

# Too Few Women of Color on Boards: Statistics and Solutions

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## Despite changing demographics, fewer than 5% of board seats are held by women of color in the US. How do we make change?

Women of color hold just 4.6% of board seats in the Fortune 500.<sup>1</sup> Yet they represent approximately 18% of the US population.

By 2060, the proportion of US women who will be women of color will rise to [more than half](#). As women of color grow into a larger share of the US population, they also will [become more educated](#) than their male counterparts. These trends position women of color to play a larger role in the workforce and contribute even more to the economy with their [buying power](#).

Companies that fail to reflect these demographic changes in their top leadership risk falling behind on building a board that is well-positioned to address increasingly complex challenges. As the world enters a critical moment in corporate and global growth, [boards are responsible for thorny decisions](#) about customers, product lines, and financial stewardship. These decisions can have significant repercussions for global security, social movements, consumer privacy, public health, the environment, and the world economy.

### Why Change Is Important

Good governance requires women of color on boards.

- Research shows that homogeneous boards with members of similar backgrounds, expertise, and demographics can lead to groupthink and contribute to a lack of risk oversight required at the board level.<sup>2</sup>
- For example, a diverse board can better protect a company from [fraud](#) and [reputational damage](#) by asking tough questions about strategy, messaging, and safety.

Investors want [more board diversity](#).<sup>3</sup>

- [Over half \(53%\)](#) of institutional investors surveyed said that board diversity is a top concern going into the 2019 proxy season.

A diverse board [models](#) the creation of a [diverse talent pipeline](#).

- It impacts an organization's ability to attract, develop, and retain talent from all backgrounds.
- It reviews data on talent supply and demand as well as workforce demographics regularly as part of risk oversight.



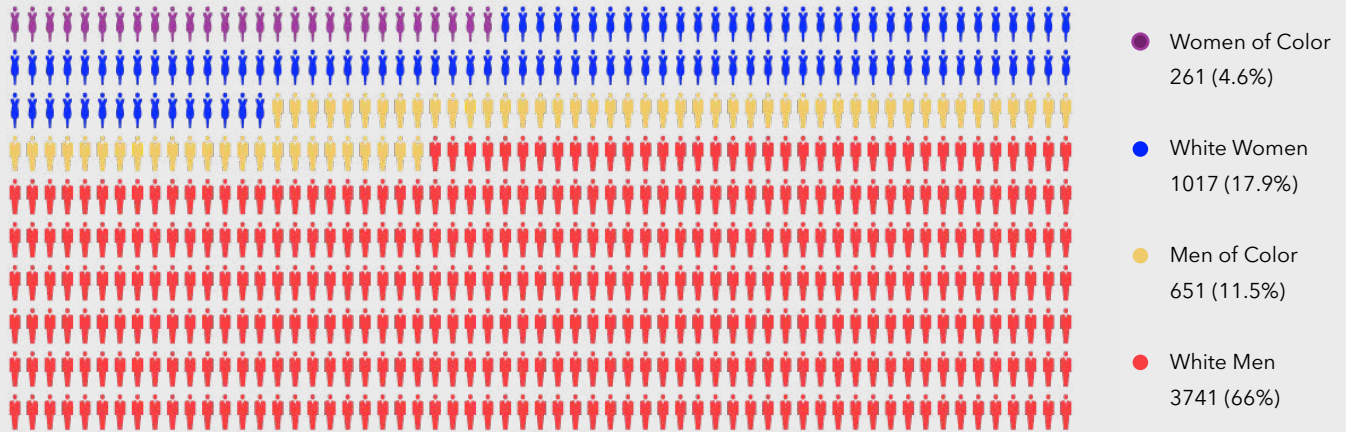
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## Slow Growth for Women of Color on Boards Is a Major Risk

With only 4.6% of Fortune 500 board seats, women of color are severely underrepresented.<sup>4</sup>

- White men hold two-thirds of board seats on the Fortune 500.
- Women of color are the most underrepresented of all groups.
- White women hold nearly four times as many seats as women of color.

