

U.S. SENATOR ROBERT MENENDEZ *for* NEW JERSEY



CORPORATE
DIVERSITY REPORT
March 2013

TABLE OF CONTENTS

<u>ACKNOWLEDGEMENTS</u>	2
<u>EXECUTIVE SUMMARY</u>	3
ABOUT THE SURVEY	3
KEY FINDINGS	4
<u>RESULTS OF THE 2011 CORPORATE DIVERSITY SURVEY</u>	7
DIVERSITY ON CORPORATE BOARDS	8
DIVERSITY ON CORPORATE BOARDS BY INDUSTRY	19
DIVERSITY ON EXECUTIVE TEAMS	22
DIVERSITY ON EXECUTIVE TEAMS BY INDUSTRY	34
SUPPLIER DIVERSITY	37
PROFESSIONAL SERVICES DIVERSITY	39
IMPACT OF WRITTEN DIVERSITY PLANS ON BOARD DIVERSITY	43
IMPACT OF WRITTEN DIVERSITY PLANS ON EXECUTIVE DIVERSITY	50
IMPACT OF WRITTEN DIVERSITY PLANS ON SUPPLIER DIVERSITY	58
<u>ACTION PLAN FOR DIVERSITY</u>	63
<u>COMPANIES THAT DID NOT COMPLETE SURVEY</u>	66
<u>2011 SURVEY QUESTIONS</u>	72

ACKNOWLEDGEMENTS

The quest for corporate diversity has become more than simply a professional goal for me; it has become quite personal. To me, it is an issue of fairness, opportunity and the fundamental realization by all Americans that we are an inclusive society and that our nation's strength lies within our diversity.

This survey represents the second year of my efforts to track the progress our nation's leading companies have made on diversity. I would like to thank all the companies that have participated in this last survey, and especially thank those companies that participated in both surveys. Although this survey was voluntary and I made it clear that I would not reveal any individual data that was submitted, completing this survey and revealing such data may not have been an easy decision. I recognize their courage and applaud companies for taking a look at their own data, which a first step to acknowledging where they are and how far they need to go.

Apart from a purely scientific perspective, this survey serves a very specific purpose – that of creating awareness and a strategy for how we make sure the message of diversity reaches corporate America. There needs to be a basic culture of change and willingness for all of us to look at the numbers and ask ourselves if they add up. While I have had record participation in my surveys, more than half of companies have chosen not to respond. That shows me we still have a long way to go.

One of the largest obstacles to diversity is getting companies to realize that diversity has everything to do with staying relevant in a global economy. That is why I created an informal *Working Group on Diversity*, comprised of investors, pension fund executives and advocates, to help find solutions to this matter. I have had the privilege of working with various CEOs who have provided me with an insider's perspective on what works and what does not. Compiling this knowledge together, I have put together an *Action Plan for Diversity* at the end of this report, which has a series of recommendations that I hope can be implemented by companies that are serious about making diversity a top priority, rather than an afterthought.

Nonetheless, I am aware that there is resistance to change. Like my own ascension as the son of Cuban immigrants from Union City, New Jersey to the United States Senate, breaking into the private sector can be a slow and challenging process. But I am optimistic. That is why I will continue my efforts to do all I can so that one day soon, this survey and others like it will no longer be necessary.

Sincerely,



ROBERT MENENDEZ
United States Senator

EXECUTIVE SUMMARY

About the Survey

Following on a successful first survey in 2010, a second voluntary survey was sent to all Fortune 500 companies requesting demographic data on their board of directors, executive management teams and suppliers. In addition, this new survey requested information on professional services suppliers, which includes legal, consulting, financial and accounting services – a cohort that is many times overlooked within traditional supplier plans and data collection. In 2012, a total of 196 Fortune 500 and 66 Fortune 100 companies responded, a participation rate of about 40% and 66%, respectively, a similar response rates to the first survey. Again, no individual company data was revealed, and those companies that chose not to participate are listed at the end of this report.

The purpose of this survey was to hold corporate America's feet to the fire, so to speak, and monitor any progress or set backs on diversity. According to the most recent census figures, of the general population, women represent more than 50%, Hispanics/Latinos comprise 16.3%, African Americans/Blacks represent 12.6%, and Asians comprise 4.8%ⁱ. Collectively, racial and ethnic minorities represent 36.6% of the total populationⁱⁱ. And for the first time in history, minority births represent more than 50% of all children born in the U.S.

Clearly, companies should want their leadership to represent this growing demographic and market force that will be vital to their sustainability and long-term success. In fact, companies are already making record profits marketing to diverse communities. The combined buying power of African Americans, Asians and Native Americans is currently at more than \$1.6 trillion and is estimated to increase to \$2.1 trillion in 2015, accounting for 15% of our nation's total buying powerⁱⁱⁱ. And Hispanics/Latino purchasing power will increase to \$1.5 trillion in 2015, representing 11% of the nation's total buying power alone^{iv}. Given the importance of these communities to driving corporate profits, it is important that they be represented among the leadership of these companies.

Put simply, there is a business case for diversity to be made.

- A study commissioned by CalPERS found that companies with diverse board exceeded Dow Jones and NASDAQ average returns over five years, and companies that did not have diverse boards were at a competitive disadvantage.^v
- Advocacy groups like Catalyst have found that Fortune 500 companies with higher percentages of women board directors significantly financially outperform companies with fewer women directors^{vi}.
- Calvert issued a study in 2010 that found that those companies that demonstrate robust commitment to diversity, in addition to competitive financial performance, are better positioned to generate long-term value for their shareholders^{vii}.

- And a 2010 report by the National Association for Female Executives found that the stocks of all twelve Fortune 500 companies with female Chief Executive Officers rose an average of 50% in 2009, compared to the 25% average for the Standard and Poor's 500 leading companies^{viii}.

That is why this report contains an Action Plan for Diversity, or a set of strategies that can be implemented immediately to begin to change corporate culture and make inroads on diversity. Many of these suggestions have come to light through the Working Group on Diversity or directly from participating companies that have been successful with their own diversity efforts. This Action Plan is a useful tool to help companies begin to embrace diversity and make changes for the better.

KEY FINDINGS: What Has Changed Since 2010?

Corporate Board Diversity

- ❖ Although the presence of White/Caucasian men decreased across corporate boards and executive teams, minorities and women still remain significantly underrepresented compared to their population figures. In 2011, White/Caucasian men comprised an average of 7.99 board members compared to an average of 8.28 board members in 2010.
- ❖ Women are better represented on boards when compared to other minority groups. The average number of women per board increased slightly – 2.24 in 2011, compared to 2.14 in 2010 as did minority representation -- from 1.73 in 2010 to 1.92 in 2011.
- ❖ Although the percentages of Hispanic/Latino, African American/Black and Asian directors increased slightly, the actual average number of directors from each of these groups remained about the same. For example, although the percentages of African-Americans/Blacks increased from 8.77% in 2010 to 9.33% in 2011, the average number of board members from this group stayed at about one out of every 11 directors. Like in 2010, African Americans/Blacks do better overall on corporate boards than other minority groups, excluding women. Hispanics/Latinos still have one of the worst representations when compared to other groups; in fact, 60% of companies that participated had zero Hispanics on their board.
- ❖ Most companies that participated in both 2010 and 2011 did not add any women or minorities to their boards. Among participating companies, the total number of board seats held by women increased by only 6 and those held by minorities increased by 14. As a result, the number of seats that White/Caucasian men held fell to 66 seats. Hispanics/Latinos saw a net gain of 10 board seats and Asians saw a gain of 5 seats. However, African/Americans/Blacks saw a loss of 4 board seats between 2010 and 2011.

Executive Management Teams

- ❖ Similar to 2010, women are better represented among executive leadership than they are on corporate boards, with an average of 3.30 women per executive team compared to an average of 2.24 on corporate boards.
- ❖ There are still far too many companies that do not have even a single minority on their executive management teams. Out of nearly 200 companies that participated in the survey, 49 have no minorities, 140 companies have no Hispanics/Latinos, 114 companies have no African Americans/Blacks and 134 companies have no Asians in executive leadership.
- ❖ Although African Americans/Blacks do better proportionally than other minority groups on executive teams, their representation has decreased since 2010 from 4.23% to 3.99%. Compared to 2010, both Asians and Hispanics/Latinos see an increase in their proportional representation, yet the average number of Asians and Hispanics/Latinos on executive teams remains about the same.
- ❖ When comparing companies that participated in the survey both years, the proportion of White/Caucasian men compared to other members of executive teams has decreased, while the total number of leadership slots held by White/Caucasian men increased by 43 total positions. The number of positions held by women increased by 19 and minorities hold 22 additional positions. Hispanics/Latinos saw an increase of 10 total positions, while the number of African American/Black leadership positions declined by 11. The number of executive leadership positions filled by Asians increased considerably from 76 to 95 – a total of 19 slots.

Supplier and Professional Services Diversity

- ❖ There was an overall decline in spend with diverse suppliers since 2010, which could be attributed to the significant increase in the number of companies that shared data on supplier diversity. Whatever the explanation, companies still have significant room for improvement on supplier diversity.
- ❖ Approximately 60 Fortune 500 companies track spending with diverse suppliers when it comes to professional services. Women-owned firms had higher representation among suppliers and professional services providers than all other groups at 6.74% compared to 0.93% for Hispanic/Latino-owned firms, 1.26% for African American/Black-owned firms and 2.00% among Asian-owned firms. However, nearly 90% of all professional services do not go to women or minority-owned firms.

Written Diversity Plans and Use of Executive Search Firms

- ❖ The benefit of written diversity plans was again mixed and suggests companies must go beyond written plans to really effect change. Not having a written plan adversely impacted board representation for all groups at various levels, but the representation of women and African Americans/Blacks on boards was most impacted.

- ❖ Among executive teams, not having a written plan significantly decreased the presence of women. In fact, all the Fortune 100 companies that did not have a written diversity plan had zero African Americans/Blacks in senior leadership. Written plans in general either did not impact or negatively impacted Hispanic/Latino or Asian representation on both boards and executive teams.
- ❖ Written diversity plans improved supplier diversity for most groups, and conversely, not having a written plan or a plan with targets significantly reduced supplier spend among most groups, especially women-owned and Asian-owned firms. However, Hispanic/Latino-owned firms are generally not well-served by these plans as having a written plan correlated with less spend with Hispanic/Latino-owned firms.
- ❖ As in 2010, a discussion of diversity when using executive search firms also produced mixed results for diversity. Across all companies, the failure to discuss diversity leads to far greater representation of White/Caucasian men on executive management teams, and less women and minorities, although Hispanic/Latino representation does not really benefit from such discussions.

COMPREHENSIVE RESULTS

2011 CORPORATE DIVERSITY SURVEY

DIVERSITY ON CORPORATE BOARDS

Section 2 of the survey requested diversity statistics from companies on the make-up of their Board of Directors. This section requested that companies distinguish between foreign nationals and U.S. based directors when providing numbers, as well as acknowledge how many women were also counted under another minority group – essentially, those who were tallied twice under two categories.

Fortune 500 Companies

White/Caucasian men comprise 64.39% of directors (an average of 7.99 per board), a small decrease from the 67.51% (an average of 8.28 per board) they comprised in 2010. Again, women fare better than minorities on Boards and African Americans/Blacks are better represented than all other minority groups. Compared to the 2010 report, statistics went up slightly for all groups other than Native Americans, which remained the same.

- *Total Board:* The average total number of board members is 11.7, unchanged from 2010.
- *Women:* Women represent 19.18% of directors (an average of 2.24 per board), so slightly less than 1 out of every five board members is female. In 2010, women comprised 18.04% of board members (an average of 2.14 per board). Twenty-four companies have 4 or more women on their board, and 7 companies have none. [Fig. 1, 2, 7 & 8]
- *Minority:* Minorities represent 16.43% (an average of 1.92 per board) of board directors; 1 out of every six board members is a minority. In 2010, minorities comprised 14.45% of board directors (an average of 1.73 per board). Twenty-one companies have 4 or more minorities on their Board and 20 companies have none. [Fig. 1, 2, 9& 10]
- *Minority Women:* Minority women comprise 4.10% of directors (an average of 0.48 per board); 1 out of every 24 board members is a minority woman. In 2010, 3.55% of directors were minority women (an average of 0.41 per board). When adjusting the percentages to account for minority women who are double-counted in the survey, the percentage of White/Caucasian men increases to 67.48%. Fifteen companies have 2 or more minority women on their board. [Fig. 3 & 4]
- *Hispanic/Latino:* Hispanics/Latinos comprise 4.32% of board members (an average of 0.51 per board); 1 out of every 23 board members is Hispanic/Latino. In 2010, Hispanic/Latinos made up 3.28% of board directors (an average of 0.40 per board). Only 12 companies have 2 or more Hispanics/Latinos on their board; a massive 118 companies have none. [Fig. 5 & 6]
 - *U.S. Based vs. Foreign National:* U.S. citizen/legal permanent resident (LPR) Hispanic/Latinos represent 4.01% of board members (an average of 0.47 per board), reducing the presence of Hispanics/Latinos to only one out of every 25

board members. 0.31% (an average of 0.04 per board) is foreign national Hispanic/Latinos. One company has a foreign national Hispanic/Latino on their Board.

- *African American/Black*: African Americans/Blacks comprise 9.33% of board directors (an average of 1.09 per board), an increase from the 8.77% they comprised in 2010. One out of every 11 board members is African American/Black (an average of 1.05 per board). Seven companies have 3 or more African Americans/Blacks on their board; 45 companies have none. [Fig. 5 & 6]
 - *U.S. Based vs. Foreign National*: For the most part, all African Americans/Blacks were U.S. based directors. 9.29% of African American/Black directors (an average of 1.09 per board) are U.S. citizens/LPRs compared to 0.04% (an average of 0.01 per board) who are not. Only one company has a foreign national black on their Board.
- *Asian*: Asians comprise 2.53% of board directors (an average of 0.30 per board), compared to the 1.99% they comprised in 2010 (an average of 0.22 per board). One out of every 40 directors is Asian. Only 9 companies have two or more Asians on their boards; 52 companies have none. [Fig. 5 & 6]
 - *U.S. Based vs. Foreign National*: U.S. citizen/LPR Asians represent 2.01% of board directors (an average of 0.23 per board), so only one out of every 50 board members is a U.S. based Asian. 0.52% of Asians (an average of 0.06 per board) are foreign nationals. Nine companies have 1 or more foreign national Asian on their board.
- *Native American*: The percentage of Native Americans remained unchanged from 2010 at 0.04% (an average of 0.01 per board); 1 out of every 2500 board members is Native American. Only 1 company out of all 196 respondents has a Native American on its board. [Fig. 5 & 6]
- *Other Minority*: The percentage of Other Minorities remained about the same at 0.35%, compared to 0.38% in 2010, about an average of 0.04 per board. One out of every 286 board members is other minority. Seven companies have one or more Other minorities on their board. [Fig. 5 & 6]

Companies Participating in Both 2010 and 2011

- When comparing only those companies that participated in this survey both years, the total number of board seats held by women increased only by 6 and those held by minorities increased by 14. The number of seats that White/Caucasian men held fell by 66 seats. Hispanics/Latinos saw a net gain of 10 board seats and Asians saw a gain of 5 seats. However, African/Americans/Blacks saw a loss of 4 board seats since 2010. [Fig. 11]

