

117TH CONGRESS  
2D SESSION

# H. RES. 971

Expressing the sense of the House of Representatives that corporations should commit to utilizing the benefits of gender diversity in boards of directors and other senior management positions.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2022

Mr. BEYER (for himself and Mrs. CAROLYN B. MALONEY of New York) submitted the following resolution; which was referred to the Committee on Education and Labor

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## RESOLUTION

Expressing the sense of the House of Representatives that corporations should commit to utilizing the benefits of gender diversity in boards of directors and other senior management positions.

Whereas Catalyst, a non-profit and non-partisan organization, found in their 2020 report entitled “Women on Corporate Boards” that women are 56 percent of the labor force, yet only account for 30 percent of board directors of S&P 500 companies, and another Catalyst report entitled “Women CEOs of the S&P 500” found that women accounted for only 6 percent of all CEOs in 2020;

Whereas a McKinsey report entitled “Women in the Workplace” published in 2021, found that women of color con-

tinue to have even lower representation at every level of corporate employment and leadership;

Whereas the Sadie Collective’s paper titled “Why are Black Women Missing from Corporate Leadership?” published in November 2020 showed that the number of Black women completing degrees in economics, finance, accounting, and math fields is declining, which are often fields associated with corporate leadership;

Whereas such study found that measures to remove barriers to the pipeline of corporate leadership for Black women in male-dominated fields include access to information, earlier education, and exposure to female mentors;

Whereas The American Economic Association’s study entitled “AEA Profession Climate Survey: Final Report” published in September 2019 found that women, especially Black women, had to take the most measures to avoid possible harassment, discrimination and unfair treatment, hindering efforts to climb the corporate ladder;

Whereas an Egon Zehnder study entitled “Global Board Diversity Tracker: Who’s Really on Board?” published in December 2020, showed that companies with more diverse executive teams and boards of directors perform better financially;

Whereas such study showed that women directors contribute to important corporate-level outcomes because they play roles as leaders and mentors, as well as indirect roles as symbols of opportunity for other women, and inspire those women to achieve and stay with their corporations;

Whereas such study found that more recognition of the valuable contribution of women directors to corporation value is needed;

Whereas such study showed that corporations need a critical mass of at least 3 women serving on boards of directors with average membership of 11 individuals to access the benefits of diversity for overall organizational performance and prevent the negative impacts of tokenism on leadership teams;

Whereas a Harvard Business study entitled “An Institutional Approach to Gender Diversity and Firm Performance” published in 2019 found that increased gender diversity results in more productive companies in terms of market value and revenue;

Whereas Credit Suisse’s global research study entitled “CS Gender 3000” published in October 2019 reviewed 3,000 corporations worldwide to find that women serving on corporate boards improved corporation performance with respect to key metrics, including stock performance, and that companies with a higher proportion of women senior managers demonstrated returns on investment that were both higher and more stable overall;

Whereas such study found that corporations with women serving as directors tend to be somewhat risk-averse and carry less debt, on average, compared to corporations with no women directors, and that net income growth for such corporations was also higher; and

Whereas a Stanford University study entitled “Do Investors Value Gender Diversity in Firms?” released in 2019 found that investors react positively to substantive increases in gender diversity with a significant increase in stock prices following corporate announcements regarding increased diversity, demonstrating the economic consequences of increased diversity: Now, therefore, be it

1       *Resolved*, That it is the sense of the House of Rep-  
2 representatives that—

3           (1) the citizens of the United States have a sig-  
4 nificant stake in promoting robust, sustainable eco-  
5 nomic growth;

6           (2) such growth will be strengthened and accel-  
7 erated by the ever-fuller inclusion of women in the  
8 United States workforce, at all levels of corporate  
9 management; and

10          (3) corporations in the United States should  
11 undertake a commitment to ever-fuller utilization of  
12 the talents, skills, and work ethic of women on  
13 boards of directors and in other senior management  
14 positions.

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