



CALIFORNIA STATE TREASURER JOHN CHIANG

# NEWS RELEASE

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## **Pension Fund Leaders Term Corporate Board Diversification ‘Unacceptably Slow,’ Call for Increased Attention From Investors, Corporate Boards**

*California State Treasurer John Chiang joins group of fiduciaries from funds with more than \$1 trillion under management*

**SACRAMENTO** – California State Treasurer John Chiang today joined a group of state and local officials who contend that corporate boards have been too slow to diversify their ranks and that institutional investors should increase their focus on board diversity as a corporate governance priority.

The joint statement emphasizes that racial and LGBT diversity as well as gender diversity are critical dimensions of effective board composition and performance.

“There is broad agreement that a diverse corporate board is good for business,” Treasurer Chiang said. “Boards with directors, who possess a wide range of skills and experiences, are better positioned to oversee company strategy, risk mitigation and management performance.”

Statistics show that board diversification has been slow—or has even regressed. White directors hold 85 percent of the board seats at the largest 200 S&P 500 companies, and the percentage of those boards with exclusively white directors has increased over the last decade.

Men occupy 80 percent of all S&P 500 board seats. It is also estimated that there are fewer than 10 openly lesbian, gay, bisexual, or transgender directors among Fortune 500 companies.

The 14 co-signers, many of them longtime leaders on the issue of board diversity, are fiduciaries for pension funds responsible for the retirement security of six million participants and with more than \$1 trillion in assets under management.

In California, the push for greater corporate board diversity has been led by the state's two influential pension funds, the California Public Employees’ Retirement System and the California State Teachers’ Retirement System. Respectively, they are the two biggest public pension funds in the nation.

In particular, companies need to seek out new directors, who have personal expertise and experience in crafting strategies to combat global warming and its contribution to harmful climate change.

“More work still needs to be done,” said Chiang. “We will not see more diversity until we see more turn-over on corporate boards. To that end, CalPERS and CalSTRS should continue advocating for proxy access, which will

provide shareowners with a cost-effective means for nominating their own candidates and provide investors with greater ability to shape the composition of a board.”

Chiang and the other statement signers will be reaching out to other pension fund leaders urging them to join the call for an increased focus on board diversity.

**[Read Joint Statement of Corporate Board Diversity](#)**

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