**Fortune 500 Companies
2011 Board Room Diversity**

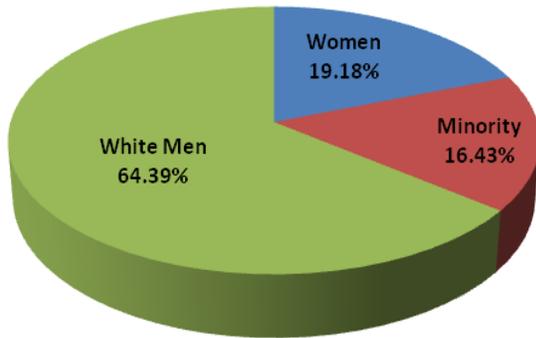


Figure 1

**Fortune 500 Companies
2010 Board Room Diversity**

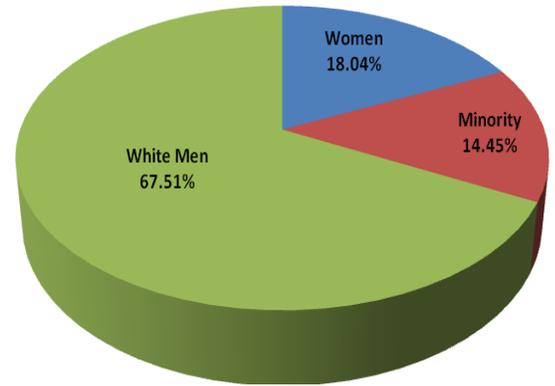


Figure 2

**Fortune 500 Companies
2011 Board Room Diversity**

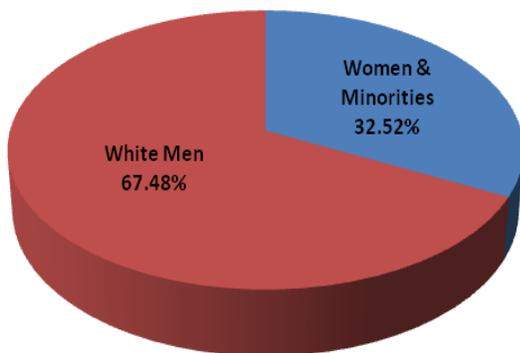


Figure 3

**Fortune 500 Companies
2010 Board Room Diversity**

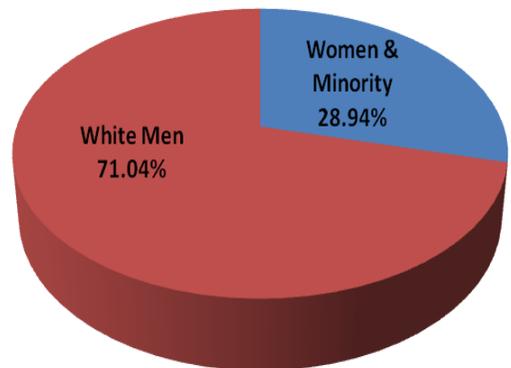


Figure 4

Fortune 500 Companies 2011 Board Room Diversity

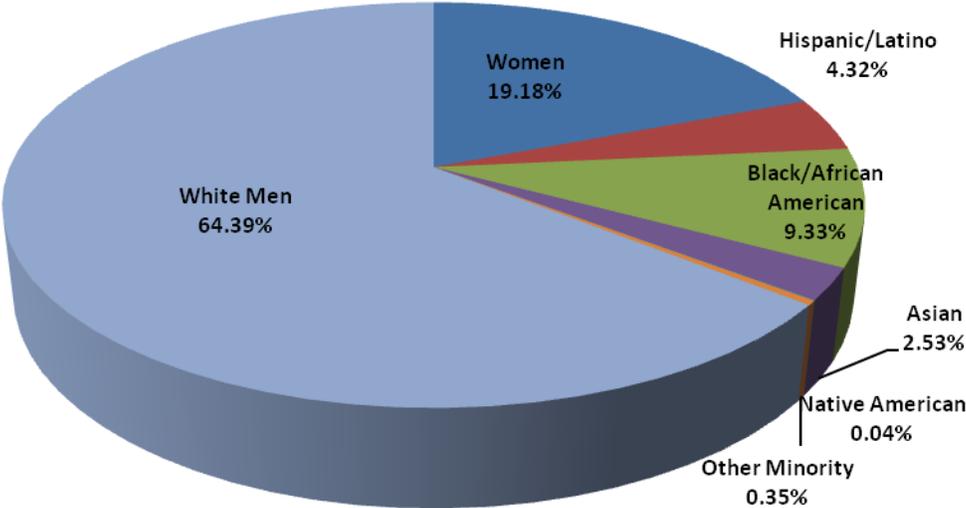


Figure 5

Fortune 500 Companies 2010 Board Room Diversity

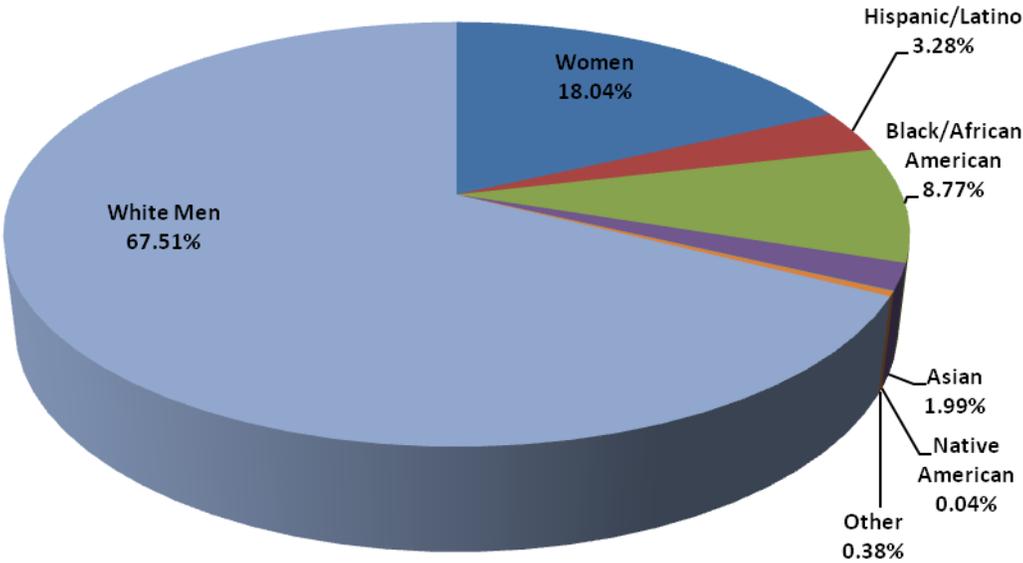


Figure 6

Distribution of Women Among Company Boards 2011

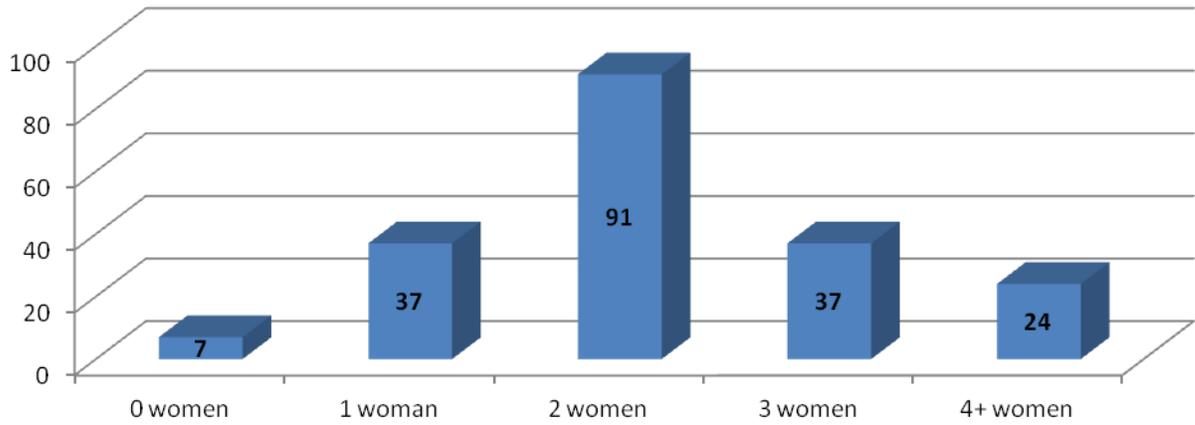


Figure 7

Distribution of Women Among Company Boards 2010

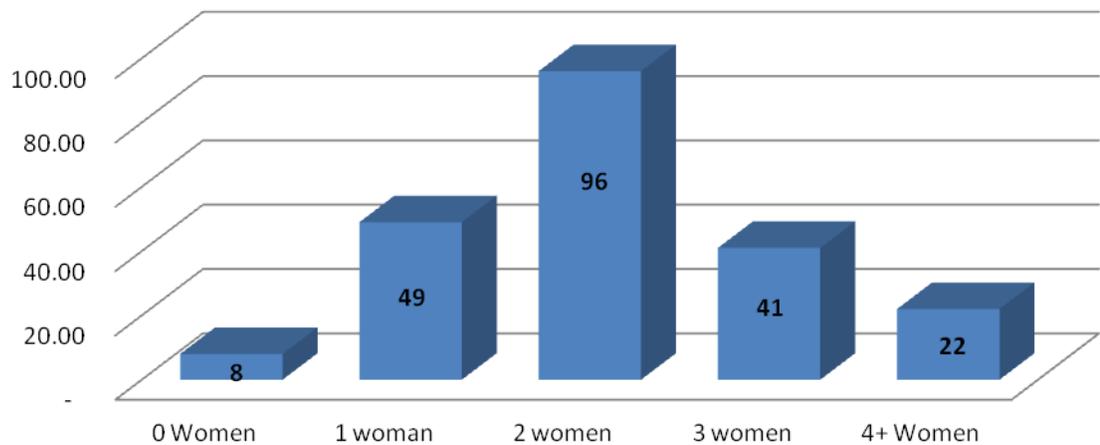


Figure 8

Distribution of Minorities Among Company Boards 2011

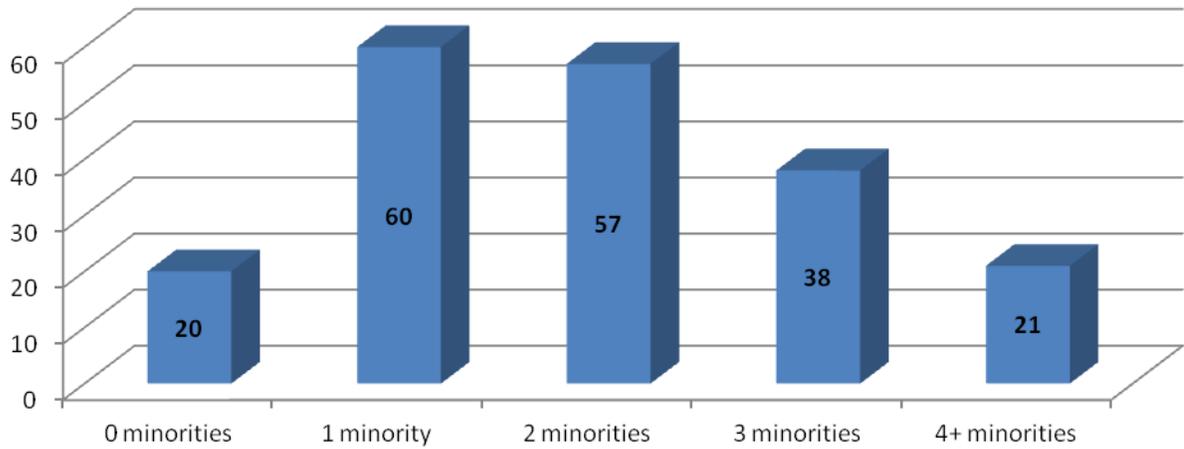


Figure 9

Distribution of Minorities Among Company Boards 2010

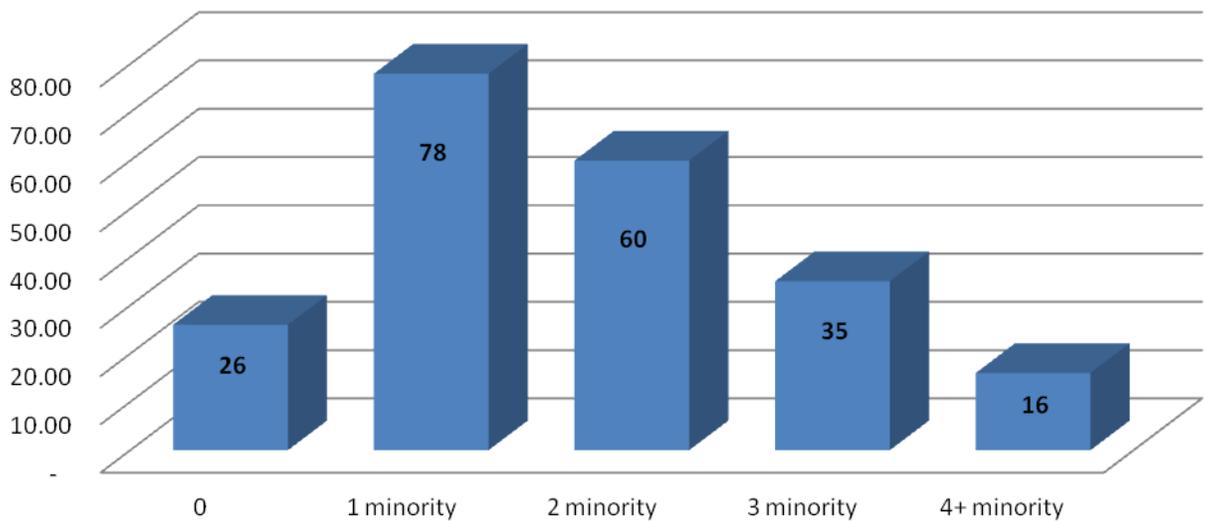


Figure 10

Total Board Seats Companies That Participated in 2010 and 2011

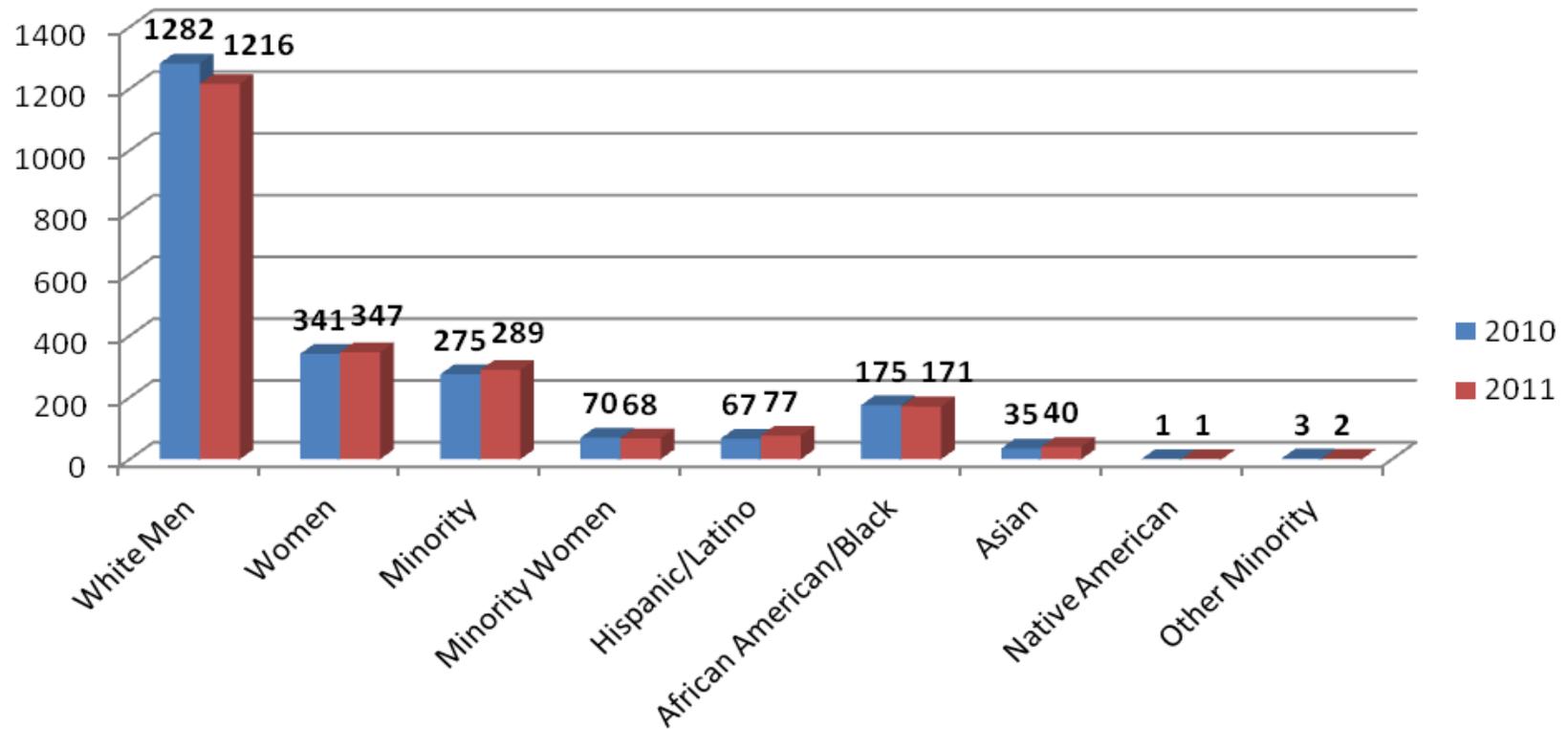


Figure 11

Fortune 100 Companies

White/Caucasian men comprise 62.21% of directors (an average of 8.08 per board), a decrease from the 68.17% they comprised in 2010 (an average of 8.42 per board). Women did slightly better in 2011 than they did 2010, as did minorities, Hispanics/Latinos and Asians. African Americans/Blacks did slightly worse and Native Americans and Other minorities remained unchanged at 0%.

- *Total Board:* The average total number of board members is 12.2, about the same as it was in 2010 (12.5).
- *Women:* Women represent 21.10% of directors (an average of 2.61 per board), so slightly more than 1 out of every five board members is female. In 2010, women comprised 19.87% of board members (an average of 2.52 per board). Eleven companies have 4 or more women on their board, 2 companies have none. [Fig. 12&13]
- *Minority:* Minorities represent 16.69% of board directors (an average of 2.05 per board); 1 out of every six board members is a minority. In 2010, minorities comprised 15.60% of board directors (an average of 1.99 per board). Seven companies have 4 or more minorities on their board and 5 companies have none. [Fig. 12&13]
- *Minority Women:* Minority women comprise 3.93% of directors (an average of 0.48 per board); 1 out of every 25 board members is a minority woman. In 2010, 3.63% of directors were minority women (an average of 0.45 per board). When adjusting the percentages to account for minority women who are double counted in the survey, the percentage of White/Caucasian men increases to 66.38%. Six companies have 2 or more minority women on their board of directors. [Fig.14]
- *Hispanic/Latino:* Hispanics/Latinos comprise 3.68% of board members (an average of 0.44 per board); 1 out of every 27 board members is Hispanic/Latino. In 2010, Hispanic/Latinos made up 3.05% of board directors (an average of 0.41 per board). No company has more than 2 Hispanics/Latinos on their board, and only two companies actually have two Hispanic/Latino board members. Thirty-nine companies have no Hispanic/Latino board members. [Fig. 15 & 16]
 - *U.S. Based vs. Foreign National:* U.S. citizen/legal permanent resident (LPR) Hispanic/Latinos represent 3.31% of board members, reducing the presence of Hispanics/Latinos to only one out of every 30 board members. 0.37% is foreign national Hispanic/Latinos. Three companies have 1 foreign national Hispanic/Latino on their board.
- *African American/Black:* African-Americans/Blacks comprise 10.18% of board directors (an average of 1.26 per board), a slight decrease from the 10.40% they comprised in 2010 (an average of 1.30 per board). One out of every 10 board members is African American/Black. Only 4 companies have 3 or more African American/Black on their board; 12 companies have none. [Fig. 15 & 16]

- *U.S. Based vs. Foreign National:* For the most part, all African Americans/Blacks were U.S. based directors. 10.06% of African American/Black directors were U.S. citizens/LPRs compared to 0.12% who are not. One company has 1 black foreign national on their board.
- *Asian:* Asians comprise 2.21% of board directors (an average of 0.27 per board), an increase from the 1.67% they comprised in 2010 (an average of 0.21 per board). One out of every 45 directors is Asian. Only 4 companies have 2 Asians on their boards and no company has more; 52 companies have no Asians. [Fig. 15 & 16]
 - *U.S. Based vs. Foreign National:* U.S. citizen/LPR Asians represent 1.84% of board directors, so only one out of every 54 board members is a U.S. based Asian. 0.37% of Asians are foreign nationals. Two companies had an Asian foreign national on their board.
- *Native American:* The percentage of Native Americans remained unchanged from 2010 at 0%; No company had a Native American on their board. [Fig. 15 & 16]
- *Other Minority:* The percentage of Other Minorities remained unchanged from 2010 at 0%. No company has an Other minority on their board. [Fig. 15 & 16]

**Fortune 100 Companies
2011 Board Room Diversity**

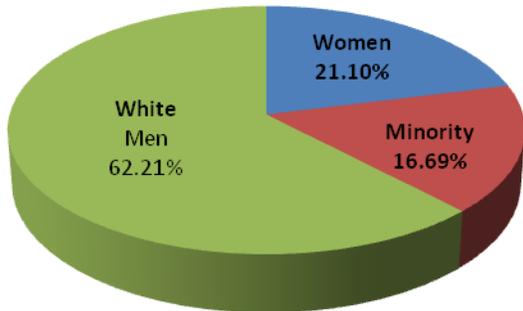


Figure 12

**Fortune 100 Companies
2010 Board Room Diversity**

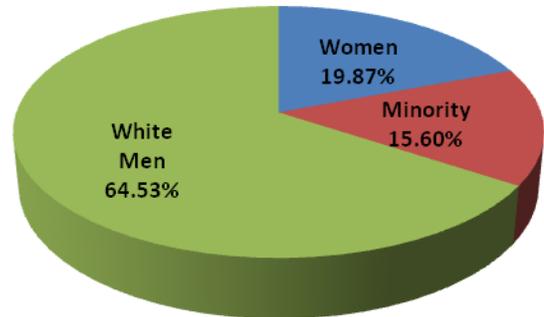


Figure 13

**Fortune 100 Companies
2011 Board Room Diversity**

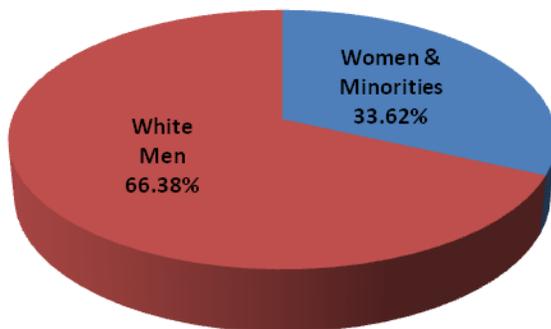


Figure 13

**Fortune 100 Companies
2010 Board Room Diversity**

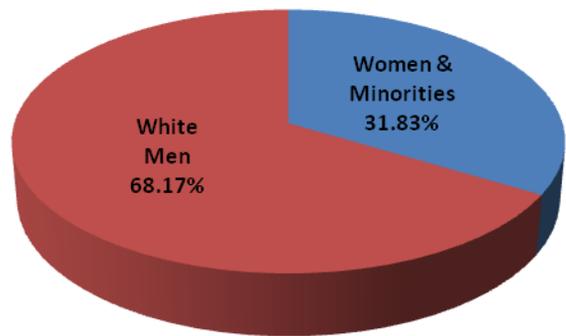


Figure 14

Fortune 100 Companies 2011 Board Member Diversity

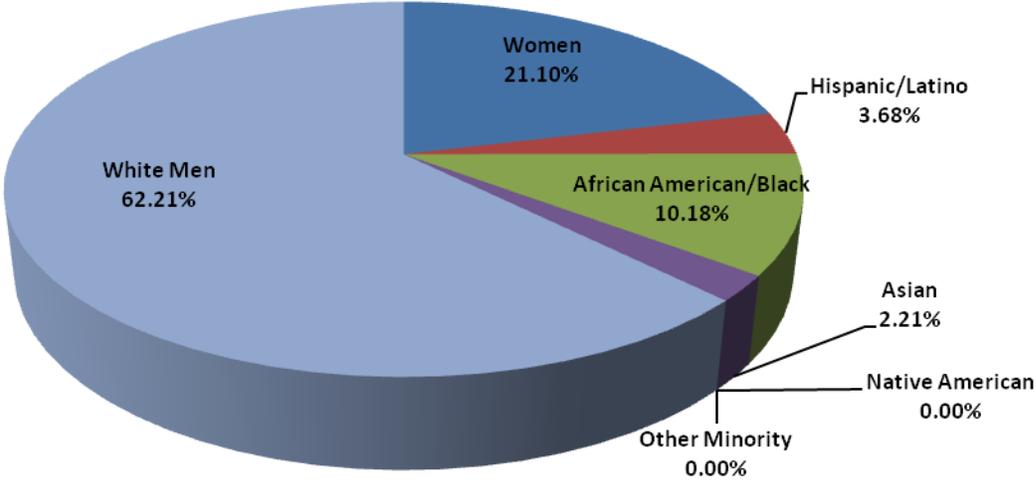


Figure 15

Fortune 100 Companies 2010 Board Room Diversity

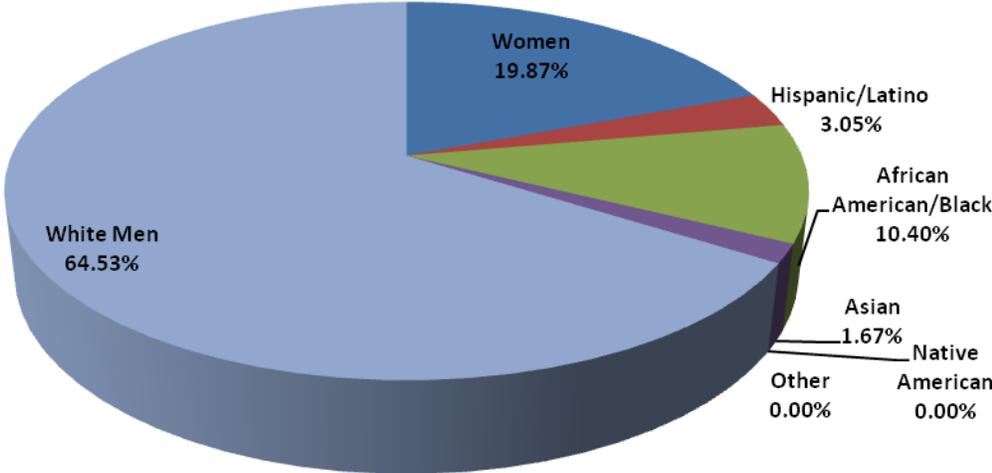


Figure 16

DIVERSITY ON CORPORATE BOARDS BY INDUSTRY

Companies were divided into broad industry categories. The number of seats held by women and minorities was compared total revenue by industry. [Figures 17 & 18]

