



Asian representation on Fortune 1000 boards

2023 Edition

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Introduction

The world in 2024 is grappling with many uncertainties. From the disruptions caused by climate change and global wars to the promise and perils of technology and artificial intelligence, the need for inclusive, steady, and visionary leadership in America's corporate boardrooms is urgent. To ensure that leaders can govern for growth and corporate responsibility while remaining agile, responsive, and resilient, it is more important than ever that the boardrooms of today and the future reflect the diverse viewpoints and experiences of the stakeholders and investors they are serving.

Four years after Ascend Pinnacle and the KPMG Board Leadership Center (BLC) launched our inaugural first-of-a-kind study of Asian¹ directors on public Fortune 1000 boards, our current study, which tracks Asian representation from 2020 to 2023, shows that despite progress in advancing Asian representation in America's top corporate boardrooms, the majority (54 percent) of public Fortune 1000 boards in 2023 still do not have an Asian director.

The absence of diverse Asian perspectives and expertise in their boardrooms is something that America's leading companies can ill afford. Asians remain the fastest growing racial/ethnic group in the US.² From 2000 to 2023, the Asian population recorded 103 percent growth, outpacing all other racial and ethnic groups.³ This is likely to translate into not only a larger Asian workforce, but an even larger customer base in the decades to come. Between 2010 and 2020, Asian American buying power grew by 111 percent compared to the combined buying power of all US consumers, which grew by 55 percent.⁴

On a global level, Asia, home to the world's largest consumer market,⁵ will continue to be the driver of middle-class growth throughout this decade. Forward-looking companies looking to leverage both the growing Asian American workforce and consumer base—or those hoping to expand their global reach in the coming years—would gain value by including Asian directors on their boards as expeditiously as possible.

There has been steady change in public Fortune 1000 companies since 2020, when 69 percent did not have any Asian directors. While the percentage of public Fortune 1000 board seats held by Asian directors in 2023 remains low at 6.4 percent, this is a welcome increase from the 4.0 percent in 2020. Nevertheless, Asians continue to remain invisible in the top boardrooms and in the most senior leadership positions in corporate America (Asians are only 7 percent of US executives), especially when compared to their presence in the professional workforce, where they account for 14 percent of US professionals.⁶ Given that Asians as a group have the highest level of educational attainment relative to the general US population (59 percent of Asians ages 25 and older have a college degree or higher compared to 38 percent of the US population),⁷ more intentional efforts to develop and advance this underutilized pipeline of Asian talent across industries will be necessary for companies and boards to avail themselves of some of the best and brightest talents in order to build strong and inclusive organizations.

¹ We use the term "Asian" here to include all people of Asian, Native Hawaiian, or Pacific Islander ancestry who have origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, Hawaii, Guam, Samoa, or other Pacific Islands. See OMB Interagency Technical Working Group on Race and Ethnicity Standards, History of Statistical Policy Directive No. 15.

² Abby Budiman and Neil G. Ruiz, Asian Americans are the fastest-growing racial or ethnic group in the U.S., Pew Research Center, April 9, 2021.

³ Claritas, The 2023 Asian American Market Report, 2023, p. 2.

⁴ J. Merritt, The Multicultural Economy 2021, UGA Today, August 11, 2021.

⁵ Wolfgang Fengler, Homi Kharas, and Juan Caballero, Asia's tipping point in the consumer class, Brookings, June 2, 2022.

⁶ U.S. Equal Employment Opportunity Commission, Job Patterns For Minorities and Women In Private Industry (EEO-1), 2021 Data.

⁷ United States Census Bureau, Census Bureau Releases New Educational Attainment Data, February 16, 2023. "Asians" here refers to Asians only and does not include Native Hawaiians and Pacific Islanders.

We are deeply grateful for the collaboration between Ascend and the KPMG BLC these past four years to gather, analyze, and present these important findings. We would especially like to thank the KPMG and Ascend teams supporting this work. Special thanks to KPMG Senior Advisor Annalisa Barrett and to Ascend Foundation's Thought Leadership team for their research and authorship of these reports.

As a community, we celebrate the progress made. And as organizations committed to diversity and inclusion as a foundation for adding value in America's

boardrooms, we recognize that much work remains to be done. We encourage companies to continue to bring talented Asian directors into their boardrooms and to provide transparency by disclosing the board's racial and ethnic makeup based on voluntary self-identification. We are inspired and committed to continue to work to achieve greater inclusion, to build not just stronger boards and companies, but a more diverse, inclusive, and tolerant world that will surely need the participation, engagement, and talents of all.



