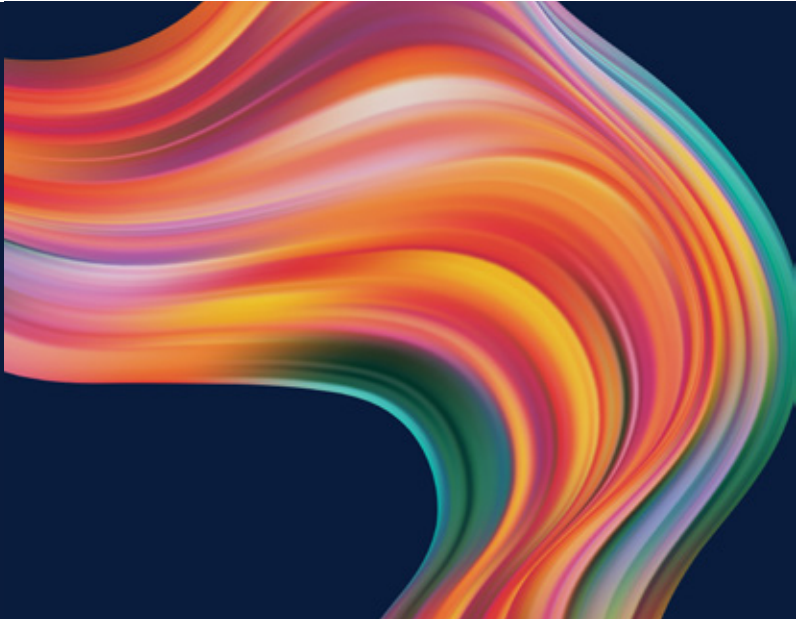


2024 S&P 500 New Director and Diversity Snapshot



Class of 2024: The new S&P 500 directors

S&P 500 boards appointed 406 new independent directors in 2024, out of a total of 5,289. This is a 5% increase from last year.

More than half (58%) appointed at least one new independent director, up from 53% in 2023. And 20% appointed more than one new independent director, up from 18% in 2023.

NEW INDEPENDENT DIRECTORS

	2024	2023	2019	2014
Number of new independent directors	406	388	432	371
Boards with at least one new independent director	58%	53%	56%	51%
Boards with more than one new independent director	20%	18%	22%	17%
Turnover (new directors as a % of total directors)	8%	7%	8%	7%

Highlights: New directors — S&P 500 boards



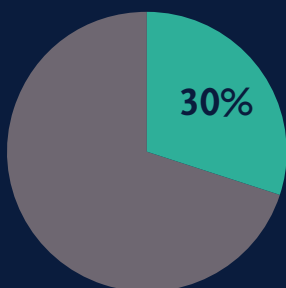
The incoming class of 406 new directors represents 7.7% of all 5,289 directors



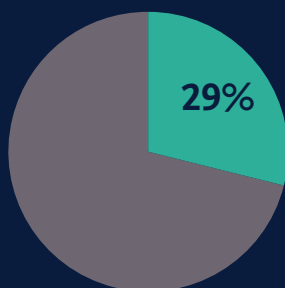
of S&P 500 boards appointed at least one new independent director

APPOINTMENTS

Active or retired CEOs



Directors with a financial background



The class of 2024 has more directors who are actively employed than directors who are retired



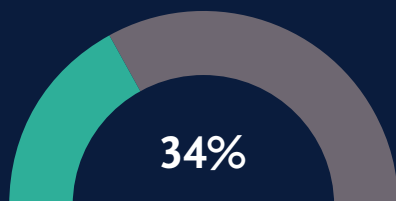
AGE



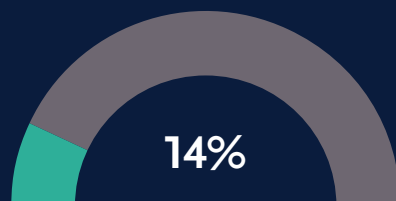
Average age of new directors

EXPERIENCE

First-time director

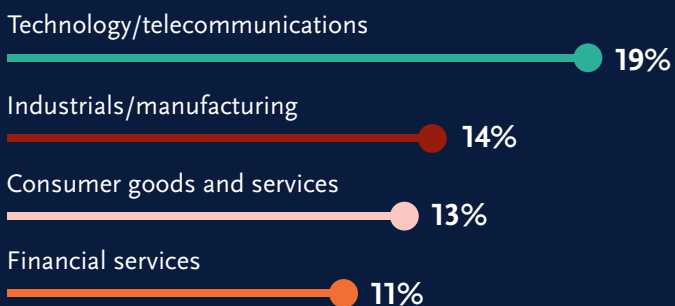


Next-gen directors (those aged 50 or under)



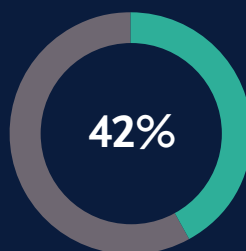
INDUSTRY BACKGROUND

Top industry backgrounds of new directors:

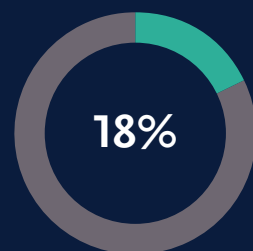


INTERNATIONAL EXPERIENCE

Spent time working abroad

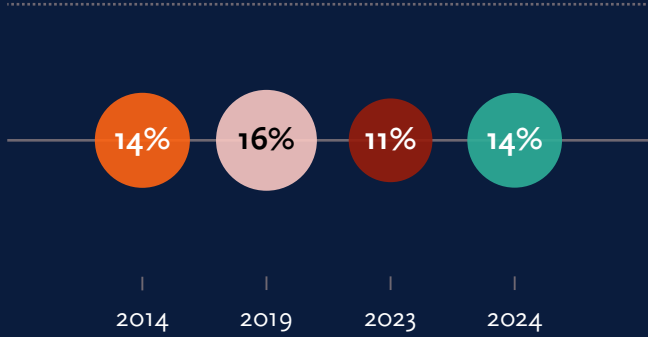


Not from the U.S.

