



Asian representation on Fortune 1000 boards

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Introduction

More than ever, the spotlight is focused on company culture and governance practices. Investors, employees, customers, and other stakeholders want to know who is on the board and how the collection of skills and backgrounds represented in the boardroom benefit the company as it navigates the challenges of doing business today and over the long term. Boards that offer a diverse set of lenses provide a clear advantage to the companies they serve. Those that reflect the diversity of the company's customers and employees bring essential perspectives to the business conversation. Ascend Pinnacle and the KPMG Board Leadership Center (BLC) launched our inaugural study of public Fortune 1000 boards in 2020 to take a deep dive into the number of Asians that serve on these boards, including their gender, age, tenure, and committee service. We are continuing those efforts with this second report.

Despite the wealth of talent in the U.S. Asian community, their perspectives are lacking in most boardrooms, and Asians are underrepresented compared to their presence in the professional workforce.

Asians are a highly educated group, with 61 percent having a college degree compared to 38 percent of the U.S. population ages 25 and older.¹ However, despite representing 13 percent of the professional workforce in the U.S.,² Asians only represent 6 percent of U.S. executives,³ and hold only 4 percent of public Fortune 1000 board seats, according to this analysis. From a global perspective, more than half of consumers live in Asian countries and their spending is expected to represent half of the world's consumer spending by 2032, with India and China predicted to have the greatest increase in their consumer classes.⁴ Given the high representation of Asians in the workforce and among consumers, the pipeline of Asian talent continues to be underutilized in the boardroom.

As business leaders plan their future path for attracting and retaining talent, customers, and suppliers to sustain growth, it is imperative that there are diverse voices in the boardroom to represent these demographics. In 2020, we [reported](#) that 72 percent of Fortune 1000 companies did not have an Asian director represented in their boardroom. Unfortunately, our updated report shows only a negligible improvement: 69 percent of public Fortune 1000 companies still do not have an Asian on their board. While we see increasing numbers of new appointments of Asian directors, with nearly one-third of Asian directors added to their boards within the last three years, progress is slow, with little gain in the overall representation of Asian directors at some of the largest corporations.

Given the small number of companies disclosing board demographics, Ascend used multiple sources to identify Fortune 1000 directors who are Asian. Fortunately, there is increasing demand from stakeholders and investors for companies to provide more transparency and visibility into the diversity of their boards and workforces. As the focus on diversity continues to grow, we hope to see more companies disclose the board's ethnic makeup based on voluntary self-identification, and we hope to see an increase in Asian directors.

We express our gratitude for the continued collaboration between Ascend and the KPMG BLC on this first-of-its-kind series focused on Asians on corporate boards. We would like to thank both teams at Ascend and KPMG for their support and insights, including Annalisa Barrett, Gloria Li, Jordan Yau, Peter Xu, Seema Srivastava, Melissa Aguilar, Katie Keally, and David Lahire. Finally, we are excited to continue our contribution to the research and work to advance diversity in corporate boardrooms through collaborations with African American Directors Forum, Latino Corporate Directors Association, Out Leadership's OutQuorum, Women Corporate Directors, and many other diversity partners.



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¹ United States Census Bureau, Census Bureau Releases New Educational Attainment Data, February 24, 2022.

² Tina Kim, Denise Peck, and Buck Gee, Ascend, Race, Gender & The Double Glass Ceiling: An Analysis of EEOC National Workforce Data, December 2020, p. 5.

³ Tina Kim, Denise Peck, and Buck Gee, Ascend, Race, Gender & The Double Glass Ceiling: An Analysis of EEOC National Workforce Data, December 2020, p. 6.

⁴ Homi Kharas and Wolfgang Fengler, The Brookings Institution, Which will be the top 30 consumer markets of this decade? 5 Asian markets below the radar, August 31, 2021.