Industry	Total Co's	Revenue (in millions of dollars)	Total Board Seats	White/Caucasian Men	Women	Minority	Hispanic/Latino	African American/Black	Asian	Native American	Other
Aero/Defense/Transportation	18	425,166.20	216	161	34	26	8	16	1	0	0
Energy	27	1,066,824.50	309	223	48	50	8	29	7	1	0
Financial Services	26	1,033,457.20	336	231	64	57	9	32	14	0	2
Food Products/Services	15	296,079.50	178	106	40	40	10	22	8	0	0
Hardware/Technology/Science	7	119,871.00	75	51	18	12	3	5	4	0	0
Health/Medical	28	922,394.00	328	228	62	45	16	28	5	0	1
Insurance	13	329,799.60	159	102	33	26	8	16	2	0	0
Manufacturing Industrial/Products	18	469,170.00	191	130	37	31	9	19	3	0	3
Media/Entertainment/Marketing	5	102,893.40	61	38	15	13	3	6	3	0	0
Retail	18	898,689.30	200	125	46	42	13	23	6	0	0
Telecomm/Computers/Business Services	20	743,226.90	230	163	41	33	12	16	5	0	1

Board Members 2011

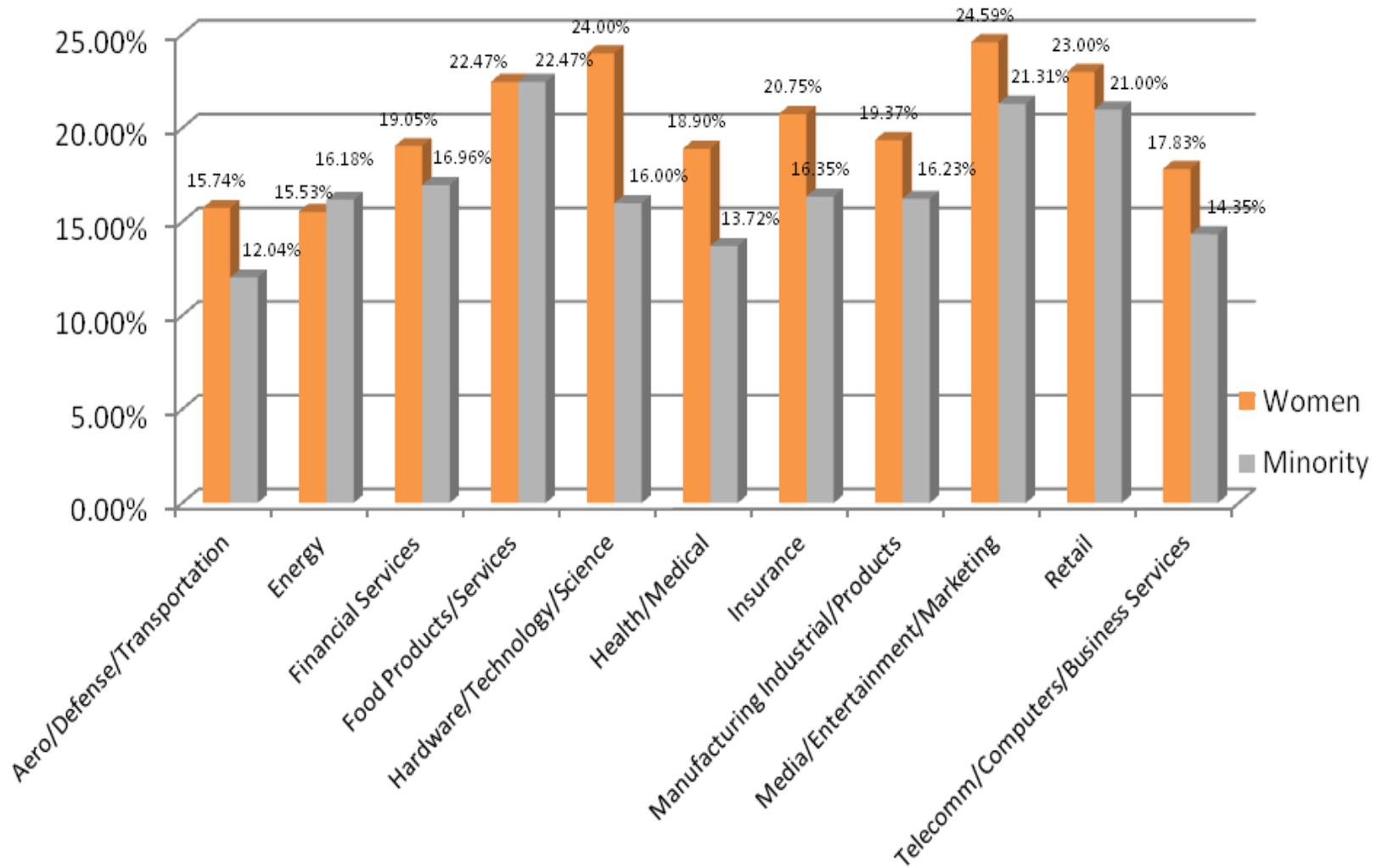


Figure 17

Board Members 2011

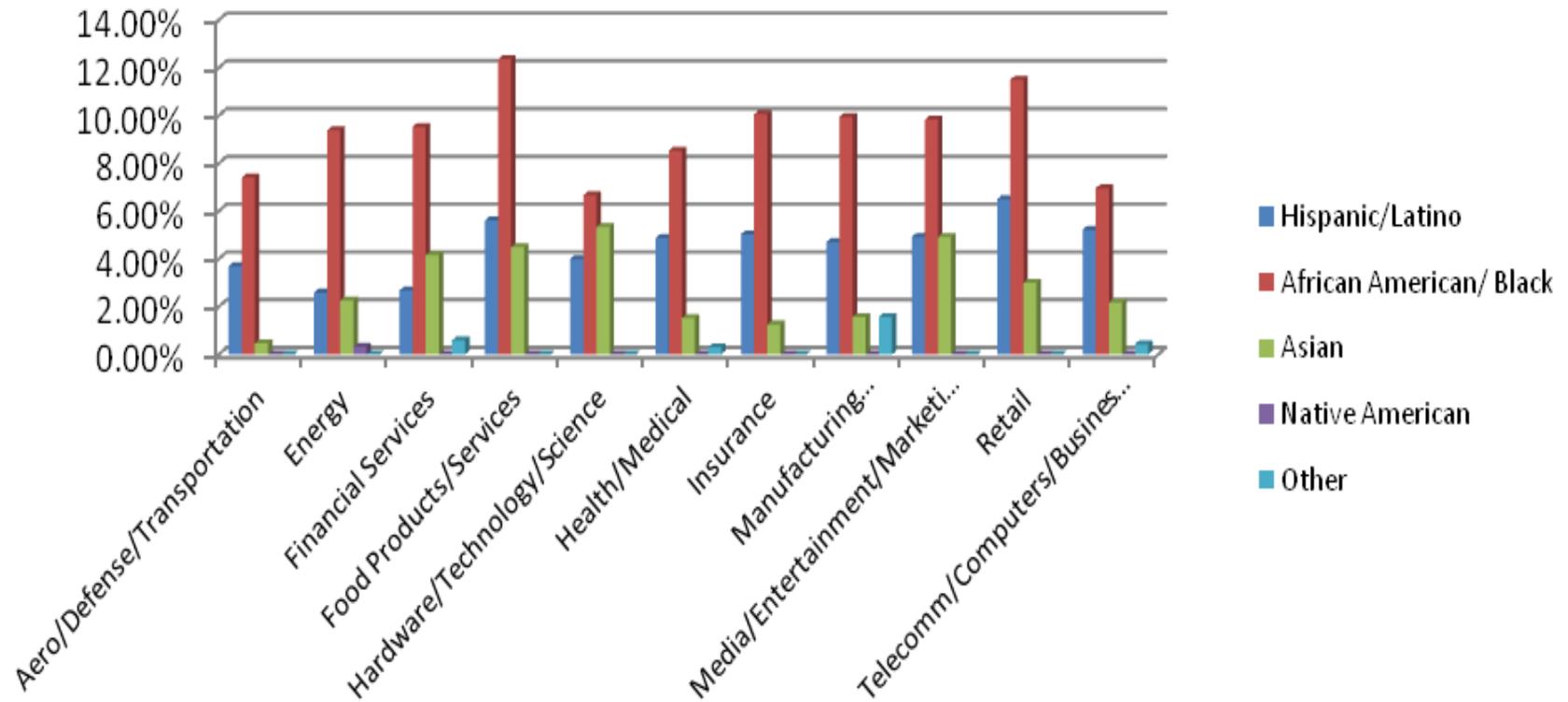


Figure 18

DIVERSITY ON EXECUTIVE TEAMS

Section 3 of the survey requested information about the make-up of executive teams, which are comprised of CEOs and those who report directly to the CEO. This section requested that companies distinguish between foreign nationals and U.S. based employees when providing numbers, as well as acknowledge how many women were also counted under another minority group – essentially, those who were tallied twice under two categories.

Fortune 500 Companies

White/Caucasian men comprise 67.74% of executive team members (an average of 11.31 per team), a decrease from the 69.56% they comprised in 2010 (an average of 11.15 per team). Women are better represented among executive leadership than they are on corporate boards, but minorities as a whole fare worse. Although African Americans/Blacks do better than other groups, their representation has gone down since 2010. Compared to 2010, Asians see a significant increase in their representation, and Hispanics/Latinos do slightly better. However, there are unfortunately still too many companies that do not even have one minority in their leadership.

- *Total Executive Team:* The average number of executive team members is 16.00, about the same as the average in 2010 (15.8).
- *Women:* Women comprise 20.62% of executive team members (an average of 3.30 per team), just slightly better than the 20.00% they represented in 2010 (an average of 3.26 women per team). Slightly more than one out of every five executive team members is a woman. 48 companies have 4 or more women in their senior leadership, and 18 have none. [Fig. 19, 20, 25&26]
- *Minority:* Minorities comprise 11.64% of executive team members (an average of 1.86 per team), better than they did in 2010 when they only comprised 10.44% (an average of 1.74 minorities per team). Much of this increase has to do with the increase in Asian representation. 20 companies have 4 or more minorities in their team leadership and 49 have none. [Fig. 19, 20, 27 & 28]
- *Minority Women:* Minority women represent 3.03% of executive team members (an average of 0.48 per team), compared to 2.29% they represented in 2010 (an average of 0.33 per team). 15 companies have 2 or more minority women and 139 do not have any minority women as part of their senior leadership. When adjusting the percentages to account for minority women who are double counted in the survey, the percentage of White/Caucasian men increases to 70.64%. [Fig. 21 & 22]
- *Hispanic/Latino:* Hispanics/Latinos comprise 3.03% of executive team members (an average of 0.48 per team), slightly better than the 2.90% they comprised in 2010 (an average of 0.46 per team). One out of every 33 team members is Hispanic/Latino. Only 18 companies have 2 or more Hispanics in their executive leadership and shockingly, 140 companies have none at all. [Fig.23 & 24]

- *U.S. Based vs. Foreign National:* U.S. citizen/legal permanent resident (LPR) Hispanic/Latinos represent 2.42% of executive leadership, and non-US based Hispanics/Latinos represent 0.71%. So Hispanic/Latino representation goes significantly down when accounting just for U.S. diversity.
- *African American/Black:* African Americans/Blacks comprise 3.99% of executive team members (an average of 0.64 per team), resulting in worse representation from the 4.23% they represented in 2010 (an average of 0.65 per team). One out of every 25 team members is African American/Black. 16 companies have 2 or more African Americans/Blacks in their leadership and an astonishing 114 companies have none. [Fig.23 & 24]
 - *U.S. Based vs. Foreign National:* For the most part, all African Americans/Blacks were U.S. based senior leadership. 3.96% of African American/Black leadership is U.S. citizen or LPR compared to 0.03% who is not.
- *Asian:* Asians comprise 3.74% of executive team leadership (an average of 0.60 per team), higher than the 2.55% they represented in 2010 (an average of 0.51 per team). One out of every 27 executive team leaders is Asian. Twenty-five companies have 2 or more Asians in their executive leadership and a surprising 134 companies have none. [Fig.23 & 24]
 - *U.S. Based vs. Foreign National:* U.S. citizen/LPR Asians comprise 3.03% of executive leadership and non-US based Asians represent 0.71%. Asian representation goes down significantly when accounting just for U.S. diversity.
- *Native American:* Native Americans comprise 0.26% of executive team members (an average of 0.04 per team), a statistic that is roughly unchanged from the 0.25% they comprised in 2010 (an average of 0.04 per team). One out of every 385 team members is Native American. Eight companies have one Native American in their senior leadership. [Fig.23 & 24]
- *Other Minority:* Other minorities represent 0.55% of executive team members (an average of 0.09 per team), slightly lower than the 0.62% they comprised in 2010 (an average of 0.11 per team). One out of every 182 team members is Other minority. Eight companies have one or more Other minorities in their senior leadership. [Fig.23 & 24]

Companies Participating in Both 2010 and 2011

- When comparing companies that participated in the survey both years, although the proportion of White/Caucasian men compared to other members of executive teams goes down, the total number of leadership slots held by White/Caucasian men increases by 43 total positions. The number of positions held by women increases by 19 and minorities hold 22 more positions. Hispanic/Latinos saw an increase in 10 total positions, while African Americans/Blacks saw a decline of 11 total positions. The number of executive leadership positions filled by Asians increased considerably from 76 to 95 - a total of 19 slots. *[Fig. 29]*

