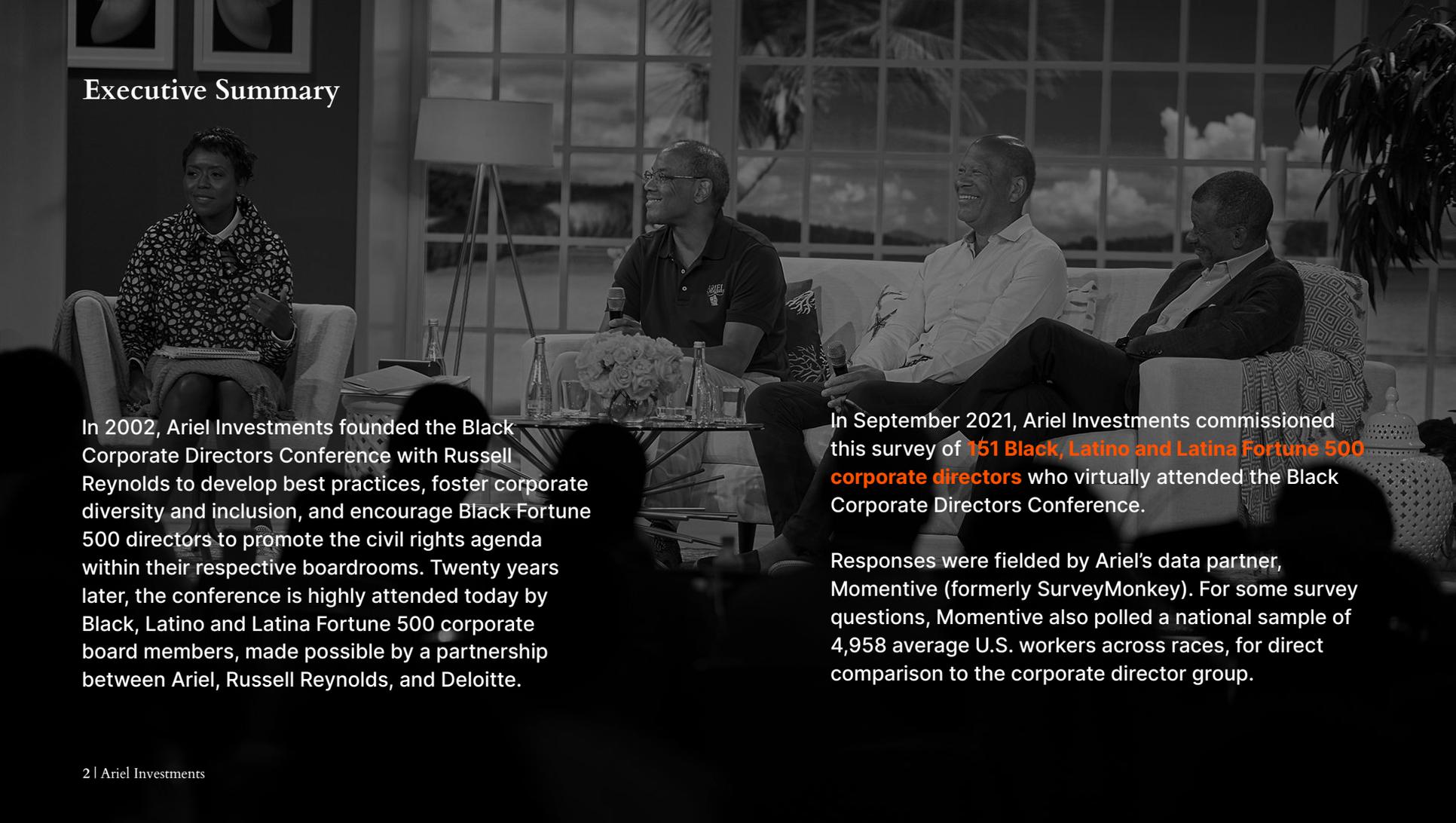


2021

Ariel Investments

**The Inaugural
Black Corporate
Directors Study**





Executive Summary

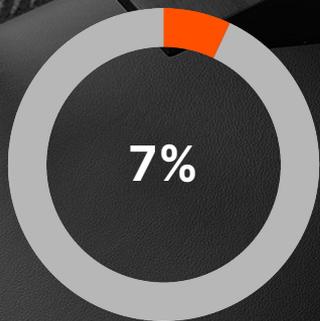
In 2002, Ariel Investments founded the Black Corporate Directors Conference with Russell Reynolds to develop best practices, foster corporate diversity and inclusion, and encourage Black Fortune 500 directors to promote the civil rights agenda within their respective boardrooms. Twenty years later, the conference is highly attended today by Black, Latino and Latina Fortune 500 corporate board members, made possible by a partnership between Ariel, Russell Reynolds, and Deloitte.

