**THE SUPPLY PROBLEM MYTH: FORTUNE 500 BOARDS**

**MYTH:** There are too few women ready to serve on Fortune 500 boards.

**REALITY:** There is no supply problem. Hundreds of women are available from just a single pool of qualified Executive Officers.

The corporate gender leadership gap is a common problem plaguing many workplaces in the United States. Contrary to popular belief, this disparity—women make up 47 percent of the workforce, yet only hold 16 percent of Fortune 500 board seats—is not driven by a shortage of women qualified for board service.¹

A closer examination of just one source of potential directors—active Executive Officers of Fortune 500 companies—illustrates that the supply problem is a myth. Hundreds of skilled women currently hold officer positions at Fortune 500 companies.²

**A Strong Supply of Candidates Exists**

**POOL OF POTENTIAL DIRECTORS:**
2011 FORTUNE 500 WOMEN EXECUTIVE OFFICERS

- **364** Other Executive Officers, Staff³
- **101** Business Unit Heads⁴
- **93** Other Executive Officers, Line⁵
- **88** Chief Legal Officers⁶
- **43** CFOs
- **14** CEOs/Presidents⁷
- **7** COOs

**Total Executive Officers: 710**

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Despite the deep domestic and international pools of potential women directors, there are still 56 Fortune 500 companies governed by all-male boards. However, the full pool of qualified candidates is vastly larger. The 710 active Fortune 500 women Executive Officers represent just one source of potential nominees.

Thanks to globalization, boards regularly seek directors with international experience and expertise. Considering women in top leadership positions at companies in just four additional countries (Australia, Canada, Great Britain, and Israel) further increases the pool of potential women directors to well over 2,000 candidates. In addition to active executives, many directors serve after retirement or have distinguished careers from non-corporate paths, such as academia, public service, or professional services firms. Taking into account international and nontraditional sources, the pool of potential women directors expands into the thousands.

Saying There Are No Qualified Women Is Not a Valid Justification

Despite the deep domestic and international pools of potential women directors, there are still 56 Fortune 500 companies governed by all-male boards. Companies that struggle to find women to join their boards need to establish or take stock of their board succession-planning processes. Effective succession planning includes a review of director recruitment criteria. When boards specify the key competencies, knowledge, and abilities they desire in a director, they will find an ample supply of highly qualified women.
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2 Analysis is based on data from the 2011 Catalyst Census: Fortune 500 Women Executive Officers and Top Earners. When Executive Officers held multiple titles, they were classified into a single title category to prevent an officer from being counted multiple times.
3 “Other Executive Officers, Staff” are those officers serving in staff functions, which support the business operations. Examples of titles held by these officers include Chief Human Resources Officer, Chief Information Officer, and Corporate Secretary.
4 “Business Unit Heads” have leadership responsibility for a subsidiary, business stream, or region of a company. Examples of titles and functions held by these officers include CEO of Europe, Middle East, and Africa; SVP of Business Solutions and Services Sector; and President of Merchandising.
5 “Other Executive Officers, Line” are those officers serving in line functions, which are responsible for profit and loss. Examples of titles held by these officers include Chief Marketing Officer; EVP of Sales; and Director of Development.
6 “Chief Legal Officer” represents the highest legal position included in the list of Executive Officers. Examples of additional titles held by these officers include General Counsel and VP of Legal Affairs.
7 “CEOs/Presidents” are those officers that serve as leaders of the entire Fortune 500 company. Executive Officers with the title of CEO or President in charge of a subsidiary, business stream, or region were categorized as Business Unit Heads.
9 Spencer Stuart.
11 Spencer Stuart; Unpublished data, Soares, Cobb, Lebow, Regis, Winsten, and Wojnas.
13 Heidrick & Struggles and Stanford University's Rock Center for Corporate Governance, 2011 Corporate Board of Directors Survey (2011); Spencer Stuart.