Network2000
opening doors for women

2007 Census of Women Board Directors In Maryland

September 2007

Introduction:

In the summer of 2007 Network 2000, Inc., a statewide organization that promotes the advancement of women in professional and executive positions, completed its latest review of the board composition of the publicly traded companies (NYSE, AMSE and NASDAQ) headquartered in Maryland. Network 2000 added companies traded on the NASDAQ exchange and adjusted its data from the previous year. This survey, conducted by the Women on Corporate Boards Committee of Network 2000 with the assistance of Stephanie Ambrose, a student at The College of Notre Dame of Maryland, is the organization's second annual survey to provide benchmark and trends for the number of women serving on corporate boards in Maryland. This research is based on 2006 proxy statements. National data and statistical information were obtained from Catalyst, a non profit corporate membership research and advisory organization.

Executive Summary of Key Findings:

The number of women on publicly traded boards of directors in Maryland changed little as a percentage, declining from 9.35% to 8.90%. Maryland does lag behind the national average for women directors as a percent of all board seats. The national average is 14.7% versus 8.90% for Maryland.

The majority of the companies in the survey (51.6%) had at least one woman director. The number of companies with more than one woman director increased and two companies had four women directors.

Forty-five of the 93 companies surveyed had no women on their boards. The industries that had the most companies with no women on their boards included professional, scientific & technical services (PS&T) --15 companies, finance & insurance --14 companies and manufacturing --7 companies.

The disparity between the national average and the state of Maryland was researched further. Maryland's statistics appear to be strongly affected by the large number of companies in the PS&T industry. In Maryland, 23.66% of the companies included in the survey fell into the PS&T industry group versus 4% nationally. In addition, the percentage of women directors for the PS&T industry nationally was 12% versus 5.66% for Maryland. In fact, the PS&T industry in Maryland has one of the smallest percentages of women directors of any of the survey's industry groups.

Maryland's statistics also appear to be affected by the lack of publicly traded retail trade companies that are headquartered in the state. In fact, according to available information, there were none. Yet nationally the retail trade sector made up 12.40% of the companies in the Fortune 500 with one of the largest percentages of women directors (18.00%).

Research also revealed that companies with the largest revenues have the greatest number of women directors. Conversely, companies with the smallest revenues had the fewest number of women directors.

Key Statistical Findings

Maryland Statistics:

- A slight decrease from 9.35% to 8.90% was found in the representation of women on boards of public companies headquartered in Maryland.
- 45 of the 93 companies surveyed (48%) in 2007 had no women on their boards compared to 43 of the 91 companies surveyed (47%) in 2006. Of the companies with no women on their board, 15 were in the PS&T industry, 14 in finance & insurance and seven in manufacturing.
- 48 of the 93 companies surveyed (52%) in 2007 had at least one woman director. The number of companies with one director remained unchanged from 2006. The percentage of boards with at least one woman director did decline marginally by 1% (52% in 2007 versus 53%).
- Of the 48 companies with at least one woman director in 2007, 31 companies had one, 13 companies had two, two companies had three and

two companies had four women directors. Of the 48 companies with at least one woman director in 2006, 33 companies had one, nine companies had two, five companies had three and one company had four women directors.

- Women currently hold 71 of 798, or about 8.90%, of the board seats in Maryland.
- Based on the most recent financial statements, the ten companies with the largest revenues in Maryland all have at least one woman director. Six of these companies have two women directors. Of the ten companies with the smallest revenues, eight have no women directors; one has a single woman director and one has two women directors.
- Of the 93 companies surveyed in 2007 in Maryland, 34 companies were in the financial and investment fields, 22 were in professional, scientific & technical services, 15 were in manufacturing and the remaining 22 were in other categories including information and accommodations and food services.
- Geographically, according to Catalyst, Maryland lags behind the southern states' total of the percentage of women on boards of 13.1% as well.
- Maryland's statistics show a slight decrease in the population of women. Though this decrease is only .45%, according to Catalyst, Maryland is below the national expectation of one-percent growth per year.

National Statistics:

- The Catalyst national study found the percentage of women on boards growing approximately one percent per year, forecasting equality on boards in the year 2080. According to Catalyst President Ilene H. Lang, "Increased

globalization and shifting demographics dictate that diversity and the advancement of women on corporate boards are strategic business imperatives that 21st-century companies cannot afford to ignore."

- According to Catalyst, the South, including the state of Maryland, has an average of one woman per board, and a total of 13.1% of the board seats. The national average (based on the most current Catalyst's 2006 census) is 14.7%. The highest average of women on boards was found in the Northeast where 16.2% of the board seats are held by women.
- Previously women held 13.6% of the board seats in 2003, 12.4% in 2001 and 9.6% in 1995, nationally.
- The average age of women on a board is 56, Median 56, Mode 59. The average age of men on a board is 55.5, Median 60, Mode 64.
- Women now earn more than one-half of all bachelor's and master's degrees in the United States, and nearly one-half of all doctorates and law degrees. Women are also primary consumers. Women earn almost $2 trillion of income and represent nearly half of the workforce.