In September 2021, Ariel Investments commissioned this survey of **151 Black, Latino and Latina Fortune 500 corporate directors** who virtually attended the Black Corporate Directors Conference.

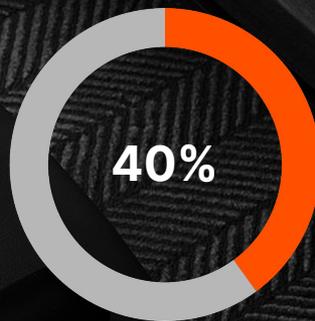
Responses were fielded by Ariel's data partner, Momentive (formerly SurveyMonkey). For some survey questions, Momentive also polled a national sample of 4,958 average U.S. workers across races, for direct comparison to the corporate director group.

Nearly half of companies began prioritizing DE&I only recently.

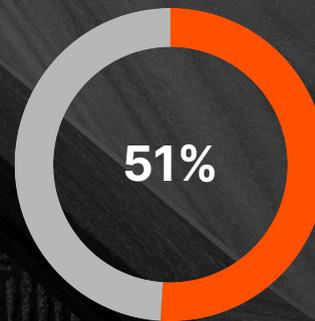
For many companies, a focus on Diversity, Equity, and Inclusion (DE&I) is new. While nearly half (**51%**) of Black Corporate Directors Conference attendees report that DEI has been a primary agenda item for their board for several years, **40%** began prioritizing DEI over the last 18 months, and **7%** have not added it to the agenda.



Never



0-18 months



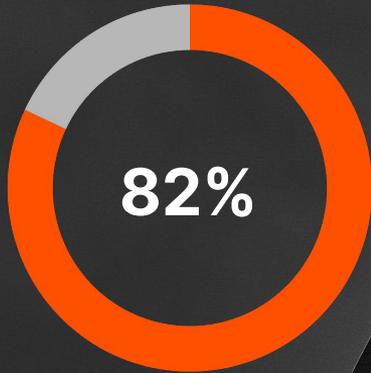
Several years

% of Diverse Directors

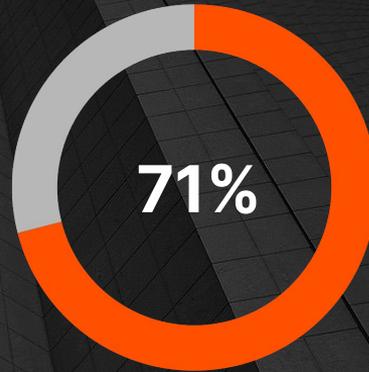
Q: Time DE&I principles have been primary agenda items for your board(s)

The Good News

When DE&I is a primary agenda item, diverse Fortune 500 directors feel sufficient capital is allocated to support these initiatives.



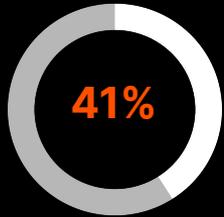
82% say their company invests capital to support its racial equity and diversity goals.



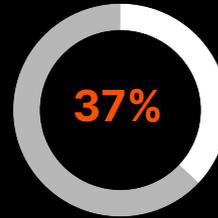
71% say there is sufficient capital to support DE&I goals.

While 90% of respondents say their boards are more racially diverse now than five years ago, representation is not enough.

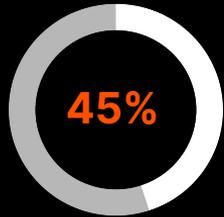
Many surveyed board members still feel their companies struggle to operationalize DE&I goals effectively.



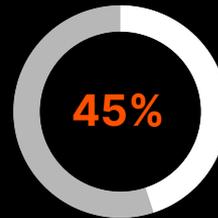
Nearly half say their board **does not** regularly oversee the risks and opportunities related to potential impacts on communities of color.



More than a third say that their company leadership is **out of touch** with the actual experiences of their diverse employees.