Barbara Adachi
Executive Advisor
Ascend Pinnacle



Anna W. Mok
President and Executive Chair
Ascend & Ascend Foundation
Co-Founder, Ascend Pinnacle

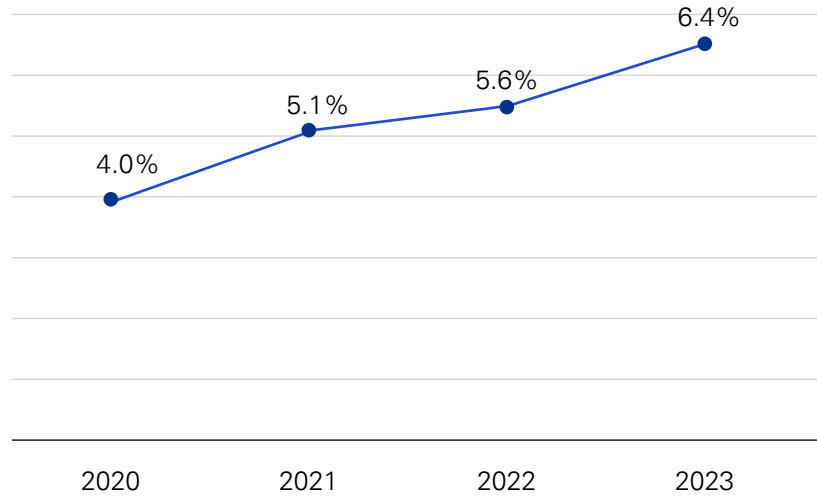


Susan Angele
Senior Advisor
KPMG Board Leadership Center

Prevalence of Asian directors on Fortune 1000 boards

This study conducted by the BLC and Ascend Pinnacle examines Asian representation on public Fortune 1000 boards from 2020 to 2023. The percentage of public Fortune 1000 board seats held by Asian directors has shown steady progress over the last four years, rising from 4.0 percent in 2020 to 6.4 percent in 2023. This represents an increase in the number of board seats held by Asians from 370 seats in 2020 to 609 seats in 2023.

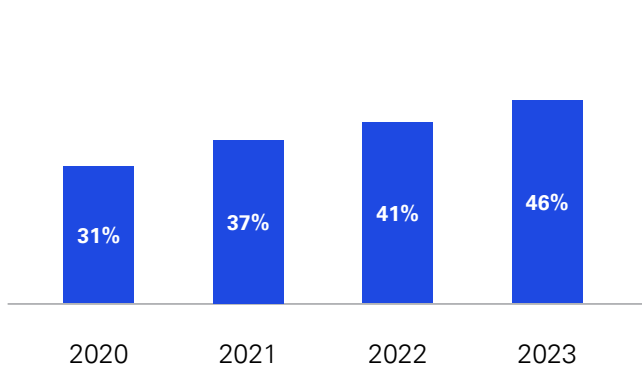
Percentage of public Fortune 1000 board seats held by Asians



In addition to examining the percentage and total number of board seats held by Asians, it is also informative to consider the number of Asian directors serving on the boards of each company. Companies with no Asian directors in the boardroom are missing the important perspective that Asians bring to the table. Over the last four years, the percentage of public Fortune 1000 companies with no Asian directors has steadily decreased. In 2020, 69 percent of public Fortune 1000 companies did not have any Asian directors. While this percentage had dropped to 54 percent in 2023, the majority of public Fortune 1000 companies still do not have an Asian director on their board.

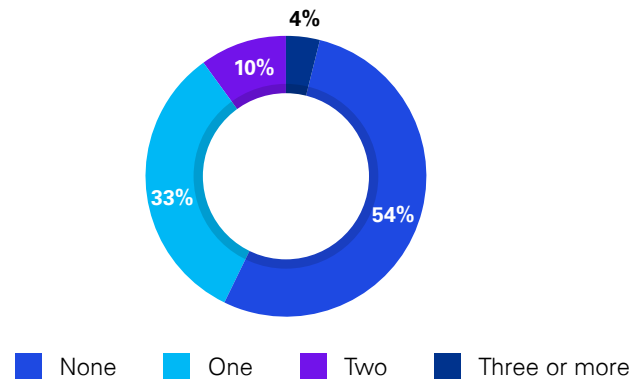
Boards with more than one Asian director also remain uncommon. In 2023, only 14 percent of public Fortune 1000 boards have two or more Asian directors.

