.<sup>10</sup>

**Figure 11. *Fortune* 500 board leadership position**  
Board Chair



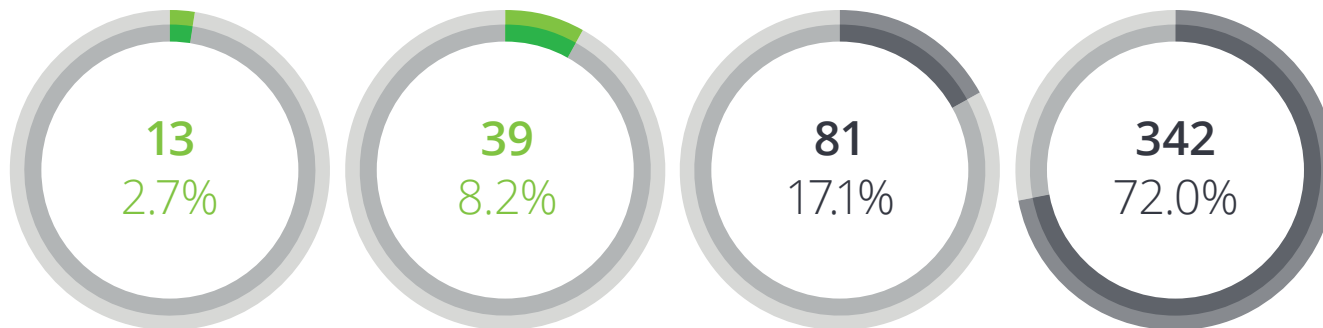
Lead Director



10. The companies in the *Fortune* 500 may change from year to year. Additionally, not every company has each of these designated board leadership roles.

# 2018 Fortune 500 findings

## Audit Committee Chair



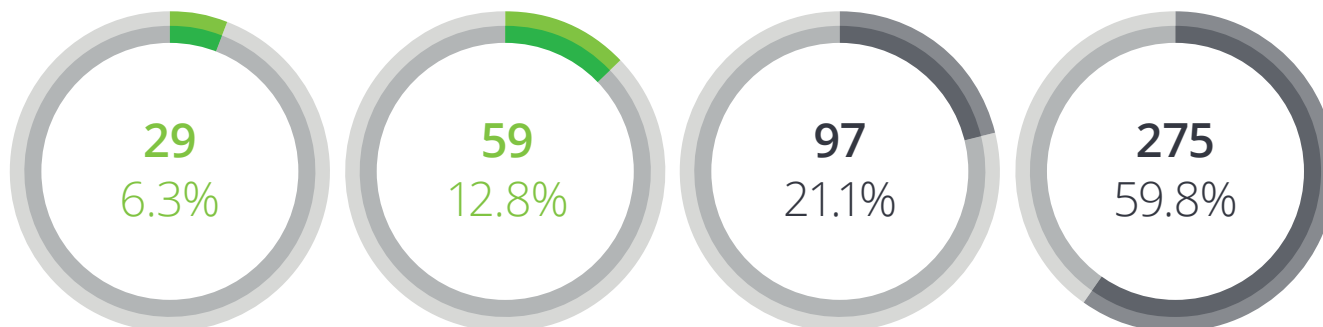
Minority women

Minority men

Caucasian/White women

Caucasian/White men

## Nominating/Governance Committee Chair



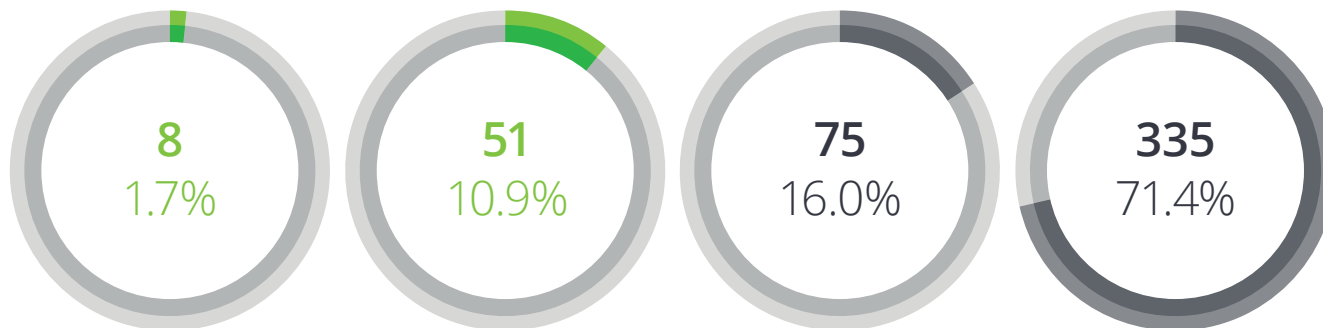
Minority women

Minority men

Caucasian/White women

Caucasian/White men

## Compensation Committee Chair



Minority women

Minority men

Caucasian/White women

Caucasian/White men

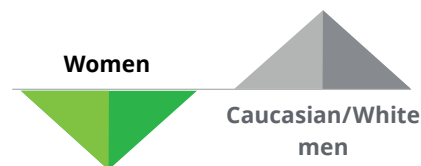
# 2018 *Fortune* 500 findings

When looking at the representation of women and minorities in board leadership roles, a few key takeaways emerge.

The percentage of Board Chair roles held by women has decreased since 2016, and the percentage of **Caucasian/White** men in the same role has increased.