Almost half say their board **does not** prepare organizational leaders for effective oversight of DEI through a structured process.



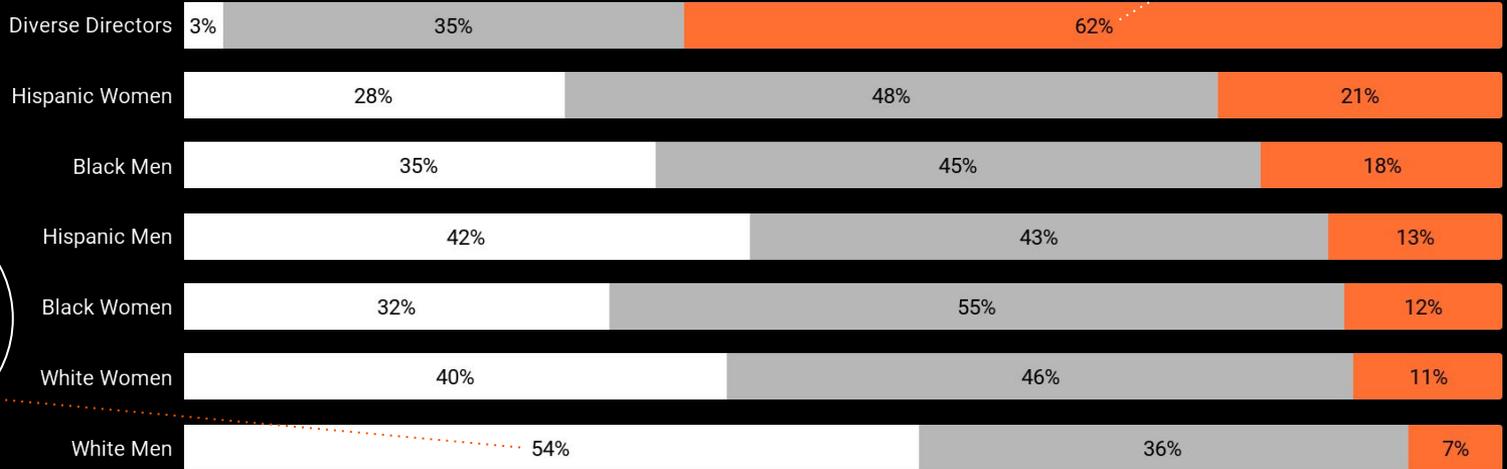
Less than half say diverse board members have oversight of DE&I through service on the Nominating and Governance committees or other relevant committees.

Black, Latino and Latina Fortune 500 directors feel race needs more attention from leadership teams. U.S. workers across racial groups disagree.

Over half of white male workers feel race receives too much attention. Surprisingly, a significant portion of Black and Hispanic workers have similar views.

