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Higher Number of Women in the Boardroom Heralds Future Increase of Women Corporate Officers, According to Latest Catalyst Study

Findings complement previous Catalyst research on correlation between women in leadership and better financial performance

NEW YORK (July 23, 2008) – There's a new way to look into the future and predict the number of women in senior management ranks – just count the current number of women on corporate boards. That's according to Catalyst's *Advancing Women Leaders: The Connection Between Women Board Directors and Women Corporate Officers*, which found that the number of women on a company's board is directly connected to the future number of women in its senior management ranks. This compelling predictor shows a way to increase the number of women in leadership, and further supports the findings of Catalyst's research on the financial implications of gender diversity at the top. That analysis revealed that *Fortune* 500 companies with the largest representation of women board directors and corporate officers achieve, on average, higher financial performance.

Women in corporate leadership can also send a critical message to people entering the workforce. "Women leaders are role models to early- and mid-career women and, simply by being there at the top, encourage pipeline women to aspire to senior positions. They see that their skills will be valued and rewarded," said **Ilene H. Lang, President of Catalyst**.

Catalyst's latest research shows a clear and positive link between the percentage of women board directors in the past and the percentage of women corporate officers in the future:

- Companies with 30 percent women board directors in 2001 had, on average, 45 percent more women corporate officers by 2006, compared to companies with no women board members.
- Companies with the lowest percentages of women board directors in 2001 had, on average, 26 percent fewer corporate officers than those with the highest five years later.
- Companies with two or more women members on a company's board in 2001 had 25 percent more women corporate officers by 2006 than companies with one woman board member in 2001.

Furthermore, the presence of women on boards had a stronger impact on the growth of women in line positions than in staff positions. Line experience is necessary for advancement into CEO and top leadership positions, and Catalyst's annual Censuses show that women are historically underrepresented in these roles. This research demonstrates the important contribution that women board directors play in making sure women get this critical experience.

"A gender diverse board signals the right tone at the top and the importance that a company places on creating a successful work environment for *all* employees," said Ms. Lang.

"Moreover, this study shows that what's good for women is good for business. Simply put, more women on corporate boards correlate with more women in the C-suite *and* better financial performance – a real win/win for companies, shareholders, and talented women seeking companies that support their advancement."

The Chubb Corporation is the lead sponsor of *Advancing Women Leaders: The Connection Between Women Board Directors and Women Corporate Officers*, with contributing sponsors **Citizens Communications** and **IBM Corporation**. To learn more about this study and other research by Catalyst, please visit www.catalyst.org, or contact Serena Fong at 646-388-7757, sfong@catalyst.org, or Jeff Barth at 646-388-7725, jbarth@catalyst.org.

About this study

To conduct our regression analyses, we used data from the *2000 Catalyst Census of Women Corporate Officers and Top Earners*, *2001 Catalyst Census of Women Board Directors*, and *2006 Catalyst Census of Women Corporate Officers and Top Earners of the Fortune 500*. We examined the 359 companies that were in the *Fortune* 500 during the years under investigation, 2000, 2001, and 2006. The data were collected from publicly available annual reports and 10K forms and included the number of women and men board directors and corporate officers, company rank (measured by revenue), and industry. For more information, please visit Catalyst at www.catalyst.org.

About Catalyst

Founded in 1962, Catalyst is the leading nonprofit membership organization working globally with businesses and the professions to build inclusive workplaces and expand opportunities for women and business. With offices in the United States, Canada, and Europe, and the support of more than 370 member organizations, Catalyst is the premier resource for research, information, and trusted advice about women at work. Catalyst annually honors exemplary organizational initiatives that promote women's advancement with the Catalyst Award.