- The percentage of Board Chair roles held by minority men has also increased, though it should be noted that this only accounts for one additional person.
- Women and minorities saw a percentage increase in representation in the Lead Director role driven primarily by 5 additional minority men in this role.

**Percentage of Board Chair roles held by women has decreased since 2016, and the percentage of Caucasian/White men in the same role has increased**

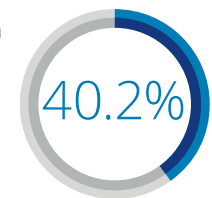


**Percentage of Board Chair roles held by minority men increased by one additional person**



Interestingly, there is no strong correlation between a board having a woman or minority Nominating/Governance Committee Chair and the overall diversity of the board. The data shows more **Caucasian/White** women and minority men took on the role of Compensation Committee Chair, with sizable increases since 2016. The slight uptick in women and minorities holding some board leadership positions such as “Chair” or “Committee Chair” does not mask the fact that the rate of overall increased representation is slower than desired.

- The other Committee Chair roles show greater representation for women and minorities. Specifically, 40.2 percent of Nominating/Governance Committee Chairs are women and/or minorities—the largest representation of women and/or minorities for any of the board leadership roles.



“The boards I sit on that have the most diversity, seem to have richer, fuller discussions. The different perspectives that come to the table based on different genders, ethnicities, and life experiences provoke broader and deeper discussions of issues and opportunities.”

**Brenda Lauderback, Chairman, Denny's Corporation;  
Board Member, Sleep Number Corporation, Wolverine Worldwide**

# 2018 *Fortune* 500 findings

## Looking ahead

Boards grapple with a multitude of topics impacting the governance landscape and landing on the board's agenda. In addition, there is increasing pressure from the market, investors, activists, and legislatures for more diversity in board composition. Stakeholders are demanding change, and there is now an opportunity for *Fortune* 500 boards to react and increase their diversity.

This pressure for diverse boards is also due, in part, to the numerous data sources that show the positive impact diverse boards have on market and company performance. For example:

- Shares of companies with a market capitalization of more than \$10 billion and with women board members outperformed comparable businesses with all-male boards by 26 percent worldwide over a period of six years, according to a report by Credit Suisse Research Institute.<sup>11</sup>
- When boards include women, they see success in their critical role of risk oversight and other legal responsibilities. Companies with gender-diverse boards have fewer instances of controversial business practices such as fraud, corruption, bribery, and shareholder battles.<sup>12</sup>
- Gender-diverse boards are also associated with better collection and transparent disclosure of stock price information,<sup>13</sup> as well as fewer financial reporting mistakes.<sup>14</sup>

In addition, stakeholders are creating accountability mechanisms to track and measure progress on board diversity. NYC Comptroller, Scott Stringer launched the Boardroom Accountability Project 2.0, calling on the boards of 151 US companies to disclose the race and gender of their directors, along with board members' skills, in a standardized "matrix" format—and to enter into a dialogue regarding their board's "refreshment" process. This push, if successful, could encourage more boards to be diverse and independent.<sup>15</sup>

In 2017, the \$294 billion California Public Employees' Retirement System sent letters to 504 companies in the Russell 3000 Index regarding diversity on their board of directors. The letters outlined the growing evidence that board diversity has a positive economic impact on business performance. In 2018, BlackRock, one of the world's biggest asset managers, sent letters to companies in the Russell 1000 Index with fewer than two women on their boards asking them to explain their lack of progress. Most recently, the California state legislature passed SB 826, which will impose gender diversity quotas on all public corporations whose principal executive offices are located within the state.

While the census data shows overall gains in women and minorities in the boardroom, the pace at which *Fortune* 500 boards are becoming more diverse is still slow. These boards and board members have an opportunity. Diversity is beginning to be viewed through a much wider lens to encompass a range of skills, experiences, and perspectives that could help safeguard an organization against new and emerging threats. It is also important for boards to consist of individuals who offer different perspectives in order to understand and better serve the diverse customer base that exists today. The focus on a broader look at diversity—and the positive impact that research shows diverse boards can have on a company's bottom line—is driven by several factors. Specifically, many companies are facing a growing number of challenges, including increasing competition, regulation, and disruptive technology.

The time is now for *Fortune* 500 boards to consider the benefits and skill sets that gender, racial, and ethnic diversity could bring to boardroom discussions.

11. Credit Suisse Research Institute, *Gender Diversity and the Impact on Corporate Performance 2005–2011* (Zurich: Credit Suisse, 2012).