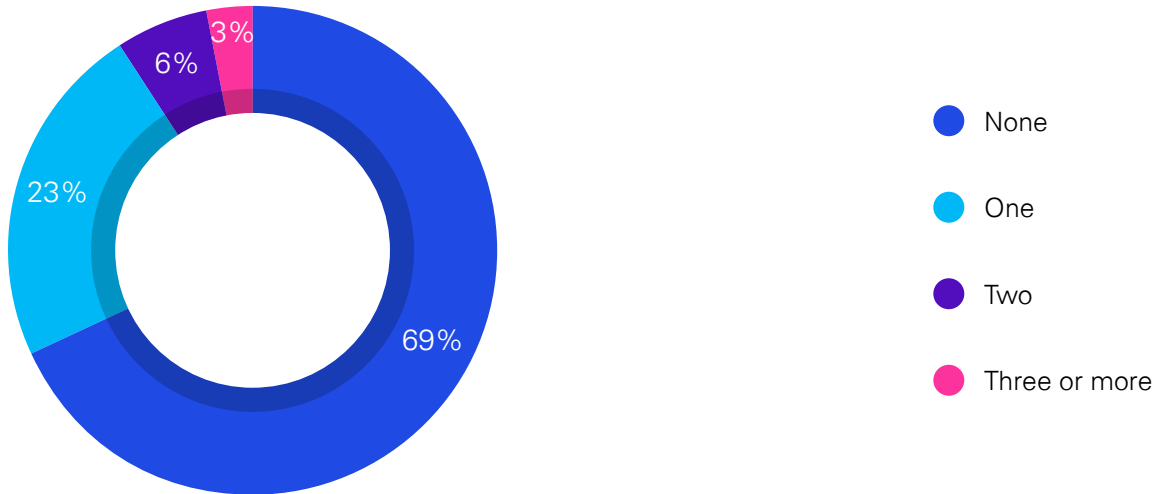
Prevalence of Asian directors on Fortune 1000 boards

This study, conducted by the KPMG Board Leadership Center (BLC) and Ascend Pinnacle, examines the representation of Asian directors serving on public Fortune 1000 boards during 2021 and 2022. This report follows our 2020 edition, which analyzed Asian representation on public Fortune 1000 boards in 2020.

Asian representation in U.S. public company boardrooms remains low: Over two-thirds of public Fortune 1000 companies do not have an Asian director on the board. Although larger companies are more likely to have more Asian directors, it is worth noting that of the largest companies studied—public Fortune 100 companies—over half have no Asian directors on the board.

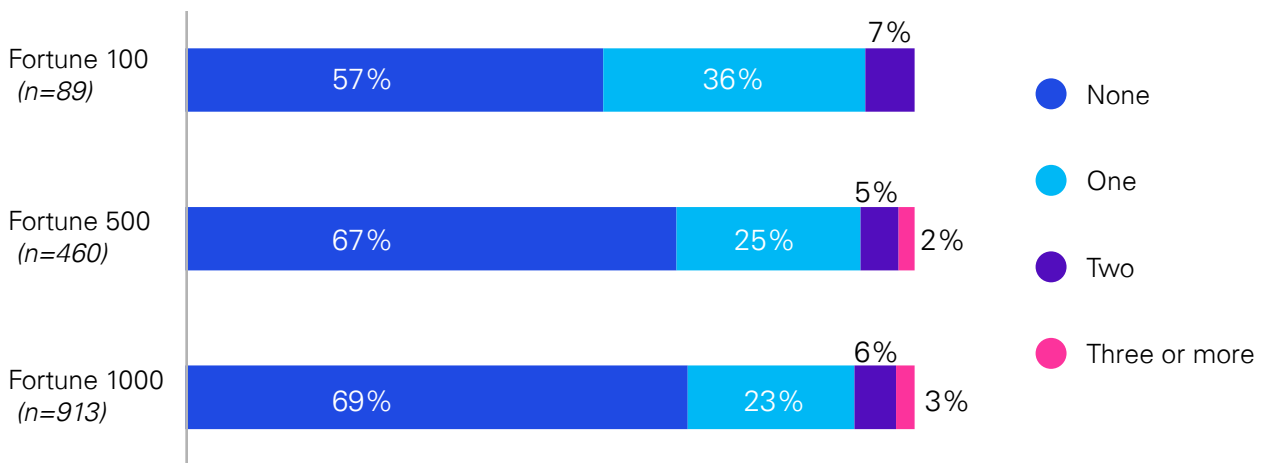
Number of Asian directors on public Fortune 1000 boards

n=913



Note: Does not equal 100% due to rounding.