**Fortune 500 Companies
2011 Executive Team Diversity**

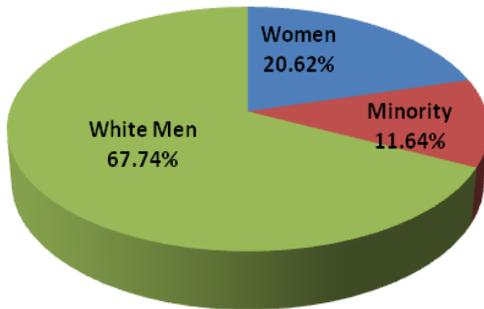


Figure 19

**Fortune 500 Companies
2010 Executive Team Diversity**

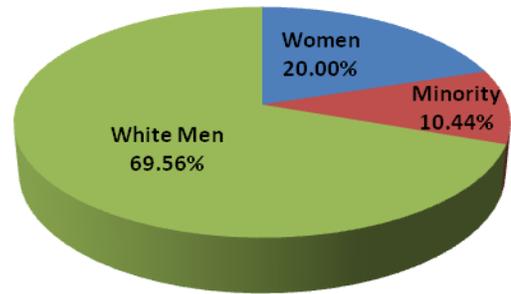


Figure 20

**Fortune 500 Companies
2011 Executive Team Diversity**

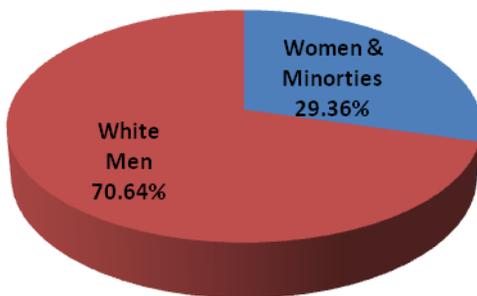


Figure 21

**Fortune 500 Companies
2010 Executive Team Diversity**

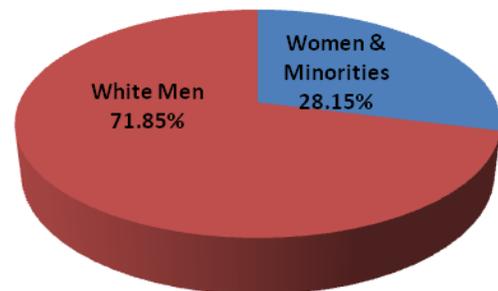


Figure 22

Fortune 500 Companies 2011 Executive Team Diversity

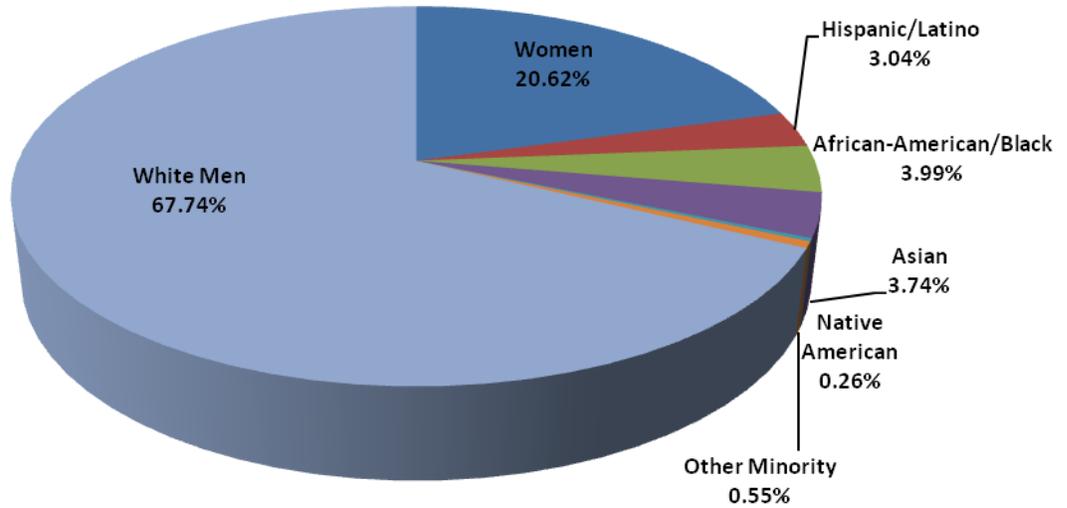


Figure 23

Fortune 500 Companies 2010 Executive Team Diversity

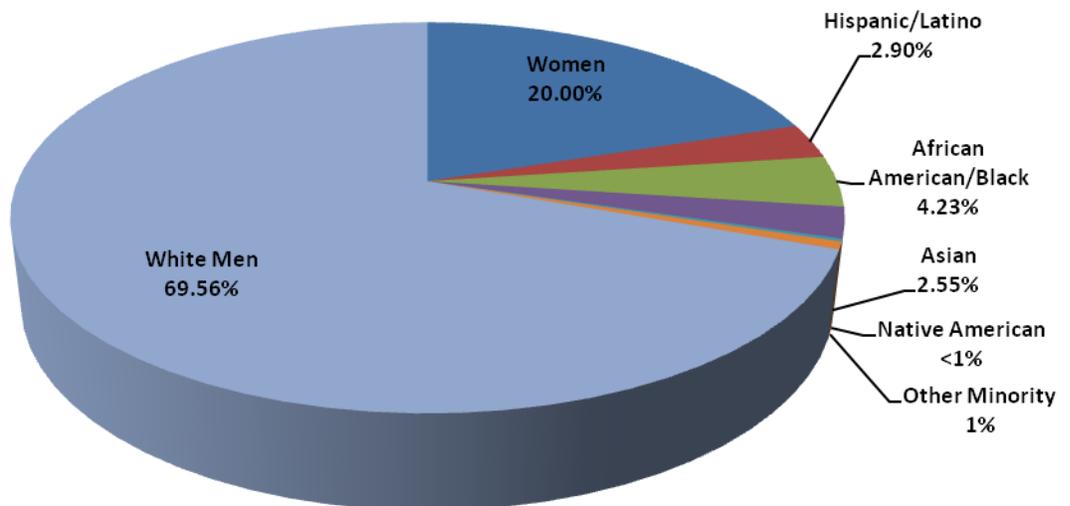


Figure 24

Distribution of Women on Executive Teams 2011

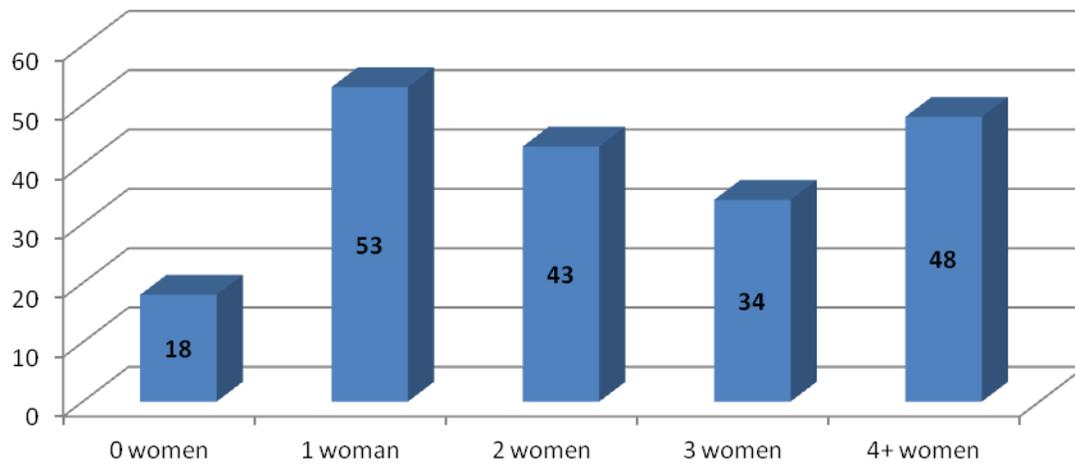


Figure 25

Distribution of Women on Executive Teams 2010

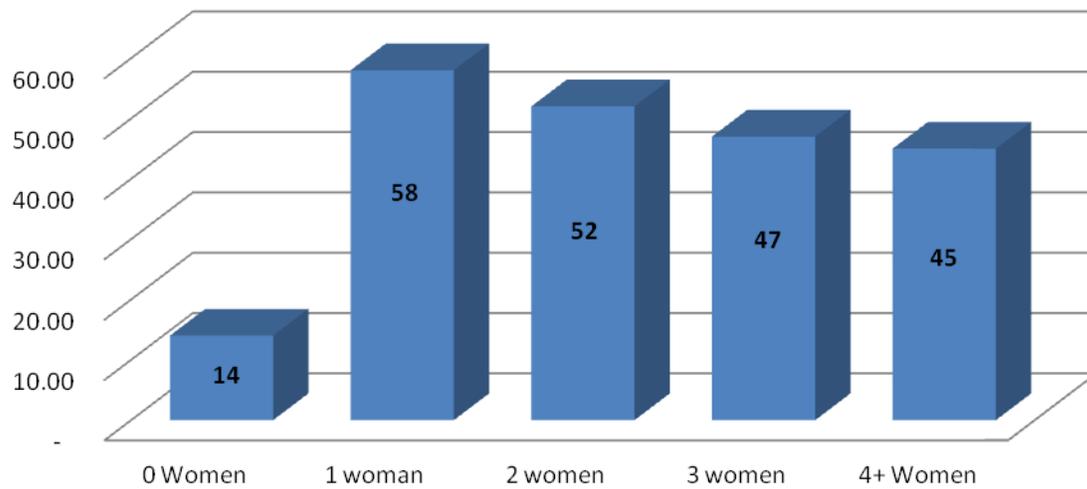


Figure 26

Distribution of Minorities on Executive Teams 2011

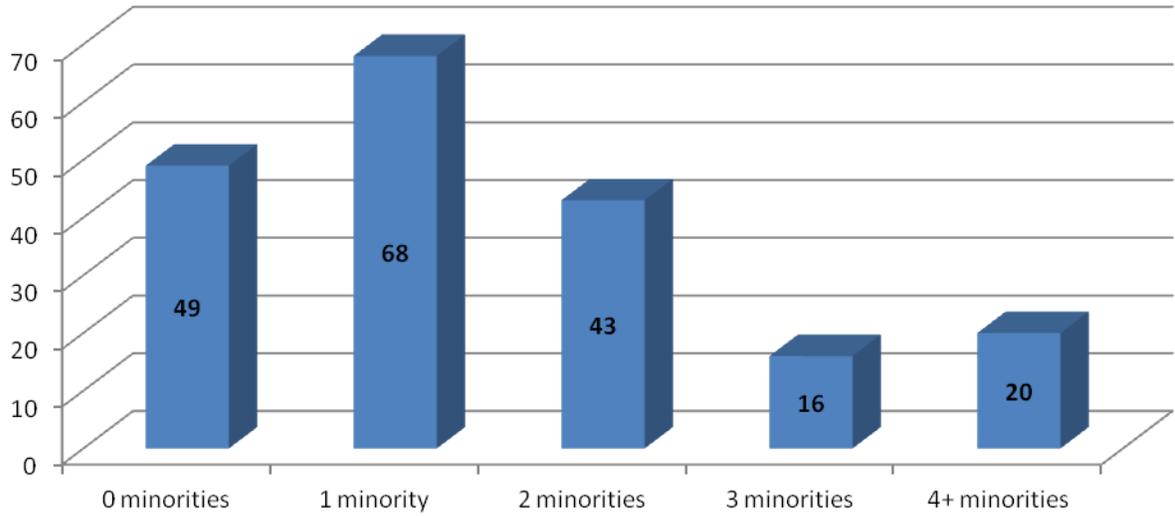


Figure 27

Distribution of Minorities on Executive Teams 2010

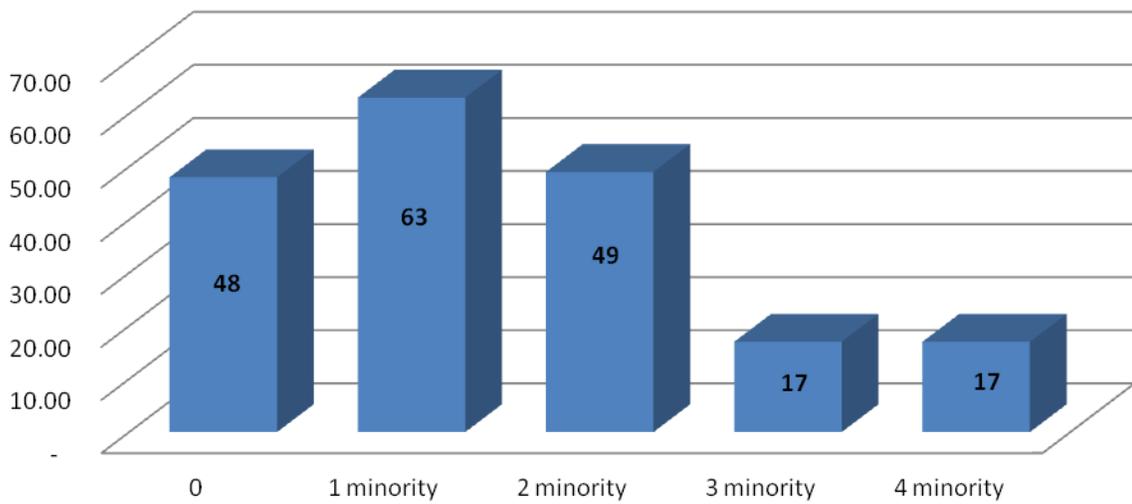


Figure 28

Total Executive Leadership Positions Companies That Participated in 2010 and 2011

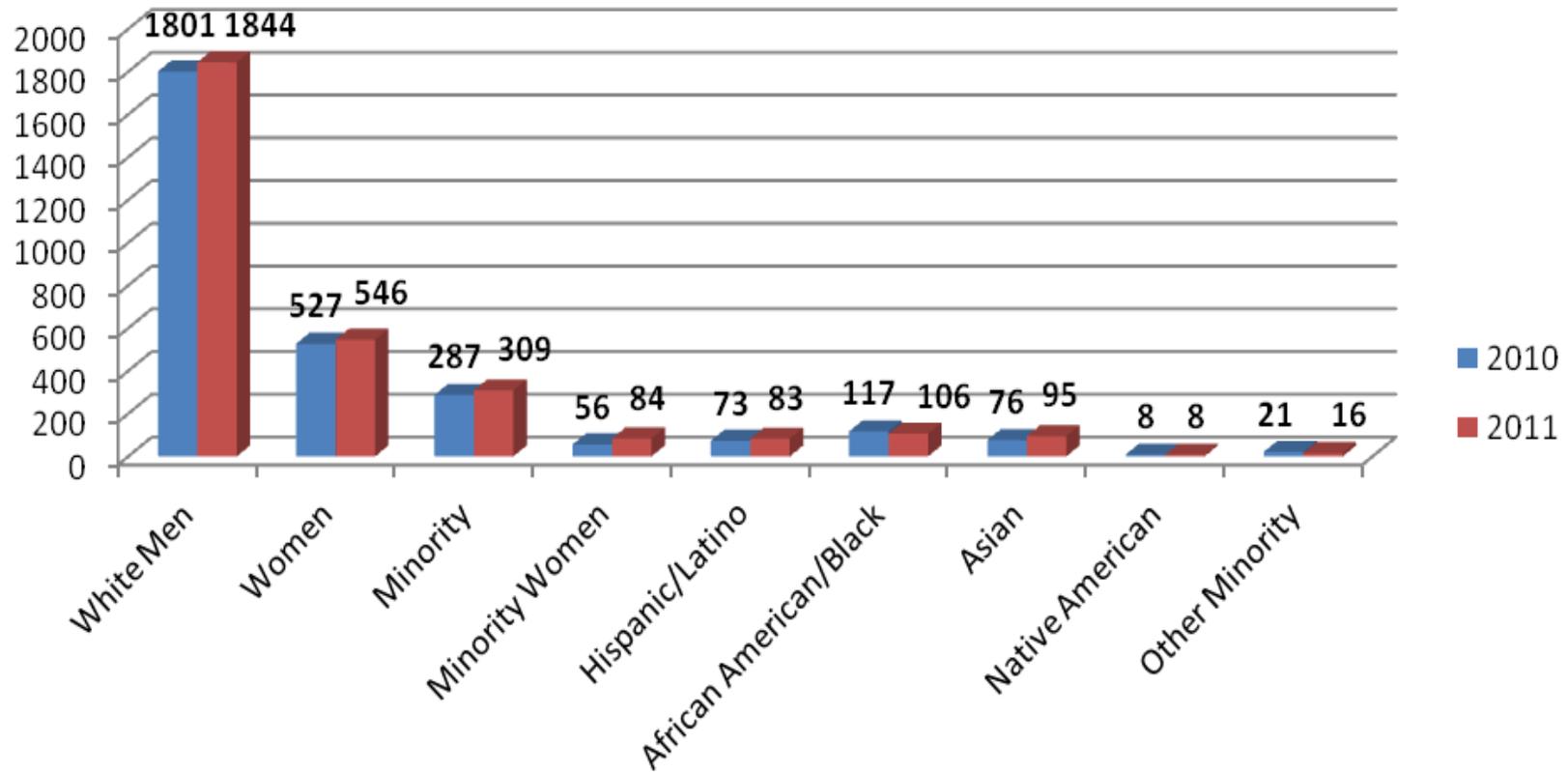


Figure 2920

Fortune 100 Companies

White/Caucasian Men represent 66.10% of executive team members (an average of 16.39 per team), compared to 67.92% they represented in 2010, which comes to an average of 14.68 per team. So although the average number of White/Caucasian Men on teams has increased, the proportion of white men to other groups has decreased. Among Fortune 100 companies, all groups other than Native Americans are represented at higher rates than they are on Fortune 500 companies. Asians have the highest representation among minority groups. Compared to 2010 statistics, all groups do better than other than African Americans/Blacks who now have lower representation.

- *Total Executive Team:* The average number of executive team members is 23.6, higher than the average of 21.2 in 2010.
- *Women:* Women comprise 21.46% of executive team members (an average of 5.06 per team), higher than the 20.61% they represented in 2010 (an average of 4.59 per team). More than one out of every five executive team members is a woman. 25 Fortune 100 companies have 4 or more women in their senior leadership, and only 4 have none. [Fig. 30 & 31]
- *Minority:* Minorities comprise 12.44% of executive team members (an average of 2.94 per team), equaling one out of every 8 team members, which is better than they did in 2010 when they only comprised 11.47% (an average of 2.38 per team). Much of this increase has to do with the increase in Asian representation. 20 companies have 4 or more minorities in their team leadership and 49 have none. [Fig. 30 & 31]
- *Minority Women:* Minority women represent 3.30% of executive team members (an average of 0.79 per team), compared to 1.99% they represented in 2010 (an average of 0.49 per team). 7 companies have 2 or more minority women and 42 do not have any minority women in senior leadership. When adjusting the percentages to account for minority women who are double counted in the survey, the percentage of White/Caucasian men increases to 69.33%. [Fig. 32 & 33]
- *Hispanic/Latino:* Hispanics/Latinos comprise 3.11% of executive team members (an average of 0.74 per team), better than the 2.53% they comprised in 2010 (an average of 0.51 per team). One out of every 32 team members is Hispanic/Latino. Only 8 Fortune 100 companies have 2 or more Hispanics in their executive leadership and 43 companies have none at all. [Fig. 34 & 35]
 - *U.S. Based vs. Foreign National:* U.S. citizen/legal permanent resident (LPR) Hispanic/Latinos represent 2.22% of executive leadership, and non-US based Hispanics/Latinos represent 0.89%. So Hispanic/Latino representation goes significantly down when accounting just for U.S. diversity.
- *African American/Black:* African Americans/Blacks comprise 4.06% of executive team members (an average of 0.97 per team), resulting in worse representation from the

5.78% they represented in 2010 (an average of 1.27 per team). An estimated one out of every 25 team members is African American/Black. 7 Fortune 100 companies have 2 or more African Americans/Blacks in their leadership and 35 companies have none. [Fig. 34 & 35]

- *U.S. Based vs. Foreign National:* All African Americans/Blacks in senior leadership are U.S. citizen/LPRs.
- *Asian:* Asians comprise 4.32% of executive team leadership (an average of 1 per team), higher than the 2.80% they represented in 2010 (an average of 0.63 per team). One out of every 23 executive team leaders is Asian. Thirteen Fortune 100 companies have 2 or more Asians in their executive leadership and 43 companies have none. [Fig. 34 & 35]
 - *U.S. Based vs. Foreign National:* U.S. citizen/LPR Asians comprise 3.37% of executive leadership and non-US based Asians represent 0.95%. Asian representation goes down significantly when accounting just for U.S. diversity.
- *Native American:* Native Americans comprise 0.19% of executive team members (an average of 0.05 per team), slightly higher than 0.26% they comprised in 2010 (an average of 0.06 per team). One out of every 526 team members is Native American. Three companies have one Native American in their senior leadership. [Fig. 34 & 35]
- *Other Minority:* Other minorities represent 0.83% of executive team members (an average of 0.20), slightly higher than the 0.41% they comprised in 2010 (an average of 0.16 per team). One out of every 121 team members is Other minority. Four companies have one or more Other minorities in their senior leadership. [Fig. 34 & 35]

