



African American representation on Fortune 1000 boards

2023 Edition



kpmg.com/blc

Introduction



Stephen L. Brown
Senior Advisor
KPMG Board Leadership Center



Darlene Motley, Ph.D.
Co-Founder
African American Directors Forum

The KPMG Board Leadership Center (BLC) and African American Directors Forum (AADF) are pleased to share this third joint study examining African American representation on public Fortune 1000 boards. Since 2020, the KPMG BLC and AADF have collaborated to measure the progress of African American board representation amid increasing stakeholder calls for greater board diversity, especially diversity of race and ethnicity.

Historically, disclosure of directors' racial and ethnic backgrounds has been limited. Only 20 percent of Russell 3000 boards currently disclose, by name, their individual directors' self-identified race and ethnicity.¹ To conduct an in-depth analysis of how African American directors are contributing to the work of their boards, it is necessary to know more about these directors' identities. Our collaboration aims to fill this information gap, provide insight into African American service on public Fortune 1000 boards, and encourage boards to provide more robust demographic disclosures so progress can be both demonstrated and measured.

We have seen significant progress made in recent years to increase diversity in corporate boardrooms. While board diversity efforts initially focused primarily on gender, increased attention to systemic racism following the murder of George Floyd in May 2020 helped widen this lens, highlighting the underrepresentation of racially and ethnically diverse directors in US corporate boardrooms.

African Americans in particular saw large gains in board representation between 2020 and 2022. By September 2022, 76 percent of public Fortune 1000 companies had at least one African American director, compared with 61 percent at the end of 2020. Additionally, African Americans held 10 percent

of public Fortune 1000 board seats in 2022, up from 8 percent in 2020.

However, the pace of progress has slowed since 2022. Our analysis of 2023 data finds that the percentage of public Fortune 1000 companies with at least one African American director was stagnant at 76 percent. African American directors held 11 percent of public Fortune 1000 board seats in 2023, an increase of just one percentage point from the prior year. As 14 percent of the US population identifies as African American,² there is still work to be done until we can say with confidence that corporate boards adequately represent the racial and ethnic diversity of our nation's communities, customers, and employees.

Diversity, equity, and inclusion (DEI) initiatives across all fronts have faced scrutiny in some settings with some companies pulling back altogether, or others continuing their efforts without associated voluntary disclosures as in the past. While this is the case, we encourage boards to continue to provide demographic disclosure of board composition and demonstrate they are considering a diverse talent pool as part of their board succession planning process.

Embracing such process transparency in board composition is important because we know investors, a primary consumer of disclosures, rely on such disclosures as part of their investment analyses. Furthermore, fostering a board culture that embraces diversity and inclusion ultimately results in bringing the best and brightest candidates to the attention of the board in succession planning. We know qualified African American business leaders with expansive business experience are waiting in the wings and ready to bring their unique insights to US corporate boardrooms.

¹ KPMG Board Diversity Disclosure Benchmarking Tool, powered by ESGAUGE. Data as of June 30, 2024.

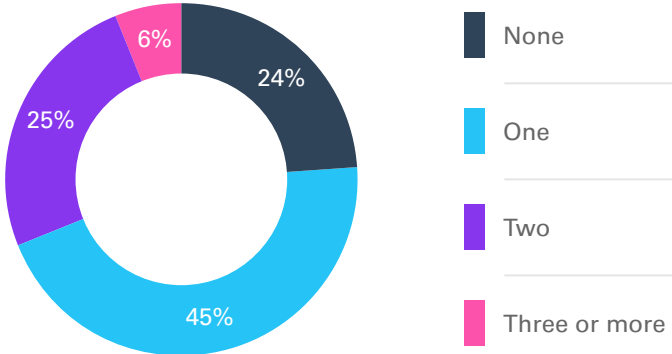
² US Census Bureau QuickFacts, population estimates as of July 1, 2023. This figure includes those who identified as "Black or African American alone" and not in combination with any other race.

Prevalence of African American directors on public Fortune 1000 boards

This is the third study of the representation of African American directors serving on boards of publicly traded Fortune 1000 companies (hereafter referred to as public Fortune 1000 boards) conducted by the AADF and the KPMG BLC. The inaugural study, conducted in 2020, highlighted the need for more large US companies to include African American directors in their boardrooms.