Number of Asian directors on public Fortune boards Comparison by company size (Fortune rank)



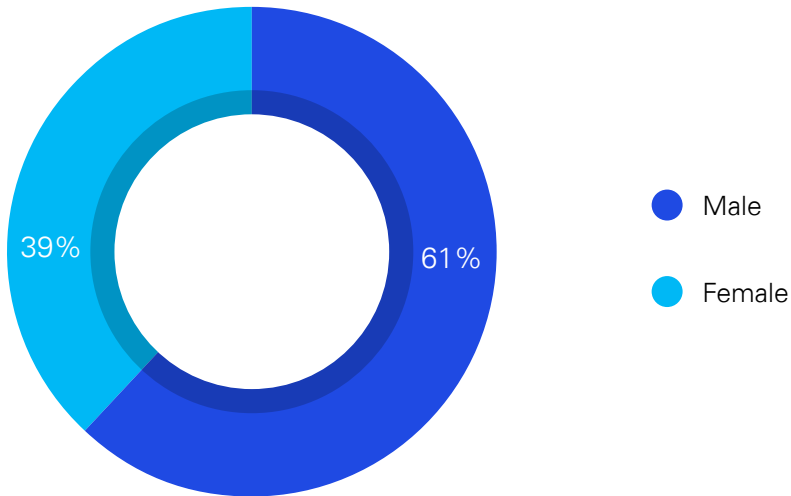
Note: Does not equal 100% due to rounding.

Director gender

Among the Asian directors serving on public Fortune 1000 boards, nearly 40 percent are female. This is relatively high in comparison to the entire population of public Fortune 1000 directors, where less than 30 percent are female. Additionally, the percentage of Asian directors who are female has increased 6 percentage points since 2020.⁵

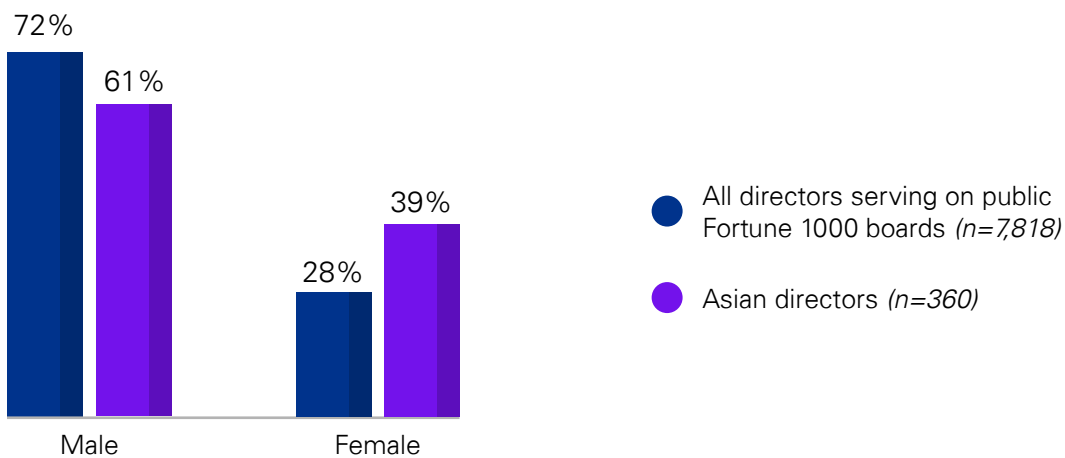
Gender of Asian directors serving on public Fortune 1000 boards

n=360 directors



Director gender

Comparison of Asian directors to all public Fortune 1000 directors



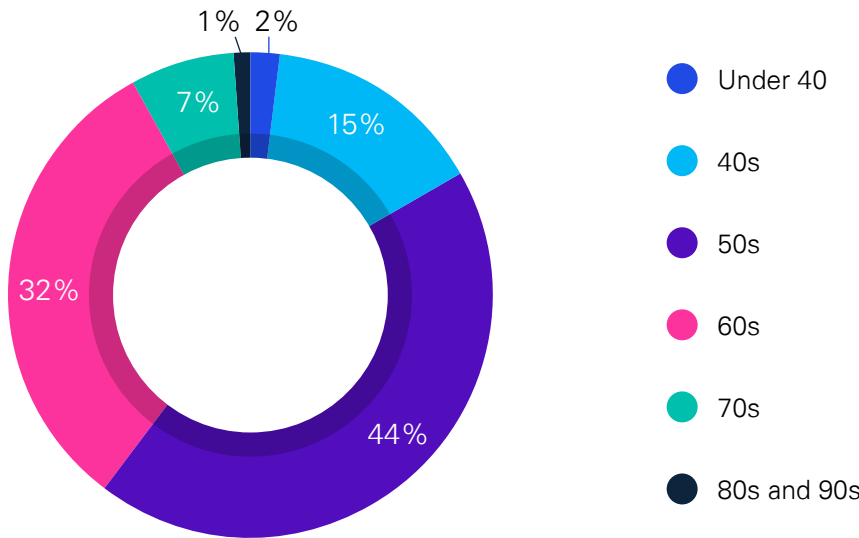
⁵ KPMG BLC, *Asian representation on Fortune 1000 boards*, 2020, p. 5.