**Fortune 100 Companies
2011 Executive Team Diversity**

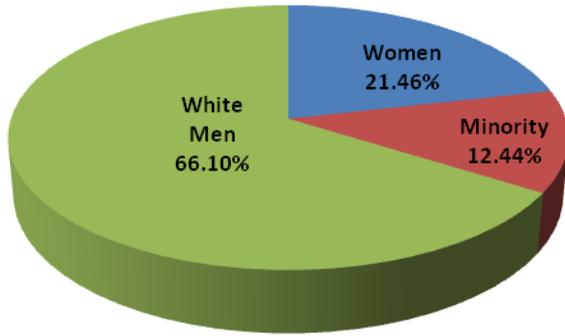


Figure 30

**Fortune 100 Companies
2010 Executive Team Diversity**

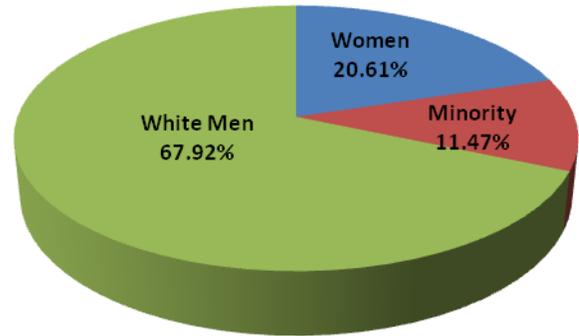


Figure 31

**Fortune 100 Companies
2011 Executive Team Diversity**

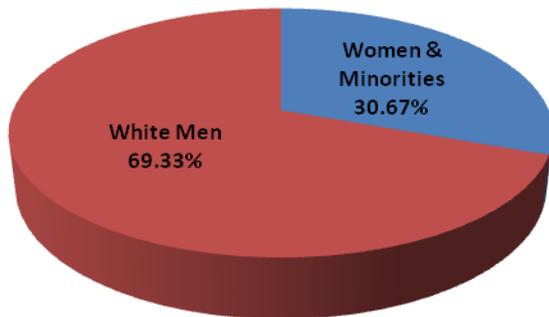


Figure 32

**Fortune 100 Companies
2010 Executive Team Diversity**

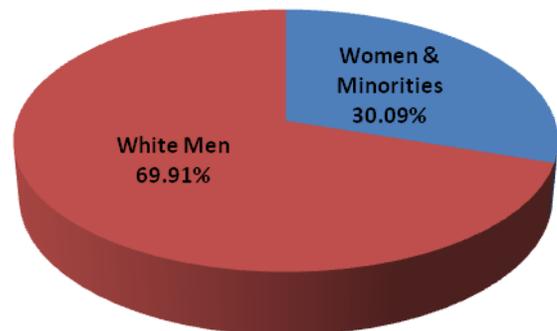


Figure 33

Fortune 100 Companies 2011 Executive Team Diversity

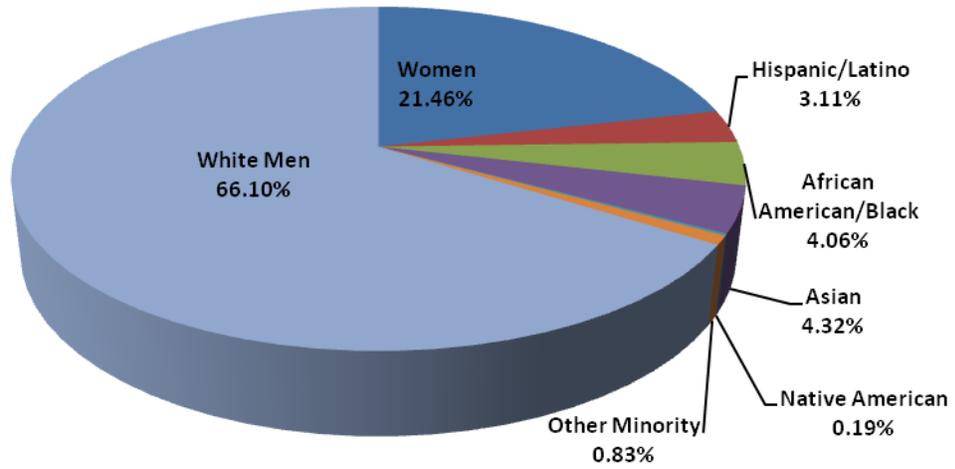


Figure 34

Fortune 100 Companies 2010 Executive Team Diversity

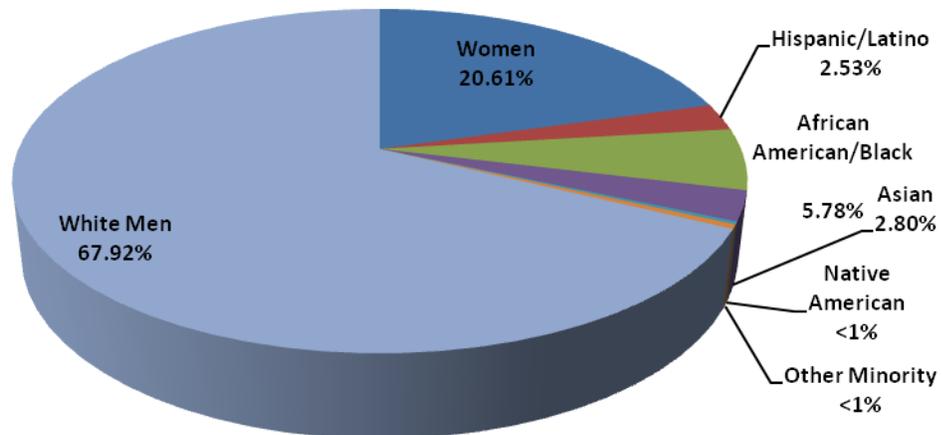


Figure 35

DIVERSITY ON EXECUTIVE TEAMS BY INDUSTRY

Companies were divided into broad industry categories. The number of positions held by women and minorities was compared total revenue by industry. [Fig. 36& 37]

Industry	Total Co's	Revenue (in millions of dollars)	Exec Team Total	White/Caucasian Men	Women	Minority	Hispanic /Latino	African American /Black	Asian	Native American	Other
Aero/Defense/Transportation	18	425,166.20	263	187	57	24	4	12	5	3	0
Energy	27	1,066,824.50	312	234	57	28	9	15	4	0	8
Financial Services	26	1,033,457.20	438	325	87	37	10	6	14	1	1
Food Products/Services	15	296,079.50	181	116	38	36	6	15	12	0	3
Hardware/Technology/Science	7	119,871.00	81	58	14	10	1	1	8	1	0
Health/Medical	28	922,394.00	365	254	71	53	23	15	10	2	2
Insurance	13	329,799.60	168	116	40	15	0	7	8	0	0
Manufacturing Industrial/Products	18	469,170.00	232	174	38	22	6	4	13	0	0
Media/Entertainment/Marketing	5	102,893.40	59	45	13	5	4	1	0	0	0
Retail	18	898,689.30	214	149	45	26	10	8	6	0	0
Telecomm/Computers/Business Services	20	743,226.90	807	549	183	104	21	37	34	1	3

Executive Team Members 2011

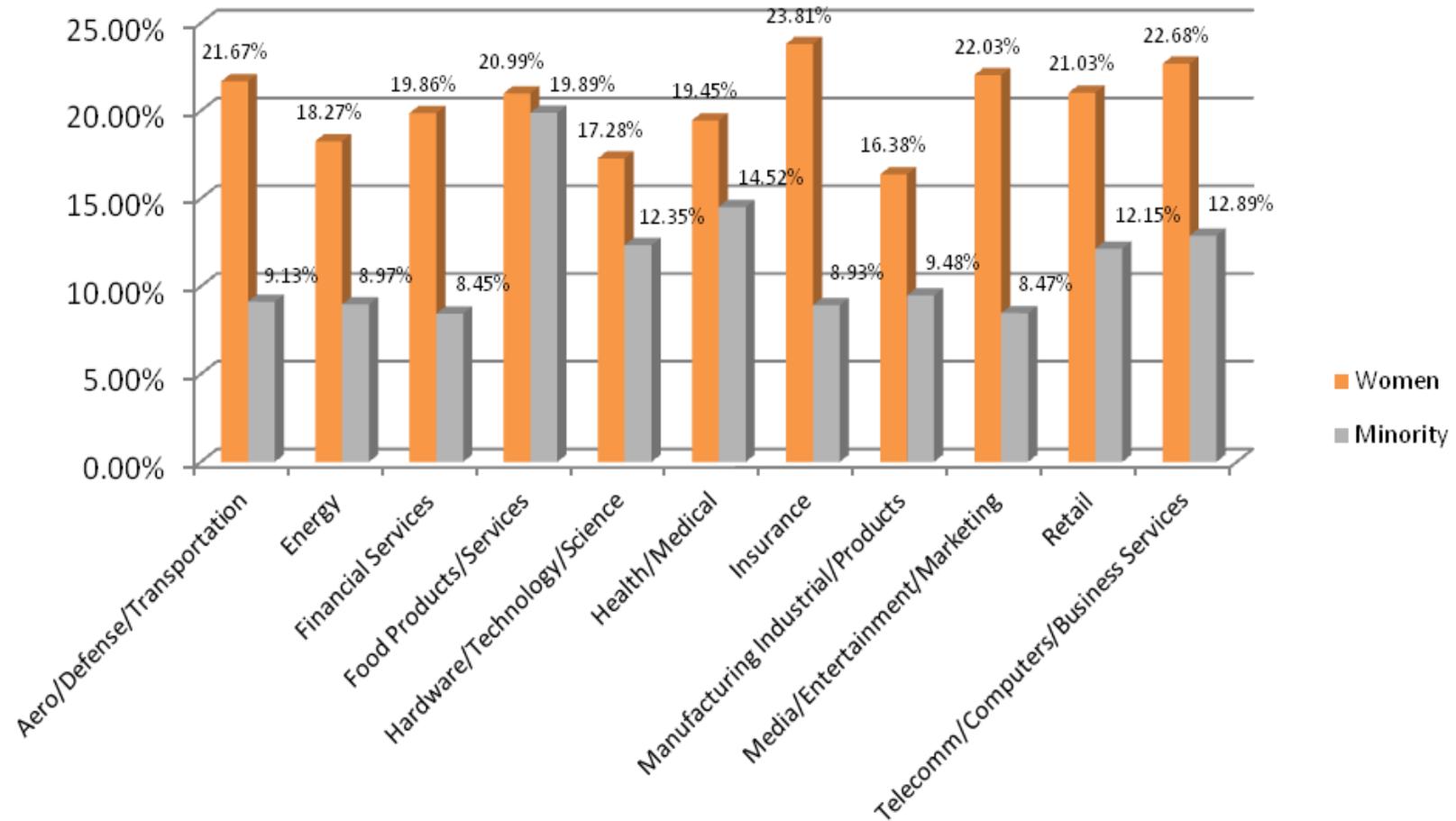
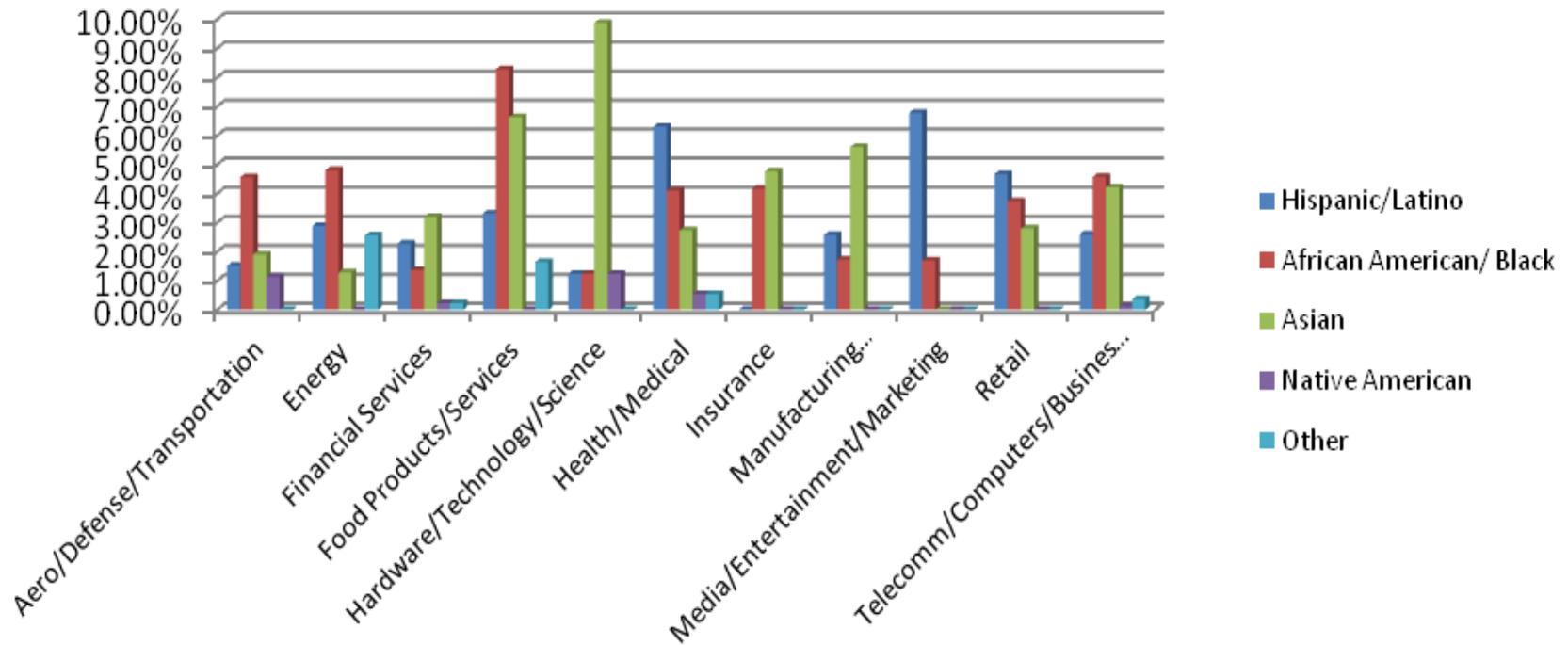


Figure 36

Executive Team Members 2011



Figure

SUPPLIER DIVERSITY

Section 4 asked companies about procurement spend with diverse suppliers. In 2010, the survey requested data just for minority-owned business enterprises, excluding women-owned businesses. In 2011, women-owned businesses were added to the request.

Fortune 500 Companies

A total of 144 Fortune 500 companies provided the percentage of total procurement that Women and Minority Business Enterprises (WMBEs) comprise. In 2010, only 41 provided data just for minority-owned businesses (MBEs). A total of 129 companies provided the percentage of total procurement that women-owned firms represent -- a question not asked in 2010. In addition, 102 companies provided data for minority groups, compared to 84 companies in 2010.

There was a substantial increase in companies that either track supplier data or are willing to release their data, which is a positive step forward. However, there was a significant decrease in diversity among supplier chains, which could partly be attributed to the increase in data sharing companies. However, what can be concluded is that companies are not as successful with their supplier diversity programs as they need to be.

- **Total WMBEs** represent 9.28%. In 2010, total MBEs represented 7.02%.
- **Women-Owned Firms** represent 3.92%. No comparison for 2010.
- **Hispanic/Latino-owned firms** represent 1.42% compared to 2.69% in 2010.
- **African-American/Black-owned firms** comprise 1.36%, down from 2.58% in 2010.
- **Asian-owned firms** represent 1.79% compared to 3.21% in 2010.
- **Native American-owned firms** comprise 0.30%, compared to 0.83% in 2010.
- **Other Minority-owned firms** comprise 0.54%, compared to 3.31%.* [Fig. 38&39]

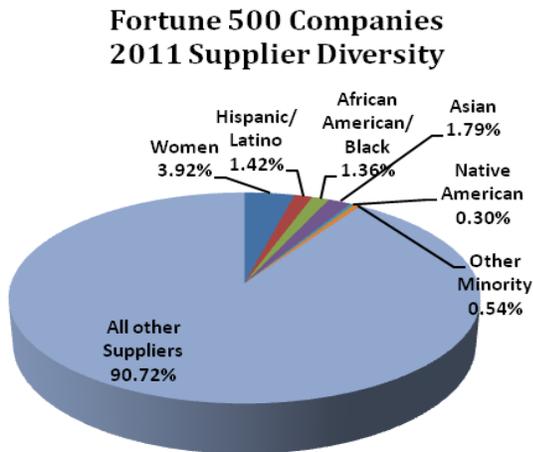


Figure 38

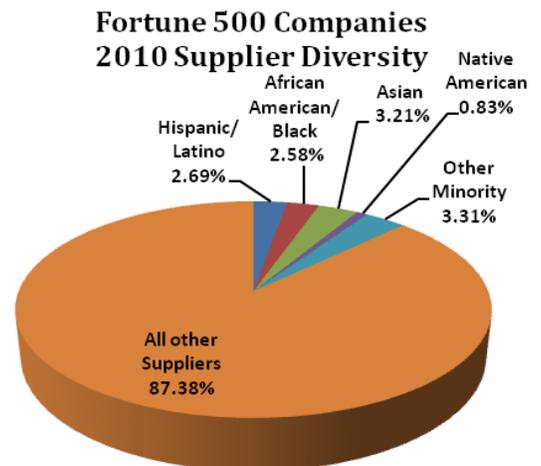


Figure 39

Fortune 100 Companies

A total of 52 Fortune 100 companies disclosed the percentage of total procurement that WMBE spend comprises. In 2010, only 16 Fortune 100 companies provided this data. A total of 48 Fortune 100 companies provided percentages for procurement with women-owned firms, a question that was not asked in the 2010 survey. In addition, 43 Fortune 100 companies provided data on specific minority groups. In 2010 only 33 companies provided this data.

There was not much difference on supplier diversity performance between Fortune 100 or Fortune 500 companies. It is clear that more companies are tracking supplier data, although the percentages have decreased substantially. Again, it is easy to conclude that companies are not doing very well when it comes to contracting with diverse suppliers and they need to do better.

- **Total WMBEs** represent 9.99%. In 2010, total MBEs represented 5.52%.
- **Women-Owned Firms** represent 4.69%. No comparison for 2010.
- **Hispanic/Latino-owned firms** represent 1.38% compared to 3.36% in 2010.
- **African-American/Black-owned firms** represent 1.52%, compared to 3.91% in 2010.
- **Asian-owned firms** represent 2.31% compared to 4.06% in 2010.
- **Native American-owned firms** comprise 0.36%, compared to 1.61% in 2010.
- **Other Minority-owned firms** comprise 0.80%, compared to 5.4%.* [Fig. 40 & 41]

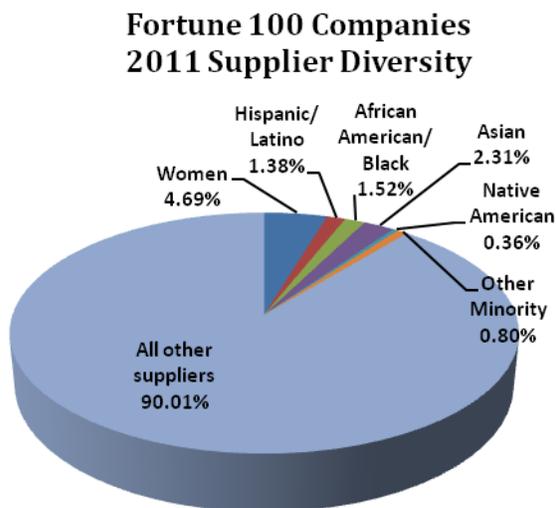


Figure 40

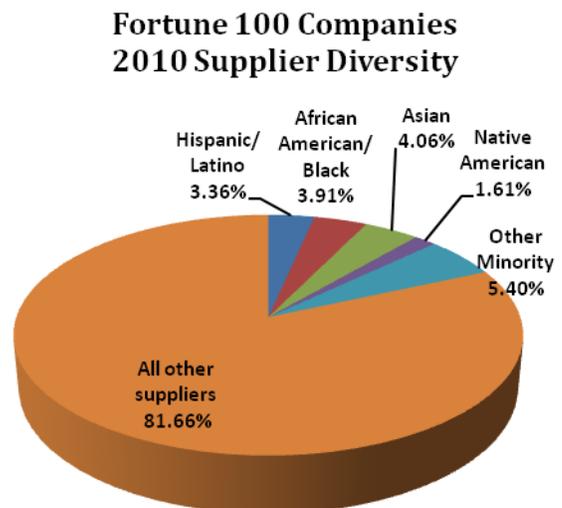


Figure 41

*Many companies included women in the Other minority category in 2010, accounting for drop in percentage.

PROFESSIONAL SERVICES DIVERSITY

Section 5 of the survey requested information on the percentage of spend with diverse firms for professional services, which for the purposes of this survey include financial, accounting, consulting and legal services. This section is new and was not in the 2010 survey.