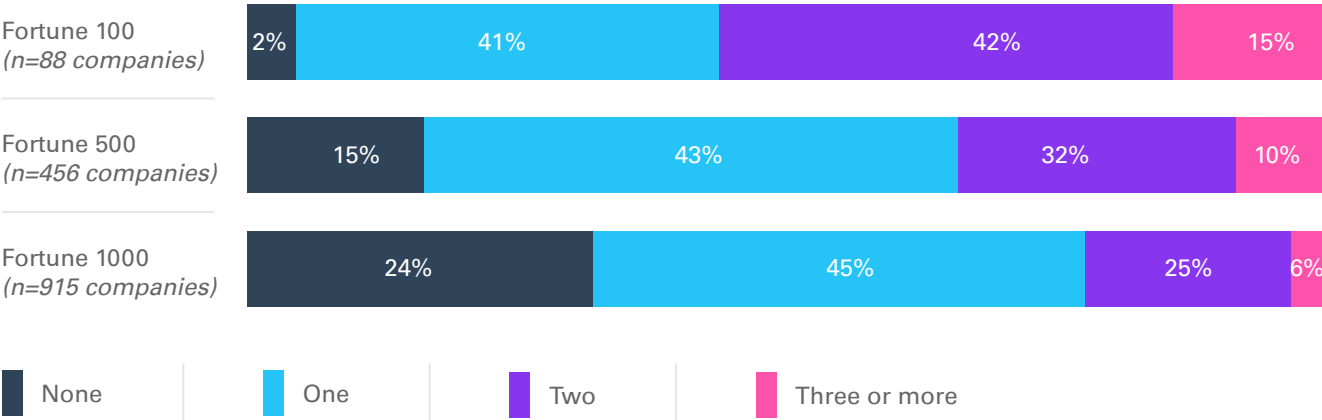
We find steady growth in the percentage of public Fortune 1000 board seats held by African Americans continues, increasing from 8 percent in 2020 to 10 percent in 2022 and to 11 percent in 2023. In comparison, African Americans represented 14 percent of the US population in 2023.³

Number of African American directors on public Fortune 1000 boards
n=915 companies



Larger companies are more likely to have African American directors than smaller companies. Only 2 percent of the largest US public companies—those on the Fortune 100 list—did not have an African American director in 2023. A majority (57 percent) of public Fortune 100 companies now have more than one African American director, compared to 42 percent in 2022.

Number of African American directors on public Fortune 1000 boards
Comparison by company size (Fortune rank)



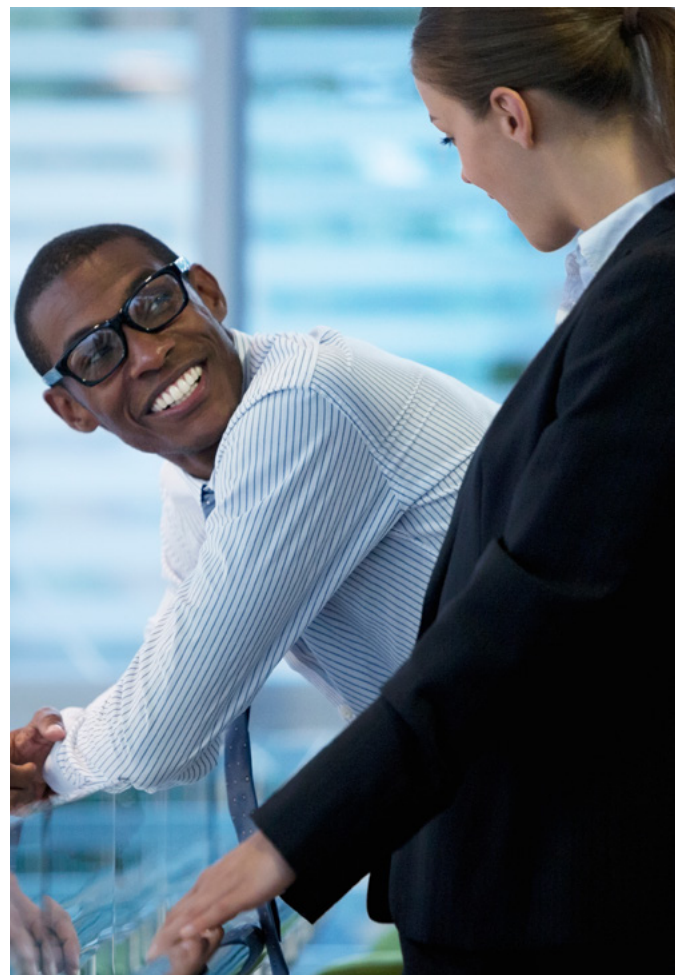
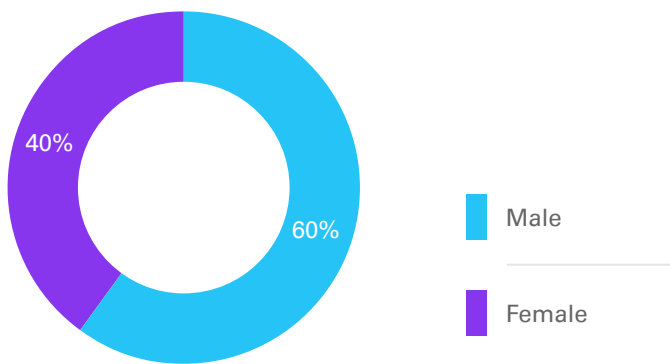
³ US Census Bureau QuickFacts, population estimates as of July 1, 2023. This figure includes those who identified as “Black or African American alone” and not in combination with any other race.