Director age

Having directors from a variety of age ranges increases the diversity of thought in the boardroom. The Asian directors in this study tend to be younger than the overall population of public Fortune 1000 directors. The percentage of Asian directors under 50 is more than twice that of all public Fortune 1000 directors in this age group. The median age for Asian directors is 57 in comparison to 63 for all public Fortune 1000 directors, and a plurality of Asian directors are in their 50s, in comparison to a plurality of the overall director population who are in their 60s.

Ages of Asians serving on public Fortune 1000 boards

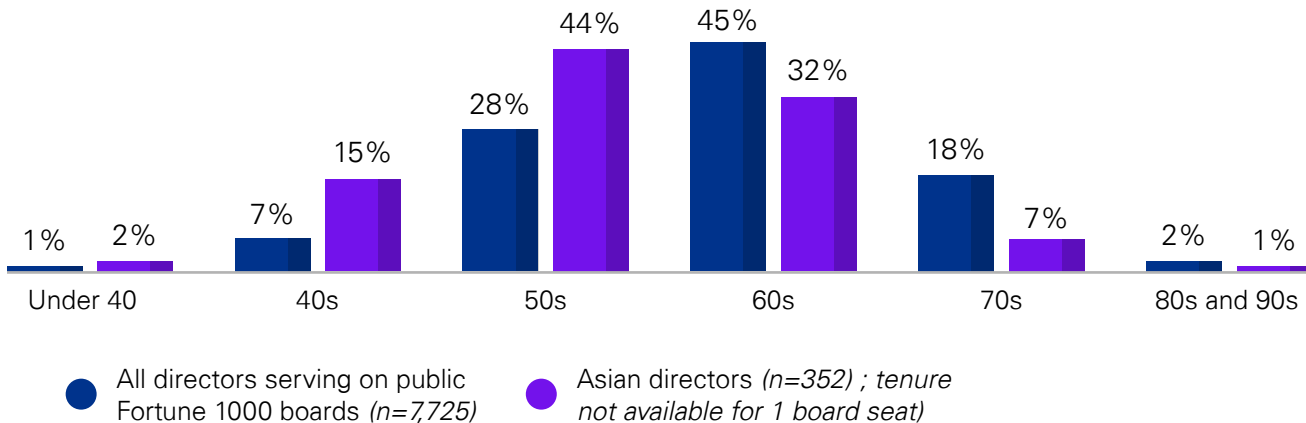
n=352 directors



Note: Does not equal 100% due to rounding.

Director ages

Comparison of Asian directors to all public Fortune 1000 directors



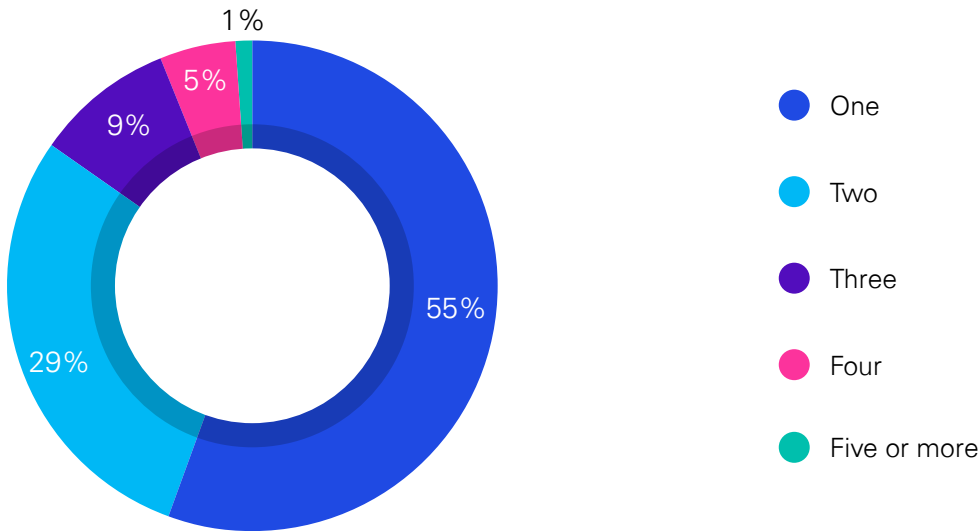
Note: Does not equal 100% due to rounding.

