

Women Now Hold 30 Percent of Russell 3000 Board Seats

Women continue to make progress in the mahogany-tabled, leather-chaired board rooms and have now broken the 30 percent barrier, but progress has slowed. That is the major finding of the 50/50 Women on Boards™ Annual Gender Diversity Index™ Report for 2024.

The report compares the progress corporations made from June 2023 to June 2024, including five-year trends, to track the percentage of women on Russell 3000 Index company boards by state, sector, and firm size. It also reports on the race and ethnicity of all corporate directors and how women in key leadership roles impact diversity on boards.

Together, with their data partner Equilar and research partner Bentley University, 50/50 Women on Boards™ found that the percentage of women on boards increased by 14 points from 2017 to 2023. However, since 2023, year-over-year growth has slowed to 1%, indicating that gender parity on corporate boards is still 20 years away, projected for 2044, the report found.

“Since our inception in 2010, we’ve made great strides, but there is still more to achieve,” summarized Heather Spilsbury, CEO of 50/50 Women on Boards. She added: “Together, we can drive lasting change in corporate governance as quickly as we choose—it’s up to all of us.”

A significant insight of the report is the impact of women occupying at least three board seats, which has been shown to influence corporate decisions positively. The trend towards increasing board diversity is largely facilitated by board expansions rather than replacing existing male directors. This approach was particularly prominent in 2022, though recent years have seen a rise in board exits by women, possibly due to corporate restructuring, mergers, and pushback against diversity initiatives.

Newly appointed women directors represented 34% of board appointments in early 2024, a drop from a peak of 45% in 2021. This decline suggests a need for consistent efforts in recruiting women to board roles to sustain momentum toward gender parity. The report emphasizes expanding the pool of diverse board candidates rather than relying on a limited group, as over-reliance on repeat directors can restrict overall diversity. Moreover, the age and tenure of directors remain consistent, with men averaging 63 years and women 60 years, and about 19.5% of directors having served for over 12 years.

The representation of women of color and LGBTQ+ individuals has gradually improved. In 2024, 42% of directors self-reported their race and ethnicity, up from 36% in 2023. This self-identification process is essential to accurately assess diversity and continue progressing towards the organization’s goal of having 20% of board seats occupied by women of color. LGBTQ+ representation also shows incremental growth, with 1.3% of Nasdaq board seats held by LGBTQ+ individuals.

From 2019 to 2024, Russell 3000 companies made considerable advancements, with a significant increase in companies reaching gender balance and having three or more women on boards. In particular, Russell 100 and 1000 companies, which are larger entities, lead these diversity efforts, driven by both public pressure and internal policy. The report attributes this shift to diversity-related regulatory initiatives, such as the Nasdaq Board Diversity Rule, which requires companies to disclose board diversity data and set minimum diversity thresholds.

Regionally, states such as California and Illinois have achieved notable diversity benchmarks, with California's Senate Bill 826 being instrumental in increasing the percentage of women on boards, even after the law was repealed. This legal framework led California's board composition to nearly double in women's representation from pre-law levels.

The report also highlights industry-specific diversity rates, showing that while all sectors have over 25% women on boards, sectors like Energy and Financial Services lag in achieving gender balance. To address this, the organization emphasizes the recruitment of directors with skills in emerging fields, such as cybersecurity and digital technology, alongside efforts to cultivate a more generalist skill set to enhance governance adaptability.

A key finding is that companies with women in high-level roles, such as CEO or board chair, tend to have more gender-diverse boards, as these women leaders influence board recruitment policies. Companies with even one woman in leadership report a 34.6% board representation of women, compared to 26.9% in companies without women in leadership roles.

To achieve sustained progress, the report recommends clear targets for board diversity, exploring new talent pipelines, and implementing board tenure limits. Encouragingly, the organization provides various resources, including the "50 Women to Watch for Boards" list, board leadership programs, and mentorship networks, to prepare and position women for board service.

The report projects two possible pathways to achieve gender parity: maintaining the current 1% growth rate or accelerating to 2% annually. The organization stresses that proactive measures can realize gender parity on Russell 3000 boards within the decade. These initiatives are supported by partnerships with executive search firms and incentives for companies that reach diversity benchmarks.

In summary, 50/50 Women on Boards' report underscores the importance of gender and racial diversity in corporate governance. The organization calls for continued advocacy, accountability, and structured diversity policies to ensure board representation aligns with broader demographic trends. Their strategic programs and campaigns aim to foster inclusive decision-making, enhance corporate governance, and reflect societal values in boardrooms.