Percentage of public Fortune 1000 boards with at least one Asian director



Number of Asian directors on public Fortune 1000 boards

2023; n=915 companies



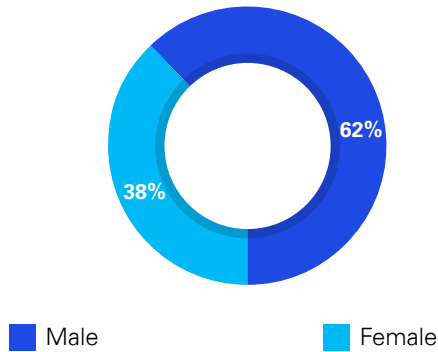
Note: Does not equal 100% due to rounding

Director gender

Although significant progress has been made over the last decade, board gender diversity remains a focus for companies, investors, employees, and other stakeholders. More than one-third (38 percent) of the Asian directors of public Fortune 1000 companies are female, and this percentage has increased in each of the past four years. When compared to all public Fortune 1000 directors, Asian directors are more likely to be female.

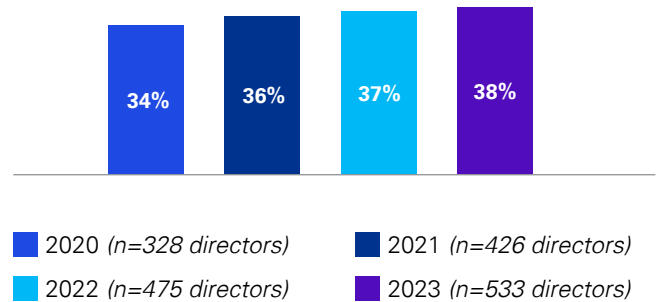
Gender of Asian directors serving on public Fortune 1000 boards

2023; n=533 directors



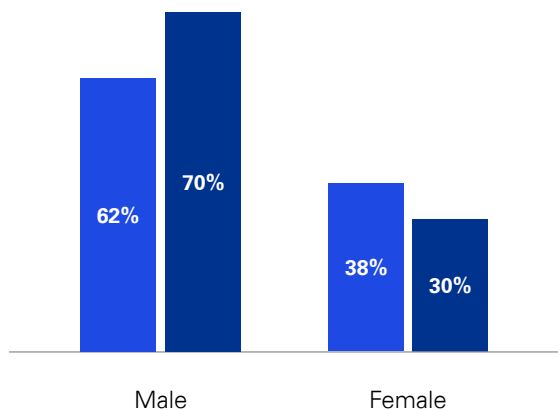
Percentage of Asian directors who are female

Year-over-year comparison



Director gender

Comparison between Asian directors and all public Fortune 1000 directors (2023)



Asian directors (n=533)

All public Fortune 1000 directors (n=7,767)

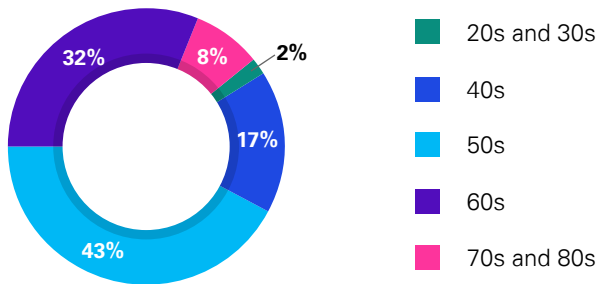
Director age

Age diversity in the boardroom is imperative given the wide range of issues companies are currently facing. For example, older directors may bring the experience of guiding companies through economic and geopolitical uncertainty, while younger directors may be more in tune with the risks and opportunities presented by emerging technologies and current considerations around how and where work gets done.

On average, Asians are younger than their fellow board members. The average age of all public Fortune 1000 directors is 62, while the average Asian director is 57. In fact, 62 percent of the Asian directors serving on public Fortune 1000 boards are under 60, compared to only 34 percent of all public Fortune 1000 directors. The age distribution of Asian directors has not changed significantly over the last four years.