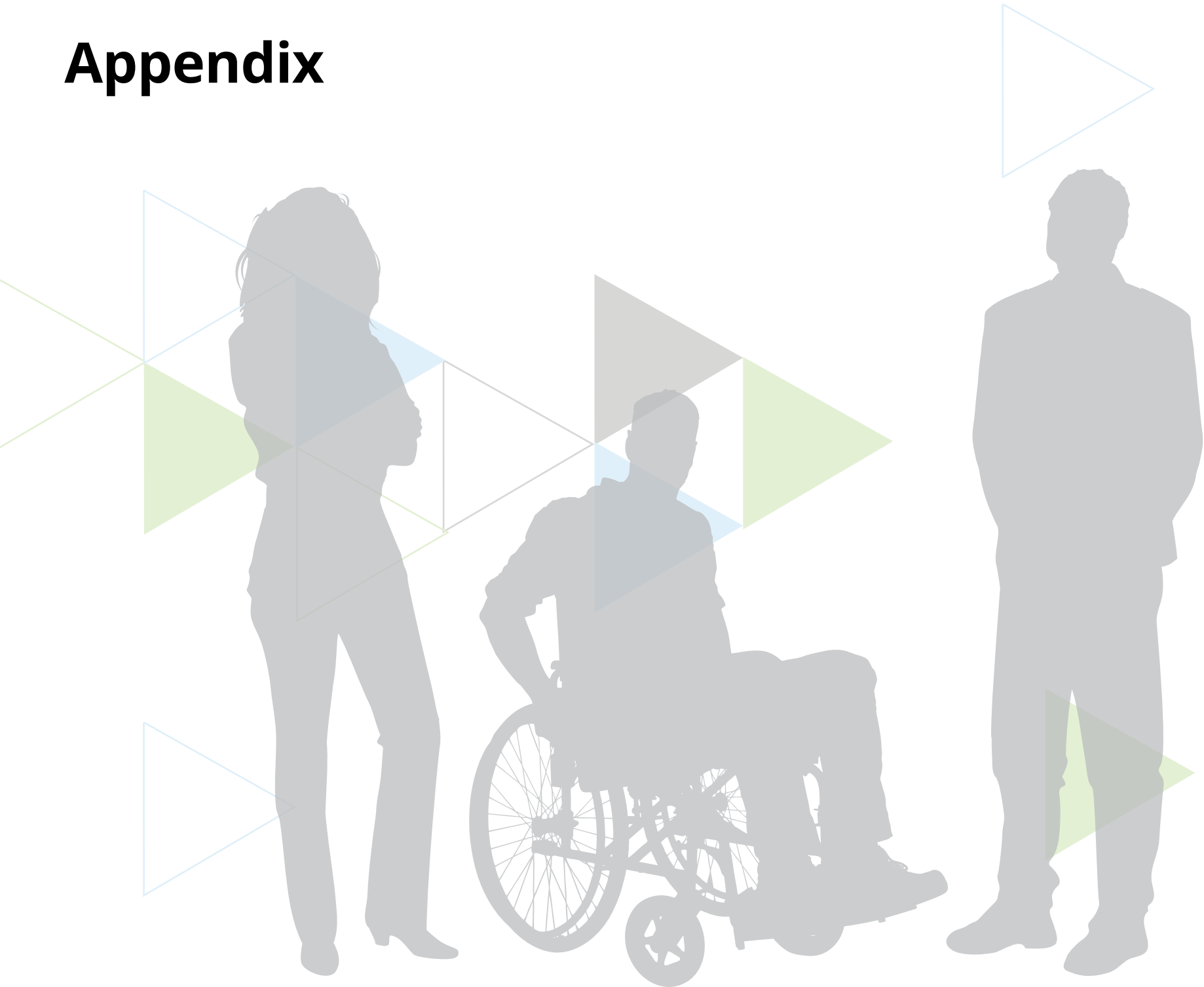
12. Linda-Eling Lee, Ric Marshall, Damion Rallis, and Matt Moscardi, *Women on boards: Global trends in gender diversity on corporate boards* (New York: MSCI, 2015).

13. Ferdinand A. Gul, Bin Srinidhi, and Anthony C. Ng, "Does board gender diversity improve the informativeness of stock prices?" *Journal of Accounting and Economics* 51, no. 3 (2011): p. 314–38.

14. Aida Sijamic Wahid, "The effects and the mechanisms of board gender diversity: Evidence from financial manipulation," *Journal of Business Ethics* (2018).

15. "Boardroom Accountability Project 2.0," New York City Comptroller Scott M. Stringer, <https://comptroller.nyc.gov/services/financial-matters/boardroom-accountability-project/boardroom-accountability-project-2-0/>.

