

Malli Gero
50/50 Women on Boards
Testimony in support of HB3110
March 11, 2021

Chair Smith Warner, Vice Chairs Drazan and Holvey, and Members of the Committee,
My name is Malli Gero, I'm co-founder and Vice Chair of 50/50 Women on Boards, the leading global education and advocacy campaign encouraging gender balance and diversity on corporate boards. Thank you for giving me the opportunity to testify this afternoon.

The positive impact of women directors on a company's bottom line is well documented. Independent research conducted by Credit Suisse found that when it comes to return on equity, average growth and the price book value over a period of six years, businesses with women directors out-perform those companies with no women.

There are myriad studies showing that rank and file women are better served in companies where there are women directors. The inclusion of women on boards is good for business and good for stakeholders: investors, employees and consumers.

While progress has been made in this area, it is painstakingly slow. Our 2020 Gender Diversity Index of Russell 3000 companies showed that:

Nationally, women hold 22.6% of the boards seats of R3000 companies, an increase of 2% from the previous year. The percentage of women directors in R3000 companies headquartered in Oregon is 25.8 percent, above the national average but far from gender balance.

The pipeline of women qualified to serve on boards is overflowing with talented, smart, well-educated candidates. Women in leadership roles have the expertise that would be

extremely valuable to corporate boards that today face numerous business and cultural challenges. Yet, the traditional way board searches are handled leaves little room to include women or diverse candidates, and there is little incentive for companies to change.

I started working on this issue over 20 years ago, when the national statistics on public companies was around 9 percent and my daughter was 13. In those days, we thought that when the old generation of CEOs retired the new generation of CEOs would be more open to putting women on boards and the numbers would shift. There has been some change, but the change is too slow. Today, my daughter is 35 and has a successful career. How do we tell women of her generation, that despite their hard work and achievements, things just haven't changed that much at the top? There are still few opportunities for them in corporate leadership. Passage of HB3110 can help ensure their place.

We have been very interested in the growing number of Women on Boards legislative initiatives taking place across the country. Women on Boards legislation has been passed in CA, WA, IL and NY. Let's add Oregon to this list. We expect MA, NJ, MI and HI to follow.

Board seats should not be filled not by cronies, but by accomplished businesswomen and men with diverse backgrounds that ensure company success. Investors will surely benefit from more diverse boards. But so too will our communities. I urge to you pass HB3110.

Thank you.

