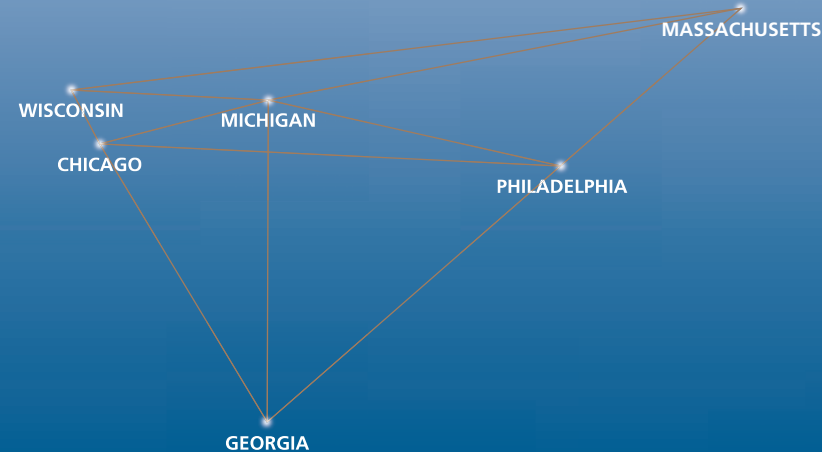


C O N N E C T I N G  
THE DOTS AND  
C O M P A R I N G  
THE DATA



ION

INTERORGANIZATION NETWORK

O V E R V I E W

The InterOrganization Network, ION, consists of regional organizations in the United States that advocate increasing the number of women on corporate boards and in executive positions. Current membership consists of six organizations: The Boston Club, The Chicago Network, The Forum of Executive Women in Philadelphia, Board of Directors Network in Atlanta, Milwaukee Women inc, and Women's Leadership Forum in Detroit. These organizations publish annual census reports on the status of women directors and executive officers in public companies in their respective geographic areas. They formed ION in 2004 in order to leverage their combined strengths and influence to increase women's representation in corporate boardrooms and executive suites.

ION is publishing this first summary of the highlights of the six organizations' most recent reports in order to draw national attention to the status of women in crucial leadership positions in the largest public companies headquartered in the United States. More detailed analysis and discussion of findings can be found in the reports published by each of the organizations, available through their websites.

The issue of women's leadership in corporations is of widespread concern. We believe America's leading companies can do better and must move faster to improve the representation of women in positions of leadership. At a time when public companies have drawn intense scrutiny for lapses in corporate governance and failures in leadership, they can ill afford to ignore the talent and perspective available in half the population and close to half the work force.

Members of ION have already assisted numerous companies in identifying qualified women who meet their director requirements and, working together, can provide access to a greater talent pool than most companies have yet tapped.

I O N M E M B E R S

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INTERORGANIZATION NETWORK

**BOARD OF DIRECTORS NETWORK**

www.boarddirectorsnetwork.org  
PO Box 550627 • Atlanta, GA 30355 • 770-489-6689  
info@boarddirectorsnetwork.org

The Board of Directors Network, founded in 1993 in Atlanta, Georgia, is a research and advisory organization with the mission "to increase the number of women on corporate boards of directors". BDN is comprised of women and men representing boards of directors, corporations, government agencies, academia, the legal and financial professions, not-for-profit organizations, and the media.

**THE BOSTON CLUB**

www.TheBostonClub.com  
PO Box 1126 • Marblehead, MA 01945 • 781-639-8002  
info@thebostonclub.com

The Boston Club is an organization of 550+ senior executive and professional women that, for more than 28 years, has promoted the advancement of women in business and the professions. It provides personal and professional development programs, conducts research on issues affecting women in business, and works to increase the participation of women on corporate and nonprofit boards.

**THE CHICAGO NETWORK**

www.thechicagonetwork.org  
5734 South Kimbark Avenue • Chicago, IL 60637-1615 • 773-324-0202  
AMYTcn1@ameritech.net

The Chicago Network, now in its 25<sup>th</sup> year, is an organization of metropolitan Chicago's most distinguished professional women leaders, committed to the success and advancement of women. The Chicago Network's more than 300 members have leading roles in academia, the arts, corporations, entrepreneurial enterprises, government, law, health, science and medicine, not-for-profit, politics and professional service firms.

