



August 29, 2017

Simple Impact LLC

TO: The Honorable Hannah-Beth Jackson
Chair, California Senate Select Committee on Women, Work, and Families ROOM 2040

In 2013, the California Senate passed a Concurrent Resolution (SCR) 62¹ urging Californian publically traded companies to meet three benchmarks concerning the number of women on Boards by December 2016. To date, the take up by corporations, with the exception of the Utilities and Semi Conductor industry, has been at snails pace².

According to the findings in 2016 of an in-depth study by Credit Suisse examining business performance in 3000 of the largest companies globally, *"there is clear evidence that companies with a higher proportion of women in decision-making roles continue to generate higher returns on equity, while running more conservative balance sheets. In fact, where women account for the majority in the top management, the businesses show superior sales growth, high cash flow returns on investments and lower leverage"*.³ These findings are one of a growing body of research^{4 5} demonstrating the economic benefit from the inclusion of women in corporate Governance.

For consideration, lawmakers in the State of California mandate all publicly traded corporations meet the SCR 62 benchmarks plus furnish reports on their workforce gender composition, including gender pay parity, to a designated agency such as the US. Securities and Exchange Commission. California leaders will accelerate the likelihood of:

- Harnessing the untapped potential and talent pipeline of high achieving women as contributors to corporate Governance decision making⁶
- Leveraging the economic earnings of women, the fastest growing cohort of investors.⁷
- Creating a pathway to ensure the State of California maintains its lasting reputation as an innovative global leader.
- Positively impacting Gender Equity Principle Number 5, outlined in the UN Sustainable Development Goals.

This letter has been prepared in concert with inclusive Leadership expert, Michelle A. Waters M.Mgt., B. S.Ed., CMC® *, President, Interchange Consulting.

Sincere Regards,

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* Michelle A. Waters with Jodi E. Detjen & Kelly Phillips, *"The Orange Line: A Woman's Guide to Integrating Career, Family & Life"* (2013)

¹ https://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SCR62

² Kimball, A., Lindsey, T., D., Phd, Women on Corporate Boards Increasing in California But Still Underrepresented (2016).

³ Credit Suisse Research Institute Thought Leadership "The CS Gender 3000: The Reward for Change" (2016)

⁴ Catalyst Report, "The Bottom Line: Corporate Performance and Women's Representation on Boards 2004-2008" (2011)

⁵ Hunt, V., Layton, D., Prince, S., Diversity Matters. McKinsey & Company (2015)

⁶ Credit Suisse Research Institute Thought Leadership from Credit Suisse Research "The CS Gender 3000: The Reward for Change" (2016)

⁷ Center for Talent Innovation, "Harness The Power of The Purse: Female Investors and Global Opportunities for Growth" (May 2014)

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