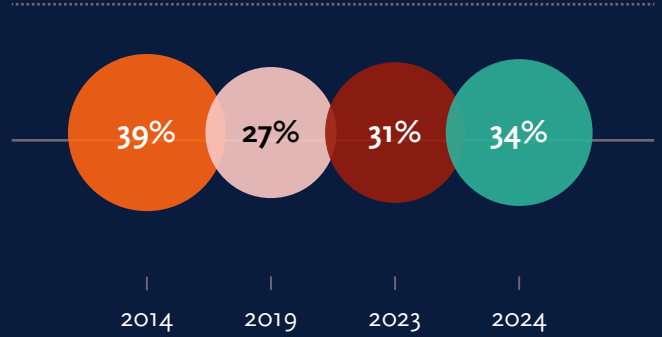


New Director Trends Over One, Five and 10 Years

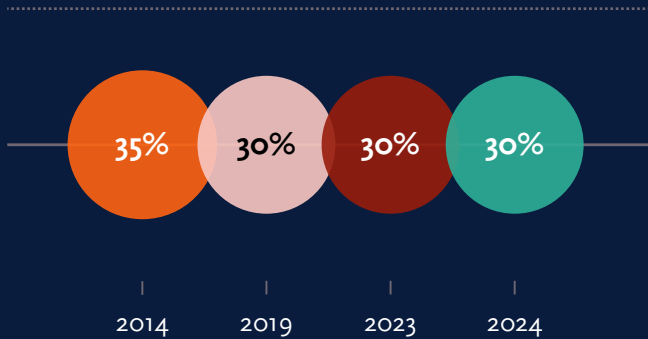
Next-gen



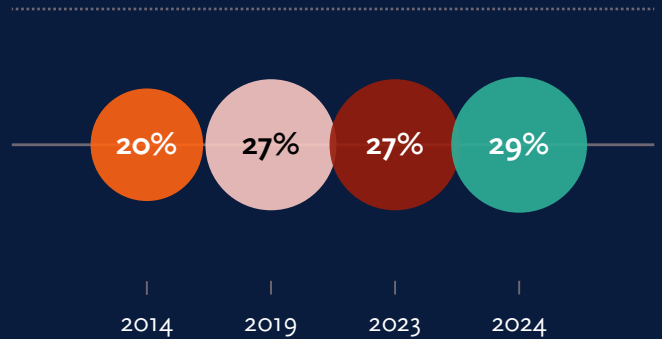
First-time



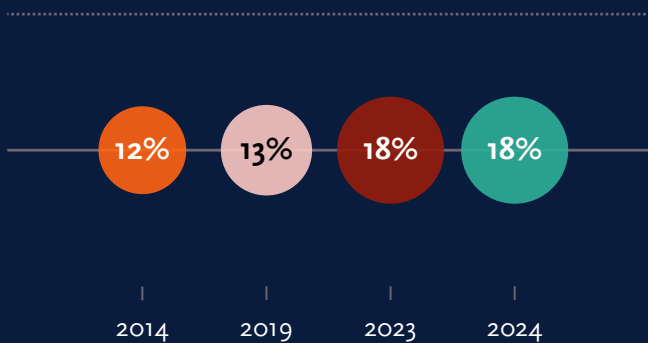
Active/retired CEOs



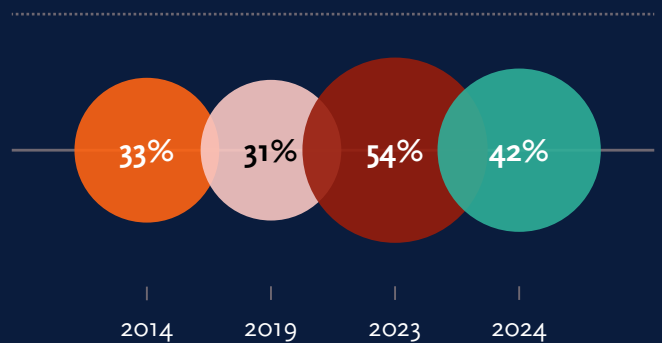
Financial backgrounds



Not from the U.S.



Spent time abroad



Top-level and financial expertise continues to be in demand

S&P 500 boards continue to seek top-level executive experience and financial expertise, with CEOs and directors with financial backgrounds comprising 29% of the incoming class. Fewer P&L leaders were appointed as directors this year.

Overall, the class of 2024 has more directors who are actively employed (52%) than directors who are retired (48%). Last year, there was an even split between active and retired directors.