Fortune 500 Companies

Fifty-seven Fortune 500 companies track spend on professional services with women-owned firms, 56 companies track spend on services with Hispanic/Latino-, African American/Black- and Asian-owned firms, 55 companies track spend on services with Native American-owned firms, and 46 companies track those services procured to Other minority-owned firms.* Women-owned firms did better than all other groups, and Hispanic/Latino, Native American and Other Minority-owned firms fared worse. [Fig. 42]

- Women Total Professional Services: 6.74%
 - Accounting Services: 1.71%
 - Consulting Services: 3.69%
 - Financial Services: 3.69%
 - Legal Services: 4.36%

- Hispanic/Latino Total Professional Services: 0.93%
 - Accounting Services: 0.13%
 - Consulting Services: 1.02%
 - Financial Services: 0.36%
 - Legal Services: 0.50%

- African American/Black Total Professional Services: 1.26%
 - Accounting Services: 0.30%
 - Consulting Services: 1.40%
 - Financial Services: 0.41%
 - Legal Services: 0.40%

- Asian Total Services: 2.00%
 - Accounting Services: 0.15%
 - Consulting Services: 2.04%
 - Financial Services: 0.67%
 - Legal Services: 0.29%

- Native American Total Services: 0.20%
 - Accounting Services: 0%
 - Consulting Services: 0.19%
 - Financial Services: 0.004%
 - Legal Services: 0.01%

- Other Minority Total Services: 0.47%
 - Accounting Services: 0.03%
 - Consulting Services: 0.26%
 - Financial Services: 0.003%
 - Legal Services: 0.01%

Fortune 500 Companies 2011 Professional Services Diversity

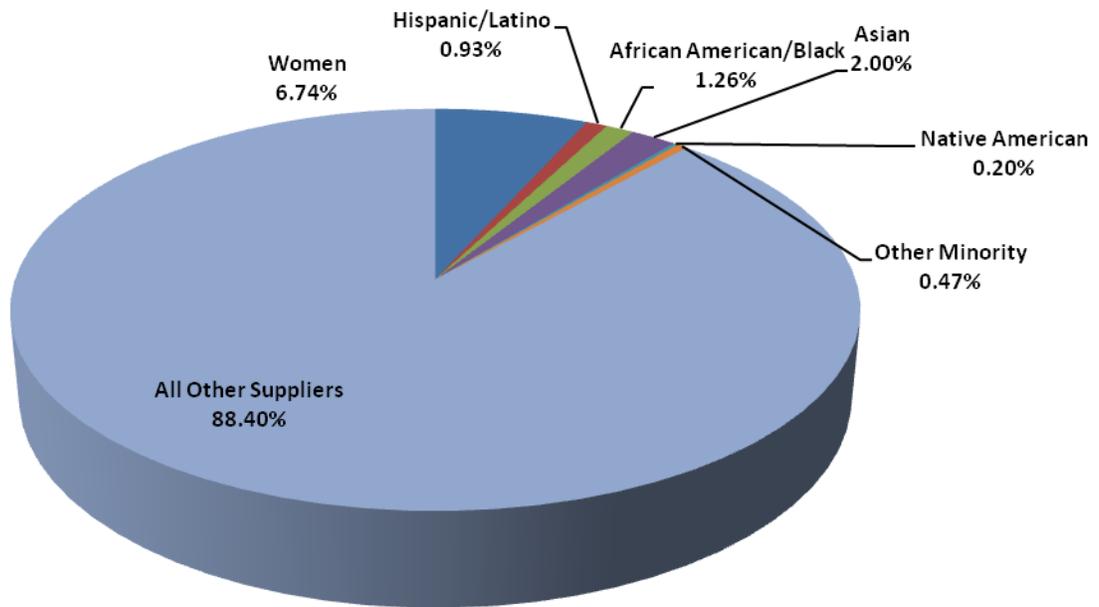


Figure 42

Fortune 100 Companies

Twenty-three Fortune 100 companies track the percentage of professional services procured to women-, Hispanic/Latino-, African American/Black- and Native American-owned firms, 24 companies track those services procured to Asian-owned firms, and 17 companies track services procured to Other minority-owned firms.* Again, women-owned firms fared better than all other groups, and Asian-owned firms did best among minority groups. Most groups had better representation among Fortune 100 companies than Fortune 500 companies. [Fig. 43]

- Women Total Professional Services: 6.83%
 - Accounting Services: 0.14%
 - Consulting Services: 4.12%
 - Financial Services: 3.46%
 - Legal Services: 5.13%

- Hispanic/Latino Total Professional Services: 1.20%
 - Accounting Services: 0.09%
 - Consulting Services: 1.10%
 - Financial Services: 0.46%
 - Legal Services: 0.33%

- African American/Black Total Professional Services: 1.70%
 - Accounting Services: 0.09%
 - Consulting Services: 0.74%
 - Financial Services: 0.55%
 - Legal Services: 0.34%

- Asian Total Professional Services: 3.01%
 - Accounting Services: 0.09%
 - Consulting Services: 1.98%
 - Financial Services: 0.59%
 - Legal Services: 0.37%

- Native American Total Professional Services: 0.28%
 - Accounting Services: 0%
 - Consulting Services: 0.25%
 - Financial Services: 0.01%
 - Legal Services: 0.02%

- Other Minority Total Professional Services: 0.20%
 - Accounting Services: 0%
 - Consulting Services: 0.18%
 - Financial Services: 0.01%
 - Legal Services: 0.02%

Fortune 100 Companies 2011 Professional Services Diversity

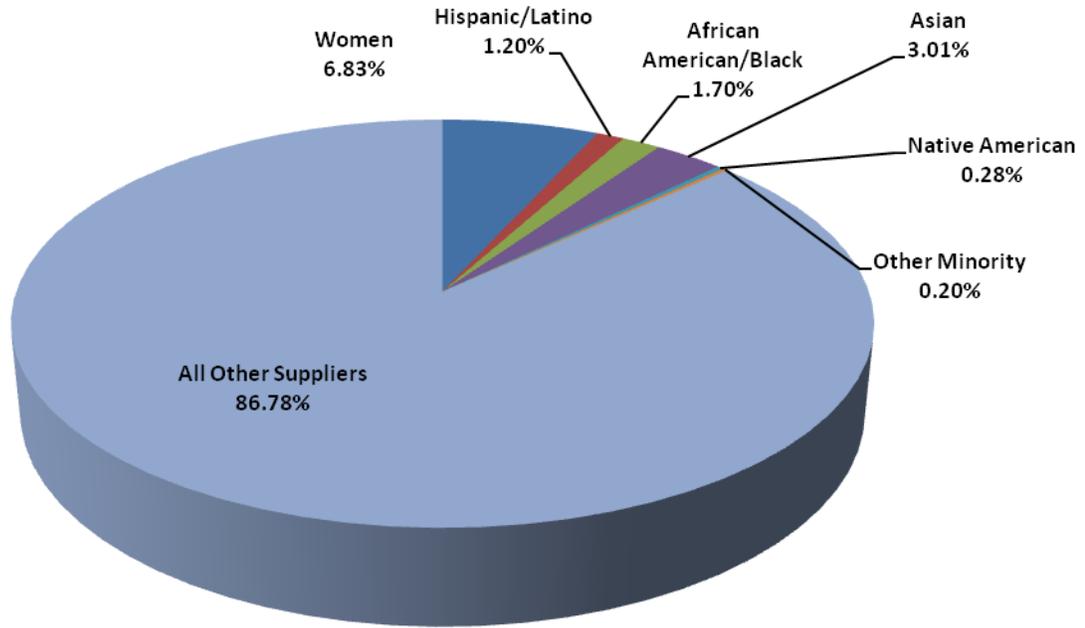


Figure 43

** The definitions of each type of service vary within companies, and therefore the percentages do not add up within racial/gender categories.*

THE IMPACT OF WRITTEN DIVERSITY PLANS AND DISCUSSIONS OF DIVERSITY WHEN USING SEARCH FIRMS ON CORPORATE BOARD DIVERSITY

Below is an analysis of section 1 of the survey, which asked companies if they have a written diversity strategy with targets for diversity, and the impact those plans have on board diversity (section 2) among companies that responded.

Fortune 500 Companies

Among Fortune 500 companies, African Americans/Blacks, Hispanics/Latinos and minorities as a whole benefit the most from written diversity plans as those groups fared much worse if companies did not have such plans. Asians and Native Americans either saw no impact, so are clearly not benefitting from those plans. Moreover, having targets within such plans did not correlate with improved diversity for any group. In terms of discussing diversity when using search firms, not discussing diversity had more of an adverse impact on women and African-Americans/Blacks than any other group. What is interesting is that not having a written diversity plan led to higher representation of White/Caucasian men on corporate boards, indicating that written plans do benefit diversity in general.

White/Caucasian Men

- *Written Diversity Plans:* The overall average of White/Caucasian men on corporate boards is 67.48% (when you account for women who are also of minority background) and that percentage increases slightly among companies with written diversity plans. However, among those companies without written diversity plans, the percentage of White/Caucasian men increases to 70.91%, which is significant.
- *Written Plan WITH Targets:* The percentage of White/Caucasian men on corporate boards increases to 68.18% among companies that have written plans with targets, as well as increases to 67.80% among companies that have no targets for diversity in their plans. This indicates that having targets does not necessarily improve diversity.
- *Discussion of Diversity When Engaging Search Firms:* Discussing diversity when using search firms increased the representation of White/Caucasian men significantly to 69.81%, which could mean that discussing diversity may not be as helpful as it should be.

Women

- *Written Diversity Plans:* The average percentage of women on corporate boards is 19.10%. That percentage increases slightly to 19.22% among companies with a written diversity plan, and decreases to 18.91% among corporations without a plan.
- *Written Diversity Plans WITH Targets:* The percentage of women on corporate boards decreases to 18.73% among companies that have written plans with targets, and increases to 19.40% among companies without targets, which is unexpected.

- *Discussion of Diversity When Engaging Search Firms:* Companies that discussed diversity when engaging executive search firms had slightly higher representation of women at 19.31%. Those companies that did not had a significant decrease in female representation to 17.47%, which is below the average. Therefore, not discussing diversity did harm to the presence of women on boards.

Minority

- *Written Diversity Plans:* The average percentage of minorities on boards is 16.43%. That percentage increases slightly to 16.64% among corporations with written diversity plans. That percentage decreases significantly to 14.91% among companies without a diversity plan, which is what we would expect.
- *Written Diversity Plans WITH Targets:* The average percentage of minorities on corporate boards increases to 16.73% among companies with targets in their written diversity plans. The average percentage also increases to 16.61% among companies that have no targets, which is unexpected.
- *Discussion of Diversity When Engaging Search Firms:* The average percentage of minorities on boards increases by a very small percentage to 16.45% among companies that discuss diversity when engaging search firms, and decreases slightly to 16.27% among companies that do not discuss diversity.

Minority Women

- *Written Diversity Plans:* The average percentage of minority women on corporate boards is 4.10%. That percentage decreases slightly to 4.01% among companies with a written plan, and increases to 4.73% among companies without a plan, which is unexpected.
- *Written Diversity Plans WITH Targets:* The average percentage of minority women increases slightly to 4.18% among companies that have plans with targets, and decreases to 3.95% if those plans do not have targets.
- *Discussion of Diversity When Engaging Search Firms:* Representation of minority women increases to 4.28% among companies that discuss diversity when engaging executive search firms, and decreases significantly to 1.81% among companies that do not discuss diversity when using such firms.

Hispanic/Latino

- *Written Diversity Plans:* The average percentage of Hispanic/Latino representation on corporate boards, which is 4.32%, decreases slightly to 3.81% among companies with written diversity plans, which is unexpected. However, the average percentage decreases even further to a dismal 0.08% among companies that do not have a written plan, which is significant.

- *Written Diversity Plans WITH Targets:* The average percentage of Hispanic/Latinos on boards decreases to 3.82% among companies that have written plans with targets, and also decreases to 3.81% among companies that do not have targets.
- *Discussion of Diversity When Engaging Search Firms:* Companies that discuss diversity when utilizing search firms see no change in the representation of Hispanics/Latinos on boards, and only decreases slightly to 4.23% among companies that do not discuss diversity.

African-American/Black

- *Written Diversity Plans:* The average percentage of African Americans/Blacks on corporate boards is 9.29%. That representation increases to 9.76% among companies that have a written diversity strategy, and decreases a large amount to 6.18% among companies that do not have plans.
- *Written Diversity Plans WITH Targets:* The average percentage decreases to 9.27% when companies had plans with targets, and increases to 9.94% among those with no targets, which is logically what we would not expect. Having targets does not improve diversity with this group.
- *Discussion of Diversity When Engaging Search Firms:* If firms discuss diversity when employing executive search firms, the percentage of African Americans/Blacks increases slightly to 9.45%, yet decreases to 7.83% among companies that do not discuss diversity when using search firms. Therefore not discussing diversity seems to have an adverse impact on African American/Black representation on boards.

Asian

- *Written Diversity Plans:* The average percentage of Asians on corporate boards is 2.50%. Unexpectedly, that percentage decreases to 2.38% among companies with written diversity plans, and increases to 3.27% among companies without a plan.
- *Written Diversity Plans WITH Targets:* The average percentage of Asians on boards decreases to 2.18% among companies that have written plans with targets and decreases slightly to 2.45% among diversity plans without targets.
- *Discussion of Diversity When Engaging Search Firms:* the average representation of Asians on corporate boards decreases slightly to 2.44% when firms discuss diversity when using search firms, and increases to 3.01% among firms that do not discuss diversity, which is the opposite of what we would expect.

Native American

- *Written Diversity Plans:* Companies that had written plans had zero representation of Native Americans on their boards. Among companies that did not have written plans, the percentage of Native Americans increases from an average of 0.04% to 0.36%.

- *Written Diversity Plans WITH Targets:* The average percentage of Native Americans on boards decreases to zero among both companies that have written plans with targets and those that do not.
- *Discussion of Diversity When Engaging Search Firms:* The discussion of diversity when using a search firm slightly raises the average percentage of Native Americans to 0.05%. Not discussing diversity yields zero representation of Native Americans on corporate boards.

Other Minority

- *Written Diversity Plans:* The average percentage of Other minorities on corporate boards decreases from 0.35% to 0.20% among companies with written diversity strategies. Not having a plan increases representation to 1.45% which is not what we would expect.
- *Written Diversity Plans WITH Targets:* The average percentage of Other minorities does not really change among companies that have written plans with targets. Those companies without targets saw a decrease in Other minority representation to 0.14%.
- *Discussion of Diversity When Engaging Search Firms:* Other minorities do slightly worse at 0.33% among companies that discuss diversity when engaging search firms, and do better at 0.60% among companies that do not discuss diversity, which is unexpected.

Fortune 100 Companies

Among Fortune 100 companies, having a written diversity plan led to more diversity and less representation of White/Caucasian men on boards. Not having written plans correlated decreased percentages of women and minorities on boards, especially among minority women, African-Americans/Blacks and Asians. The representation of Hispanics/Latinos did not benefit from written diversity plans solely but only from those plans that had targets. Having targets greatly improved the representation of minorities as a whole, minority women, and African-Americans/blacks. Moreover, the discussion of diversity when employing search firms does not necessarily improve diversity among most groups, and even had a negative impact in the case of Hispanic/Latinos. Only in the case of Asians did not discussing diversity lead to zero representation.

White/Caucasian Men

- *Written Diversity Plans:* The average percentage of White/Caucasian men is 68.17% when you account for women who are also of minority background. Among companies that have a written diversity plan, the average percent decreases to 65.87%. And among companies without written plans, the average percentage increases to 70.00%. Therefore having a written diversity plan correlates with less White/Caucasian men on boards and more diversity.

- *Written Diversity Plans WITH Targets:* The average percentage of White/Caucasian men slightly decreases to 68.14% among companies that have written plans with targets, which is unexpected. The average percentage of White/Caucasian men decreases significantly to 65.04% among companies without any targets in their written plans, which is unexpected. Therefore targets do not seem to be indicative of improved diversity among Fortune 100 companies.
- *Discussion of Diversity When Engaging Search Firms:* The average percentage of White/Caucasian men decreases to 66.45% among companies that discuss diversity when using search firms. The average percentage also decreases by a large margin to 61.22% among companies that do not discuss diversity when using search firms. Therefore, it seems that a discussion of diversity does not lead to better diversity.

Women

- *Written Diversity Plans:* The average percentage of women on Fortune 100 corporate boards is 21.10%. That percentage increases to 21.69% among companies with written diversity plans, and decreases significantly to 16.00% among companies without written plans. Therefore having a written plan correlates with improved representation of women on a company's board.
- *Written Diversity Plans WITH Targets:* The average percentage of women barely decreases among companies that have plans with targets to 21.08%. Among companies that do not have targets in their plans, the average percentage of women on those boards increased to 21.92%, which is unexpected.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when utilizing search firms, they have improved representation of women on their boards representing an average of 21.14%. However, among companies that did not discuss diversity, the representation of increased to 24.49% which is unexpected. Therefore a discussion of diversity did not seem to be all that helpful.

Minority

- *Written Diversity Plans:* The average percentage of minorities on Fortune 100 corporate boards is 16.69%. The average percentage increases to 16.93% among companies that have a written diversity plan and decreases significantly to 14.00% among companies without written plans. Clearly, not having a diversity plan hurts minority representation on corporate boards.
- *Written Diversity Plans WITH Targets:* Among companies with written plans that have targets, minority representation on boards of companies that have written plans with targets increases to 19.61% which is significant. Among companies that do not have such plans, the average percentage of minorities decreases to 16.30%. Therefore having a written diversity plan does improve diversity for minorities as a whole.
- *Discussion of Diversity When Engaging Search Firms:* The average percentage of minorities decreases to 16.51% among companies that discuss diversity when engaging

search firms, and increases by a large margin among companies that do not discuss diversity when using search firms. This is opposite of what we would expect.

Minority Women

- *Written Diversity Plans:* The average percentage of minority women is 3.93%. Among companies that have a written plan for diversity, that percentage increase to 4.23%. Among companies that do not have a written plan, zero companies have any minority women on their board. Therefore having a written plan does positively impact the representation of minority women on Fortune 100 boards.
- *Written Diversity Plans WITH Targets:* The average percentage of minority women increases to 7.84% among companies that have plans with targets. Among companies without targets, their representation decreases to 2.90%. Having targets within diversity plans correlates with better representation of minority women on Fortune 100 boards.
- *Discussion of Diversity When Engaging Search Firms:* The average percentage of minority women on boards decreases to 3.83% among companies that discuss diversity when utilizing search firms. That percentage increases to 6.12% among companies that do not discuss diversity, which is surprising.

Hispanic/Latino

- *Written Diversity Plans:* The average percentage of Hispanics/Latinos on Fortune 100 Boards is 3.68%. Among companies that have written plans, the average percentage decreases slightly to 3.57%, and increases to 4.00% among those without plans, which is not expected.
- *Written Diversity Plans WITH Targets:* The average percentage of Hispanics/Latinos on corporate boards increases to 4.41% among companies that have written plans with targets. The average percentage decreases to 3.26% among companies without targets.
- *Discussion of Diversity When Engaging Search Firms:* The average percentage of Hispanics/Latinos on boards decreases slightly to 3.57% among companies that discuss diversity when using executive search firms. Among companies that do not discuss diversity, the average percentage increases to 4.08%. Discussing diversity with a search firm seems to have a negative effect on Hispanic/Latino board representation.

African American/Black

- *Written Diversity Plans:* The average percentage of African American/Blacks on Fortune 100 boards is 10.18%. That average increases slightly to 10.32% among companies with a written plan, and decreases slightly to 10.00% among companies without a plan.
- *Written Diversity Plans WITH Targets:* Among companies that have written plans with targets, African American/Black diversity jumps to 12.25%, yet among companies that do not have targets with such plans, the representation of this same group decreases to

9.60%. Therefore companies that have written plans with targets are more successful board diversity as it relates to the representation of African Americans/Blacks.

- *Discussion of Diversity When Engaging Search Firms:* Among corporations that discuss diversity when utilizing executive search firms, the average percentage of African Americans/Blacks on boards decreases to 9.91%. Surprisingly, among companies that do not discuss diversity when using search firms, the average percentage of African Americans/Blacks jumps to 16.33%, which is the opposite of what we would expect.

Asian

- *Written Diversity Plans:* The average percentage of Asians on Fortune 100 boards is 2.21%. That percentage increases to 2.38% among companies that have a written diversity plan, and declines to 0% among corporations without such plans. Therefore, not having a diversity plan correlates with zero representation of Asians on corporate boards.
- *Written Diversity Plans WITH Targets:* Among companies with written plans that have targets, the representation of Asians on boards decreases to 1.96%; among companies without targets, the average percentage of Asians increases to 2.54%, which is unexpected. Therefore having targets within written diversity plans does not seem to lead to better diversity.
- *Discussion of Diversity When Engaging Search Firms:* When it comes to engaging search firms, those companies that discussed diversity saw an increase in Asian board representation to 2.38%. Not discussing diversity with search firms led to zero representation of Asians on corporate boards.

Native American

No Fortune 100 company has any Native Americans on its board of directors.

Other Minority

No Fortune 100 company has any Other minorities on its board of directors.

THE IMPACT OF WRITTEN DIVERSITY PLANS AND DISCUSSIONS OF DIVERSITY WHEN USING SEARCH FIRMS ON EXECUTIVE TEAM DIVERSITY

Below is an analysis of section 1 of the survey, which asked companies if they have a written diversity strategy with targets for diversity, and the impact those plans have on senior management diversity (section 3) among companies that responded.