Director gender

US companies continue to focus on increasing gender diversity in addition to racial/ethnic and other aspects of diversity among their board members. In 2023, almost one-third (30 percent) of the directors serving on public Fortune 1000 companies were women. Gender diversity was higher among African American directors studied, as 40 percent were women. This pattern has remained relatively stable since 2020.

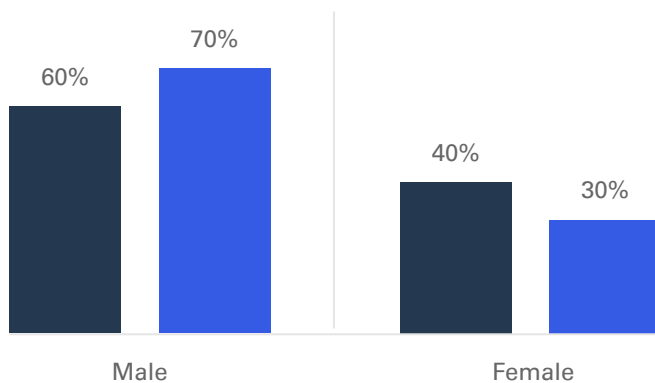
Gender of African American directors serving on public Fortune 1000 boards

n=772 directors



Director gender

Comparison of African American directors to all directors serving on public Fortune 1000 boards



 African American directors (*n=772 directors*)

 All directors serving on public Fortune 1000 boards (*n=7,767 directors*)

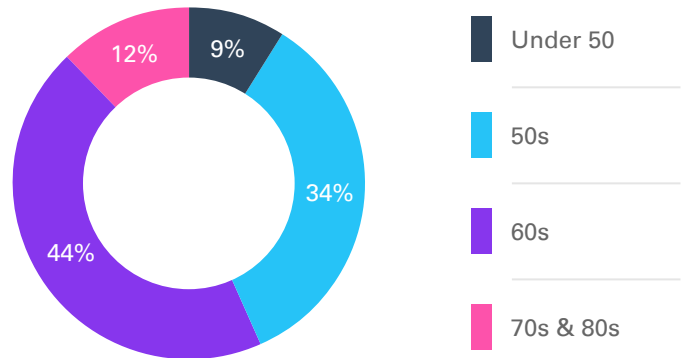
Director age

Boards are increasingly looking to have members from a wider span of ages to benefit from the skill sets and life experiences that people at different ages and career stages bring to boardroom deliberations. For example, younger directors may be more comfortable with emerging technology and see climate risk through a different lens, while older directors have navigated through more economic cycles and may better understand the impact that geopolitical uncertainty has on business.

The average age of the African American directors is 60, compared to 62 for all public Fortune 1000 directors. A higher percentage of African American directors are under age 60 when compared to their peers: 43 percent of African American directors are in this age range compared to 34 percent of all public Fortune 1000 directors. Furthermore, only 12 percent of the African American directors studied are 70 or older, compared to 19 percent of all public Fortune 1000 directors.

Ages of African American directors serving on public Fortune 1000 boards

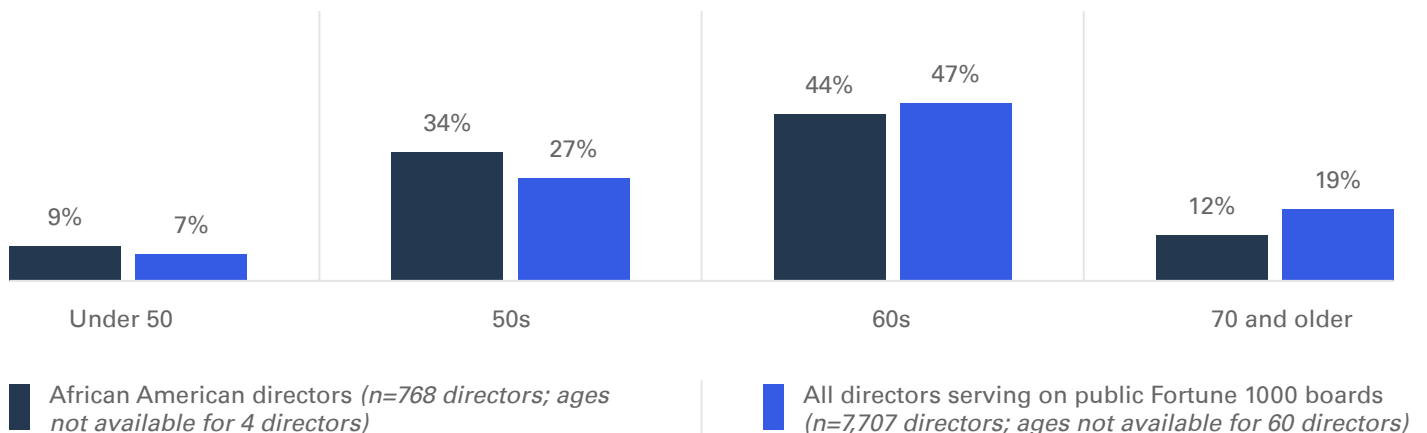
n=768 directors; ages not available for 4 directors



Note: Does not equal 100% due to rounding.