# Appendix



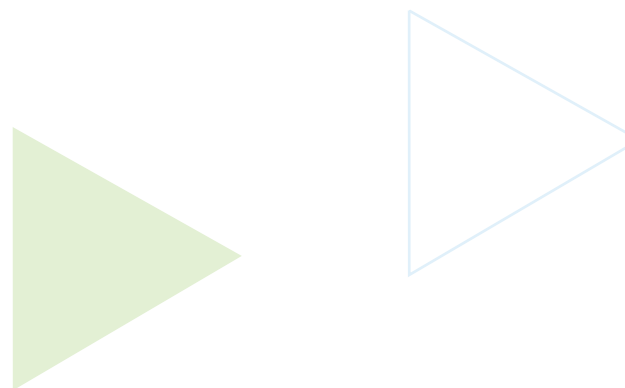
# Appendix

## Appendix 1. *Fortune* 100 total board seats by race/ethnicity and gender<sup>16</sup>

	2004		2010		2012		2016		2018	
	#	%	#	%	#	%	#	%	#	%
<b>African American/Black</b>	<b>120</b>	<b>10.0%</b>	<b>114</b>	<b>9.4%</b>	<b>112</b>	<b>9.2%</b>	<b>119</b>	<b>9.9%</b>	<b>136</b>	<b>11.1%</b>
Men	93	7.8%	88	7.3%	85	7.0%	90	7.5%	94	7.7%
Women	27	2.3%	26	2.1%	27	2.2%	29	2.4%	42	3.4%
<b>Asian/Pacific Islander</b>	<b>12</b>	<b>1.0%</b>	<b>27</b>	<b>2.2%</b>	<b>33</b>	<b>2.7%</b>	<b>38</b>	<b>3.2%</b>	<b>46</b>	<b>3.8%</b>
Men	9	0.8%	21	1.7%	23	1.9%	25	2.1%	29	2.4%
Women	3	0.3%	6	0.5%	10	0.8%	13	1.1%	17	1.4%
<b>Hispanic/Latino(a)</b>	<b>46</b>	<b>3.8%</b>	<b>46</b>	<b>3.8%</b>	<b>52</b>	<b>4.3%</b>	<b>54</b>	<b>4.5%</b>	<b>54</b>	<b>4.4%</b>
Men	40	3.3%	37	3.1%	42	3.5%	40	3.3%	43	3.5%
Women	6	0.5%	9	0.7%	10	0.8%	14	1.2%	11	0.9%
<b>Other</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>2</b>	<b>0.2%</b>
Men	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1	0.1%
Women	-	0.0%	-	0.0%	-	0.0%	-	0.0%	1	0.1%
<b>Caucasian/White</b>	<b>1,017</b>	<b>85.1%</b>	<b>1,024</b>	<b>84.6%</b>	<b>1,017</b>	<b>83.8%</b>	<b>994</b>	<b>82.5%</b>	<b>984</b>	<b>80.5%</b>
Men	851	71.2%	847	69.9%	824	67.9%	773	64.1%	750	61.4%
Women	166	13.9%	177	14.6%	193	15.9%	221	18.3%	234	19.1%
<b>Total board seats</b>	<b>1,195</b>	<b>100.0%</b>	<b>1,211</b>	<b>100.0%</b>	<b>1,214</b>	<b>100.0%</b>	<b>1,205</b>	<b>100.0%</b>	<b>1,222</b>	<b>100.0%</b>

16. Data includes 98 of 100 *Fortune* 100 companies with two exclusions due to availability of filings. Race/ethnicity categories used here are those defined by the US Census Bureau.

# Appendix



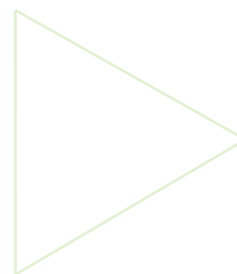
## Appendix 2. *Fortune* 500 total board seats by race/ethnicity and gender<sup>17</sup>

	2010		2012		2016		2018	
	#	%	#	%	#	%	#	%
<b>African American/Black</b>	<b>417</b>	<b>7.6%</b>	<b>406</b>	<b>7.4%</b>	<b>428</b>	<b>7.9%</b>	<b>486</b>	<b>8.6%</b>
Men	312	5.7%	303	5.5%	306	5.6%	332	5.9%
Women	105	1.9%	103	1.9%	122	2.2%	154	2.7%
<b>Asian/Pacific Islander</b>	<b>115</b>	<b>2.1%</b>	<b>141</b>	<b>2.6%</b>	<b>167</b>	<b>3.1%</b>	<b>209</b>	<b>3.7%</b>
Men	97	1.8%	111	2.0%	123	2.3%	148	2.6%
Women	18	0.3%	30	0.5%	44	0.8%	61	1.1%
<b>Hispanic/Latino(a)</b>	<b>166</b>	<b>3.0%</b>	<b>182</b>	<b>3.3%</b>	<b>188</b>	<b>3.5%</b>	<b>213</b>	<b>3.8%</b>
Men	128	2.3%	139	2.5%	147	2.7%	168	3.0%
Women	38	0.7%	43	0.8%	41	0.8%	45	0.8%
<b>Other</b>	<b>2</b>	<b>0.0%</b>	<b>2</b>	<b>0.0%</b>	<b>1</b>	<b>0.0%</b>	<b>4</b>	<b>0.1%</b>
Men	2	0.0%	2	0.0%	1	0.0%	3	0.1%
Women	-	0.0%	-	0.0%	-	0.0%	1	0.0%
<b>Caucasian/White</b>	<b>4,763</b>	<b>87.2%</b>	<b>4,757</b>	<b>86.7%</b>	<b>4,656</b>	<b>85.6%</b>	<b>4,758</b>	<b>83.9%</b>
Men	4,068	74.5%	4,020	73.3%	3,763	69.2%	3,741	66.0%
Women	695	12.7%	737	13.4%	893	16.4%	1,017	17.9%
<b>Total board seats</b>	<b>5,463</b>	<b>100.0%</b>	<b>5,488</b>	<b>100.0%</b>	<b>5,440</b>	<b>100.0%</b>	<b>5,670</b>	<b>100.0%</b>

17. Data includes 490 of 500 *Fortune* 500 companies with ten exclusions due to availability of filings. Race/ethnicity categories used here are those defined by the US Census Bureau.