Fortune 500 Companies

Having a written diversity plan negatively impacted the representation of minorities and women on executive leadership teams, which is the opposite of what we expect. When it came to women, if a company did not have a written plan, they were less likely to have a woman on their team. Minorities as a group were positively impacted by written diversity plans and plans with targets. Having a written plan did not necessarily improve Hispanic/Latino, Asian and Native American representation, but if those plans did not have targets, the representation of those groups suffered. The presence of African Americans/Blacks in senior leadership was not impacted positively by written diversity plans. Moreover, the representation of all minority groups and women declined if firms did not discuss diversity when using search firms.

White/Caucasian Men

- *Written Diversity Plans:* The average percentage of White/Caucasian men on Fortune 500 executive teams is 70.64% (when you account for women who are also of minority background). That percentage decrease by nearly 5% to 65.81% among companies with written diversity plans. Among companies with no written plans, the percentage of White/Caucasian men increases by over 6% to 76.90%.
- *Written Diversity Plans WITH Targets:* The average percentage of White/Caucasian men decreases to 69.97% among companies that have written plans with targets. When companies do not have targets, the percentage of White/Caucasian men decreases slightly 70.13%. Therefore having targets within written plans only has a minimal impact on diversity.
- *Discussion of Diversity When Engaging Search Firms:* The average percentage of White/Caucasian men decreases slightly to 70.34% among companies that discuss diversity when using executive search firms. Among companies that do not discuss diversity, the percentage of White/Caucasian men increases by over 5% to 75.71%.

Women

- *Written Diversity Plans:* The average percentage of women on Fortune 500 executive teams is 20.62%. Among companies that have a written plan, that percentage decreases to 19.84%, and decreases further by over 5% among companies that do not a written plan. Therefore not having a written plan seems to adversely impact the presence of women on executive teams.

- *Written Diversity Plans WITH Targets:* Among companies that have written plans with targets, the presence of women on executive teams declines to 19.88%, which is unexpected. Among companies with no targets in their written plans, the percentage of women in executive leadership increases to 22.89%, which is also unexpected. Therefore, having targets within written diversity plans does not correlate with improved representation of women in leadership and even can have a negative impact.
- *Discussion of Diversity When Engaging Search Firms:* The average percentage of women increases slightly to 20.81% among companies that discuss diversity when using executive search firms, and decreases substantially by over 3% among companies that do not discuss diversity when using such firms. Therefore, it would seem that not having discussion of diversity harms the representation of women in executive management.

Minority

- *Written Diversity Plans:* The average percentage of minorities in senior executive leadership is 11.64%. That percentage drops to 11.10% among companies that have a written plan, but also decreases by nearly 2% among companies without a written diversity plan. Therefore, not having a plan harms the presence of minorities as a whole in senior leadership.
- *Written Diversity Plans WITH Targets:* Among companies that have written plans with targets, the average percentage of Minorities increases to 12.88%, and decreases to 10.30% among companies that have plans without targets. Written diversity plans seem to correlate positively with better representation of minorities in senior management.
- *Discussion of Diversity When Engaging Search Firms:* Companies that discuss diversity when employing executive search firms see a slight increase in the representation of minorities to 11.76%. Among companies that do not discuss diversity when using search firms, the percentage drops slightly over 2% to 9.60%, which indicates that not having a discussion adversely impacts the presence of minorities in senior leadership.

Minority Women

- *Written Diversity Plans:* The average percentage of minority women in executive leadership is 3.30%. That percentage decreases to 2.89% among companies with written diversity plans, WITH further decreases to 2.53% among companies without a plan. There is no clear indication that having a written plan improves the representation of minority women in senior management.
- *Written Diversity Plans WITH Targets:* Among corporations with written plans that have targets, the presence of minority women decreases to 2.85%, and increases to 3.40% among companies that have plans with no targets. Again, even having a written plan targets does not correlate with better representation of minority women in senior executive management.

- *Discussion of Diversity When Engaging Search Firms:* The average percentage of minority women increases ever so slightly to 3.04% among companies that discuss diversity with search firms. When companies do not discuss diversity with search firms, the presence of minority declines to an average to 2.82%.

Hispanic/Latino

- *Written Diversity Plans:* The average percentage of Hispanics/Latinos in senior management is 3.03%. That percentage decreases to 2.59% among companies with written diversity plans, and even increases by nearly 3% to 5.78% among companies without plans. It would seem that written diversity plans by themselves do not benefit Hispanic/Latino representation in senior management.
- *Written Diversity Plans WITH Targets:* Among companies with plans that have targets, Hispanic/Latino representation increases to 3.32% and decreases by over 1% to 1.96% when companies do not have targets. Therefore, written diversity plans without targets harms Hispanic/Latino representation in senior leadership.
- *Discussion of Diversity When Engaging Search Firms:* The percentage of Hispanics/Latinos in senior management decreases to 2.94% among companies that discuss diversity when using search firms, which is unexpected. Furthermore, the percentage of Hispanics/Latinos increases among companies that do not discuss diversity when engaging search firms. Clearly, Hispanics/Latinos do not benefit from discussions of diversity.

African American/Black

- *Written Diversity Plans:* The average percentage of African Americans/Blacks in senior management is 3.99%. That percentage decreases to 3.82% among companies that have written diversity plans, which is the opposite of what we would expect, and further decreases to 3.25% among companies without plans.
- *Written Diversity Plans WITH Targets:* The average percentage of African Americans/Blacks on executive teams does not change among companies that have written plans with targets, and increases slightly to 4.17% among companies with no targets. Therefore, having a written plan with targets does not seem to benefit African American/Black representation in senior leadership.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when using search firms, the percentage of African Americans/Blacks increases slightly to 4.07%, and decreases more than 1% to 2.82% among companies that do not discuss diversity. Therefore, African American/Black representation in senior management seems to be harmed when companies neglect to discuss diversity when employing executive search firms.

Asian

- *Written Diversity Plans:* The average percentage of Asians in senior executive management is 3.74%. That percentage declines to 3.49% among companies that have

written diversity plans, and increases to 3.97% among those companies without plans. This is the opposite of what we would expect, and therefore it would seem that written plans are not really benefitting the presence of Asians in senior positions.

- *Written Diversity Plans WITH Targets:* Among companies with written plans that have targets, the average percentage of Asians in senior management increases to 4.11%, and decreases to 3.15%. Although written plans by themselves do not increase Asian representation, having plans with targets does lead to more Asians in executive leadership.
- *Discussion of Diversity When Engaging Search Firms:* A discussion of diversity when using executive search firms increases the presence of Asians in senior leadership to 3.83%, and not discussing diversity decreases Asian representation by nearly 1.5% to 2.26%. When companies do not discuss diversity when using search firms, Asian representation in senior management is negatively impacted.

Native American

- *Written Diversity Plans:* The average percentage of Native Americans in senior executive management is 0.26%. That percentage increases to 0.27% among companies that have written diversity plans. Companies without written diversity plans have zero representation of Native Americans in senior leadership.
- *Written Diversity Plans WITH Targets:* Among companies with written plans that have targets, the presence of Native Americans declines to 0.24%. When companies do not have targets within those plans, Native American representation increases to 0.34%.
- *Discussion of Diversity When Engaging Search Firms:* Companies that discuss diversity when employing search firms see just a slight increase in representation of Native Americans to 0.27%. Among companies that do not discuss diversity with search firms, Native American representation falls to 0%.

Other Minority

- *Written Diversity Plans:* The average percentage of Other minorities is 0.55%. Among companies that have written plans, the percentage of Other minorities increases to 0.57%. Companies with no written plans have zero Other minorities in their senior leadership.
- *Written Diversity Plans WITH Targets:* Companies with written plans that have targets saw an increase in the presence of Other minorities to 0.97%, and those companies without targets saw a decline of nearly half a percent to 0.09%.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when using executive search firms, the average percentage of Other minorities increases to 0.58%. Among companies that do not discuss diversity, there are zero minorities in senior leadership.

Fortune 100 Companies

Among Fortune 100 companies, not having a written diversity plan negatively impacted diversity across all groups, in particular women. In fact, not having a written plan correlated with increased representation of White/Caucasian men in senior leadership. Moreover, not discussing diversity when using an executive search firm correlates with more White/Caucasian men serving in leadership positions, as well as less African Americans/Blacks and Asians senior leadership. As we saw with the Fortune 500 companies, having a written plan with targets did not necessarily lead to better diversity on Fortune 100 senior management teams, although there was a positive correlation between plans with targets and the representation of minorities. When it came to executive search firms, women saw largest decreases among companies that do not discuss diversity with those firms.

White/Caucasian Men

- *Written Diversity Plans:* The average percentage of White/Caucasian men in senior executive leadership among Fortune 100 companies is 69.33% (when accounting for women who are minority background). That percentage decreases slightly among companies that have a written diversity plan, and increases by nearly 8% to 77.27%. Therefore written diversity plans correlate very positively with increased diversity in senior management.
- *Written Diversity Plans WITH Targets:* The average percentage of White/Caucasian men increased to 70.36% among companies with written plans that have targets for diversity. Among companies that have no targets in their written plans, the percentage of White/Caucasian men decreases to 67.84%. It seems as though written plans with targets do not necessarily correlate with improved diversity among senior managers.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when using executive search firms, the percentage of White/Caucasian men increases to 69.42%, and decreases to 69.12% among those companies that do not discuss diversity. Therefore a discussion of diversity when using search firms does not necessarily correlate with better diversity among senior leadership.

Women

- *Written Diversity Plans:* The average percentage of women in senior leadership among Fortune 100 companies is 21.46%. That percentage increases to 21.60% among companies with written diversity plans, and decreases by nearly 8% to 13.64% among companies that do not have written plans. Therefore not having a written diversity plan correlates with decreased presence of women in senior executive management.
- *Written Diversity Plans WITH Targets:* The average percentage of women in executive leadership declines nearly 3% among companies that have written plans with targets. Among companies that do not have targets with such plans, the average percentage of women increases to 24.86%. Therefore, targets for diversity within written plans do not lead to better representation of women in senior leadership.

- *Discussion of Diversity When Engaging Search Firms:* The average percentage of women increases to 21.53% among companies that discuss diversity when engaging search firms, and declines more than 2% to 19.12% among companies that do not discuss diversity.

Minority

- *Written Diversity Plans:* The average percentage of minorities in senior leadership among Fortune 100 companies is 12.44%. That percentage increases to 12.54% among companies that have written diversity plans, and decreases 9.09% among companies with no written plans. Therefore, not having a written plan harms diversity among minorities as a whole.
- *Written Diversity Plans WITH Targets:* The average percentage of minorities increases to 13.82% among companies that have written plans with targets for diversity. Among companies that do have plans with targets, the average percentage of minorities decreases to 11.10%. Therefore written plans with targets do benefit minority representation in senior leadership.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when using search firms, the average percentage of minorities in senior leadership decreases to 12.34%. Among companies that do not discuss diversity, the presence of minorities increases by over 2% to 14.71%.

Minority Women

- *Written Diversity Plans:* The average percentage of minority women is 3.30%. The average percentage increases to 3.43% among companies that have a written plan; companies that do not have zero minority women in senior leadership.
- *Written Diversity Plans WITH Targets:* Among companies with written plans that have targets, the average percentage of minority women decreases to 3.11%, and increases to 3.79% among those that do not have targets, which is unexpected.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when using executive search firms, the average percentage increase to 3.35%, and decreases to 2.94% among companies that do not discuss diversity.

Hispanic/Latino

- *Written Diversity Plans:* The average percentage of Hispanics/Latinos in executive management is 3.11%. That percentage decreases to 2.51% among companies that have written plans. The average increases to 25.00% among companies that do not have written diversity plans, which is skewed primarily because of a single company that does not have a written plan but has a high number of Hispanics in executive leadership.

- *Written Diversity Plans WITH Targets:* Among companies with written that also have targets, the percentage of Hispanics/Latinos decreases to 2.99%. Similarly, the average percentage of Hispanics/Latinos decreases by more than 1% to 1.97% among companies with written plans that do not have targets for diversity. Therefore companies that do have targets for diversity within their written diversity plans have decreased Hispanic/Latino representation in senior leadership.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when using executive search firms, the average percentage of Hispanics/Latinos decreases to 2.95%, and increases by over 4% to 7.35% among companies that do not discuss diversity. Again, this percentage is skewed higher due to a single company that has very high number of Hispanics/Latinos yet does not discuss diversity when using executive search firms.

African American/Black

- *Written Diversity Plans:* The average percentage of African Americans/Blacks in executive leadership is 4.06%. That percentage increases to 4.22% among corporations that have written diversity plans. Fortune 100 companies that do not have written diversity plans have zero African Americans/Blacks in senior leadership.
- *Written Diversity Plans WITH Targets:* Among companies with written plans that have targets, the percentage of African Americans/Blacks decreases to 3.49%, and increases by over 1% to 5.06% among companies without targets. Thus the existence of targets within written plans does not correlate with higher representation of African Americans/Blacks in senior executive management.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when using executive search firms, the percentage of African Americans/Blacks in senior leadership increases to 4.16%. Among companies that do not discuss diversity, the percentage of African Americans/Blacks decreases by more than 1% to 2.94%. Therefore not having a discussion on diversity negatively impacts the representation of African Americans/Blacks on executive leadership teams.

Asian

- *Written Diversity Plans:* The average percentage of Asians in executive management leadership among Fortune 100 companies is 4.32%. That percentage decreases slightly to 4.29% among companies that have written diversity plans, and decreases by more than 2% to 2.27% among companies with plans. Thus Asian representation is negatively impacted by the lack of a written diversity plan.
- *Written Diversity Plans WITH Targets:* Among companies with written plans that have targets for diversity, the percentage of Asians in leadership increases to 5.11%, and decreases to 3.37% among companies with plans without targets. Consequently, written plans that have targets correlate positively with Asian presence in senior leadership.

- *Discussion of Diversity When Engaging Search Firms:* Companies that discuss diversity when engaging executive search firm have a lower percentage of Asians in executive leadership (4.23%). Among companies that do not discuss diversity, the percentage of Asians increases to 4.41%.

Native American

- *Written Diversity Plans:* The average percentage of Native Americans part of senior leadership in Fortune 100 companies is 0.19%. That percentage increases to 0.20% among companies with written diversity plans. Companies without plans have zero Native Americans in executive leadership teams.
- *Written Diversity Plans WITH Targets:* Among companies with written plans that have targets, the average percentage of Native Americans increases to 0.25%, and decreases to 0.14% among companies with plans that do not have targets.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when using search firms, the average percentage of Native Americans increases to 0.20%. Companies that do not discuss diversity when using search firms have zero representation of Native Americans in executive leadership.

Other Minority

- *Written Diversity Plans:* The average percentage of Other minorities part of senior leadership in Fortune 100 companies is 0.83%. The average percentage increases to 0.86% among companies that have written diversity plans. Companies that do not have written plans have zero Other minorities in their senior leadership teams.
- *Written Diversity Plans WITH Targets:* Among companies with written plans that have targets, the average percentage of Other minorities increases to 1.49%, and decreases to 0.14% among companies that do not have targets.
- *Discussion of Diversity When Engaging Search Firms:* Among companies that discuss diversity when using search firms, the average percentage of Other minorities increases to 0.87%. Companies that do not discuss diversity with search firms have no Other minorities in executive leadership.

THE IMPACT OF WRITTEN DIVERSITY PLANS ON SUPPLIER DIVERSITY

Below is an analysis of section 1 of the survey, which asked companies if they have a written diversity strategy with targets for diversity, and the impact those plans have on supplier diversity (section 4) among companies that responded.

Fortune 500 Companies

Among Fortune 500 companies, written diversity plan correlated with increases in supplier spend with women- and minority-owned business enterprises (WMBEs). Moreover, not having a written plan or written plans with targets for diversity significantly reduced the percentage of procurement with all WMBEs, women-owned firms and Asian-owned firms in particular. Hispanic/Latino-owned firms were not positively impacted by written plans, and in fact having a written plan correlated with less spend with Hispanic/Latino-owned firms, indicating these plans may not serve those firms very well.

Women-and Minority-Owned Business Enterprises (WMBEs)

- *Written Diversity Plans:* On average, 9.28% of total procurement dollars spent among Fortune 500 companies goes to WMBEs. Among companies with written plans, that percentage increases to 9.51% and decreases by nearly 2% to 7.35% among companies that do not.
- *Written Diversity Plans WITH Targets:* Among companies with written diversity plans that have targets for diversity, the percentage of total procurement with WMBEs increases to 9.70% and decreases to 8.91% among companies that do not have targets.

Women-Owned Businesses

- *Written Diversity Plans:* The average total procurement dollars spent with women suppliers is 3.92% among Fortune 500 companies. That percentage increases to 4.05% among companies with written diversity plans, and decrease more than 1% to 2.78% among companies that do not have plans.
- *Written Diversity Plans WITH Targets:* The percentage of goods and services procured to women-owned businesses increases to 4.35% among companies with written plans that have targets, and decreases to 3.03% among companies that do not have targets with those plans.

Hispanic/Latino-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with Hispanic/Latino suppliers is 1.42%. That percentage decreases to 1.35% among companies that have written diversity plans and also decreases to 1.95% among companies that have no targets within those plans.

- *Written Diversity Plans WITH Targets:* The percentage spent with Hispanic/Latino suppliers decreases to 1.30% among companies with written diversity that have targets, and increases to 1.60% among companies with plans that have no targets.

African American/Black-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with African American/Black suppliers is 1.36%. That percentage increases to 1.38% among companies with written diversity plans, and decreases to 1.25% among companies that do not have plans.
- *Written Diversity Plans WITH Targets:* The percentage spent with African American/Black suppliers increases to 1.47% among companies with written plans that have targets, and decreases to 0.92% among companies that have no targets within those plans.

Asian-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with Asian suppliers is 1.79%. Among companies with written diversity plans, that percentage increases to 1.94% and decreases by more than one percent to 0.66% among companies that do not have written plans.
- *Written Diversity Plans WITH Targets:* The average percentage spent with Asian suppliers among companies with written diversity plans that have targets increases to 2.06% and decreases to 1.32% among companies that have written plans with no targets.

Native-American-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with Native American suppliers is 0.30%. That percentage decreases to 0.25% among companies with written diversity plans and increases to 0.66% among companies that do not have plans.
- *Written Diversity Plans WITH Targets:* The average percentage spent with Native American-owned suppliers among companies with written diversity plans that have targets decreases to 0.26%. That percentage also decreases to 0.16% among companies that have plans with no targets.

Other Minority-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with Other minority suppliers is 0.54%. That percentage does not change among companies with written diversity plans, and decreases to 0.51% among companies with no plans.
- *Written Diversity Plans WITH Targets:* The average percentage spent with Other minority suppliers increases to 0.62% among companies with written plans that have targets, and decreases to 0.18% among companies that have plans with no targets.

Fortune 100 Companies

Among Fortune 100 companies, not having written plans and written plans with targets significantly reduced spend with women- and minority-owned firms as a whole, and having a written plan with targets correlated with an increase in spend with Women-and Minority-Owned Business Enterprises (WMBEs). Spend with women-owned firms also significantly suffered if companies did not have written plans and written plan with targets. Hispanic/Latino- and African American/Black-owned firms were not impacted by written plans; in fact having a written plan correlated with less spend, showing that these plans may not serve Hispanic/Latino-owned or African American/Black-owned businesses well. However, not having targets correlated with a significant decrease in procurement with African-American firms among companies that did have written plans. In addition, Asian-owned firms suffered if companies did not have a written diversity plan and surprisingly, Native American-owned firms were negatively impacted by written diversity plans.

Women-and Minority-Owned Business Enterprises (WMBEs)

- *Written Diversity Plans:* The average percentage of total procurement dollars spent with WMBEs is 10.00% among Fortune 100 companies. That percentage increases to 10.14% among companies that have written diversity plans, and decreases by nearly two and half percent to 7.57% among companies that do not have written plans.
- *Written Diversity Plans WITH Targets:* The average percentage spent with WMBEs increases by more than 1% to 11.17% among companies with written plans that have targets, and decreases by more than three percent to 6.59% among companies that have plans with no targets.