NEW INDEPENDENT DIRECTORS' TOP PROFESSIONAL BACKGROUNDS

	2024	2023	2019	2014
CEOs	30%	30%	30%	35%
<i>Active</i>	16%	14%	15%	18%
<i>Retired</i>	14%	16%	15%	17%
Chairs/presidents/COOs	3%	4%	5%	6%
<i>Active</i>	1%	2%	3%	4%
<i>Retired</i>	2%	2%	2%	2%
Financial backgrounds	29%	27%	27%	20%
<i>Financial executives/CFOs/treasurers</i>	15%	15%	10%	7%
<i>Bankers/investment bankers</i>	5%	2%	5%	4%
<i>Investment managers/investors</i>	7%	7%	10%	6%
<i>Public accounting executives</i>	2%	3%	2%	3%
Functional leaders	16%	16%	14%	14%
P&L leaders	8%	10%	9%	9%
Total				
<i>Active</i>	52%	50%	54%	47%
<i>Retired</i>	48%	50%	44%	53%

Technology/telecommunications continues to be the most common industry background of new directors

The most common industry background for the class of 2024 is technology/telecommunications, accounting for 19% of appointments. It was also the most common background in 2023, 2022, 2019 and 2014. Additionally, new directors have backgrounds in the industrials — accounting for 14% of appointments — consumer goods and services (13%) and financial services (11%) sectors.

The percentage of new directors with technology/telecommunications backgrounds is higher than the proportion of technology companies in the S&P 500. The largest sectors in the S&P 500 based on the number of companies are as follows:

- » 20% industrials
- » 18% consumer goods and services
- » 15% financials
- » 13% information technology
- » 13% healthcare

The proportion of next-generation directors increases, while the average age of new directors remains the same

The average age of new directors has barely changed, from 58.0 years to 58.2 years. The average age of first-time directors has decreased, from 56.3 years to 55.4 years.

In 2024, the oldest new independent director to join a board was 82 years old, the oldest since the U.S. Spencer Stuart Board Index began. In 2023, the oldest new independent director was 74 years old.

The proportion of next-gen new directors (those aged 50 or under) has increased after a sharp drop last year. They account for 14% of the incoming class of 2024, up from 11% in 2023 but below 2022 levels (18%).

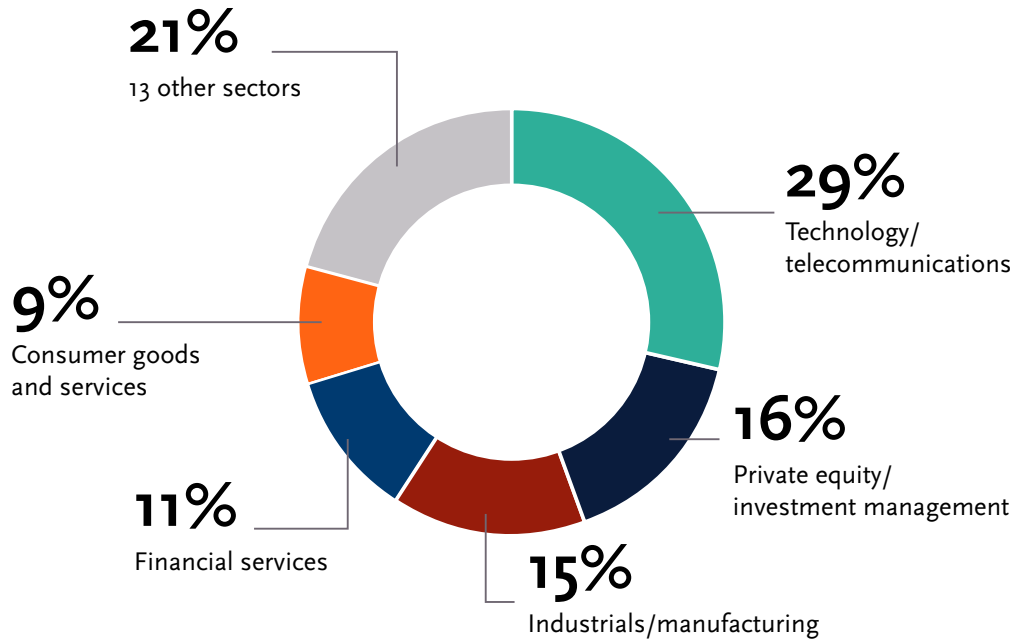
AGE PROFILE OF NEW INDEPENDENT DIRECTORS

	2024	2023	2019	2014
Average age of new independent directors	58.2	58.0	57.5	57.6
Average age of first-time directors	55.4	56.3	54.2	55.0
Next-gen directors (% of incoming class)	14%	11%	n/a	n/a
Next-gen first-time directors (% of incoming class)	8%	6%	n/a	n/a

New next-gen directors are most likely to have a technology/telecommunications background

The increase in next-gen directors may be due to growing board interest in tech expertise. Nearly a third (29%) of this year's next-gen new directors have backgrounds in technology/telecommunications, up from 14% in 2023. In addition, the majority (89%) of next-gen directors are actively/fully employed.

NEXT-GEN DIRECTOR APPOINTMENTS' TOP INDUSTRY BACKGROUNDS



First-time directors make up about a third of this year's new directors

About a third (34%) of the class of 2024 are first-time directors. Directors in this group are much more likely to be actively employed (67%) than retired. They are also much more likely to be actively employed than directors who are not first-time directors (43%).

Like last year, a financial background is the most common professional background of new first-time directors: financial executives and CFOs, bankers, investors and accounting executives (35%).