# Appendix



## Appendix 3. *Fortune* 100 data and recycle rates 2004, 2016, and 2018

	Total board seats						Total directors								
	2004		2016		2018		2004		2016		2018		Recycle	Recycle	Recycle
	#	%	#	%	#	%	#	%	#	%	#	%	rate 2004	rate 2016	rate 2018
<b>Fortune 100 total</b>	<b>1,195</b>		<b>1,205</b>		<b>1,222</b>		<b>995</b>		<b>1,074</b>		<b>1,089</b>		<b>1.20</b>	<b>1.12</b>	<b>1.12</b>
Men	993	83.1%	928	77.0%	917	75.0%	824	82.8%	830	77.3%	820	75.3%	1.21	1.12	1.12
Women	202	16.9%	277	23.0%	305	25.0%	171	17.2%	244	22.7%	269	24.7%	1.18	1.14	1.13
<b>Caucasian/White total</b>	<b>1,017</b>	<b>85.1%</b>	<b>994</b>	<b>82.5%</b>	<b>984</b>	<b>80.5%</b>	<b>867</b>	<b>87.1%</b>	<b>894</b>	<b>83.2%</b>	<b>887</b>	<b>81.5%</b>	<b>1.17</b>	<b>1.11</b>	<b>1.11</b>
Men	851	71.2%	773	64.1%	750	61.4%	724	72.8%	696	64.8%	677	62.2%	1.18	1.11	1.11
Women	166	13.9%	221	18.3%	234	19.1%	143	14.4%	198	18.4%	210	19.3%	1.16	1.12	1.11
<b>Women and minorities total</b>	<b>344</b>	<b>28.8%</b>	<b>432</b>	<b>35.9%</b>	<b>472</b>	<b>38.6%</b>	<b>271</b>	<b>27.2%</b>	<b>378</b>	<b>35.2%</b>	<b>412</b>	<b>37.8%</b>	<b>1.27</b>	<b>1.14</b>	<b>1.15</b>
<b>Minorities total</b>	<b>178</b>	<b>14.9%</b>	<b>211</b>	<b>17.5%</b>	<b>238</b>	<b>19.5%</b>	<b>128</b>	<b>12.9%</b>	<b>180</b>	<b>16.8%</b>	<b>202</b>	<b>18.5%</b>	<b>1.39</b>	<b>1.17</b>	<b>1.18</b>
African American/Black	120	10.0%	119	9.9%	136	11.1%	80	8.0%	102	9.5%	113	10.4%	1.50	1.17	1.20
Asian/Pacific Islander	12	1.0%	38	3.2%	46	3.8%	11	1.1%	35	3.3%	42	3.9%	1.09	1.09	1.10
Hispanic/Latino(a)	46	3.8%	54	4.5%	54	4.4%	37	3.7%	43	4.0%	45	4.1%	1.24	1.26	1.20
Other	-	0.0%	-	0.0%	2	0.2%	-	0.0%	-	0.0%	2	0.2%	-	-	1.00
<b>Minority men total</b>	<b>142</b>	<b>11.9%</b>	<b>155</b>	<b>12.9%</b>	<b>167</b>	<b>13.7%</b>	<b>100</b>	<b>10.1%</b>	<b>134</b>	<b>12.5%</b>	<b>143</b>	<b>13.1%</b>	<b>1.42</b>	<b>1.16</b>	<b>1.17</b>
African American/Black	93	7.8%	90	7.5%	94	7.7%	60	6.0%	76	7.1%	77	7.1%	1.55	1.18	1.22
Asian/Pacific Islander	9	0.8%	25	2.1%	29	2.4%	9	0.9%	24	2.2%	28	2.6%	1.00	1.04	1.04
Hispanic/Latino(a)	40	3.3%	40	3.3%	43	3.5%	31	3.1%	34	3.2%	37	3.4%	1.29	1.18	1.16
Other	-	0.0%	-	0.0%	1	0.1%	-	0.0%	-	0.0%	1	0.1%	-	-	1.00
<b>Minority women total</b>	<b>36</b>	<b>3.0%</b>	<b>56</b>	<b>4.6%</b>	<b>71</b>	<b>5.8%</b>	<b>28</b>	<b>2.8%</b>	<b>46</b>	<b>4.3%</b>	<b>59</b>	<b>5.4%</b>	<b>1.29</b>	<b>1.22</b>	<b>1.20</b>
African American/Black	27	2.3%	29	2.4%	42	3.4%	20	2.0%	26	2.4%	36	3.3%	1.35	1.12	1.17
Asian/Pacific Islander	3	0.3%	13	1.1%	17	1.4%	2	0.2%	11	1.0%	14	1.3%	1.50	1.18	1.21
Hispanic/Latino(a)	6	0.5%	14	1.2%	11	0.9%	6	0.6%	9	0.8%	8	0.7%	1.00	1.56	1.38
Other	-	0.0%	-	0.0%	1	0.1%	6	0.6%	9	0.8%	1	0.1%	-	1.56	1.00