Women-Owned Businesses

- *Written Diversity Plans:* The average percentage of total procurement dollars spent with women-owned firms is 4.69%. That percentage increases to 4.77% among companies with written diversity plans, and decreases by nearly four percent to 1.00% among companies with no plans.
- *Written Diversity Plans WITH Targets:* The average percentage of total procurement dollars spent with women-owned firms increases to 5.04% among companies with written plans that have targets for diversity. That percentage decreases by more than one percent to 3.65% among companies that do not have targets within those plans.

Hispanic/Latino-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with Hispanic/Latino suppliers is 1.38%. That percentage decreases to 1.32% among companies that have written diversity plans, and increases to 2.55% among companies that do not have plans.
- *Written Diversity Plans WITH Targets:* The percentage spent with Hispanic/Latino-owned enterprises increases to 1.42% among companies with written plans that have targets and decreases to 0.96% among companies without targets in those plans.

African-American/Black-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with African American/Black suppliers is 1.52%. That percentage decreases to 1.47% among companies that have written diversity plans, and increases by more than one percent to 2.55% among companies that do not have plans.
- *Written Diversity Plans AND Targets:* The percentage spent with African American/Black-owned businesses increases to 1.78% among companies with written plans that have targets and decreases by more than one percent to 0.36% among companies that do not have targets within those plans.

Asian-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with Asian suppliers is 2.31%. Among companies with written diversity plans, that percentage increases to 2.39% and decreases by nearly 2 percent to 0.68% among companies that do not have written plans.
- *Written Diversity Plans WITH Targets:* The average percentage spent with Asian suppliers among companies with written diversity plans that have targets increases to 2.54% and decreases to 1.86% among companies that have written plans with no targets.

Native-American-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with Native American suppliers is 0.36%. That percentage decreases to 0.21% among companies with written diversity plans and increases to 3.17% among companies that do not have plans.
- *Written Diversity Plans WITH Targets:* The average percentage spent with Native American-owned suppliers among companies with written diversity plans that have targets decreases to 0.22%. That percentage also decreases to 0.21% among companies that have plans with no targets.

Other Minority-Owned Businesses

- *Written Diversity Plans:* The average percentage spent with Other minority suppliers is 0.80%. That percentage decreases to 0.79% among companies with written diversity plans, and increases to 1.01% among companies with no plans.
- *Written Diversity Plans WITH Targets:* The average percentage spent with Other minority suppliers increases to 0.93% among companies with written plans that have targets, and decreases to 0.30% among companies that have plans with no targets.

MAKING DIVERSITY A PRIORITY

AN ACTION PLAN FOR DIVERSITY

ACTION PLAN FOR DIVERSITY

The results of this survey are clear: women and minorities continue to be underrepresented at the highest levels of management and among supplier chains. In fact, among companies that participated in both 2010 and 2011, most did not add a woman or minority to their leadership, and much of the gains made by some companies were undone by the loss of diverse leadership in other companies. Clearly, more needs to be done.

Since the first diversity report, many innovative and voluntary strategies for improving diversity have come to light, both through Senator Menendez' informal Working Group on Diversity, as well as directly from companies that have completed the survey and have made successful inroads on diversity. Below are some of the best ideas that can help take diversity to the next level. Some of them repeat the 2010 list of recommendations because they are indeed effective, and other ideas are new to the list.

- 1. Ensure that Diversity is a Priority at the Top.** A company is only as successful as its leadership, and diversity will only improve when leadership makes diversity a priority. CEOs must take diversity seriously and be actively engaged in diversity efforts by meeting regularly with company leaders in charge of diversity and overseeing diversity plans. Otherwise, there can never be meaningful change. This is especially true if efforts are simply coming from the middle management up, only to be nullified at the top, because in the midst of everything else diversity is not really a top priority. Given the many other immediate demands on a CEO, it is easy to see how diversity can get pushed to the bottom of the list; however, CEO involvement is a key indicator of success.
- 2. Understand the Business Case for Diversity.** It is well documented that companies reap record profits in part by tapping into the powerful buying power of diverse communities; for example, Hispanic purchasing power currently exceeds \$1 trillion and will reach \$1.5 trillion by 2015^{ix}. However, the business case for diversity is not always well-understood or even truly believed among corporate leaders. Diversity just for diversity's sake is not always a motivating factor. Realizing that diversity is good for business, and driving diversity for this reason is game changing, and can help a company remain competitive in an increasingly diverse and changing global society. Numerous studies have documented the positive benefits of diversity on company success.
- 3. Measure Success with Annual Reviews and "Scorecards" Across Company Operations.** It is critical that diversity not just be a priority on paper, but that managers and senior leadership track progress on diversity within all departments. This includes workforce hiring, but also supplier spend and professional services spend. All Departments should have quarterly and annual goals. And when it comes to supplier spend, goals should not simply be to increase total spend with diverse suppliers, but to increase the number of diverse vendors. Scorecards should be issued regularly and show whether diversity goals have been met or not. Departmental Managers should meet with company leadership annually and review scorecards.

4. **Ensure Benchmarks/Targets are Ambitious Enough.** Unfortunately, too often the goals that can be easily met are outlined in written diversity plans, but more ambitious benchmarks are left out in order to avoid failure. Such mediocre or minimal goals really are a disservice to ensuring diversity becomes a priority, not just to say a goal has been met, but to really effect long lasting change and progress.
5. **Link Success (or Failure) in Meeting Goals to Manager Bonuses.** Along with making sure goals are ambitious enough, a key component to ensuring scorecards or other tracking measures work is to tie the results of these benchmarks to manager bonuses. Meeting (or not meeting) goals should be tied to at least 10-15% of bonuses as incentives to meet quarterly and annual goals. Moreover, if a department consistently fails at meeting goals, other departments should be brought in to help where they can since diversity should be a company-wide priority.
6. **Outline Specific Consequences for Failure to Meet Diversity Goals.** Equally important to incentivizing diversity through bonus pay is ensuring that there are consequences in terms of reductions in compensation or other actions for not meeting diversity goals. Leadership should be clear that diversity is not just a goal to be met, but an important aspect of company performance, and should be measured as such.
7. **Account for U.S. Diversity vs. Foreign Nationals When Tracking Employee and Board Diversity.** As this survey differentiated between foreign nationals and U.S. based employees, foreign nationals should be considered separately when it comes to assessing diversity. Having a foreign national based in another country as part of senior management is quite different than having a U.S. based senior manager of diverse background who understands his/her community here in this country.
8. **Account for Professional Services When Devising Supplier Diversity Plans.** Traditional supplier diversity plans devised by supplier departments are not sufficient to capture other professional services corporations contract out. Companies should account for these types of professional services and track them annually. These services can include accounting, investment management, legal and other types of services that companies may contract outside firms to complete due to efficiency and cost-effectiveness. Professional services diversity is many times overlooked, but it is indeed an area that needs improvement.
9. **Implement Mentoring Programs for Promising Managers.** Many companies that have had success with diversity have implemented structured and meaningful mentoring programs in which mid-level managers with promise are mentored in a meaningful way by the CEO and senior leadership. These programs require significant time investment by the mentor and should be structured in a way that they become a key component of a company's diversity plan. Mentors can be positive advocates for their mentees, especially when it comes to intervening on a mentees' behalf for promotions.

10. Create both External and Internal Advisory Councils to Help with Recruitment.

Forming advisory councils to focus on diversity is critical to developing relationships within specific communities as well as identifying potential candidates for positions when they are available. The Councils should not only be formed when there is a crisis. There should be separate Councils for each diverse group, and each Council should report to the CEO and senior company leadership. The External Councils should be comprised of community leaders that have extensive networks in their respective communities, and Internal Councils should be comprised of a mix of senior management and mid- to lower-level management.

11. Expand Relationships with Organizations Tied to Diverse Communities. Although philanthropy on its own is not enough, philanthropy can have some positive benefits on workforce and supplier diversity simply through the networks formed by developing relationships with such non-profit organizations. By forming ties with philanthropic organizations that do work in certain underserved communities and by serving on their Boards, a network essentially is created where potential candidates for Boards and management can be found. These organizations also can help connect companies with promising students who can be offered the opportunity of an internship and be groomed to become future leaders within a company.

12. Provide Employees Flexibility at the Workplace. Providing employees the flexibility to manage their careers and also spend time with their family is important to ensuring a pipeline of stellar employees that are loyal and can be groomed for senior management in the future and can aid in workforce retention. Creating a culture of flexibility within the workplace can ensure that employees who do have young children or ill relatives to take care of are not unfairly penalized when it comes to career advancement.

13. Utilize Opportunities for Board Diversity When Companies Go Public. It is a fact that there will be times when underperforming companies are bought out by private equity firms that will take them public, or when formerly private companies go public for the first time. In this process, companies will have to either reform or create a new board of directors. This provides a good opportunity for companies to seek the most diverse, qualified candidates for director positions and can have the quickest and most profound impact on board diversity.

COMPANIES THAT DID NOT COMPLETE 2011 SURVEY

AbitibiBowater	Auto-Owners Insurance
Advanced Micro Devices	Avaya
AECOM Technology	Avery Dennison
AES	Ball
AGCO	Barnes & Noble
Agilent Technologies	Bed Bath & Beyond
Air Products & Chemicals	Bemis
Alcoa	Berkshire Hathaway
Alliant Techsystems	Best Buy
Ally Financial	Big Lots
Amazon.com	BJ's Wholesale
American Electric Power	Booz Allen Hamilton Holding
American Family Insurance Group	BorgWarner
American Financial Group	Broadcom
Amerigroup	Caesars Entertainment
AmerisourceBergen	Calpine
Anixter International	Cameron International
Aon	CarMax
Apache	Caterpillar
Apollo Group	CB Richard Ellis Group
Apple	CBS
Aramark	Celanese
Archer Daniels Midland	Centene
Arrow Electronics	CenterPoint Energy
Ashland	CH2M Hill
Atmos Energy	Charles Schwab
Autoliv	Chesapeake Energy
AutoNation	CHS

Cigna	Dollar General
Cisco Systems	Dollar Tree
CIT Group	Dow Chemical
Clark	Dr. Pepper Snapple Group
Cliffs Natural Resources	DTE Energy
Clorox	Eastman Chemical
CMS Energy	Eastman Kodak
Coca-Cola Enterprises	eBay
Cognizant Technology Solutions	Ecolab
Commercial Metals	El Paso
Community Health Systems	EMC
ConocoPhillips	Emcor Group
Consol Energy	Emerson Electric
Consolidated Edison	Enbridge Energy Partners
Core Mark Holding	Energy Future Holdings
Coventry Health Care	Energy Transfer Equity
Crown Holdings	Enterprise Products Partners
CSX	EOG Resources
D.R. Horton	Erie Insurance Group
Dana Holding	Estee Lauder
Danaher	Expeditors International of Washington
Dean Foods	Family Dollar Stores
Deere	FedEx
Dell	Fidelity National Information Services
Delta Air lines	Fifth Third Bancorp
Devon Energy	First Data
Dick's Sporting Goods	FirstEnergy
Dillard's	Fluor
DISH Network	Foot Locker

Fortune Brands	Integry Energy Group
Franklin Resources	INTL FCStone
Freeport-McMoRan Copper & Gold	ITT
Frontier Oil	J.M. Smuckers
GameStop	Jabil Circuit
Gannett	Jacobs Engineering Group
General Cable	Jarden
General Dynamics	JCPenney
Genuine Parts	Johnson Controls
Genworth Financial	Kelly Services
Genzyme	KeyCorp
Goodrich	Kimberly-Clark
Goodyear Tire & Rubber	Kinder Morgan
Graybar Electric	KKR
Great Atlantic & Pacific Tea	Kohl's
Group 1 Automotive	L-3 Communications
Guardian Life Insurance Company of America	Laboratory Corp. of America
Harley-Davidson	Land O'Lakes
Harris	Las Vegas Sands
Health Management Associates	Lear
Henry Schein	Levi Strauss
Hershey	Liberty Global
Holly	Liberty Media
Home Depot	Liberty Mutual Insurance Group
Host Hotels & Resorts	Live Nation Entertainment
Huntsman	Loews
Icahn Enterprises	Lowe's
Illinois Tool Works	Manpower
Insight Enterprises	Masco

MeadWestvaco	Occidental Petroleum
Meritor	OfficeMax
MetLife	Omnicare
Micron Technology	O'Reilly Automotive
Mohawk Industries	Oshkosh Corporation
Momentive Specialty Chemicals	Owens Corning
Monsanto	Owens-Illinois
Mosaic	Paccar
Motorola	Pacific Life
Murphy Oil	Pantry
Mutual of Omaha Insurance	Parker Hannifin
Mylan	Peabody Energy
Nash-Finch	Penske Automotive Group
National Oilwell Varco	Peter Kiewit Sons'
Nationwide	PetSmart
Navistar International	Philip Morris International
NCR	Phillips-Van Heusen
Newell Rubbermaid	Plains All American Pipeline
Newmont Mining	Polo Ralph Lauren
News Corp	Praxair
Nike	Precision Castparts
NiSource	Progressive
Nordstrom	Publix Super Markets
Norfolk Southern	Qualcomm
Northwestern Mutual	R.R. Donnelley & Sons
NRG Energy	Radio Shack
Nucor	Reinsurance Group of America
NuStar Energy	Reliance Steel and Aluminum
NYSE Euronext	Republic Services

Reynolds American
Rite Aid
Rockwell Automation
Rockwell Collins
Ross Stores
Ruddick
Safeway
SanDisk
Sanmina-SCI
Sara Lee
Scana
Seaboard
Sears Holding
Sempra Energy
Shaw Group
Sherwin Williams
SLM
Smithfield Foods
Smurfit-Stone Container
Sonic Automotive
Spectrum Group International
SPX
St.Jude Medical
Stanley Black & Decker
Staples
Steel Dynamics
SunGard Data Systems
Sunoco
SunTrust Banks

Supervalu
Sysco
Targa Resources
Tech Data
Telephone & Data Systems
Tenet Healthcare
Tenneco
Terex
Tesoro
Textron
Thrivent Financial for Lutherans
TJX
Travel Centers of America
TRW Automotive Holdings
U.S. Bancorp
UGI
United Services Automobile
Association
United States Steel
United Stationers
Universal American
Universal Health Services
URS
Valero Energy
VF
Virgin Media
Visteon
W.R. Berkley
W.W. Grainger
Walgreens

Washington Post

Wesco International

Western & Southern Financial Group

Western Digital

Western Refining

Whirlpool

Whole Foods Market

Williams

Winn-Dixie Stores

World Fuel Services

Xcel Energy

Yahoo

YRC Worldwide

2011 Corporate Diversity Survey Questions

Section 1: General Information

1. Name of corporation completing survey
2. Name of contact person completing survey
3. Title of contact person completing survey
4. Phone number of contact person completing survey
5. E-mail of contact person completing survey
6. Does your corporation currently have a formal written diversity strategy and implementation plan?
If no skip to question 12.
7. If yes, does this plan include targets for diversity and inclusion at the senior management level?
8. If yes, does this plan include targets for diversity and inclusion at the Board of Directors level?
9. If yes, does this plan include targets for diversity and inclusion in the procurement of goods and services?
10. If yes, how long has this plan been in place?
11. Has this plan contributed to diversity at your company? If you completed this survey last year, has this plan improved diversity over the past year? Please describe below.
12. Does your company have a Chief Diversity Officer? If not, who within your corporation is responsible for ensuring the successful implementation of your strategy? Please explain below.
13. When engaging an executive search firm for senior management or Board positions, does your corporation commonly discuss the issue of diversity with that firm?

Section 2: Board of Director Demographics

1. Total number of Board members
2. Number of Board members who are women
3. Number of Board members who are minority
4. Number of Board members who are both women and minority

For the rest of the questions please enter the total number of Board members that fit the demographic.

5. U.S. Citizen/LPR Hispanic/Latino
6. Non-U.S. Citizen Hispanic/Latino
7. U.S. Citizen/LPR African American/Black
8. Non-U.S. Citizen Black
9. U.S. Citizen/LPR Asian (Includes East Asian, South Asian, and Pacific Islander)
10. Non-U.S. Citizen Asian (Includes East Asian, South Asian, and Pacific Islander)
11. Native American
12. Other Minority
13. Please specify Other Minority if any

Section 3: Executive Team Demographics

1. Total number of executive team members (CEO and his/her direct reports)
2. Number of executive team members who are women
3. Number of executive team members who are minority
4. Number of executive team members who are both women and minority

For the rest of the questions please enter the total number of executive team members that fit the demographic.

5. U.S. Citizen/LPR Hispanic/Latino
6. Non-U.S. Citizen Hispanic/Latino
7. U.S. Citizen/LPR African American/Black
8. Non-U.S. Citizen Black
9. U.S. Citizen/LPR Asian (Includes East Asian, South Asian, and Pacific Islander)
10. Non-U.S. Citizen Asian (Includes East Asian, South Asian, and Pacific Islander)
11. Native American
12. Other Minority
13. Please specify Other Minority if any

Section 4: Supplier Demographics

1. Total percentage of Minority and Women Business Enterprise procurement, as compared to total procurement dollars.

For the rest of the questions please enter the percentage of goods and services procured from firms that are owned by the following demographics, as compared to total procurement.

2. Women
3. Hispanic/Latino
4. African American/Black
5. Asian (Includes East Asian, South Asian, and Pacific Islander)
6. Native American
7. Other Minority
8. Please specify Other Minority if any

Section 5: Professional Services Demographics

Total Women and Minority

1. Total Professional Services
2. Consulting Services
3. Accounting Services
4. Financial Services
5. Legal Services

Women

6. Total Professional Services
7. Accounting Services
8. Consulting Services
9. Financial Services
10. Legal Services

Hispanic/Latino

11. Total Professional Services
12. Accounting Services
13. Consulting Services
14. Financial Services
15. Legal Services

African American/Black

16. Total Professional Services
17. Accounting Services
18. Consulting Services
19. Financial Services
20. Legal Services

Asian (Includes East Asian, South Asian, and Pacific Islander)

- 21. Total Professional Services
- 22. Accounting Services
- 23. Consulting Services
- 24. Financial Services
- 25. Legal Services

Native American

- 26. Total Professional Services
- 27. Accounting Services
- 28. Consulting Services
- 29. Financial Services
- 30. Legal Services

Other Minority

- 31. Total Professional Services
- 32. Accounting Services
- 33. Consulting Services
- 34. Financial Services
- 35. Legal Services

36. Please specify Other Minority if any

Section 6: Additional Information

1. If you have any additional information you would like to share, please use this space to do so.

ⁱ U.S. Census, 2010 decennial figures www.census.gov/quickfacts

ⁱⁱ In a first, census figures show that minorities make up more than half babies born in U.S.” AP, 5/17/12

ⁱⁱⁱ Selig Center for Economic Growth, January 2012 <http://www.terry.uga.edu/news/releases/2010/minority-buying-power-report.html>

^{iv} Selig Center for Economic Growth, January 2012 <http://www.terry.uga.edu/news/releases/2010/minority-buying-power-report.html>

^v <http://www.calpers.ca.gov/eip-docs/about/press/news/invest-corp/diversification-strategy.pdf>

^{vi} “Advancing Women Leaders: The connection between Women Board Directors and Women Corporate Officers” Catalyst, 2008 <http://www.catalyst.org/publication/273/advancing-women-leaders-the-connection-between-women-board-directors-and-women-corporate-officers>

^{vii} Calvert Study: Corporate Diversity Still Coming Up Short for Women, 10/28/2010 <http://www.prnewswire.com/news-releases/calvert-study-corporate-diversity-still-coming-up-short-for-women-106078313.html>

^{viii} National Associate for Female Executives Top 50 Companies, 2010 http://eblasts.workingmothermediainc.com/NAFE2010_ExecSummary.pdf and <http://www.workingmother.com/nafe-top-companies-female-executives/2010-nafe-top-50-companies>

^{ix} HACR 2011 Corporate Inclusion Index and Accountability Strategy