**THE FORUM OF EXECUTIVE WOMEN**

www.foew.com  
1231 Highland Avenue • Fort Washington, PA 19034 • 215-628-9944  
info@foew.com

The Forum of Executive Women is a membership organization of 300 women of influence in Greater Philadelphia. Founded in 1977, The Forum fulfills its mission - to advance women leaders in Greater Philadelphia - by supporting women in leadership roles, promoting parity in the corporate world, mentoring young women, and providing a forum for the exchange of views, contacts, and information.

**MILWAUKEE WOMEN INC**

www.milwaukeeewomeninc.org  
100 East Wisconsin Ave. • Suite 3300 • Milwaukee, WI 53202 • 414-702-2855  
info@milwaukeeewomeninc.org

Milwaukee Women inc, founded in 2002, is the collaborative effort of Milwaukee area executive and professional women seeking to accelerate the advancement of women in key leadership roles and in doing so change the face and quality of leadership. Steering committee participants include representatives from Milwaukee's leading women's professional organizations, as well as corporate, nonprofit and academic leaders.

**WOMEN'S LEADERSHIP FORUM**

www.womenseconomicclub.org  
3663 Woodward Ave, Suite 4-1610 • Detroit, MI 48201-2403 • 313-578-3230  
info@womenseconomicclub.org

The Women's Leadership Forum is the education and research affiliate of the Women's Economic Club, a membership organization of 1,800 senior executive and professional women and men that, for more than 42 years, has worked to strengthen the business environment in Michigan by creating opportunities for women to lead and succeed.

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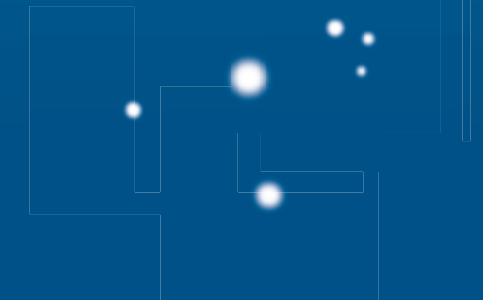
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ION

INTERORGANIZATION NETWORK

ION (n): (1) An atom or group of atoms containing an electrical charge  
(2) Executive women's networks combining their energies to increase the presence of women in corporate boardrooms and executive suites.



2004

**THE BUSINESS CASE**

Increasing the representation of women on corporate boards and in executive positions makes good business sense. Companies that excel in recognizing the benefits of women's leadership abilities know that it is critical to represent the interests and views of a significant proportion of their employees, customers, and investors. They understand that having a diverse group of leaders sends an important message to these constituencies and brings valuable perspectives to decisions. Companies that have higher percentages of women in leadership appear to do better financially as well.

[Catalyst, The Bottom Line: Connecting Corporate Performance and Gender Diversity, New York: Catalyst, 2004; The Financial Review, Vol. 38, 2003, pp. 33-35. www.catalystwomen.org]

Increasingly, researchers are making links between diversity and good governance; some studies have shown that boards with several women are more likely to attend to ethical issues and issues of corporate risk.

[Conference Board of Canada, Women on Boards: Not Just the Right Thing – But the Bright Thing, Ottawa, Ontario, Canada, 2002.]

In a period when nominating committees need to add more independent directors and their traditional pool of candidates is shrinking because CEOs are less willing than in the past to serve on multiple boards, women represent an underutilized resource.

Even though companies have both the incentive and opportunity to add women to their boards, progress requires conscious effort. The Calvert Group publicly recognized this in June, 2004, when it unveiled "The Calvert Women's Principles." One of their seven key principles for companies striving "to attain gender equality" focuses on management and governance and requires companies to "establish policies and undertake proactive efforts to recruit and appoint women to managerial positions and to the corporate board of directors." [www.calvertgroup.com/womensprinciples.html]

**A POOL OF QUALIFIED WOMEN**

A significant pool of qualified executive women is now available for board service. Although the percentage of women corporate executives noted in the ION studies is disappointingly low, even in this elite group of women executives there are women who have not yet been tapped for board service. Beyond this group are women executives who may not appear as executive officers in the SEC data used in these reports but who hold corporate positions comparable to many male board members. When searching for directors with varied business backgrounds and proven success records, companies would be remiss to ignore the countless women who own and have built successful companies or have functional expertise increasingly of interest to nominating committees in areas such as marketing, technology, and human resources; and the increasing number with financial expertise (over half of all financial managers in the U.S. are women, as are over half of the auditors and accountants).

[National Association of Securities Dealers (NASD), "Women and Investing," USB PaineWebber Index of Investor Optimism Special Report, October 15, 2001; Center for Women's Business Research, 2003, www.nfwbo.org/key.html; U.S. Bureau of Labor Statistics, Employment and Earnings, 2002.]