Director ages

Comparison of African American directors to all directors serving on public Fortune 1000 boards



Note: Does not equal 100% due to rounding.

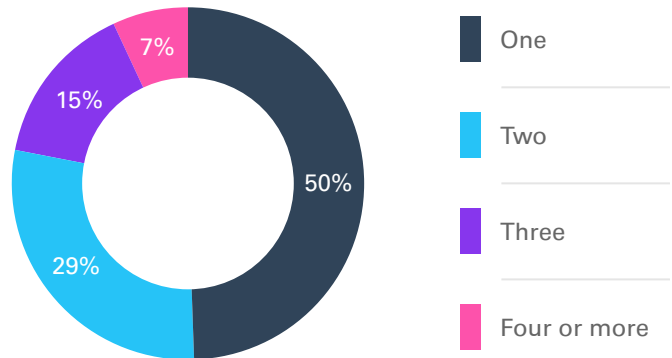
Board service

Directors who serve on multiple public company boards often benefit from the shared learning and exposure to other governance practices from each of the boards on which they serve. On the other hand, serving on too many boards can limit the time available to dedicate to each company and increase the opportunity for conflicts to arise. Therefore, investors often voice concerns when directors serve on too many public company boards.

African American directors are more likely to serve on multiple public company boards compared to their peers. Fifty percent of the African American directors studied serve on more than one public company board, compared to 44 percent of all public Fortune 1000 directors. Additionally, while it is uncommon, African American directors are slightly more likely to serve on four or more public company boards. Most institutional investors and other observers consider a director—who is not a public company CEO or executive—to be “overboarded” if they serve on more than four or five public company boards. There are only three African American directors in this study who serve on five public company boards.

Number of public company boards on which African American directors serve

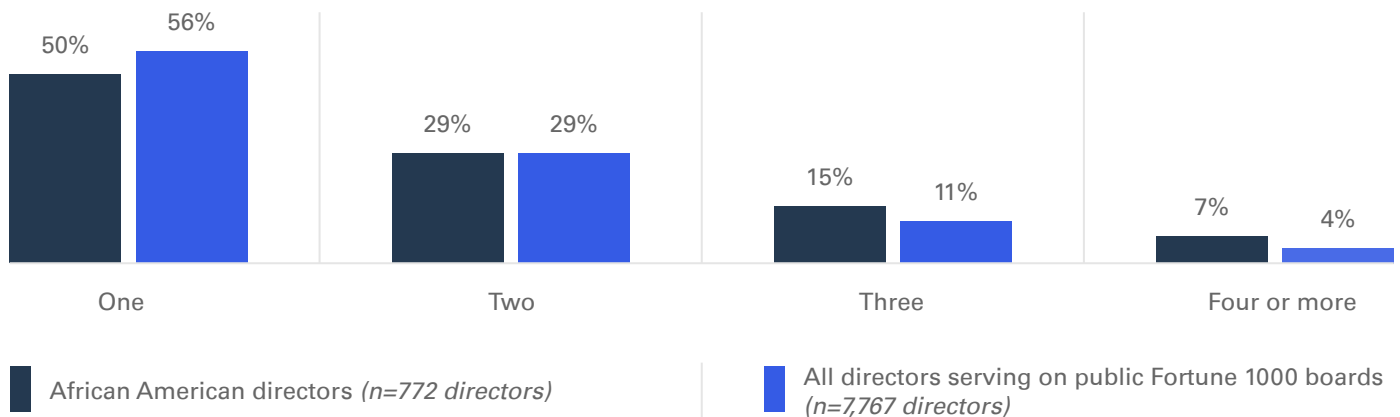
n=772 directors



Note: Does not equal 100% due to rounding.

Number of public company boards on which directors serve

Comparison of African American directors to all directors serving on public Fortune 1000 boards



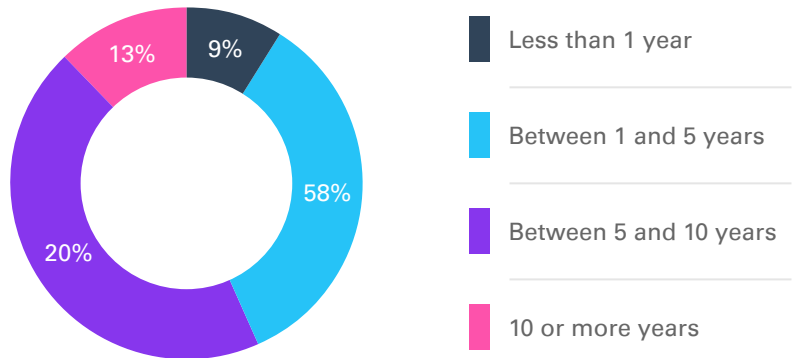
Note: Does not equal 100% due to rounding.