Ages of Asian directors serving on public Fortune 1000 boards

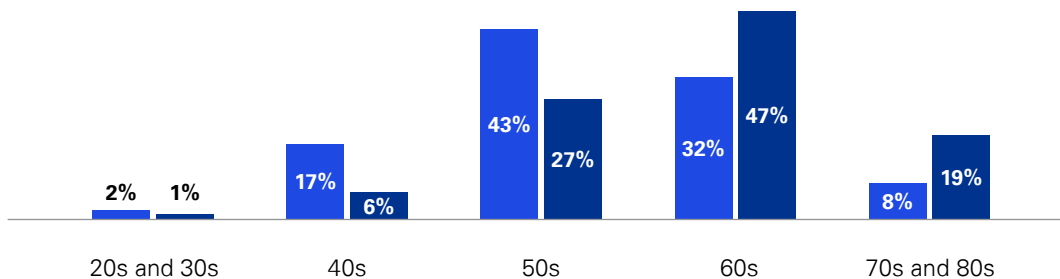
2023; n=524 directors; ages not available for 9 directors



Note: Does not equal 100% due to rounding

Director age

Comparison between Asian directors and all public Fortune 1000 directors (2023)



■ Asian directors (n=524 directors; ages not available for 9 directors)

■ All public Fortune 1000 directors (n=7,707 directors; ages not available for 60 directors)

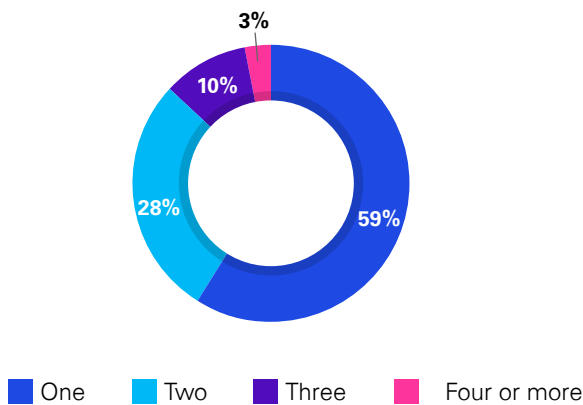
Note: Does not equal 100% due to rounding

Board service

Directors who serve on multiple boards in different industries can share governance practices and insights among the boards on which they serve. Of course, as director responsibilities increase, potentially making board service more time-intensive, concerns about bandwidth and availability—as well as interlocking directorates that violate antitrust laws—should be considered, especially during times of elevated market-wide risk. Asian directors are slightly less likely than their peers to serve on multiple public company boards.

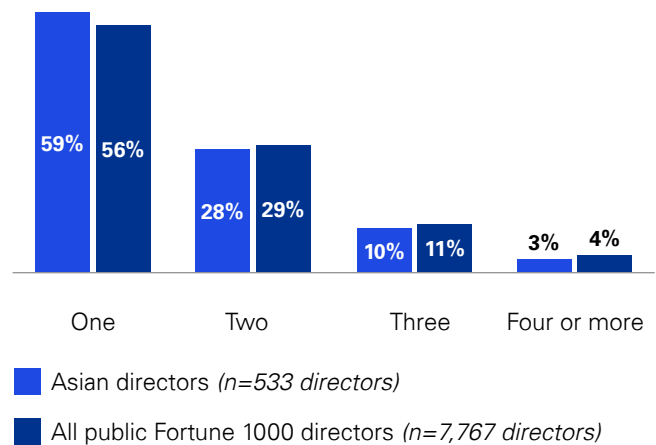
Number of public company boards on which Asian directors serve

2023; n=533 directors



Number of public company boards on which Asian directors serve

Comparison to all public Fortune 1000 directors (2023)

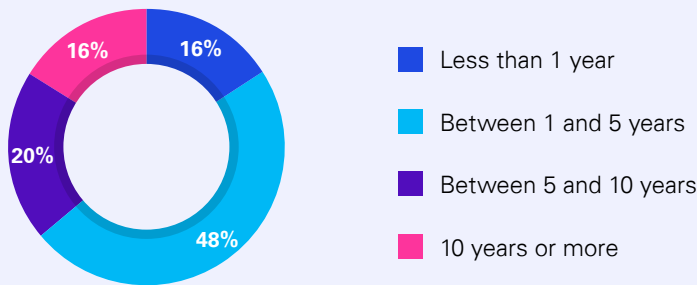


Board tenure

Boards often seek to have directors with a balance of tenures around the boardroom table. Longer-tenured directors can bring valuable historical perspective and institutional knowledge, while newer directors can bring fresh ideas to boardroom deliberations. Most of the Asian directors studied fall into the latter category; nearly two-thirds (64 percent) have held their board seats for less than five years. Fewer than half (45 percent) of all public Fortune 1000 directors have tenures in this range. The average board tenure for all public Fortune 1000 directors is 8 years, while the average tenure for Asian directors is just over 5 years.