*ION member organizations count among their individual members and contacts, women of proven leadership and expertise who are available to serve on public boards. Many of them already have experience on the boards of private companies and not-for-profit organizations.*

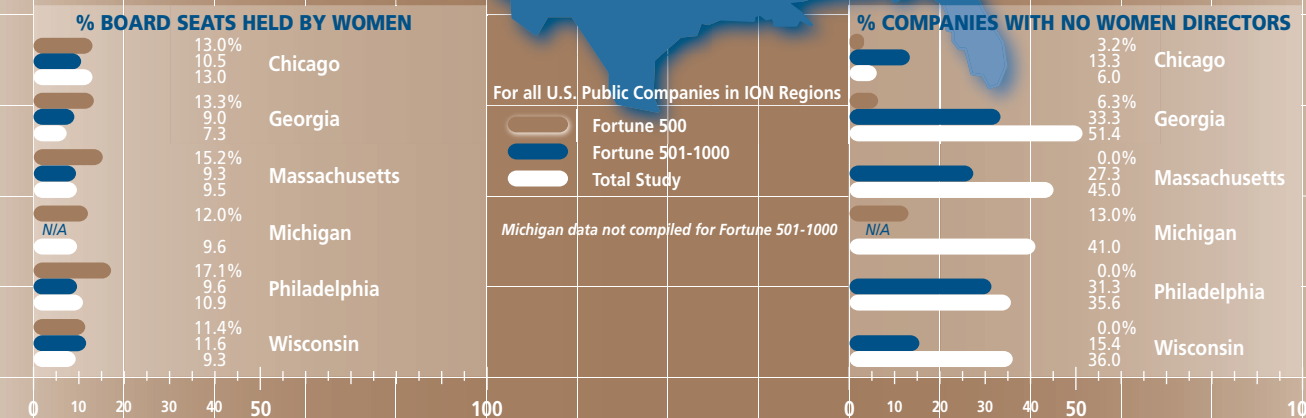
**WOMEN'S CLOUT IN THE UNITED STATES**

- 85% of consumer purchases are made by women<sup>1</sup>
- 55% of married women earn half or more of their families' incomes<sup>2</sup>
- 47% of all investors are women<sup>3</sup>
- 46% of privately held companies are owned by women<sup>4</sup>
- 46% of the work force are women<sup>5</sup>

**WOMEN'S CLOUT IN THE BOARDROOM**

- 13.6% of the board seats of the Fortune 500 are filled by women<sup>6</sup>
- 3% of the board seats of the Fortune 500 are filled by women of color<sup>7</sup>

Sources: <sup>1</sup>Business Women's Network Interactive, <sup>2</sup>Ibid, <sup>3</sup>National Association of Securities Dealers, <sup>4</sup>Center for Women's Business Research, <sup>5</sup>U.S. Bureau of Labor Statistics, <sup>6</sup>2003 Catalyst Census of Women Board Directors: A Call to Action in a New Era of Corporate Governance, New York: Catalyst, <sup>7</sup>Ibid.



Across the country, companies in the Fortune 500 category have the highest percentage of female board members and the lowest percentage of companies with no women on their boards. However, even though there is some difference in the figures depending on geographical location and the number of companies studied by each group, no region reports that more than 17% of the board seats in these Fortune 500 companies are held by women. Nationally, Catalyst reports women hold only 13.6% of the board seats in all of the Fortune 500 companies.

In three areas, all Fortune 500 companies have women directors. Michigan's 13.0% of Fortune 500 companies with no women exceeds the national Catalyst Fortune 500 figure of 10.8%. True to the trend that largest companies tend to have women directors, the percentage of companies with no women directors increases in the regions reporting Fortune 501 to 1000 category. Among all of the public companies studied, the percentages of companies with no women directors go as high as 35.6% in Philadelphia to 51.4% in Georgia. Only Chicago stands out with a low of 6%, which reflects the fact that most of the 50 companies in the Chicago census are Fortune 500 companies.

**WOMEN OF COLOR**

Data collected by ION member organizations in Georgia, Massachusetts, Wisconsin and Philadelphia indicate that women of color hold about 1% of the board seats in each regional study. As a comparison, Catalyst reports that 3% of board members are women of color in the 415 Fortune 500 companies for which they had data by race.

