



# Hispanics Underrepresented on U.S. Boards Despite Recent Gains

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About 19% of the U.S. population identifies as Hispanic<sup>1</sup>, but the proportion of Hispanics serving on U.S. corporate boards is far lower. While representation has seen substantial growth by percentage over the last five years, the starting point was significantly lower than that seen by other ethnic groups. As we celebrate Hispanic Heritage Month (September 15 - October 15), ISS Corporate Solutions examines the current state and trends of Hispanic and Latin American board representation at U.S. corporations.

## KEY TAKEAWAYS

- Hispanic directors in the Russell 3000 represent 3.6% of the total.
- In the last five years, the number of Hispanic board members has soared by 69%.
- Hispanic women lead the change, doubling in number in five years albeit from a low base.
- Hispanic directors tend to be relatively younger, with a median age of 60, and half of them have been at their posts for less than three years.
- Only 29% of Hispanic directors have been appointed to a board leadership role compared to 41% for non-Hispanic directors.
- Hispanics CEOs represent only 2% of the total across all Russell 3000.

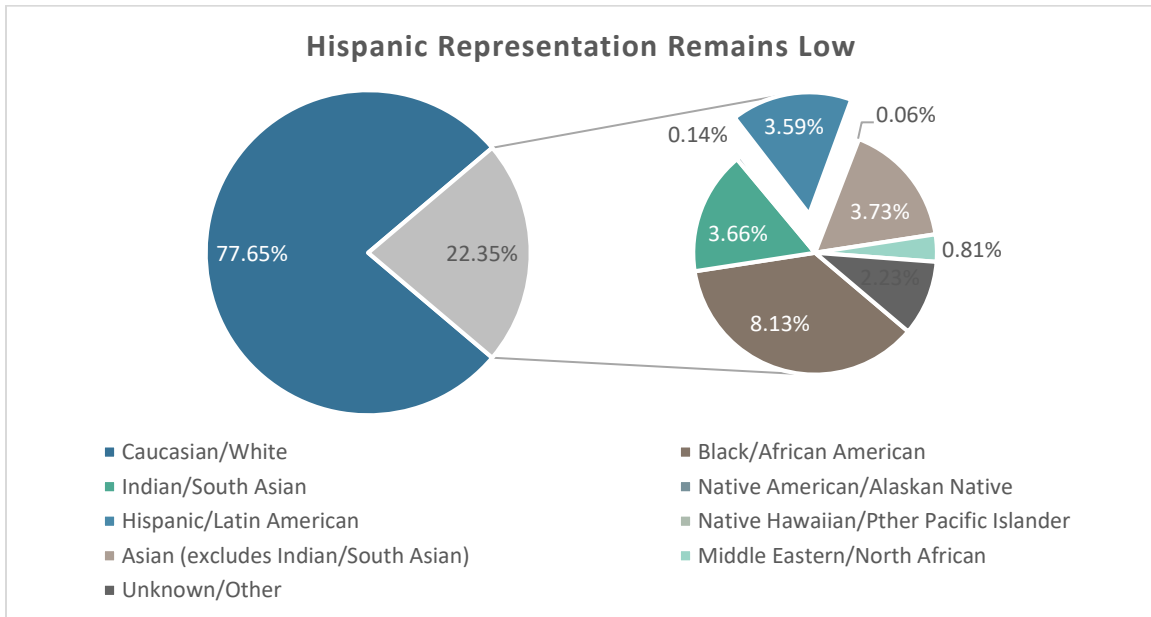
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<sup>1</sup> US Census Bureau (V2022). QuickFacts United States. Retrieved from <https://www.census.gov/quickfacts/fact/table/US> August 29, 2023