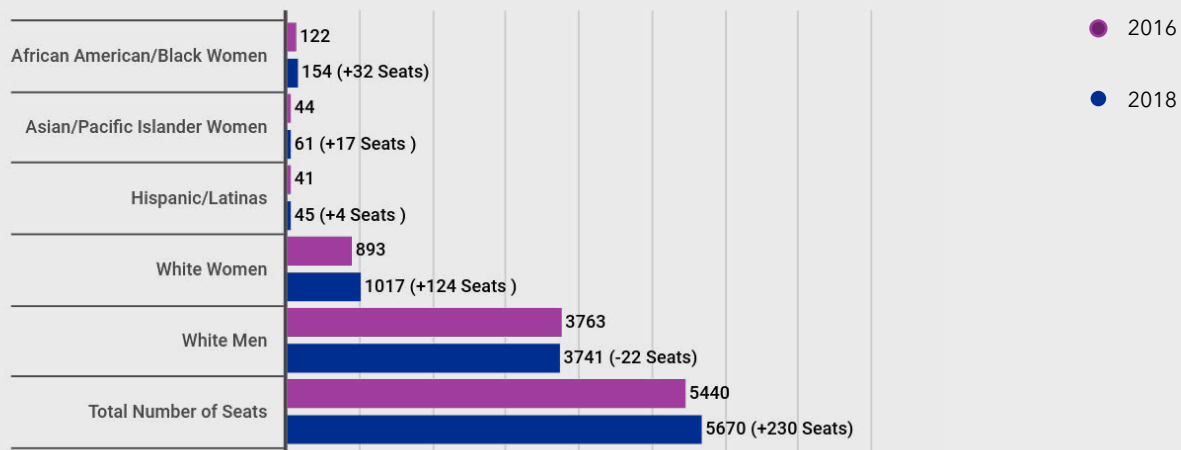
### 2018 FORTUNE 500 BOARD SEATS BY RACE AND GENDER



Progress, as measured by actual board seat gains, is very slow.

- Between 2016 and 2018, the total number of board seats increased from 5,440 to 5,670.
- Women of color gained only 54 actual seats.
- Latinas gained only 4 seats, barely maintaining their overall 0.8% of total seats.

### CHANGE IN NUMBER OF FORTUNE 500 BOARD SEATS



While women of color are gaining seats, they also have a [much higher “recycle rate”](#)—the average number of boards one person serves on—compared with their white counterparts.

- A higher recycle rate means that the same women of color are being tapped over and over again to serve on multiple boards.
- African-American/Black women serve on an average of 1.39 boards; Asian/Pacific Islander women on 1.22; Hispanic/Latinas on 1.36; White women on 1.24; and white men on 1.19.
- Boards should cast a wider net to identify “new” women of color who are ready for board service.

## Take Actions Now to Accelerate Change

The numbers show that the status quo is “[like likes like](#)”—boards tend to appoint new directors who look very much like the old directors—even now that the pool of new board directors is more diverse than ever. Boards—and entire organizations—that recognize the importance of breaking this dynamic can make progress by taking the following steps.

### Set diversity goals

1. Set intentional, deliberate, and calculated targets for gender, race, and ethnicity to drive results within a given time period.
2. [Measure your progress](#) at regular intervals.
3. Consider or review [board refreshment mechanisms](#) such as retirement age requirements and term limits.
4. Don’t let goals for women of color be diluted by subsuming them under broader diversity goals.

### Mitigate bias

5. Recognize the role that [unconscious bias](#) plays in the [selection process](#) and as a [systemic barrier](#) to advancement.
6. Tap multiple channels to identify candidates who are women of color.
7. Make sure your nominating committee and director selection panels are diverse.
8. Don’t over-rely on the recommendations of current directors, or you may end up with candidates who are very similar to them.
9. Break out of the habit of looking for candidates who already have board or CEO experience, who historically have been white men.
10. Use skills matrices and [assessment processes](#) to objectively identify new board members who will be the most effective.

### Build a pipeline of women of color

11. Make it everyone’s job to track promising women of color earlier in their careers and devote resources to their development.
12. Make sure to channel women of color into [line functions](#), where revenue and P&L responsibilities lead to the kind of executive roles that will qualify them for serious corporate board consideration.

13. Appoint women of color executives to subsidiary boards to build their skills and experience.
14. Cast a wider net—relying on limited networks to fill board seats shrinks the pool of board-eligible women of color to a puddle.

#### Tap the power of sponsorship

15. Put women of color on the radar by sponsoring them for board service.
16. Get to know the women of color candidates sponsored by other leaders and board members.
17. Develop a robust [sponsorship program](#).
18. [Partner with Catalyst](#) to find solutions.

#### Lead Sponsor



#### Supporting Sponsors

UPS  
Carnival Corporation  
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## Endnotes

1. Deloitte and the Alliance for Board Diversity, *Missing Pieces Report: The 2018 Board Diversity Census of Women and Minorities on Fortune 500 Boards* (2019).
2. Andrea Bonime-Blanc, "Pale, Stale & Male: Does Board Diversity Matter?," *Risk Management* September 4, 2018.
3. For example, see [Midwest Investors Diversity Initiative](#) and Northeast Investors' Diversity Initiative [Diverse Search Company Toolkit](#).
4. There is about [66% overlap](#) in companies among the S&P 500 and the Fortune 500, so percentages for the S&P 500 are similar to those for the Fortune 500.

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