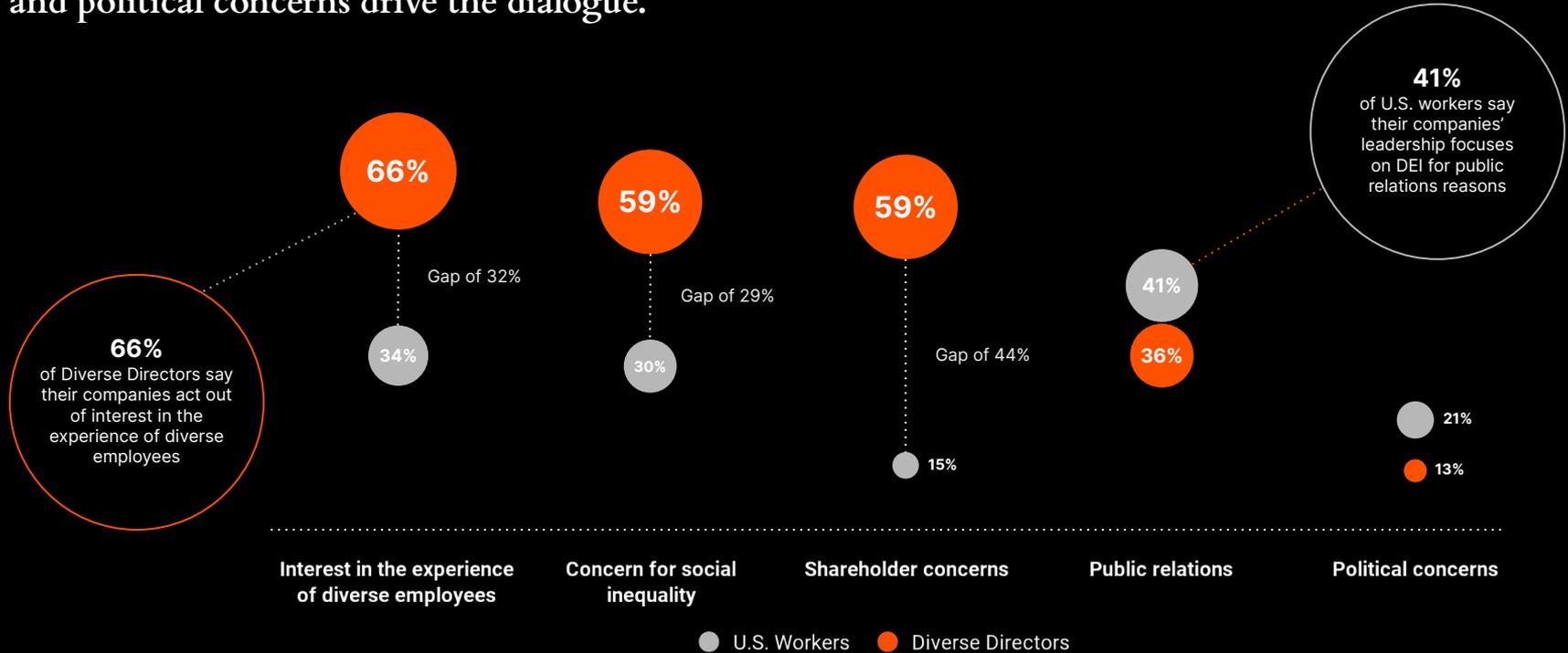
62%
say leadership pays too little attention

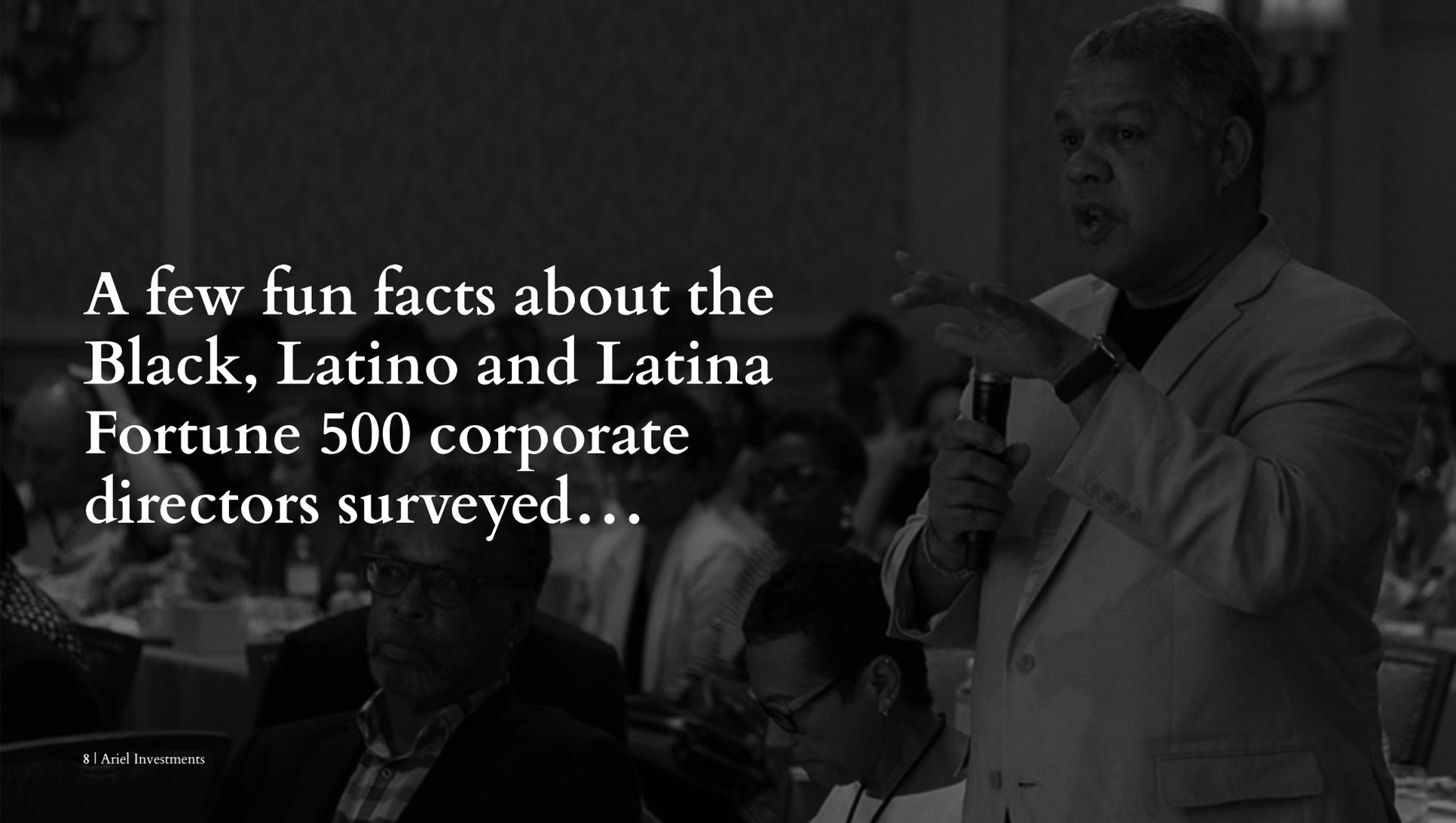
■ Too much attention ■ About the right amount ■ Too little attention