**COMPANIES WITH 25% OR MORE WOMEN DIRECTORS**

(As of the date of publication of ION member reports)

- |   |   |
|---|---|
| <b>CHICAGO</b><br>Hewitt Associates (40%)<br>Kraft Foods (33%)  | <b>MICHIGAN</b><br>Compuware Corporation (31%)<br>Borders Group, Inc. (30%)<br>Esperion Therapeutics, Inc. (29%)<br>Herman Miller, Inc. (27%)<br>Handleman Company (25%)  |
| <b>GEORGIA</b><br>NDCHealth Corporation (33%)<br>United Parcel Service, Inc. (30%)<br>Beazer Homes USA, Inc. (29%)<br>Verso Technologies, Inc. (29%)<br>Southern Scottish Inns (27%)<br>Russell Corporation (25%)<br>Firearms Training Systems, Inc. (25%)<br>PNI Technologies, Inc. (25%)<br>Symbiat, Inc. (25%) | <b>PHILADELPHIA</b><br>Charming Shoppes Inc. (38%)<br>Albertson's Inc. (31%)<br>SEI Investments Co. (29%)<br>Quest Diagnostics (27%)<br>Cendant Corp. (27%)<br>AETNA Inc. PA (27%)<br>Citizens Bank of Pennsylvania (25%)<br>Lincoln National Corp. (25%) |
| <b>MASSACHUSETTS</b><br>American Tower (40%)<br>Bright Horizons Family Solutions, Inc. (36%)<br>Yankee Candle Co. (33%)<br>Avid Technology, Inc. (29%)<br>Stride Rite Corp. (29%)   | <b>WISCONSIN</b><br>Banta Corp. (33%)<br>Oshkosh B'Gosh Inc. (33%)<br>Alliant Energy Corp. (30%)  |

**WOMEN EXECUTIVE OFFICERS**

|   | *   | % of Total That Are Women | % Companies With NO Women |
|---|-----|---------------------------|---------------------------|
| <b>Women executive officers as defined by each company in SEC filings</b> |     |                           |                           |
| Chicago   | 50  | 14.4%                     | 22.0%                     |
| Georgia   | 169 | 7.7%                      | 63.9%                     |
| Massachusetts   | 100 | 9.2%                      | 50.0%                     |
| Philadelphia  | 118 | 10.3%                     | 52.5%                     |
| Wisconsin   | 50  | 12.0%                     | 34.0%                     |

|  | *   | % of Total That Are Women | % Companies With NO Women |
|--|-----|---------------------------|---------------------------|
| <b>Women officers from the top 5 compensation table in SEC filings</b> |     |                           |                           |
| Michigan   | 100 | 7.1%                      | 76.0%                     |

\*Number of Companies in Study  
Judging from percentages, overall progress appointing women executive officers is roughly comparable to progress appointing women to boards. The percentage of women executive officers in all of the regional census reports is very close to the percentage of women on boards. In Georgia, a low of 7.7% of executive officers are women, compared to 7.3% of directors; and in Chicago a high of 14.4% of executive officers are women, compared to 13.0% of directors. However, the picture is different when you look at individual companies. In most areas a considerably higher percentage of companies have no women executive officers than have no women directors. In the Philadelphia study 35.6% of the companies have no women directors, but 52.5% have no women executive officers; in the Chicago census 6% have no women directors and 22% have no women executive officers. Only in Wisconsin are there slightly more companies with no women directors, 36.0%, than with no women executive officers, 34.0%.

**METHODOLOGY**

Each of the six ION member census reports focuses on the largest public companies in its area, except Georgia, which includes all public companies in the state. All reports use the companies' formal filings (proxy statements and annual reports) with the Securities and Exchange Commission (SEC) as their source of data. "Executive officers" for all studies include those individuals formally named by the companies in their SEC filings, except Michigan, which reported those in the top five most highly compensated group. Four of the reports are state-wide, while two are based on metropolitan area. Five of the six reports include only those companies with headquarters in the area; the Philadelphia study also includes major employers in the area, even if headquartered elsewhere. Each of the census reports includes detailed information on the companies in the study as well as specific information on the methodology used.

**CALL TO ACTION**

The ION member reports show that the largest companies have the greatest representation of women in leadership positions. Some smaller companies, however, also have succeeded in identifying women leaders. Unfortunately many companies still have no women directors or executive officers, or have only one woman. True diversity requires a mix of women and men as well as a mix of racial and ethnic backgrounds, perspectives, and experiences.

*While focusing energy and light on this opportunity in corporate governance and leadership, ION urges companies to recognize women as a valuable resource and tap into this talent pool to create more robust, responsive and effective corporate boards.*