FIRST-TIME NEW DIRECTORS' TOP PROFESSIONAL BACKGROUNDS

First-time directors as a % of the class of 2024	34%
CEOs*	5%
<i>Active</i>	4%
<i>Retired</i>	1%
Chairs/presidents/COOs	5%
<i>Active</i>	1%
<i>Retired</i>	4%
Financial backgrounds	35%
<i>Financial executives/CFOs/treasurers</i>	19%
<i>Bankers/investment bankers</i>	9%
<i>Investment managers/investors</i>	5%
<i>Public accounting executives</i>	2%
Functional leaders	23%
P&L leaders	12%
Total	
<i>Active</i>	67%
<i>Retired</i>	33%

*First-time CEOs are private company CEOs who are serving on their first outside public company board

Fewer new directors have worked outside of the U.S.

In the past few years, S&P 500 boards increased their appointment of directors who have worked abroad, but this trend declined this year. Among new independent directors appointed in 2024, 42% have spent time working at an international location — a 12-point decrease from last year. However, boards are gaining international perspectives in other ways, including from directors with experience running global businesses.

The number of new directors born outside the U.S. remains the same as last year, at 18%, but a six-point increase from a decade ago.

INTERNATIONAL BACKGROUNDS AND EXPERIENCE

	2024	2023	2022
Worked at an international location	42%	54%	50%
Non-U.S. new directors	18%	18%	16%

Fewer directors left S&P 500 boards this year

The number of independent directors who retired or left board service decreased 8% in 2024 to 374 individuals. These directors departed at an average age of 67.8, with an average tenure of 12.2 years.

Twenty-seven percent of departing directors were on boards without a mandatory retirement policy. Of those subject to a mandatory retirement age, 66% retired one year or more before reaching the mandatory retirement age, and 50% were more than three years younger than the mandatory retirement age.

On average, directors on boards with mandatory retirement policies were 6.2 years within mandatory retirement, compared with 6.1 years in 2023. About a third (34%) of departing directors had a tenure of 15 years or greater, compared with 38% of departing directors in 2023. The most common age for directors to leave board service remains between 70 and 79 (48%); 32% leave in their sixties.

The percentage of diverse new directors continues to decline

This year, 58% of new director appointments have been filled by diverse executives, down from 67% in 2023 and 72% in 2022. However, diverse individuals still make up a significantly bigger share of new director appointments than a decade ago.

Diverse directors are defined by Nasdaq as directors who self-identify as female and/or underrepresented minorities (Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities) and/or LGBTQ+.

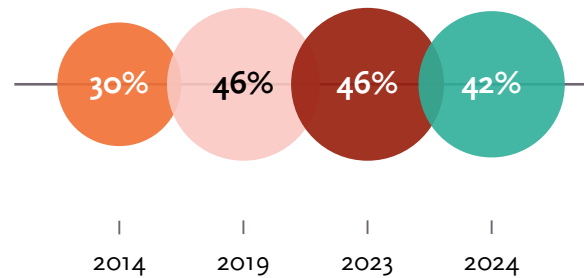
DIVERSE DIRECTORS IN THE NEW S&P 500 CLASS

	2024	2023	2019	2014	Five-year change	10-year change
New directors	406	388	432	371	-6%	9%
% female	42%	46%	46%	30%	-9%	40%
% underrepresented minorities	26%	36%	23%	12%	13%	117%
% female	10%	15%	10%	3%	0%	233%
% male	16%	22%	13%	9%	23%	78%
% LGBTQ+ disclosed	0%	0%	n/a	n/a	n/a	n/a
% diverse	58%	67%	59%	39%	-2%	49%

A smaller proportion of new directors are women

The percentage of new directors who are women has decreased from last year: 42% of appointments, down from 46% in 2023. It is also a decrease from five years ago, when the proportion of female new directors was the same as in 2023 (46%). However, it is a significant increase from a decade ago, when the proportion of female director appointments was 30%. Like last year, 78 boards (16%) expanded to add one or more female directors.

S&P 500: NEW INDEPENDENT FEMALE DIRECTORS



Among first-time directors, female directors make up 46% of appointments this year, down 10 points from 2023. A decade ago, just under a third (32%) of female directors were first-time directors.

There's been an increase in the number of female director appointments who have financial expertise. This year, 15% have worked in financial services compared with 11% in 2023. And over a third (34%) have a financial background, compared with 25% in 2023. However, the percentage of female director appointments who are active CEOs continues to lag behind that of male directors (8% vs 21%).

34%

of female directors have financial backgrounds, compared with 25% in 2023

On average, female independent directors join and leave boards at younger ages than male directors. The average age of female new independent directors is 56.8, which is about three years younger than their male counterparts (59.1). Female directors are more likely to retire in their sixties (42%), and male directors are more likely to retire in their seventies (52%).

Less than a third of new directors self-identify as underrepresented minorities

The percentage of new directors who self-identify as underrepresented minorities (26%) is the lowest level since 2020. However, representation has increased markedly in a decade: In 2014, only 12% self-identified as underrepresented minorities.

In the class of 2024, Black or African American individuals make up 10% of new directors — five percentage points less than in 2023 but a 67% increase in a decade. The representation of Asian directors (10%) decreased one point from last year, and the representation of Hispanic or Latinx directors (6%) decreased three points. The levels

for each have increased drastically from what they were a decade ago: Hispanic or Latinx representation has doubled, and Asian representation has more than tripled.

UNDERREPRESENTED MINORITIES IN THE S&P 500 NEW DIRECTOR CLASS

	2024	2023	2019	2014
New directors who self-identify as underrepresented minorities	26%	36%	23%	12%
Black or African American	10%	15%	13%	6%
Asian	10%	11%	7%	3%
Hispanic or Latinx	6%	9%	3%	3%
Native American or Alaska Native	0%	0%	0%	0%
Native Hawaiian or Pacific Islander	0%	0%	0%	0%
Two or more races or ethnicities (multiracial)	<1%	1%	0%	0%

Of the new directors who self-identify as underrepresented minorities, 16% are active CEOs.