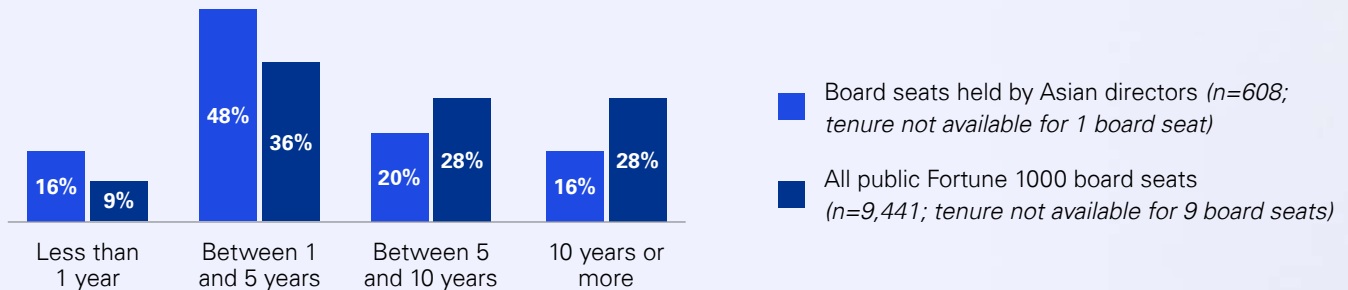
Tenure of Asian directors serving on public Fortune 1000 boards

2023; 608 board seats (tenure not available for 1 board seat)



Director tenure

Comparison between board seats held by Asians to board seats held by all public Fortune 1000 directors (2023)



Note: Does not equal 100% due to rounding

Asian board leaders



27

public Fortune 1000 companies have a board chair who is Asian. **All but 1** of these Asian directors are male.

15

of the Asian board chairs are also the company's CEO.

14

Asians serve as lead independent directors of public Fortune 1000 boards. **All but two** of these lead independent director roles are held by men.

One woman served as lead independent director on two different public Fortune 1000 boards, as of the filing of the 2023 proxy statements.

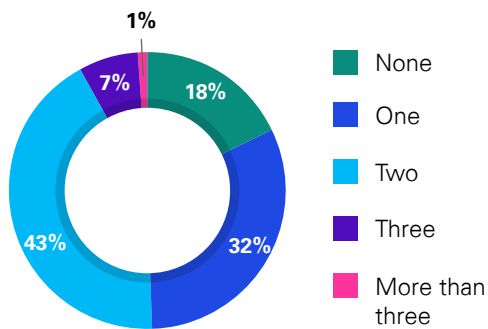
Committee service

Serving on board committees is a vital way to contribute to the work of the board, and most directors serve on at least one committee. However, Asian directors are less likely than their peers to serve on more than one board committee. Half (51 percent) of Asian directors serve on multiple board committees, compared to 59 percent of all public Fortune 1000 directors.

While Asian directors are just as likely to serve on the audit committee, they are less likely than their peers to serve on the compensation committee or the nominating/governance committee. To the extent their boards have them, Asian directors are also less likely to serve on finance or executive committees. However, they are slightly more likely to serve on technology or risk committees.

Number of board committees on which Asian directors serve

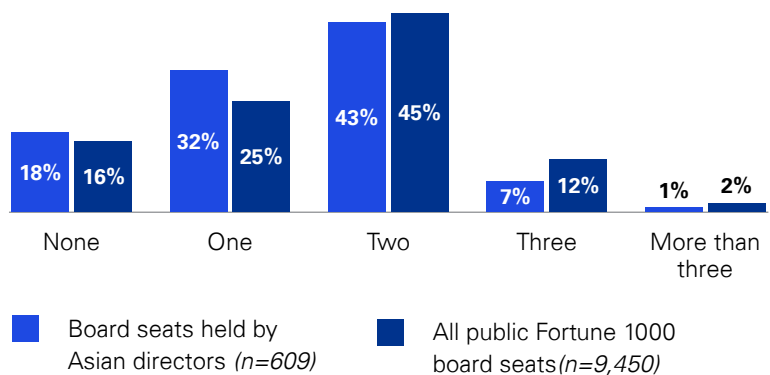
2023; n=609 board seats



Note: Does not equal 100% due to rounding

Number of board committees

Comparison of board seats held by Asian directors and those held by all public Fortune 1000 directors (2023)