# Appendix

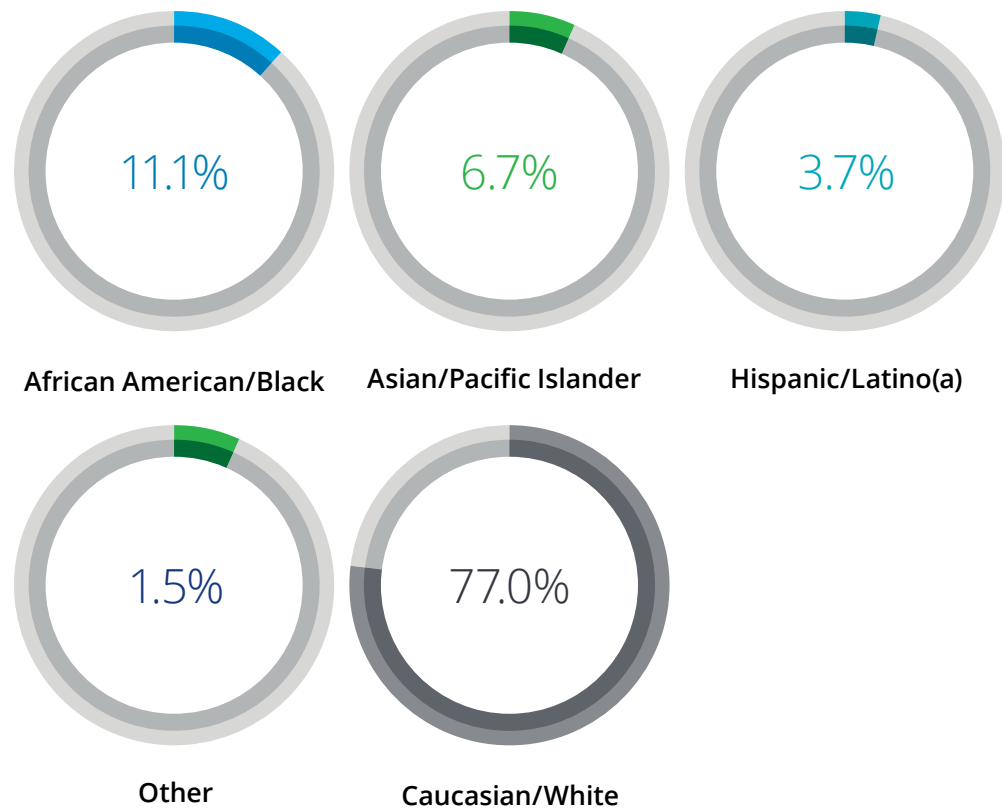
## Appendix 4. *Fortune* 500 data and recycle rates for 2010, 2016, and 2018

	Total board seats						Total directors								
	2010		2016		2018		2010		2016		2018		Recycle	Recycle	Recycle
	#	%	#	%	#	%	#	%	#	%	#	%	rate 2010	rate 2016	rate 2018
<b>Fortune 500 total</b>	<b>5,463</b>		<b>5,440</b>		<b>5,670</b>		<b>4,423</b>		<b>4,496</b>		<b>4,656</b>		<b>1.24</b>	<b>1.21</b>	<b>1.22</b>
Men	4,607	84.3%	4,340	79.8%	4,392	77.5%	3,758	85.0%	3,610	80.3%	3,638	78.1%	1.23	1.20	1.21
Women	856	15.7%	1,100	20.2%	1,278	22.5%	665	15.0%	886	19.7%	1,018	21.9%	1.29	1.24	1.26
<b>Caucasian/White total</b>	<b>4,763</b>	<b>87.2%</b>	<b>4,656</b>	<b>85.6%</b>	<b>4,758</b>	<b>83.9%</b>	<b>3,922</b>	<b>88.7%</b>	<b>3,900</b>	<b>86.7%</b>	<b>3,957</b>	<b>85.0%</b>	<b>1.21</b>	<b>1.19</b>	<b>1.20</b>
Men	4,068	74.5%	3,763	69.2%	3,741	66.0%	3,368	76.1%	3,170	70.5%	3,134	67.3%	1.21	1.19	1.19
Women	695	12.7%	893	16.4%	1,017	17.9%	554	12.5%	730	16.2%	823	17.7%	1.25	1.22	1.24
<b>Women and minorities total</b>	<b>1,395</b>	<b>25.5%</b>	<b>1,677</b>	<b>30.8%</b>	<b>1,929</b>	<b>34.0%</b>	<b>1,058</b>	<b>23.9%</b>	<b>1,326</b>	<b>29.5%</b>	<b>1,522</b>	<b>32.7%</b>	<b>1.32</b>	<b>1.26</b>	<b>1.27</b>
<b>Minorities total</b>	<b>700</b>	<b>12.8%</b>	<b>784</b>	<b>14.4%</b>	<b>912</b>	<b>16.1%</b>	<b>504</b>	<b>11.4%</b>	<b>596</b>	<b>13.3%</b>	<b>699</b>	<b>15.0%</b>	<b>1.39</b>	<b>1.32</b>	<b>1.30</b>
African American/Black	417	7.6%	428	7.9%	486	8.6%	278	6.3%	307	6.8%	347	7.5%	1.50	1.39	1.40
Asian/Pacific Islander	115	2.1%	167	3.1%	209	3.7%	96	2.2%	147	3.3%	184	4.0%	1.20	1.14	1.14
Hispanic/Latino(a)	166	3.0%	188	3.5%	213	3.8%	125	2.8%	141	3.1%	164	3.5%	1.33	1.33	1.30
Other	2	0.0%	1	0.0%	4	0.1%	2	0.0%	1	0.0%	4	0.1%	1.00	1.00	1.00
<b>Minority men total</b>	<b>539</b>	<b>9.9%</b>	<b>577</b>	<b>10.6%</b>	<b>651</b>	<b>11.5%</b>	<b>393</b>	<b>8.9%</b>	<b>440</b>	<b>9.8%</b>	<b>504</b>	<b>10.8%</b>	<b>1.37</b>	<b>1.31</b>	<b>1.29</b>
African American/Black	312	5.7%	306	5.6%	332	5.9%	210	4.7%	217	4.8%	236	5.1%	1.49	1.41	1.41
Asian/Pacific Islander	97	1.8%	123	2.3%	148	2.6%	81	1.8%	111	2.5%	134	2.9%	1.20	1.11	1.10
Hispanic/Latino(a)	128	2.3%	147	2.7%	168	3.0%	97	2.2%	111	2.5%	131	2.8%	1.32	1.32	1.28
Other	2	0.0%	1	0.0%	3	0.1%	2	0.0%	1	0.0%	3	0.1%	1.00	1.00	1.00
<b>Minority women total</b>	<b>161</b>	<b>2.9%</b>	<b>207</b>	<b>3.8%</b>	<b>261</b>	<b>4.6%</b>	<b>111</b>	<b>2.5%</b>	<b>156</b>	<b>3.5%</b>	<b>194</b>	<b>4.2%</b>	<b>1.45</b>	<b>1.33</b>	<b>1.35</b>
African American/Black	105	1.9%	122	2.2%	154	2.7%	68	1.5%	90	2.0%	111	2.4%	1.54	1.36	1.39
Asian/Pacific Islander	18	0.3%	44	0.8%	61	1.1%	15	0.3%	36	0.8%	50	1.1%	1.20	1.22	1.22
Hispanic/Latino(a)	38	0.7%	41	0.8%	45	0.8%	28	0.6%	30	0.7%	33	0.7%	1.36	1.37	1.36
Other	-	0.0%	-	0.0%	1	0.0%	-	0.0%	-	0.0%	1	0.0%	-	-	1.00