## Hispanic Director Representation Remains Low

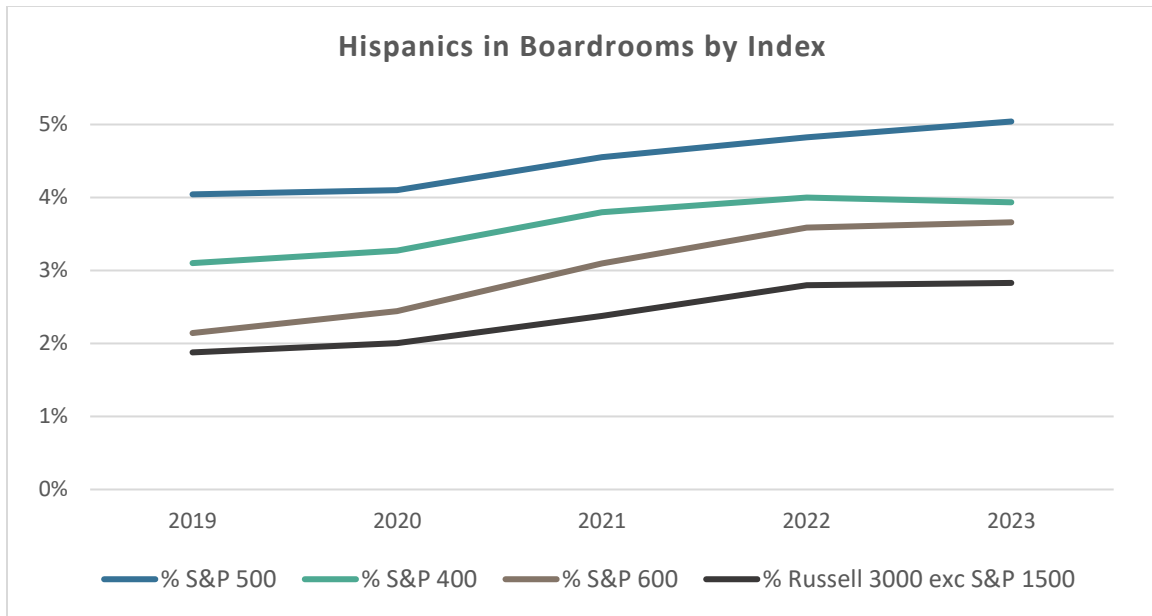
As of September 2023, Hispanic/Latin American directors account for 3.6% of the total and 16% of non-White/Caucasian directors at Russell 3000 companies. That indicates a significant underrepresentation of Hispanics in boardrooms compared with the group’s percentage of the population.



Source: ISS Corporate Solutions data as of September 12, 2023

Hispanic board representation is still proportionately low despite a significant increase in recent years. However, even the increase lags other minority groups. From 2019 to September 2023, Hispanic/Latin American directors at Russell 3000 companies increased by 56%. This falls behind the pace of all non-Caucasian directors, whose boardroom representation increased by 87% in the same period.

Looking more closely by index, we find a consistent trend towards increased Hispanic representation across all market cap groups. While S&P 600 companies have seen the largest growth of Hispanic directors (79% since 2019), the large cap S&P 500 is the only segment where representation exceeds 5%.

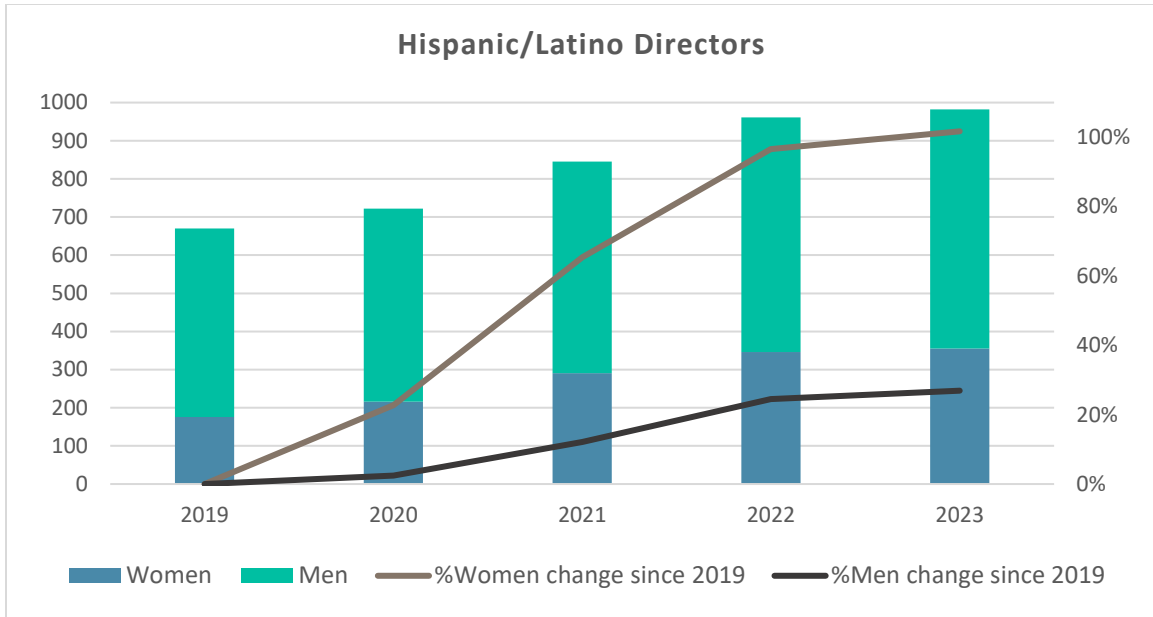


Source: ISS Corporate Solutions data as of September 12, 2023

## Hispanic Women Leading the Change

There are currently almost 1,000 Hispanic directors at Russell 3000 companies of whom approximately 360 are women. The number of female Hispanic directors has more than doubled since 2019. By comparison, female representation among all ethnic groups increased by 41% since 2019 to 29% of all board seats. In 2019, there were almost three Hispanic male directors for every female Hispanic director, today this ratio is less than two men for each woman.