More than half of white male workers say leadership pays *too much* attention

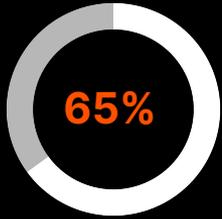
Our directors believe companies act on DE&I issues out of the interest of diverse employees and concern for social inequality. U.S. workers do not trust these motives—speculating public relations and political concerns drive the dialogue.





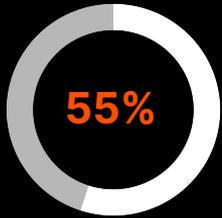
A few fun facts about the
Black, Latino and Latina
Fortune 500 corporate
directors surveyed...

Getting to Know the Black Corporate Directors Conference Attendees

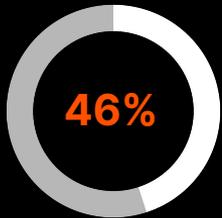


65% accepted their first public company board seat before the age of 50.

*The average age of an S&P 500 company board member is 63.

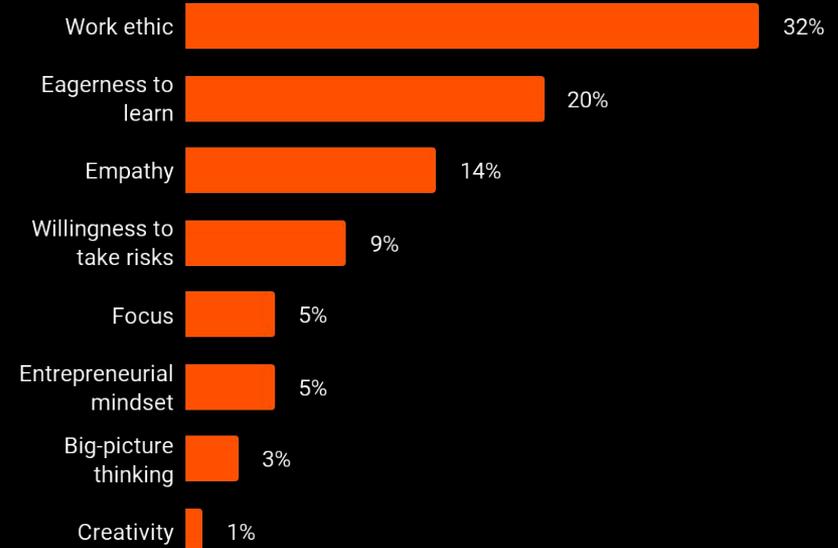


55% of respondents' first board seat was with a nonprofit organization.



