

# Congress of the United States

Washington, DC 20515

May 30, 2017

Mr. Jay Clayton  
Chair  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549

Dear Chairman Clayton:

Congratulations on your confirmation as Chair of the Securities and Exchange Commission.

As you prepare your transition, we hope you will carefully consider outgoing Chair White's review of the SEC's proxy statement disclosure rules regarding the diversity of board nominees.

For years, studies have demonstrated that companies benefit from diverse leadership, yet women still lag behind in board representation. In 2015, women made up only 26.9 percent of new directors at S&P 500 companies,<sup>1</sup> and a GAO report Rep. Maloney requested found that it would take 40 years or more for women to achieve parity in the boardroom.

As you know, the SEC adopted an enhanced proxy statement disclosure for board diversity in 2009. However, the information gleaned from these disclosures has proven inadequate for investors concerned about gender and ethnic diversity. Indeed, researchers have found that among the S&P 100 only about half of these disclosures referenced gender.<sup>2</sup> In fact, most of these companies—the largest and most well-resourced in our country—disclosed that they lack a formal diversity policy for their board.

In Congress, we have introduced bipartisan legislation to urge the SEC to clarify this disclosure, to ensure that investors have useful information about the gender of board nominees. This effort has gained support from leading investors like CalPERS, as well as the U.S. Chamber of Commerce.

In addition, in 2015 nine leading public fund fiduciaries wrote the Commission to express their dissatisfaction with the current diversity disclosure, and to propose an amendment to require clear indication of each nominee's gender, race, and ethnicity. We support this

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<sup>1</sup> 2015 Catalyst Census: Women and Men Board Directors: <http://www.catalyst.org/knowledge/2015-catalyst-census-women-and-men-board-directors>

<sup>2</sup> [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2488154](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2488154)

proposal and urge you to act to make the diversity disclosure clearer for issuers and more useful to investors and researchers.

We look forward to working with you on this and other issues, and please do not hesitate contact me with any questions or concerns as you begin your tenure.

Sincerely,



**CAROLYN B. MALONEY**  
Member of Congress



**DONALD S. BEYER, JR.**  
Member of Congress