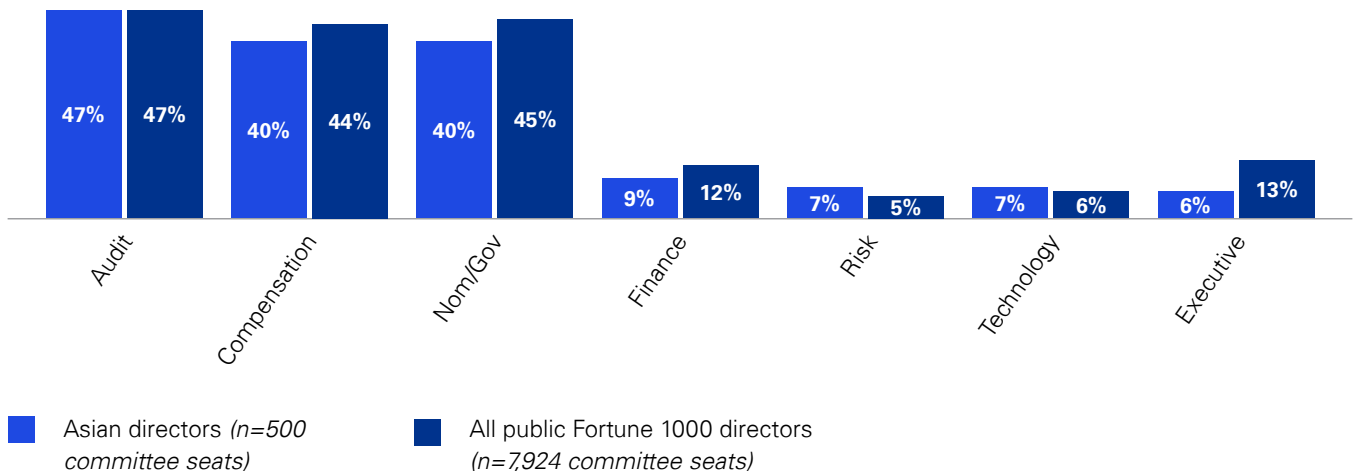


Note: Does not equal 100% due to rounding

Committees on which directors serve

Comparison between Asian directors and all public Fortune 1000 directors (2023)

