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Few Women Tapped for Board Vacancies, New Report Finds

Despite Calls for Change, 2006 Saw Little Progress

BOSTON (FEBRUARY 20, 2007) Ignoring calls by advocates of sound governance, shareholders and the socially responsible investment community for greater diversity in corporate boardrooms, the leadership of most of the nation's public companies continues to fill board vacancies with individuals who look just like themselves: white and male. This is the key finding of the new report *Women on Boards: Missed Opportunities* published by the InterOrganization Network (ION; www.ionwomen.org) a group of eight regional organizations located across the United States, all of which work to advance women to positions of power in the business world, primarily to boards of directors and executive suites.

For years, it was expected that corporate leaders would embrace the business case for increasing the number of women and other minorities on corporate boards; it was also expected that the pace of board diversification would accelerate as many long-term directors reach mandatory retirement age or cut back on the number of boards on which they serve. To those who have counseled patience the ION report provides a blunt reality check. Instead of keeping pace with the acknowledged need for change, too many nominating committees remain locked in traditional patterns of board recruitment. As a consequence, men are chosen to fill the overwhelming number of open board seats and the homogenous composition of public company boards is perpetuated.

In the seven of eight ION regions for which board turnover was analyzed a total of 539 new independent directors were elected to the boards of the public companies examined during 2006. Of that total, only 92 or 17 percent were women. Men filled the other 447 seats.

“The ION report reflects what is happening in the boardrooms of public companies across the country, not only among the *Fortune* 500 but in smaller companies as well,” said Toni Wolfman, President of ION and Executive in Residence at the Women's Leadership Institute at Bentley College in Massachusetts. “There are ample board openings available for women and a pool of accomplished women interested in board service. What is missing on the part of corporate leaders is the effort to make the connections necessary to take advantage of these opportunities and thereby bring about meaningful change.”

Additional findings of this third annual ION report include:

- Women hold just under 10 percent of the board seats of the 1126 public companies studied by the eight ION members.

- Thirty eight percent (427) of the 1126 public companies have no women on their boards.
- Women of color hold very few board seats, although their numbers increased from 2005 to 2006.
- Sixty-two (5 percent) of the 1126 companies studied have 25 percent or more women on their boards.
- On average, 26.2 percent of the companies studied have women among their top compensated employees.

In view of the minimal improvement in these statistics over the past three years, ION members conclude that no significant change will occur until more corporate leaders depart from the traditional way of doing things – surrounding themselves with others who share similar backgrounds and perspectives.

About ION

The InterOrganization Network (ION) consists of eight regional organizations located across the United States (California, Chicago, Florida, Georgia, Massachusetts, Michigan, Philadelphia and Wisconsin) all of which work to advance women to positions of power in the business world, primarily to boards of directors and executive suites. These executive women's groups have joined together to combine their energies, to leverage their strength, and to increase their individual and aggregate influence in order to boost the number and percentage of women who comprise the leadership of corporate America.

Each ION member annually tracks women directors and executive officers of public companies in its own geographic area, and ION publishes an annual report that compares key data from each region. In addition, ION members assist one another to identify and recruit qualified board candidates for companies in their regions.