

House Resolution 2

Sponsored by COMMITTEE ON RULES (at the request of State Treasurer Tobias Read)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Encourages equitable and diverse gender representation on boards and in senior management of companies in Oregon.

HOUSE RESOLUTION

Whereas equitable and diverse gender representation in the leadership ranks of companies in Oregon is essential to enhance the competitive position of this state in the global economy; and

Whereas women in the United States earned 36.5 percent of master of business administration degrees in 2012-2013 and 57.1 percent of bachelor's degrees, 59.9 percent of master's degrees and 51.8 percent of doctoral degrees in 2013-2014; and

Whereas women made up 47 percent of the United States labor force and held 52 percent of all professional-level jobs in 2012; and

Whereas according to the Employment Department, women made up 49 percent of the labor force in Oregon in 2014; and

Whereas in Oregon in 2016, women held 17 percent of board seats at Oregon's publicly traded companies and only one of Oregon's publicly traded companies has a chief executive officer who is a woman; and

Whereas Oregon is even underperforming Fortune 1000 companies in rates of corporate leadership positions held by women, as women make up 4.4 percent of Fortune 1000 company chief executive officers and 18 percent of board membership; and

Whereas women in Oregon own 21 percent of Oregon businesses; and

Whereas the Catalyst Research Center for Equity in Business Leadership issued an overview, Women on Corporate Boards Globally, which emphasizes the benefits of gender-balanced boards; and

Whereas Catalyst's research series, The Bottom Line, found that companies with more women on boards had better financial results than those with fewer women and that companies with sustained high representation of women board directors, defined as having three or more women board directors in at least four of five years, significantly outperformed those with sustained low representation by 84 percent on return on sales, 60 percent on return on invested capital and 46 percent on return on equity; and

Whereas Women on Corporate Boards Globally cites findings that companies with fewer women on boards had more governance-related controversies than average; and

Whereas Women in the Workplace 2016, a comprehensive study of the state of women in corporate America conducted by LeanIn.Org and McKinsey & Company, emphasized that "women are less likely to receive the first critical promotion to manager-so far fewer end up on the path to leadership-and they are less likely to be hired into more senior positions. Women also get less access

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 to the people, input, and opportunities that accelerate careers. As a result, the higher you look in
2 companies, the fewer women you see”; and

3 Whereas Women on Corporate Boards Globally indicated that research from many scholars and
4 organizations, including Catalyst, found that three or more women serving on a board “changes
5 boardroom dynamics substantially,” “enhances the likelihood that women’s voices and ideas are
6 heard” and creates a “critical mass” of women which can lead to better financial performance; now,
7 therefore,

8 **Be It Resolved by the House of Representatives of the State of Oregon:**

9 That we, the members of the House of Representatives of the Seventy-ninth Legislative Assem-
10 bly find that the State of Oregon has a significant stake in promoting equitable and diverse gender
11 representation in the public, private and nonprofit leadership ranks of Oregon companies, insti-
12 tutions and state and local government; and be it further

13 Resolved, That all nonprofit, privately held and publicly traded institutions and companies doing
14 business in this state should undertake a commitment to increase gender diversity on their boards
15 of directors and in senior management positions and set goals by which to measure their progress;
16 and be it further

17 Resolved, That the House of Representatives urges that by December 31, 2020, all nonprofit,
18 privately held and publicly traded institutions and companies doing business in this state have a
19 minimum of 30 percent women directors and measure their progress toward a goal of equal repre-
20 sentation of men and women in leadership positions on an annual basis.

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