# Appendix

Appendix 5. *Fortune* 100 percentage of board seats occupied by directors new to the 2018 census data

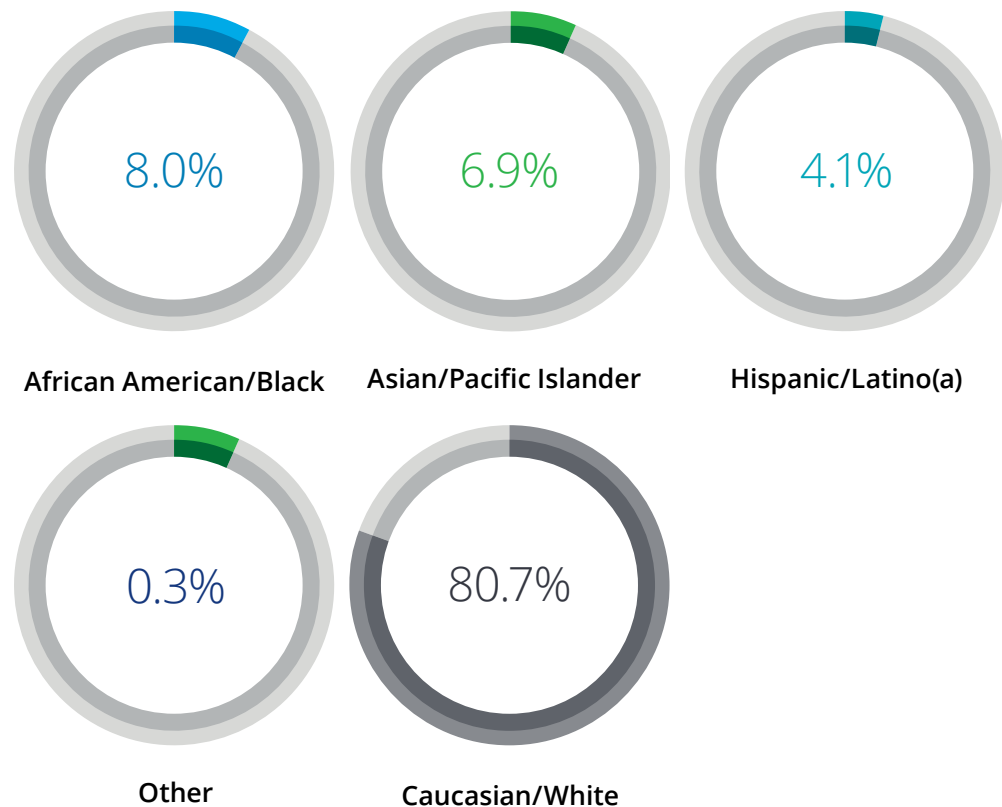
	2018	
	#	%
<b>African American/Black</b>	<b>15</b>	<b>11.1%</b>
Men	7	5.2%
Women	8	5.9%
<b>Asian/Pacific Islander</b>	<b>9</b>	<b>6.7%</b>
Men	4	3.0%
Women	5	3.7%
<b>Hispanic/Latino(a)</b>	<b>5</b>	<b>3.7%</b>
Men	4	3.0%
Women	1	0.7%
<b>Other</b>	<b>2</b>	<b>1.5%</b>
Men	1	0.7%
Women	1	0.7%
<b>Caucasian/White</b>	<b>104</b>	<b>77.0%</b>
Men	69	51.1%
Women	35	25.9%
<b>Total board seats</b>	<b>135</b>	<b>100.0%</b>



# Appendix

## Appendix 6. *Fortune* 500 percentage of board seats occupied by directors new to the 2018 census data

	2018	
	#	%
<b>African American/Black</b>	<b>83</b>	<b>8.0%</b>
Men	52	5.0%
Women	31	3.0%
<b>Asian/Pacific Islander</b>	<b>71</b>	<b>6.9%</b>
Men	51	4.9%
Women	20	1.9%
<b>Hispanic/Latino(a)</b>	<b>42</b>	<b>4.1%</b>
Men	34	3.3%
Women	8	0.8%
<b>Other</b>	<b>3</b>	<b>0.3%</b>
Men	2	0.2%
Women	1	0.1%
<b>Caucasian/White</b>	<b>834</b>	<b>80.7%</b>
Men	616	59.6%
Women	218	21.1%
<b>Total board seats</b>	<b>1,033</b>	<b>100.0%</b>