Service on multiple committees possible

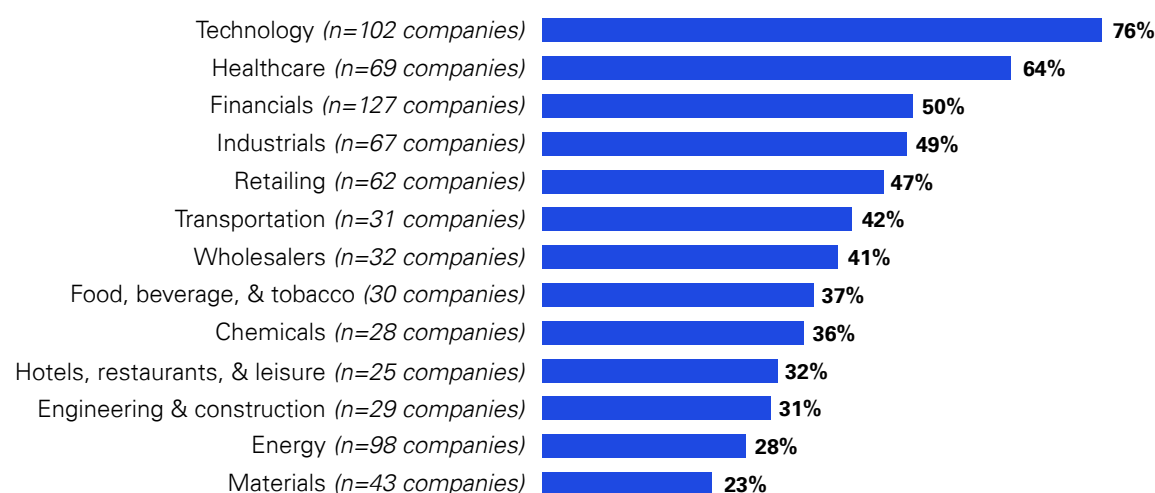


Comparison by industry

Companies in the technology industry have the highest prevalence of Asian board members. In fact, slightly more than one in seven technology company directors (15 percent) are Asian and more than three-quarters (76 percent) of companies in the technology industry have at least one Asian director. Healthcare companies have the second-highest prevalence of Asian directors, with 8 percent of board seats held by Asians. Nearly two-thirds (64 percent) of healthcare companies have at least one Asian board member. Half of the companies in the financials industry also have at least one Asian director. On the other hand, less than one-quarter (23 percent) of companies in the materials industry have an Asian director in the boardroom.

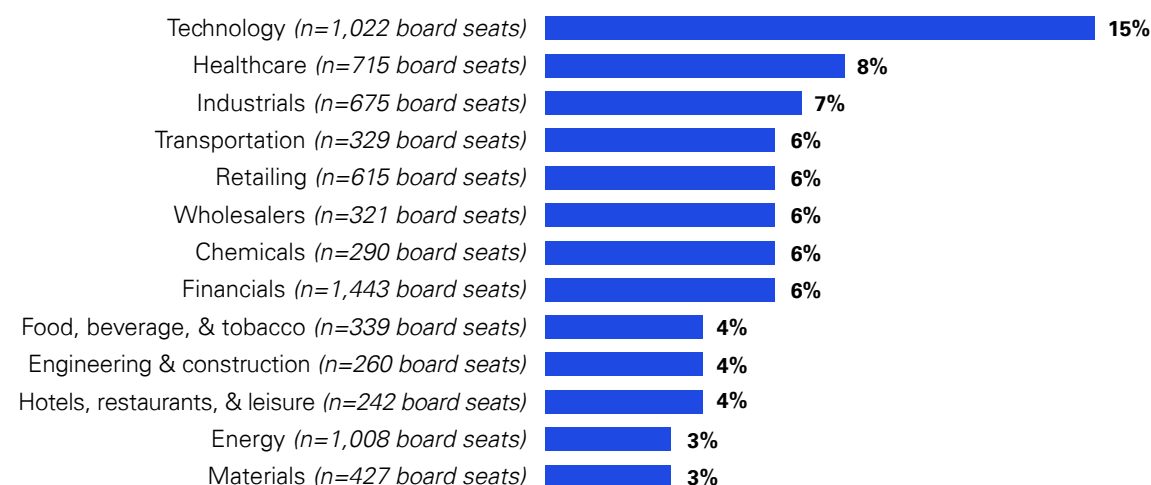
Percentage of public Fortune 1000 boards with at least one Asian director