Board tenure

Analyzing board tenure provides evidence of the efforts made in recent years to add the African American perspective in the boardroom. Two-thirds (67 percent) of the African American directors studied have served on their boards for less than five years. By contrast, a majority (56 percent) of all public company directors served in their board seats for more than five years. Furthermore, the median tenure for all public Fortune 1000 directors is 6 years, while it is only 3 years for the African American directors studied.

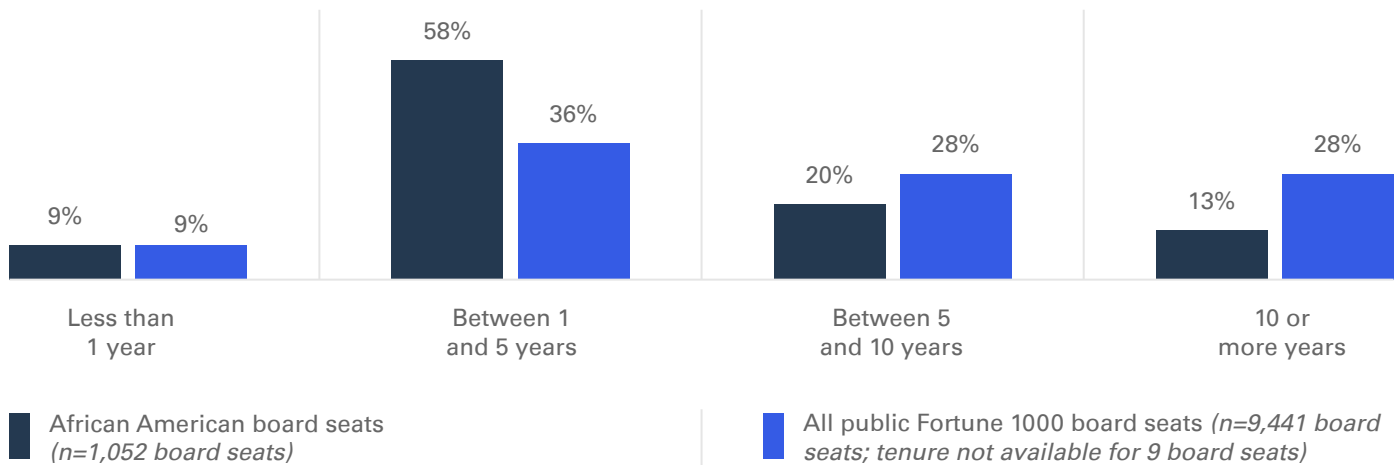
Tenure of African American directors serving on public Fortune 1000 boards

As of June 30, 2023; n=1,052 board seats



Director tenure

Comparison of board seats held by African American directors to those held by all public company directors



Note: Does not equal 100% due to rounding.

African American board leaders

22

public Fortune 1000 companies have a board chair who is African American. Five are women.

4

of the African American board chairs are also the company's CEO. All are male.

30

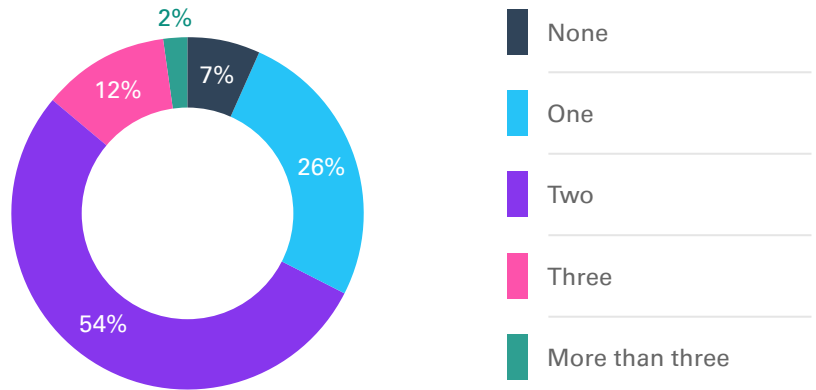
African Americans serve as lead independent directors of public Fortune 1000 companies. Five are women.

Committee service

Serving on board committees allows directors to contribute to the important work of the board and provides an opportunity to utilize specialized expertise (e.g., financial, technology, human resources). African American directors are more likely to serve on board committees, with 93 percent doing so compared to 84 percent of all public Fortune 1000 directors.