Maryland Statistics versus National Statistics:

- The three largest industry sectors represented by the Fortune 500 companies were manufacturing (33.60%), finance and insurance (15.4%) and retail trade (12.40%). In Maryland, the three largest industry sectors represented in the survey were finance and insurance (36.56%), professional, scientific and technical services (23.66%) and manufacturing (16.13%). In Maryland, the largest contributor to the number of companies in the PS&T sector is the

large number of bioscience/biotechnology companies that are headquartered in Maryland. "Women's participation in the 'hard' sciences such as physics and computer science speaks of the 'leaky pipeline' model, in which the proportion of women 'on track' to potentially becoming top scientists falls off at every step of the way, from getting interested in science and math in elementary school, through doctorate, postdoc, and career steps. The leaky pipeline is also applicable in other fields. In biology, for instance, women in the United States have been getting Master's degrees in the same numbers as men for two decades, yet fewer women get Ph.D.s." [i] "In the U.S., women with science or engineering doctoral degrees were predominantly employed in the education sector in 2001, with substantially fewer employed in business or industry than men." [ii] The concentration of bioscience/ biotechnology companies in Maryland and the fact that there are fewer women with Ph.D.s in the PS&T sector have had a definite impact on Maryland's statistics and look to be large contributors to Maryland's ranking below the national level for women on boards.

- Maryland does not have any retail trade companies that are part of the survey. The retail trade industry nationally has a higher percentage of women directors (18.10%) and the retail trade industry was one of the largest industry sectors on the Fortune 500. Because this industry has such a high concentration of women directors, its absence in Maryland has a real impact on the state's statistics versus the national statistics.

Industry	Fortune 500 Number of Companies	Fortune 500 Percentage of Women Directors	Maryland Number of Companies	Maryland Percentage of Women Directors
Mining	17 (3.40%)	7.60%	2 (2.15%)	0.00%
Construction	12 (2.40%)	7.80%	0 (0.00%)	0.00%
Manufacturing	168 (33.60%)	14.00%	15 (16.13%)	8.73%
Wholesale Trade	25 (5.00%)	11.60%	3 (3.23%)	21.74%
Retail Trade	62 (12.40%)	18.10%	0 (0.00%)	0.00%
Transportation and Warehousing	19 (3.80%)	11.80%	1 (1.08%)	0.00%
Utilities	41 (8.20%)	15.40%	2 (2.15%)	6.33%
Finance and Insurance	77 (15.40%)	16.00%	34 (36.56%)	9.33%
Real Estate and Rental Leasing	1 (0.20%)	25.00%	1 (1.08%)	0.00%
Information	19 (3.80%)	14.50%	4 (4.30%)	6.67%
Professional, Scientific, and Technical Services	20 (4.00%)	12.00%	22 (23.66%)	5.66%
Administrative and Support, Waste Management, and Remediation Services	7 (1.40%)	12.90%	0 (0.00%)	0.00%
Health Care and Social Assistance	17 (3.40%)	19.70%	2 (2.15%)	7.14%
Arts, Entertainment, and Recreation	6 (1.20%)	14.70%	0 (0.00%)	0.00%
Accommodations and Food Services	9 (1.80%)	15.80%	4 (4.30%)	17.65%
Educational Services	0 (0.00%)	0.00%	3 (3.23%)	8.30%
Total	500 (100%)		93 (100%)	

Conclusion

Although there was little change in 2007 versus 2006 (less than 1%) in the number of women directors on corporate boards in Maryland, Maryland continues to lag behind the national average (5.8% below) for number of women directors. Research revealed reasons for Maryland's statistics being below the national average. The concentration of bioscience and biotechnology companies in the state and the lack of retail trade companies have affected the growth in the number of women directors in Maryland. The greatest impact on the statistics for Maryland would most likely be achieved by directly targeting qualified women candidates for the 45 companies with no women on their boards and by identifying and targeting women with advanced degrees in the bioscience and biotechnology field.

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http://en.wikipedia.org/wiki/Women_in_science#United_States_2

[i] Louise Luckenbill-Edds, "The 'Leaky Pipeline:' Has It Been Fixed?", *The American Society For Cell Biology* 2000 WICB / Career Strategy Columns (11/1/2000).

[ii] Ham, J-o. Data On Women In S&E. From: Women, Minorities and Persons With Disabilities in Science and Engineering, NSF 2004.