19%

- » 29% of new Asian directors are active CEOs
- » 13% of new Hispanic or Latinx directors are active CEOs
- » 0% of new Black or African American directors are active CEOs

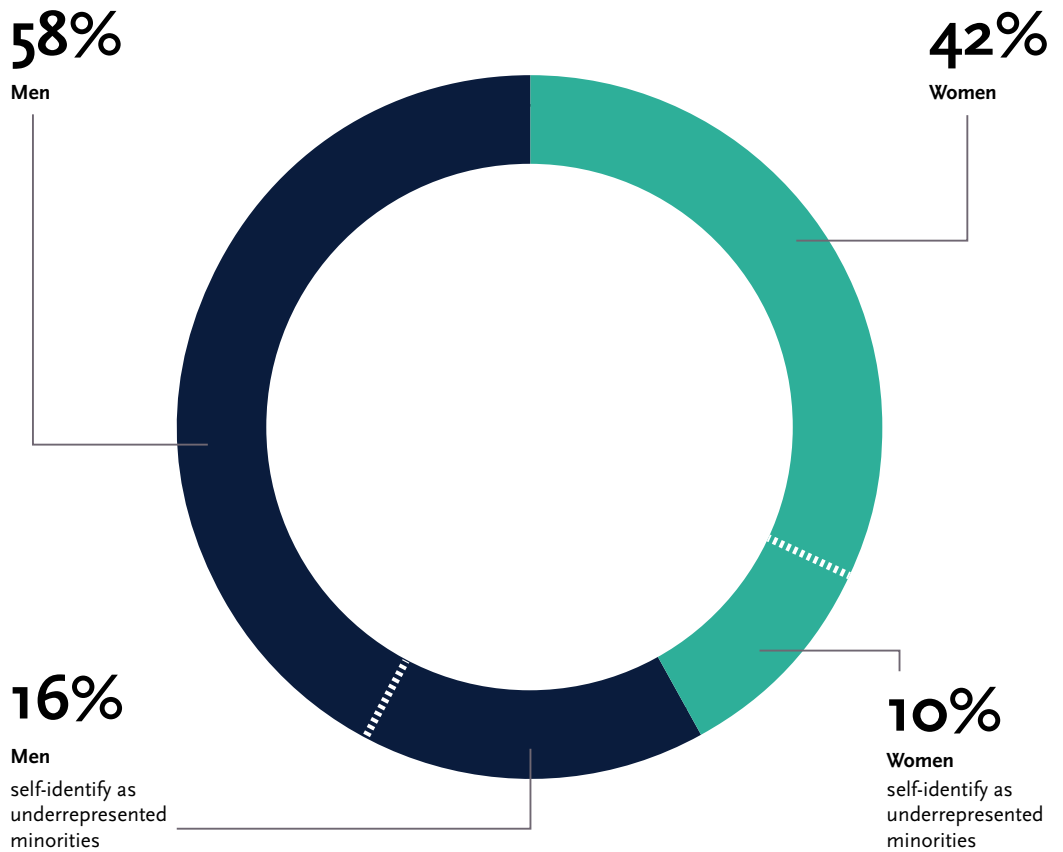
The most common industry background for new directors who self-identify as underrepresented minorities is technology/telecommunications

The most common industry background for new directors who self-identify as underrepresented minorities is technology/telecommunications (19%). Notably, 40% of new Asian directors have experience in this sector.

Like last year, 10% of boards expanded to add one or more directors who self-identify as underrepresented minorities.

Female directors make up a smaller share of underrepresented minorities among the class of 2024 than they did last year (10% vs 15%), returning to 2019 levels.

2024 BREAKDOWN BY GENDER AND UNDERREPRESENTED MINORITIES



Seven out of 10 new next-gen directors are diverse

Of the next-gen directors appointed this year, 69% are diverse. This is down from 2023 (82%).

Among next-gen directors, female directors make up over half (55%) of appointments. This is up 10 percentage points from 2023.

Appointments of underrepresented minorities among next-gen directors dropped significantly in a year, from 52% in 2023 to 29% in 2024. But levels are almost triple what they were a decade ago (10%).

DIVERSITY AMONG NEW NEXT-GEN DIRECTORS

	2024	2023	2019	2014
Next-gen diverse directors	69%	82%	68%	54%
Next-gen directors who are women	55%	45%	57%	48%
Next-gen directors who self-identify as underrepresented minorities	29%	52%	23%	10%
<i>Asian</i>	7%	14%	12%	8%
<i>Black or African American</i>	16%	30%	9%	2%
<i>Hispanic or Latinx</i>	5%	9%	3%	0%
<i>Native American or Alaska Native</i>	0%	0%	0%	0%
<i>Two or more races or ethnicities (multiracial)</i>	0%	0%	0%	0%
<i>Women who self-identify as underrepresented minorities</i>	15%	16%	12%	4%

Over two-thirds of new first-time directors are diverse

Of the first-time directors appointed this year, 68% are diverse. This is down from 2023 (75%) and 2022 (82%).

Among first-time directors, female directors make up 46% of appointments. This is down 10 percentage points from 2023 but is a 44% increase from a decade ago, when female directors were about a third of first-time directors.