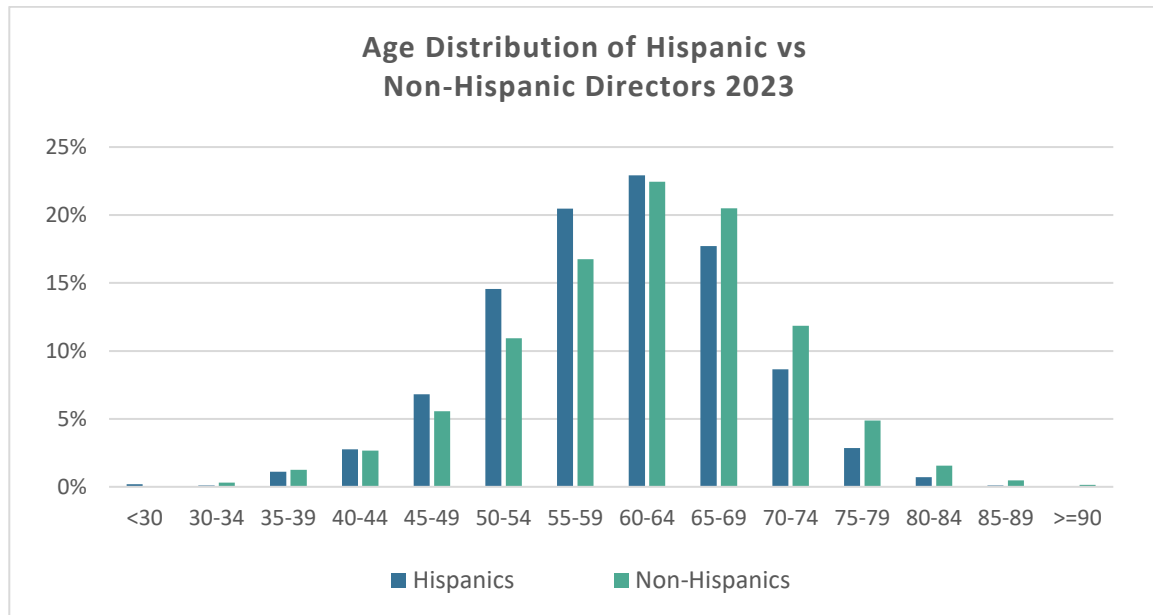
While Hispanic women are setting the pace of change compared to their male counterparts, the pace of growth still lags those of other ethnic minority groups. Director positions held by Indian/South Asian women increased by 170%, and Black/African American women by 121%.



Source: ISS Corporate Solutions data as of September 12, 2023

## Hispanic Directors Tend To Be Younger

The average age of Hispanic/Latin American directors is 60, two years less than the average for all other directors. Almost seven out of every 10 Hispanic directors are under 65, compared to six out of 10 non-Hispanic directors. Distribution by age also shows that in percent terms, Hispanics have a higher representation in all age ranges from 40 to 64 than any other ethnic group.



Source: ISS Corporate Solutions data as of September 12, 2023



Many of Hispanic directors are also new joiners to the board. Half of these directors have tenure of less than three years (compared to 33% of all directors), while 15% have been in their role for between three and five years, roughly the same for all boardroom members. The median tenure is three years vs five years for non-Hispanics.

## Growing Numbers Not Translating Into Leadership Roles

While Hispanic directors have been gaining more board seats, they have not been making similar progress in positions of influence and impact. About 29% of Hispanic directors are appointed to a leadership role inside the board<sup>2</sup>, compared with 41% of their non-Hispanic peers.

More ethnic diversity across all boardrooms is not mirrored by CEO appointments either. Currently 86% of CEOs are Caucasian/White. Hispanic CEOs represent 2% of the total, less than Indian/South Asian (4.9%) and Asian (2.9%). Representation peaked in 2022, when Hispanics occupied 2.5% of all Russell 3000 CEO positions.