Comparison by industry; 2023



Percentage of public Fortune 1000 board seats held by Asians

Comparison by industry; 2023



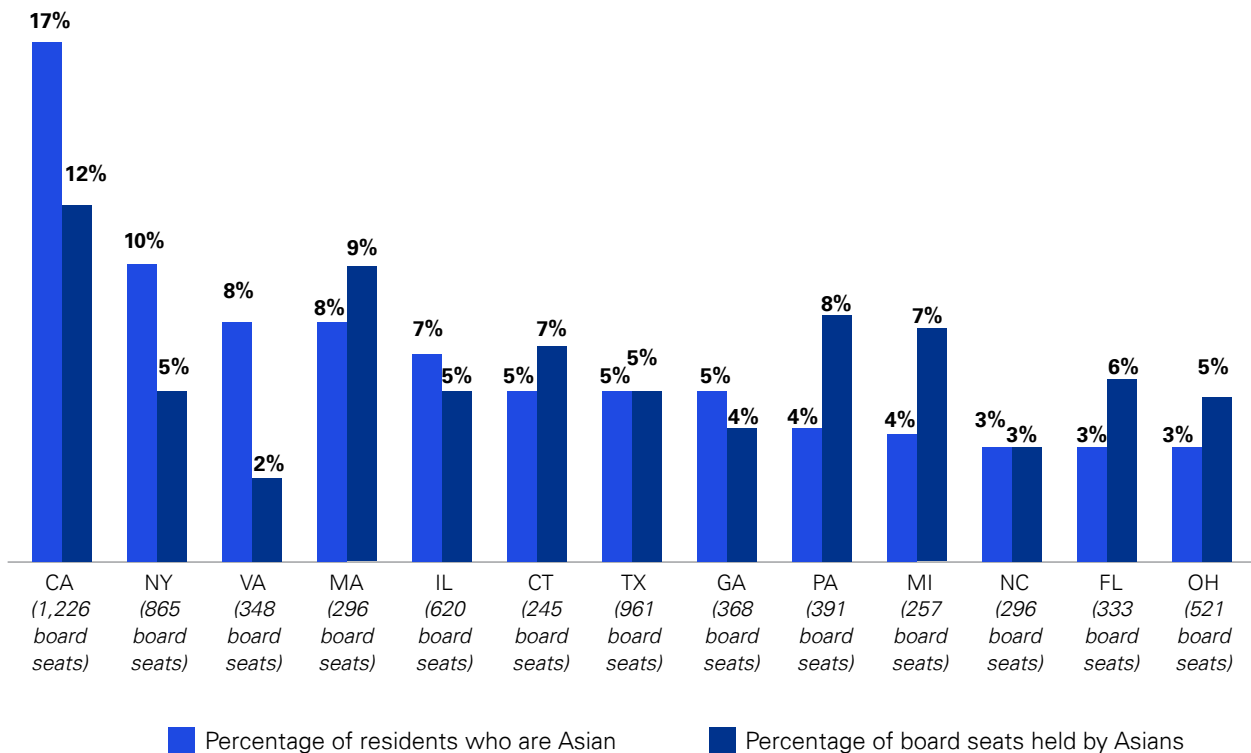
Comparison by state headquarters

Among those US states in which at least 25 public Fortune 1000 companies are headquartered, California has the highest Asian population and the companies headquartered there have the highest prevalence of Asian board members. However, the percentage of California residents who are Asian exceeds the percentage of California board seats held by Asian directors. The same is true for companies headquartered in Georgia, Illinois, New York, and Virginia.

Among the states analyzed, only companies headquartered in North Carolina and Texas have the same prevalence of Asian representation on boards as among the state's population. On the other hand, of the 13 states analyzed, the prevalence of Asians on boards at companies in 6 states is greater than their prevalence in the state's population, including two (Pennsylvania and Florida) which have double the percentage of Asian directors than Asian representation of the state's population.

Asian population compared to percentage of public Fortune 1000 board seats held by Asians

Comparison by state of corporate headquarters; 2023



Source: World Population Review, Hispanic Population by State 2023.

Methodology

Time frame and company universe

This report analyzes trends among the Asian directors serving on public Fortune 1000 boards from 2020 to 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 due to the fact that 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 Asian 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 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 were pulled from the companies’ proxy statements for the respective year.

Identification

The Asian directors serving on public Fortune 1000 boards were identified by Ascend Pinnacle using the following methodology:

- Asians are defined as all people of Asian, Native Hawaiian, or Pacific Islander ancestry, who have origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, Hawaii, Guam, Samoa, or other Pacific Islands.
- Publicly available information was used to identify Asians based on director self-identification in public filings and profiles, the director’s last name, biography, and other resources.

Updates to 2020 and 2022 editions

In prior versions of this study, directors of Middle Eastern descent were included with directors of Asian descent. A change in Ascend Pinnacle’s methodology led to the exclusion of these directors from this study for all years analyzed.

About the author

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

About Ascend Pinnacle

Ascend Pinnacle is part of the broader organization known as Ascend and Ascend Foundation, the largest global network advancing Asian and Pacific Islander (API) professionals in the workplace and corporate boardrooms. Ascend Pinnacle works to establish and engage a network of Pan-Asian corporate board directors who have a common interest in building inclusive boardrooms, mentoring the next generation of senior executives, and elevating awareness of Pan-Asian contributions in corporate governance. The Ascend Foundation is a 501(c)(3) organization that is focused on research, cultivating DEI best practices, and advocating for greater awareness of the challenges facing the API community at work and beyond. In partnership with leading business organizations, the Foundation launches initiatives like the 5-Point Action Agenda, provides student scholarships, and publishes noteworthy reports that aim to increase recognition of API leadership. Visit ascendleadership.org for more information.

About the KPMG Board Leadership Center

The KPMG Board Leadership Center (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 the KPMG Audit Committee Institute and 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 ESG to data governance, audit quality, proxy trends, and more. Learn more at kpmg.com/us/blc.

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