Appointments of underrepresented minorities among first-time directors declined slightly to 34% from 36% last year, after a significant drop from 2022 levels (61%). However, they are more than triple the level of a decade ago.

DIVERSITY AMONG NEW FIRST-TIME DIRECTORS

	2024	2023	2019	2014
First-time diverse directors	68%	75%	74%	n/a
First-time directors who are women	46%	56%	57%	32%
First-time directors who self-identify as underrepresented minorities	34%	36%	31%	11%
<i>Asian</i>	13%	16%	<i>n/a</i>	<i>n/a</i>
<i>Black or African American</i>	11%	13%	<i>n/a</i>	<i>n/a</i>
<i>Hispanic or Latinx</i>	10%	6%	<i>n/a</i>	<i>n/a</i>
<i>Native American or Alaska Native</i>	0%	1%	<i>n/a</i>	<i>n/a</i>
<i>Two or more races or ethnicities (multiracial)</i>	0%	0%	<i>n/a</i>	<i>n/a</i>
<i>Women who self-identify as underrepresented minorities</i>	12%	17%	14%	<i>n/a</i>

Diverse first-time directors are younger

The average age of new diverse directors is 53.6, slightly younger than new directors who are not diverse (58.7).

Among first-time directors, the average age of diverse new directors is 53.8, compared with 56.4 for non-diverse individuals. The average age of these directors is lower than in 2023, and is also lower than the average age of new directors overall (58.2).

AGE PROFILE OF DIVERSE NEW S&P 500 DIRECTORS

	2024	2023
Average age of new independent directors	58.2	58.0
Average age of diverse new directors	53.6	57.1
Average age of diverse first-time directors	53.8	55.9

Highlights: Diversity — S&P 500 boards

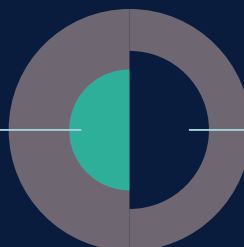
50%

of all S&P 500 directors are diverse, up from 48% last year

UNDERREPRESENTED MINORITIES: S&P 500 DIRECTORS VS U.S. POPULATION

24%

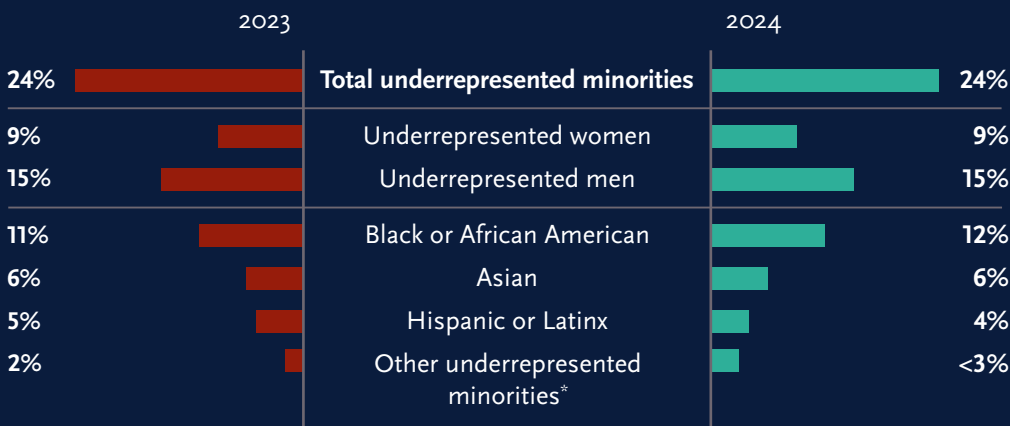
of S&P 500 directors



44.6%

of the U.S. population (source: U.S. Census Bureau 2022)

UNDERREPRESENTED MINORITIES

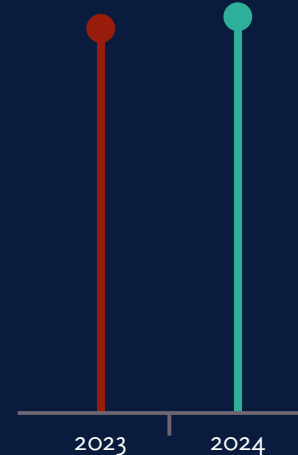


*Other underrepresented minorities: 2% two or more races or ethnicities (multiracial). <1% Native American or Alaska Native, <1% Native Hawaiian or Pacific Islander

WOMEN

33%

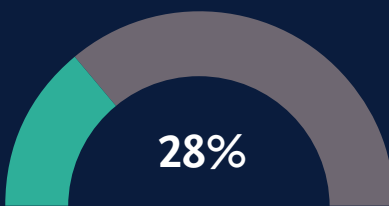
34%



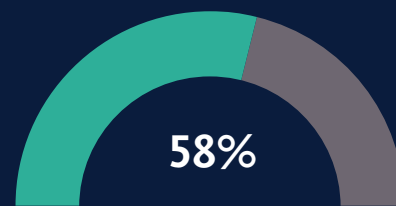
DISCLOSING DIVERSITY ON S&P 500 BOARDS



composition of gender diversity and underrepresented minorities



composition of LGBTQ+



with a policy like the Rooney Rule**

**This includes individuals from historically underrepresented groups in the candidate pool when recruiting new directors

