

# Equitable Board Representation

## Fact Sheet

### Resolutions to encourage equitable and diverse gender representation on the boards of companies in the Commonwealth.

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*Enhancing the Commonwealth's Competitive Position in the Global Economy*

#### Why Gender Equality on Private and Public Board's of Directors

- Women make up 48% of the labor force in Massachusetts and 46.9% of the labor force nationally; (2014)
- As of June 2014, women hold 14.9% of the board seats and 11.8% of executive officer positions in the 100 largest public companies in Massachusetts.
- **Twenty-four of the largest public 100 companies *have no women on their boards of directors*; 46 have no women executive officers; and 19 have no women on their boards of directors or in their executive suites**
- 2014 Credit Suisse Gender 3000 report confirmed, women “are empirically associated with higher returns on equity, higher price/book valuations and superior stock price performance.”
- Thomson Reuters (2013), Credit Suisse (2012) and McKinsey (2007, 2010, 2013), have substantiated the correlation between greater gender diversity in top management and enhanced corporate performance
- In countries that require reporting on gender diversity policies for regulated companies, disclosure requirements have led to progress toward gender and diversity goals in executive positions and on boards of directors

#### Bill requires:

- All companies doing business in Massachusetts, privately held as well as publicly traded, should adopt policies and practices designed to increase the gender diversity in their boards of directors and senior management groups and set goals by which to measure their progress;
- All companies in Massachusetts, privately held as well as publicly traded, should publicly disclose the number of women and total number of individuals on their boards of directors
- All corporate boards with nine or more members should have a minimum of three women directors; all boards with fewer than nine members should have a minimum of two women directors; and all companies, privately held as well as publicly traded, should measure their progress toward a goal of equal representation of men and women in leadership positions on an annual basis