



CALIFORNIA STATE TREASURER JOHN CHIANG

NEWS RELEASE

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Treasurer Issues Statement on CalPERS Report on Financial Benefits of Diversity, Inclusion in Global Corporate Market

SACRAMENTO – State Treasurer John Chiang today welcomed data from a [California Public Employees' Retirement System's report](#) demonstrating how companies that embrace diversity in their leadership ranks tend to have better relations with stakeholders, attract better talent, and deliver stronger financial bottom lines.

“This demonstrated linkage between diversity and success sends a powerful message to those states and municipalities which continue to condone discrimination against LGBTs, as well as those company boardrooms which are blind to the value added by women and minority executives,” said Chiang.

The report found that companies in the global corporate market with one or more women on the board saw an excess share price (Calculate Compound Annual Growth) of 3.4% over the past 11 years, while companies with male-only boards saw share prices lose 1.2%. Companies that support LGBT rights saw average returns 10% or higher, according to the report.

In 2008, as State Controller and a board member of CalPERS and California State Teachers' Retirement System (CalSTRS), Chiang sought an increased focus by both pension funds on corporate board diversity among the companies in their investment portfolios.

As a result, both pension funds bolstered language on diversity in their governance and proxy voting policies. Both funds have since increased their direct engagement with companies on the issue of boardroom diversity and have supported numerous shareholder resolutions that have resulted in companies agreeing to actively consider diversity as a criterion for recruiting new directors.

As Controller, Chiang also urged CalPERS and CalSTRS to work together to create the Diverse Director Datasource, which allows corporate board's nominating committees to search through a robust database of diverse candidates when looking to fill board seats.

In his first year as Treasurer, Chiang, who continues to serve as a board member for both pension funds, [issued a letter in February 2015](#) that called upon CalPERS and CalSTRS to take more steps to encourage more diversity in corporate board rooms.

The Diversity and Inclusion: Evidence on Corporate Performance report can be [read in its entirety on the CalPERS website](#).

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