Number of board committees on which African American directors serve

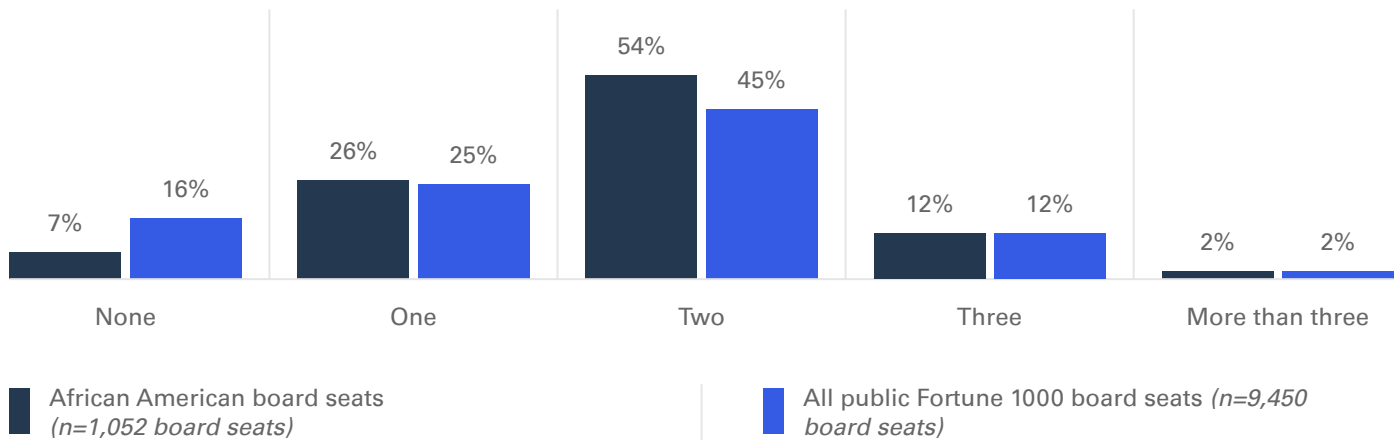
n=1,052 board seats



Note: Does not equal 100% due to rounding.

Number of board committees

Comparison of board seats held by African Americans to those held by all public Fortune 1000 directors



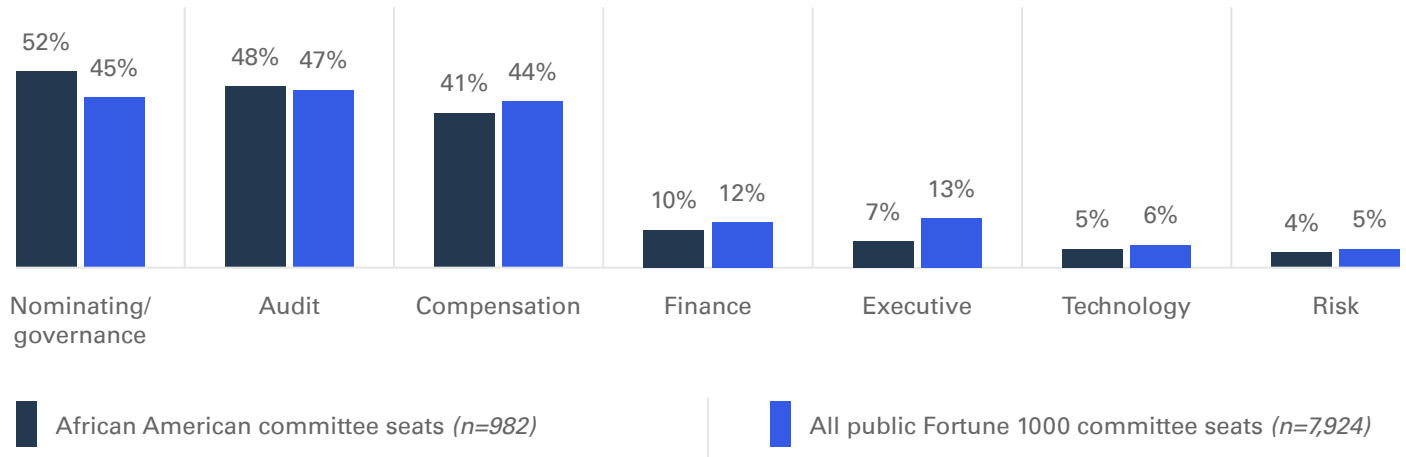
Note: Does not equal 100% due to rounding.

The African American directors studied who serve on board committees most commonly serve on the nominating/governance committee or the audit committee. African American directors are slightly more likely to serve on these committees compared to all public Fortune 1000 directors. It is notable that more than half of the African Americans who serve on board committees serve on the nominating/governance committee.

Board committees on which directors serve

Comparison between African American directors and all public Fortune 1000 directors (2023)

Multiple committees possible



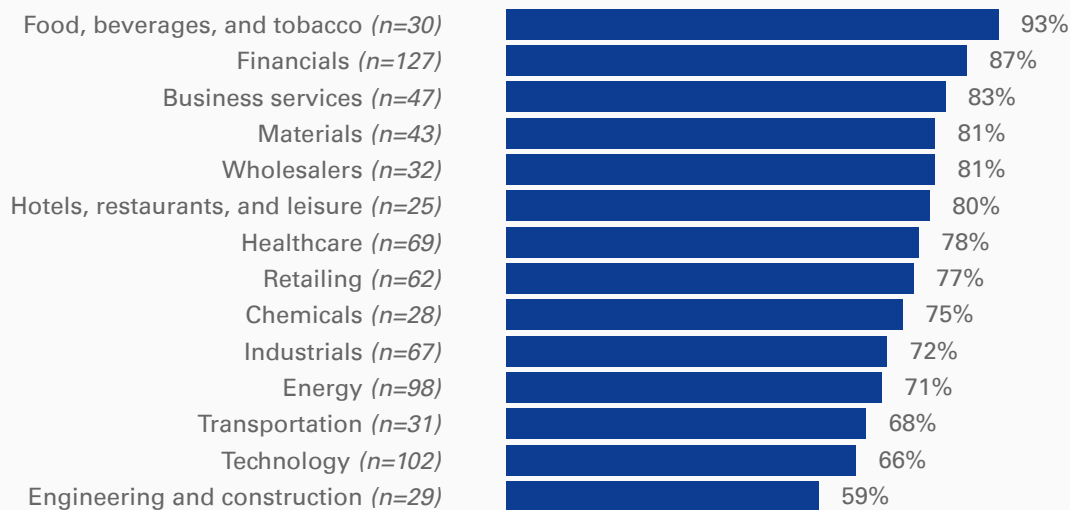
Note: Does not equal 100% due to rounding.