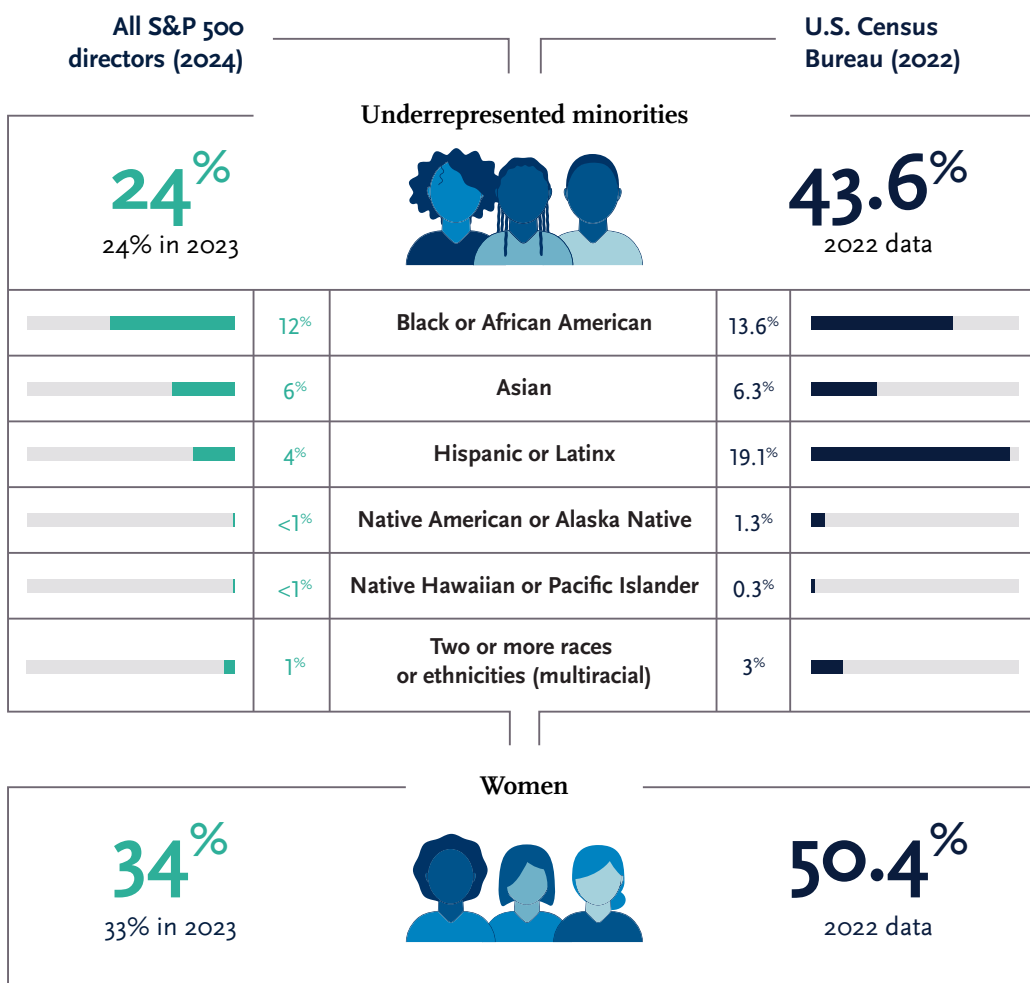
S&P 500 boards become more diverse each year

Despite the persistent headwinds of slow boardroom turnover, the composition of S&P 500 boards has shown year-over-year advancements in diversity. The representation of women and underrepresented minorities on these boards continues to increase gradually. In total, half of all S&P 500 directors are diverse.

Some demographic groups on S&P 500 boards are beginning to align more closely with the broader U.S. population. Others still have a significant disparity in representation.

DIVERSITY OF S&P 500 BOARDS VS. U.S. POPULATION

50% of all S&P 500 directors are diverse, an increase from 48% last year



The representation of women on S&P boards is still increasing

Female directors now account for 34.4% of S&P 500 directors, up one point from last year. This is a 81% increase from a decade ago and a 32% increase from five years ago.

S&P 500 boards today average 3.7 female directors, up from 3.6 last year and 2.0 in 2014; 99% of boards have two or more female directors. Only six boards have only one female director.

S&P 500 FEMALE DIRECTORS

	2024	2023	2019	2014
Female directors as a % of all S&P 500 directors	34%	33%	26%	19%
Boards with at least one female director	100%	100%	100%	95%
Average number of female directors on all S&P 500 boards	3.7	3.6	2.8	2.0

GENDER DIVERSITY ON S&P 500 BOARDS

● Women ● Men



Diversity in board leadership is climbing gradually

The representation of women in board leadership is increasing on all but one count: The percentage of women as independent board chairs has remained the same since last year (18%). The percentage of female lead directors has increased five percentage points from last year to 20%.

Representation of underrepresented minorities in board leadership has improved slightly from last year in three out of five categories. Only 7% of S&P 500 independent board chairs and 11% of lead directors self-identify as underrepresented minorities — both have decreased one percentage point from last year.

BOARD AND COMMITTEE LEADERSHIP ROLES

	Underrepresented minorities		Women	
	2024	2023	2024	2023
Independent board chair	7%	8%	18%	18%
Lead director	11%	12%	20%	15%
Audit committee chair	16%	14%	36%	34%
Compensation committee chair	18%	17%	39%	36%
Nominating/governance committee chair	20%	19%	40%	39%

Boards continue to reveal more about their diversity

Nearly all S&P 500 boards (99%) disclose their gender balance and composition relating to underrepresented minorities.

More boards this year — 58%, up from 56% in 2023 — report the implementation of a policy like the Rooney Rule, which includes individuals from historically underrepresented groups in the candidate pool when recruiting new directors.