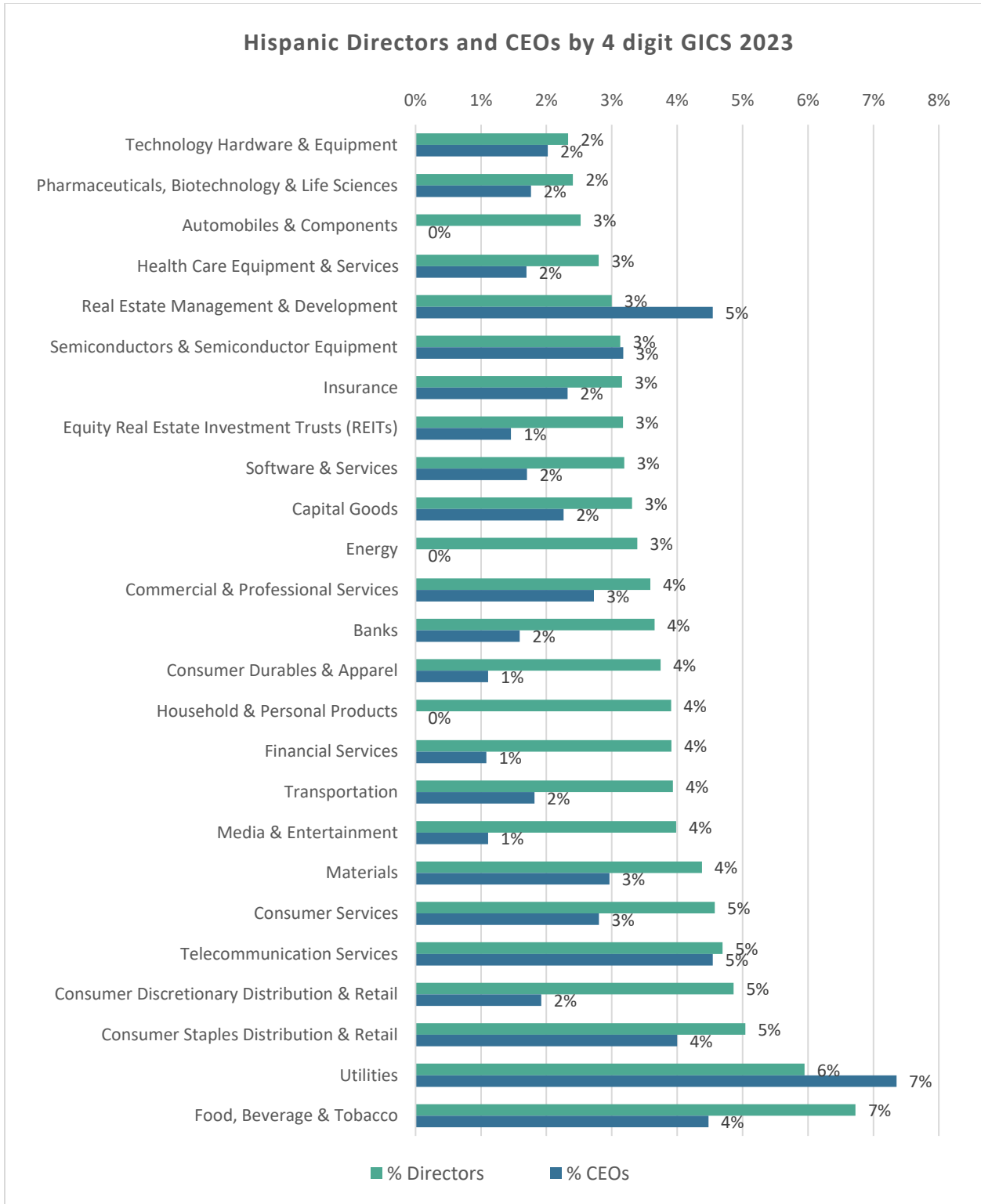
## Hispanic Directors Across Industry Groups

Participation of Hispanic directors has grown across all industry groups. Food, Beverage & Tobacco hosts the largest representation at 7%, followed by Utilities at 6%.

Hispanic/Latin American CEOs are more prevalent in Utilities (7%), while there are no Hispanic CEOs in Automobiles & Components, Energy, and Household & Personal Products industry groups.

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<sup>2</sup> Leadership roles inside the board are CEO, Board Chair, Chair of Audit Committee, Chair of Nominating Committee, Chair of Compensation Committee, Chair of Governance Committee, and Lead Director.



Source: ISS Corporate Solutions data as of September 12, 2023



While the growth of Hispanic/Latin American representation has been undeniable on U.S. boards over the last five years, the facts remain that this group started from further back and is gaining ground more slowly than other ethnicities. Board seats don't come close to parity with the 19% of Americans who are Hispanic and very few of those seats translate into the more powerful board positions, including CEO. Hispanic directors don't hold more than 10% of the board seats in any industry. Our findings indicate that Hispanics continue to face significant barriers to inclusion and representation in corporate boards.



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