

## 2019 WCOE Legislative Issue Sheet

As of February 27, 2019

### Issue: Mandate for Female Representation on Public Company Boards

**Background:** California recently signed into law a requirement that publicly traded companies incorporated or headquartered in California have at least one woman on their boards by the end of 2019. By 2021 companies with 5 or more directors would need to have two or three female directors, depending on their size. Those who don't would be subject to financial penalties (\$100,000 first offense, \$300,000 subsequent offenses). It is time women had a seat at the table in corporate board rooms. Studies suggest when boards are diverse and women's voices heard, companies have greater earnings, return on equity and transparency. Female representation on boards creates a better environment for the workforce.

*Position: WCOE urges passage of a bill to mandate female representation on public company boards.*

#### **Key Points:**

- Women already have the experience and skills boards need and represent an untapped resource
- Women on boards make it more likely multiple views and consequences will be considered and with more positive outcomes
- Makeup of corporate boards of directors should be representative of all its constituencies including, shareholders, employees, and customers
- Women held just 9.2% of board seats in the largest 25 IPO companies in 2017. Twelve of the 25 companies went public with no women, and 80% went public with none or only one woman on their boards.
- Sixty-three percent of the companies that added women did so by adding board seats rather than replacing men.
- Four of the top 26 states ranked by board diversity exceed the 20% women on boards goal in 2018, up from one state in 2017--Connecticut, Michigan, Minnesota and Washington.
- States starting to initiate action to mandate or encourage more gender diversity

#### **Status: No mandate bill introduced**

**2 bills to amend Security Exchange Act to require reporting on ethic, race and gender composition of boards  
Improving Corporate Governance Through Diversity  
S. 360/Senator Menendez (D-NJ) – H.R. 1018/Rep. Meeks (D-3-NY)**

Cosponsors of S. 360

[Sen. Harris, Kamala D. \[D-CA\]\\*](#)

[Sen. Booker, Cory A. \[D-NJ\]\\*](#)

*(Cosponsors of H.R. 1018 listed on reverse)*

**H.R. 1018/Rep. Meeks (D-3-NY) Cosponsors**

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[Rep. Adams, Alma S. \[D-NC-12\]\\*](#)

[Rep. Fudge, Marcia L. \[D-OH-11\]](#)

[Rep. Moore, Gwen \[D-WI-4\]](#)

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[Rep. Beyer, Donald S., Jr. \[D-VA-8\]](#)

[Rep. Gonzalez, Vicente \[D-TX-15\]](#)

[Rep. Norton, Eleanor Holmes \[D-DC-At Large\]](#)

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[Rep. Cardenas, Tony \[D-CA-29\]](#)

[Rep. Green, Al \[D-TX-9\]](#)

[Rep. Rice, Kathleen M. \[D-NY-4\]](#)

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[Rep. Cisneros, Gilbert Ray, Jr. \[D-CA-39\]](#)

[Rep. Hastings, Alcee L. \[D-FL-20\]](#)

[Rep. Rush, Bobby L. \[D-IL-1\]](#)

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[Rep. Clarke, Yvette D. \[D-NY-9\]](#)

[Rep. Krishnamoorthi, Raja \[D-IL-8\]](#)

[Rep. Scott, David \[D-GA-13\]](#)

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[Rep. Cohen, Steve \[D-TN-9\]](#)

[Rep. Lawson, Al, Jr. \[D-FL-5\]](#)

[Rep. Sewell, Terri A. \[D-AL-7\]](#)

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[Rep. Dean, Madeleine \[D-PA-4\]](#)

[Rep. Lee, Barbara \[D-CA-13\]](#)

[Rep. Thompson, Bennie G. \[D-MS-2\]](#)