DISCLOSING DIVERSITY ON S&P 500 BOARDS

	2024	2023	2022
Boards disclosing gender diversity stats at the board level	50%	48%	56%
<i>Boards disclosing the gender of directors by name</i>	49%	50%	39%
Boards disclosing their composition of underrepresented minorities	99%	97%	93%
<i>Boards identifying directors from these groups by name</i>	48%	47%	41%
Boards making a general statement on LGBTQ+ composition	20%	19%	15%
<i>Boards identifying LGBTQ+ directors by name</i>	8%	7%	6%
Boards with a policy like the Rooney Rule	58%	56%	50%

Editor's note

These data draw on the latest proxy statements from 489 companies filed between May 1, 2023, and April 30, 2024.

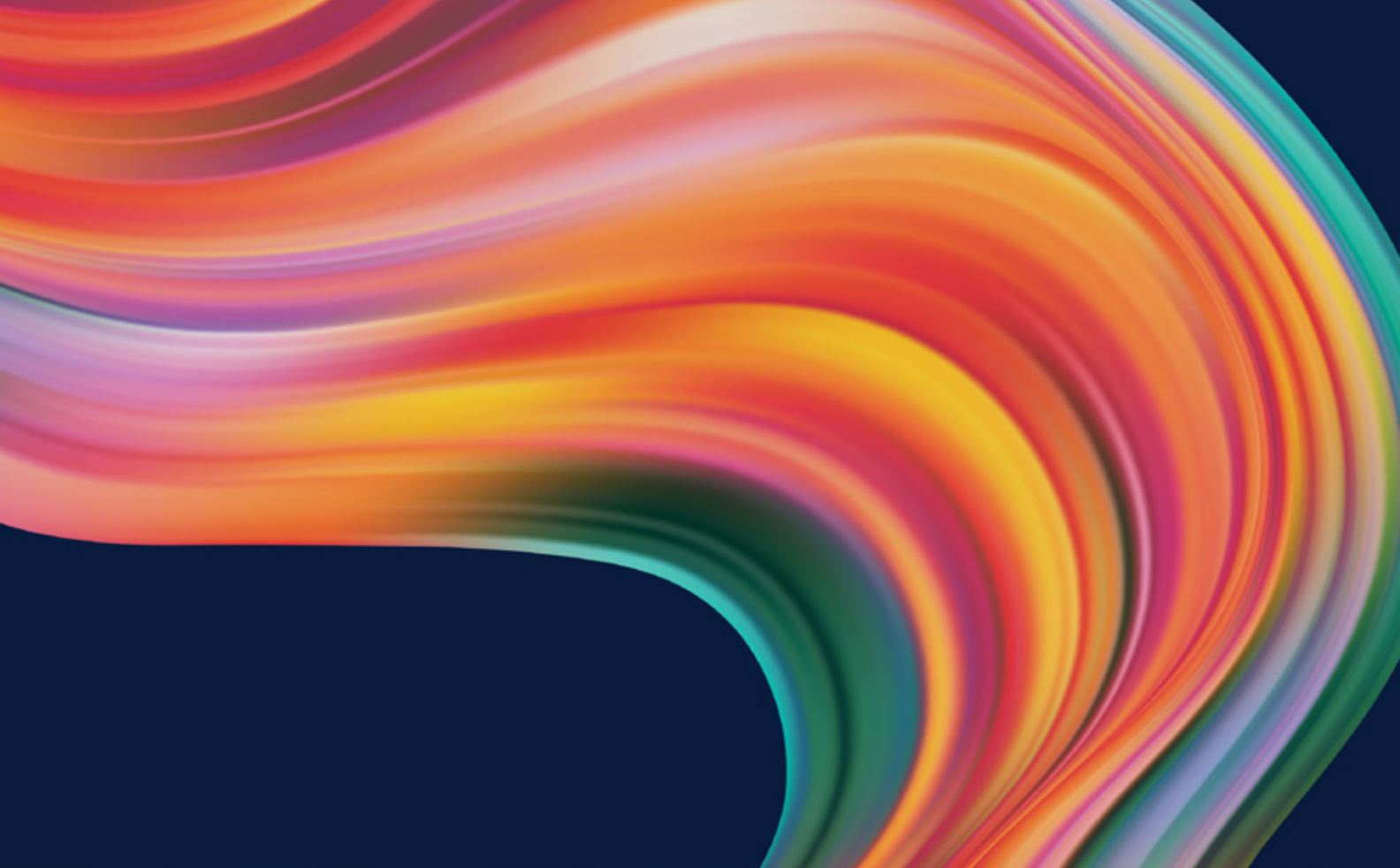
The content presented herein is for informational purposes only. Spencer Stuart has presented this information in good faith and in accordance with applicable laws. Diversity information contained herein was compiled from a variety of sources, and we believe it is directionally accurate; however, we do not warrant the accuracy of such information. You agree not to use this information in violation of any applicable law.

Data in tables may not total 100% due to rounding.

Defining diverse directors

Our reporting on diverse groups is in line with the Nasdaq Board Diversity Rule, with a "diverse director" defined to include:

- » Female, without regard to the individual's designated sex at birth ("female")
- » One or more of: Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities ("underrepresented minority")
- » Lesbian, gay, bisexual, transgender or a member of the queer community ("LGBTQ+")



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Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 70 offices over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of culture and organizational effectiveness, particularly in the context of the changing stakeholder expectations of business today. For more information on Spencer Stuart, please visit www.spencerstuart.com.



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