

SENATE No. 1007

The Commonwealth of Massachusetts

PRESENTED BY:

Karen E. Spilka

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying resolution:

Resolutions to encourage equitable and diverse gender representation on the boards of companies in the Commonwealth.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Karen E. Spilka</i>	<i>Second Middlesex and Norfolk</i>
<i>Patricia A. Haddad</i>	<i>5th Bristol</i>
<i>Jason M. Lewis</i>	<i>Fifth Middlesex</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>
<i>Tricia Farley-Bouvier</i>	<i>3rd Berkshire</i>
<i>Josh S. Cutler</i>	<i>6th Plymouth</i>
<i>Carole A. Fiola</i>	<i>6th Bristol</i>
<i>Thomas J. Calter</i>	<i>12th Plymouth</i>
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>
<i>Gailanne M. Cariddi</i>	<i>1st Berkshire</i>
<i>Jeffrey N. Roy</i>	<i>10th Norfolk</i>
<i>Timothy R. Madden</i>	<i>Barnstable, Dukes and Nantucket</i>
<i>Ann-Margaret Ferrante</i>	<i>5th Essex</i>
<i>Tackey Chan</i>	<i>2nd Norfolk</i>
<i>Edward F. Coppinger</i>	<i>10th Suffolk</i>

<i>Lori A. Ehrlich</i>	<i>8th Essex</i>
<i>Ruth B. Balsler</i>	<i>12th Middlesex</i>
<i>Barbara L'Italien</i>	<i>Second Essex and Middlesex</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>
<i>Timothy J. Toomey, Jr.</i>	<i>26th Middlesex</i>
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>
<i>Angelo J. Puppolo, Jr.</i>	<i>12th Hampden</i>
<i>Daniel J. Ryan</i>	<i>2nd Suffolk</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>
<i>Paul McMurtry</i>	<i>11th Norfolk</i>
<i>Michael J. Moran</i>	<i>18th Suffolk</i>
<i>Kathleen O'Connor Ives</i>	<i>First Essex</i>
<i>Kate Hogan</i>	<i>3rd Middlesex</i>
<i>Louis L. Kafka</i>	<i>8th Norfolk</i>
<i>Jennifer E. Benson</i>	<i>37th Middlesex</i>
<i>Gloria L. Fox</i>	<i>7th Suffolk</i>
<i>Harriette L. Chandler</i>	<i>First Worcester</i>
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>
<i>Joseph W. McGonagle, Jr.</i>	<i>28th Middlesex</i>
<i>Joan B. Lovely</i>	<i>Second Essex</i>
<i>Walter F. Timilty</i>	<i>7th Norfolk</i>
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>
<i>Peter V. Kocot</i>	<i>1st Hampshire</i>
<i>Nick Collins</i>	<i>4th Suffolk</i>
<i>Tom Sannicandro</i>	<i>7th Middlesex</i>
<i>Carmine L. Gentile</i>	<i>13th Middlesex</i>
<i>Michelle M. DuBois</i>	<i>10th Plymouth</i>
<i>Alice Hanlon Peisch</i>	<i>14th Norfolk</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>

SENATE No. 1007

By Ms. Spilka, a petition (accompanied by resolution, Senate, No. 1007) of Karen E. Spilka, Patricia A. Haddad, Jason M. Lewis, Jay D. Livingstone and other members of the General Court for legislation to encourage equitable and diverse gender representation on the boards of companies in the Commonwealth. Labor and Workforce Development.

The Commonwealth of Massachusetts

In the One Hundred and Eighty-Ninth General Court
(2015-2016)

Resolutions to encourage equitable and diverse gender representation on the boards of companies in the Commonwealth.

1 Whereas, equitable and diverse gender representation in the leadership ranks of
2 Massachusetts companies is essential to enhance the Commonwealth’s competitive position in
3 the global economy; and

4 Whereas, women make up 48% of the labor force in Massachusetts and 46.9% of the
5 labor force nationally; women in the U.S. earned 57.3% of bachelor’s degrees, 59.9% of masters
6 degrees, 51.4% of doctorate degrees, and 36.8% of MBA’s in 2010-2011; and women make up
7 59% of college-educated entry-level workforce, 52% of all professional-level jobs, 14% of
8 executive officers, and 8.1% of top earners (2014); and

9 Whereas, the Boston Club's 2014 Census of Women Directors and Executive Officers of
10 Massachusetts Public Companies reports that as of June 2014, women hold 14.9% of the board
11 seats and 11.8% of executive officer positions in the 100 largest public companies in
12 Massachusetts. Twenty-four of these 100 companies have no women on their boards of directors;

13 46 have no women executive officers; and 19 have no women on their boards of directors or in
14 their executive suites; and

15 Whereas, the 2014 Credit Suisse Gender 3000 report confirmed, after analyzing over
16 3,000 companies across the world, that greater gender diversity on boards of directors and in
17 management “are empirically associated with higher returns on equity, higher price/book
18 valuations and superior stock price performance.” In addition, the authors “find no evidence that
19 female led companies reflect greater financial conservatism where leverage is concerned [and]
20 dividend payout ratios have been shown to be higher.”; and

21 Whereas, reports issued by Thomson Reuters (2013), Credit Suisse (2012) and McKinsey
22 (2007, 2010, 2013), have substantiated the correlation between greater gender diversity in top
23 management and enhanced corporate performance; and

24 Whereas, according to the McKinsey Quarterly article “Can Women Fix Capitalism?” the
25 case for women in leadership positions is strong, noting that “women bring improved decision
26 making at the top, more creativity and innovation, and better problem solving, stemming from
27 greater cognitive diversity. Women also improve the ecosystem, because company leaders better
28 match the profile of customers and employees. And when three or more women make it to the
29 top team, a company’s organizational health appears to improve on every one of the nine
30 dimensions McKinsey tracks”; and

31 Whereas, in countries that require reporting on gender diversity policies for regulated
32 companies, disclosure requirements have led to progress toward gender and diversity goals in
33 executive positions and on boards of directors; therefore be it

34 Resolved, that the Legislature encourages equitable and diverse gender representation in
35 the public and private leadership ranks of Massachusetts companies and state government; and
36 be it further

37 Resolved, that all companies doing business in Massachusetts, privately held as well as
38 publicly traded, should adopt policies and practices designed to increase the gender diversity in
39 their boards of directors and senior management groups and set goals by which to measure their
40 progress; and be it further

41 Resolved, that all companies in Massachusetts, privately held as well as publicly traded,
42 should publicly disclose the number of women and total number of individuals on their boards of
43 directors; and be it further

44 Resolved, that by December 31, 2018, all corporate boards with nine or more members
45 should have a minimum of three women directors; all boards with fewer than nine members
46 should have a minimum of two women directors; and all companies, privately held as well as
47 publicly traded, should measure their progress toward a goal of equal representation of men and
48 women in leadership positions on an annual basis.