# Appendix

## Research methodology

The Alliance for Board Diversity and Deloitte utilized a census methodology for the 2018 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 2018. 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 (SEC) annual filings submitted as of June 30, 2018, including the proxy statements and Form 10-K or Form 10-K/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, 2018.<sup>18</sup> Certain data fields (e.g., board chair, lead director, committee chair) are not typically identifiable in filings from insurance companies. In addition, the annual shareholder meeting had to have occurred by June 30, 2018. If these two conditions were not met, Deloitte referred back to the most recent filing that satisfied those parameters.

18. 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.

# Appendix

For the *Fortune* 100 companies, Deloitte and the Alliance for Board Diversity evaluated 98 companies due to availability of filings and data. For the *Fortune* 500 companies, Deloitte and the Alliance for Board Diversity evaluated 490 companies due to availability of filings and data. The 10 excluded companies and their ranks are listed below:

- 68 – Liberty Mutual Insurance Group
- 84 – TIAA
- 216 – Land O’Lakes
- 272 – Toys “R” Us
- 311 – American Family Insurance Group
- 313 – Pacific Life
- 339 – Peter Kiewit Sons’
- 376 – Jones Financial (Edward Jones)
- 462 – Securian Financial Group
- 476 – Western & Southern Financial Group

For the 2018 census, to confirm the gender of individual board members, Deloitte leveraged third-party data obtained from ESG MSCI, an independent provider of research-driven insights and tools for institutional investors. To confirm individual board members’ race and ethnicity, data was compared against previous studies conducted by Catalyst, The Executive Leadership Council, the Hispanic Association of Corporate Responsibility, and Leadership Education for Asian Pacifics, Inc. When an individual director was new to the census, each organization conducted a rigorous review of publicly available information in making an attempt to verify an individual’s race and ethnicity. The initial identification was followed up with email and written campaigns to the *Fortune* 500 companies in an attempt to validate the race, ethnicity, and gender of individual directors. ABD makes every effort to achieve a high degree of data accuracy and has applied consistent and numerous attempts to verify the information in this census; changes received after November 28, 2018, have not been included in this report. If errors or omissions are discovered, ABD will make reasonable adjustments. Please contact the Alliance for Board Diversity at [email@theabd.org](mailto:email@theabd.org) or Deloitte at [centerforboardeffectiveness@deloitte.com](mailto:centerforboardeffectiveness@deloitte.com).

## For the purpose of this census, the following definitions were used:

**Asian/Pacific Islander** is defined as a person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent. Southeast Asian generally includes Cambodian, Hmong, Indonesian, Laotian, Malaysian, Singaporean, Thai, and Vietnamese. South Asian generally includes Asian Indian, Bangladeshi, Bhutanese, Nepalese, Pakistani, and Sri Lankan. The Native Hawaiian or Pacific Islander category is defined as a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

**African American/Black** is defined as a person having origins in any of the Black racial groups of Africa. The Black racial category includes people who marked the “Black or African American” checkbox. It also includes respondents who reported entries such as African American; Sub-Saharan African entries, such as Kenyan and Nigerian; and Afro-Caribbean entries, such as Haitian and Jamaican. Sub-Saharan African entries are classified as Black or African American with the exception of Sudanese and Cape Verdean because of their complex, historical heritage. North African entries are classified as White.

**Hispanic/Latino(a)** is defined as a US citizen, a noncitizen national of the United States, or a lawful permanent resident of the United States who is of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish cultures or origins. It does not include people of Portuguese culture or origin.

**Caucasian/White** is defined as a person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

**Other** is defined as a person with two or more ethnicities or undefined, non-Caucasian/White decent.

**Gender** refers to the socially constructed and culturally specific behaviors, roles, and attributes (i.e., feminine or masculine) assigned to women and men, respectively, whereas “sex” refers to biological differences. The two terms are not interchangeable.

These definitions are based on the HR reporting guidelines created by the Office of Personnel Management, the US Census, and the Human Rights Campaign.

# Appendix

## About the Alliance for Board Diversity

### 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.

### Diversified Search

Diversified Search is the largest female-owned and -founded firm in the executive search industry, providing management advisory services focused on talent optimization and leadership. The firm has offices in nine US cities and worldwide cross-sector capabilities as the exclusive US partner of AltoPartners, an international alliance of independent search firms with 60 offices in 38 countries across the Americas, Europe, the Middle East, Africa, and Asia Pacific. In 2018, Diversified Search was ranked fifth in *Forbes* magazine's annual ranking of the best 250 executive search firms in the United States.

### The Executive Leadership Council (ELC)

The Executive Leadership Council (ELC) is the preeminent membership organization committed to increasing the number of global black executives in c-suites, on corporate boards, and in global enterprises. Our mission is to increase the number of successful black executives, domestically and internationally, by adding value to their development, leadership, and philanthropic endeavors, thereby strengthening their companies, organizations, and communities across the life cycle of their careers.

### The Hispanic Association on Corporate Responsibility (HACR)

Founded in 1986, the Hispanic Association on Corporate Responsibility (HACR) is one of the most influential advocacy organizations in the nation representing 13 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.

### 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.





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