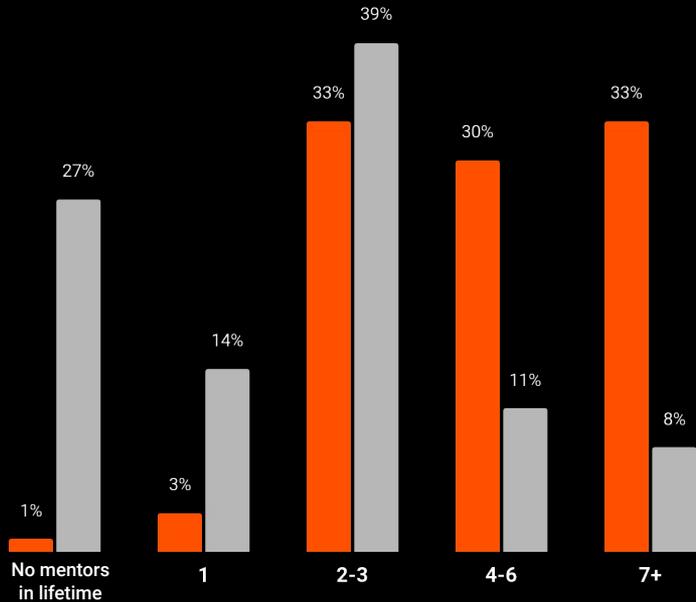
46% have a postgraduate degree, compared to 10% of the general population.

Diverse directors say that work ethic, eagerness to learn, and empathy are the most important traits for success in life.

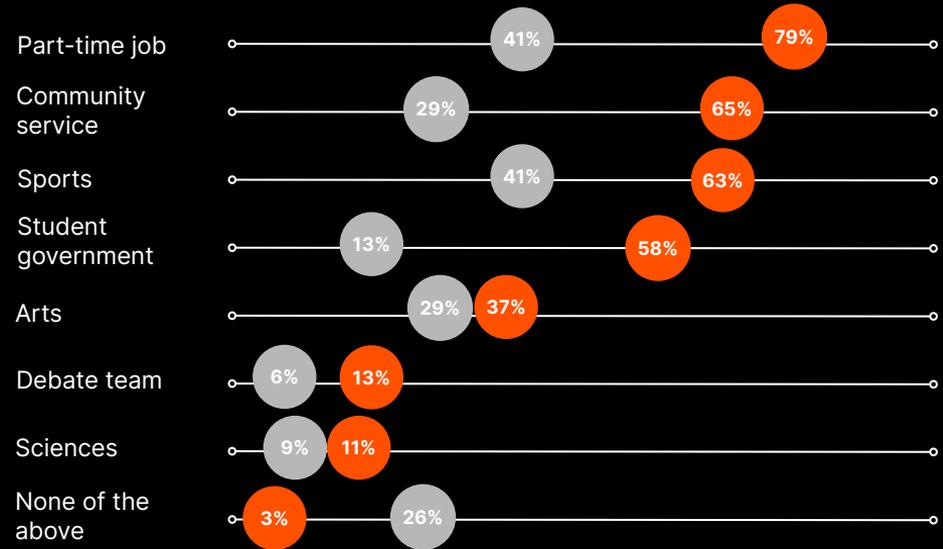


Our directors are more likely to have had richer experiences early in life than the general public.

Diverse directors have had more mentors than the general public.



Diverse directors participated in more extracurricular activities growing up compared to the general public.



● Diverse Directors ● General Public

Calls-to-Action for Corporate America

What gets measured, gets done:

When developing DE&I goals, ensure commitments are measurable by including key dates/deadlines and targets.

Create accountability:

Don't only incentivize leadership teams to be successful – also hold them financially accountable for lack of progress.

Capital counts:

When goals are set, ensure specific budget line items are allocated to achieve them, with finite dates/deadlines, and re-assess annually.

Transparency translates:

Update all stakeholders on a regular basis (e.g., quarterly) on DE&I progress – but also be honest about the challenges.

Offer data:

Educate *all* employees—from the rank and file to the C-Suite—using data on why diversity is good for corporate results. Link business objectives to DE&I goals using evidence on the revenue-driving benefits of diversity. For example, a [**2018 McKinsey study**](#) found that companies with the most ethnically and culturally diverse boards were 43% more likely to experience higher profits.

Representation in the right places:

Ensure that when diverse directors join boards, they are well-positioned to advance DE&I goals by serving on Nominating and Governance committees, in addition to other committees. Also, recruit directors of all races who value and have a proven track record in confronting issues of DE&I.

Keep DE&I on the agenda, indefinitely:

Foster a board culture that empowers directors to speak up by regularly including the company's racial justice agenda in board meetings and actively soliciting input from diverse directors.