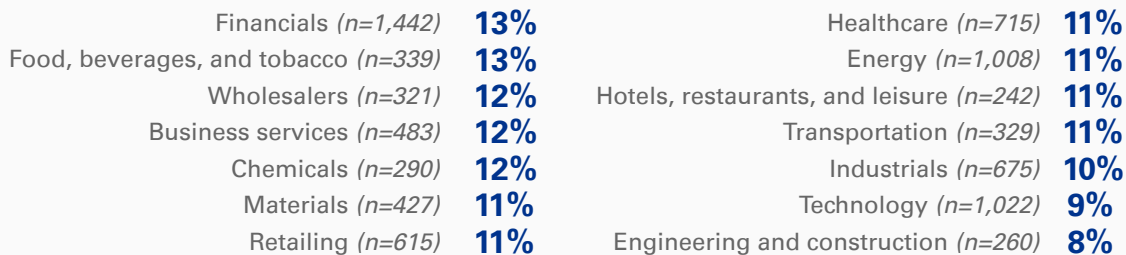
Comparison by industry⁴

Among public Fortune 1000 companies, those in the food, beverages, and tobacco industry are most likely to have at least one African American director on their board. In fact, nearly all (93 percent) companies in this industry have at least one African American director. Companies in the financials, business services, materials, and wholesalers industries are also among the most likely to have African American directors. On the other hand, engineering and construction companies are the least likely to have at least one African American on the board and more than one-third (34 percent) of public Fortune 1000 technology companies have no African American directors. It is notable that at least 60 percent of the companies in all but one of the industries analyzed now have at least one African American director.

Percentage of public Fortune 1000 companies with at least one African American director Comparison by industry



Percentage of board seats held by African American directors Comparison by industry

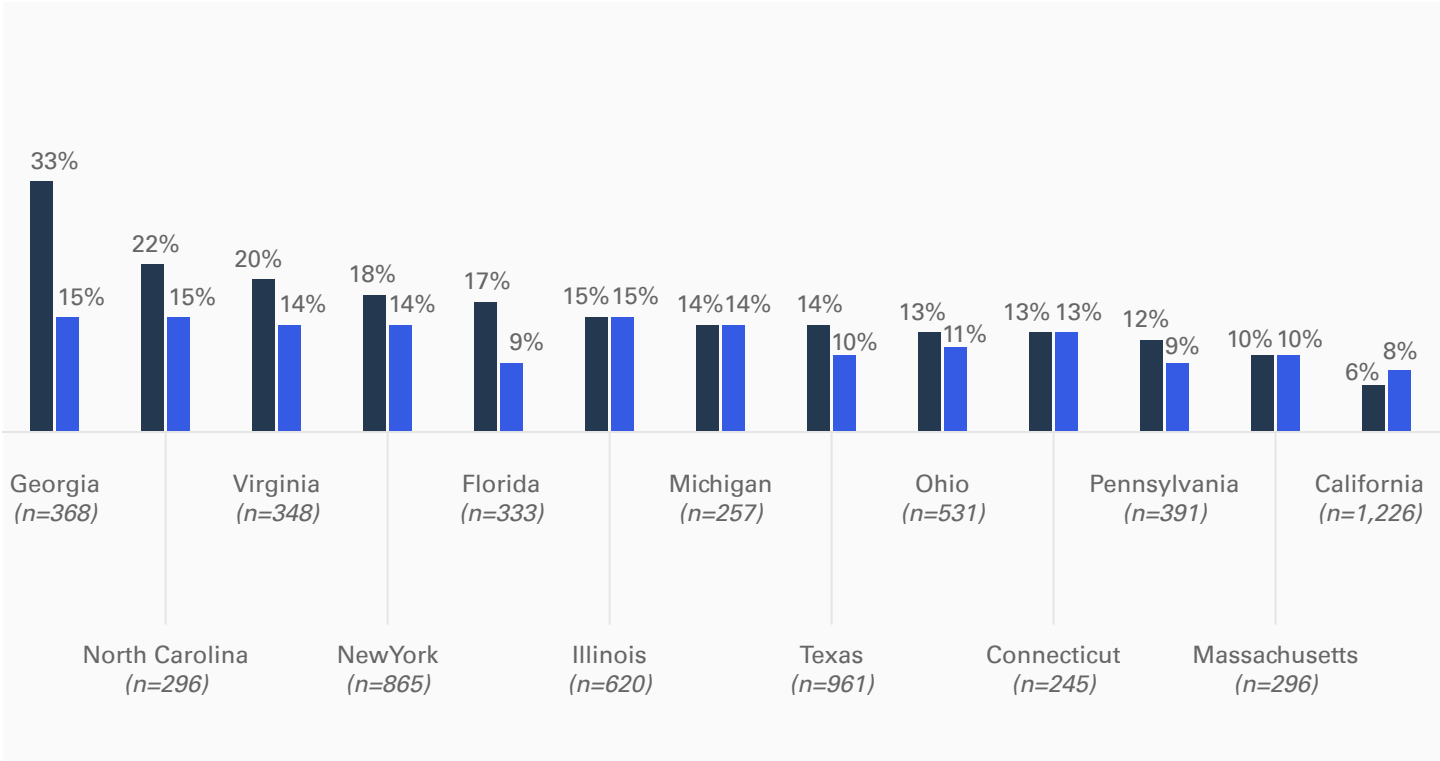


⁴ Only those industries with at least 25 public companies on the 2023 Fortune 1000 list were analyzed.

Comparison by state of corporate headquarters⁵

In most of the states analyzed, the percentage of African American residents is higher than the percentage of board seats held by African Americans among companies headquartered in the state. The biggest difference is in Georgia, where 33 percent of the residents are African American, but only 15 percent of the board seats of the public Fortune 1000 companies headquartered there are held by African American directors.⁶

African American population compared to the percentage of board seats held by African American directors



■ Percentage of residents who are African American | ■ Percentage of board seats held by African American directors

⁵ Only those states in which at least 25 public Fortune 1000 companies are headquartered were analyzed.
⁶ Data for percentages of African Americans by state was sourced from US Census Bureau, State Population by Characteristics: 2020–2023.

Methodology

Time frame and company universe

This report analyzes trends among the African American directors serving on public Fortune 1000 boards as of June 30, 2023. Only those Fortune 1000 companies also included in the Russell 3000 index—referred to as “public Fortune 1000 companies”—are used in our analysis. This is because information related to director demographics (e.g., age, gender) and board service (e.g., tenure, number of boards served, committee service) is only consistently available for public companies.

Directors and board seats

A portion of the African American directors studied serve on more than one public Fortune 1000 company board. Therefore, the “board seat universe”—where individual directors are counted for each board served—is used when the analysis pertains to service on a particular board (e.g., tenure, committee service, board leadership). The “director universe”—where individual directors are counted only once—is used when the analysis pertains to director characteristics (e.g., gender, age, number of public company boards). Director and governance data for the public Fortune 1000 companies were provided by Equilar, a corporate leadership data firm, and from the companies’ proxy statements and other regulatory filings.

Identification

African American directors serving on public Fortune 1000 company boards were identified using the following sources:

- The AADF
- Directors’ self-reported information in proxy statements
- Other publicly available company resources
- The Equilar Diversity Network available from Equilar’s BoardEdge platform, which includes self-reported race and ethnicity for thousands of corporate directors
- The [KPMG Board Diversity Disclosure Benchmarking Tool](#), powered by ESGAUGE, which mines public company disclosures for director diversity information using artificial intelligence.

Prior editions

For more information on data from prior years, please reference the following previously published reports: [African American representation on Fortune 1000 boards \(2021 Edition\)](#) and [African American representation on Fortune 1000 boards: 2022 Edition](#).

About the author

Annalisa Barrett is a senior advisor with the KPMG Board Leadership Center (BLC), where she leads research projects and develops thought leadership, in addition to providing insights to corporate boards on emerging trends in corporate governance.

BLC Managers David Lahire and Katie Keally contributed invaluable assistance on this project.

About the African American Directors Forum

The African American Directors Forum (AADF) has established itself as one of the country's most respected forums for African American board directors. It hosts forums across the country that focus on knowledge sharing, community-building board placements, and preparing for leadership roles on boards. Now in its eighth year, the AADF community includes many of the most prominent African American executives and the most iconic companies in the country supporting these efforts.

Contact AADF at aadfnational@gmail.com.

About the KPMG Board Leadership Center

The KPMG BLC champions outstanding corporate governance to drive long-term value and enhance stakeholder confidence. Through an array of insights, perspectives, and programs, the BLC—which includes close collaboration with other leading director organizations—promotes continuous education and improvement of public and private company governance. BLC engages with directors and business leaders on the critical issues driving board agendas—from strategy, risk, talent, and sustainability to data governance, artificial intelligence, audit quality, proxy trends, and more.

Learn more at kpmg.com/us/blc.

Contact us

kpmg.com/blc

T: 800-808-5764

E: us-kpmgmktblc@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization. USCS018176-3A