Board service

Institutional investors and proxy advisory firms have long been concerned about director overboarding, with many of the largest institutional investors now voting against directors who serve on more than four public boards (or more than two for named executive officers).⁶ However, the majority of public Fortune 1000 directors—as well as Asian directors—serve on only one public company board. Only 16 percent of all public Fortune 1000 directors serve on three or more boards, a similar percentage as for Asian directors.

Number of public company boards on which Asian directors serve

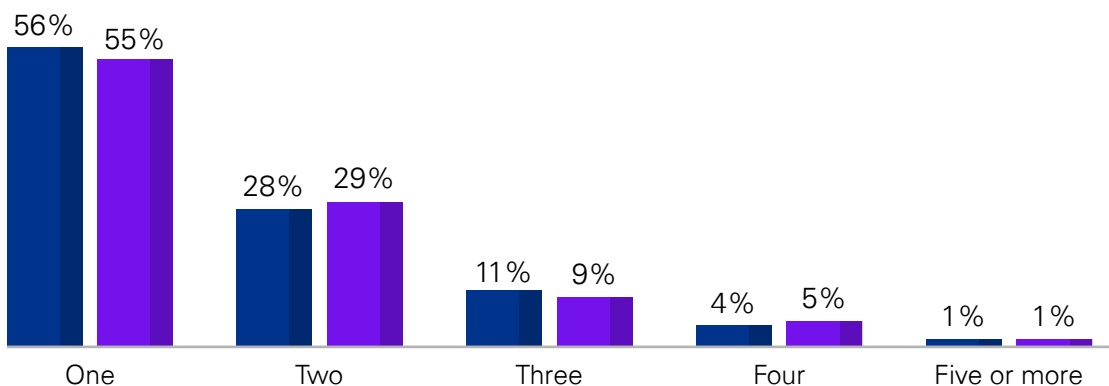
n= 360 directors



Note: Does not equal 100% due to rounding.

Number of public company boards on which directors serve

Comparison of Asian directors to all public Fortune 1000 directors



● All directors serving on public Fortune 1000 boards (n=7,818) ● Asian directors (n=360)

Note: Does not equal 100% due to rounding.

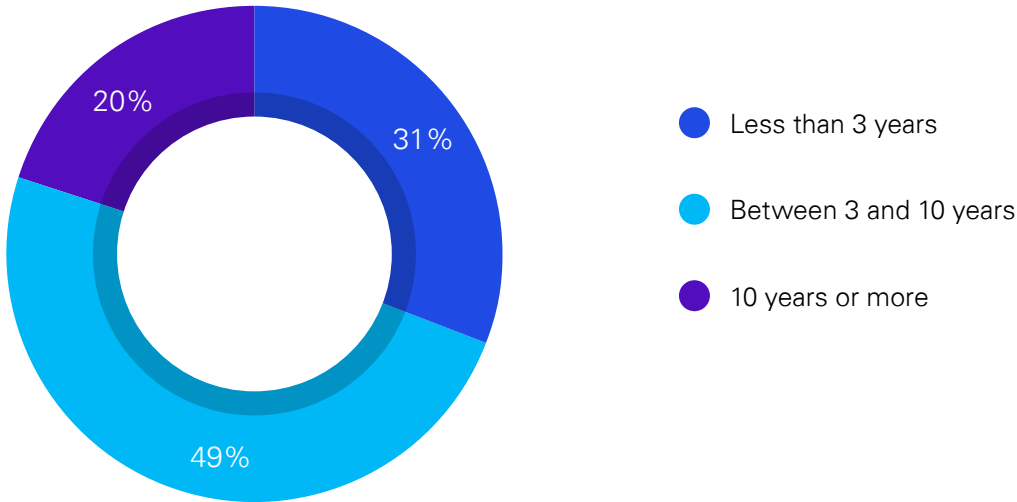
⁶ White & Case LLP, Key Considerations for the 2022 Annual Reporting and Proxy Season, Appendix D, February 18, 2022.

Board tenure

Eighty percent of Asian directors have held their board seats for less than 10 years, with nearly one-third having served less than three years. In comparison to Asian directors, a greater percentage of public Fortune 1000 directors have tenures of 10 years or more. On the whole, Asian directors have slightly lower tenures than the overall population of public Fortune 1000 directors—with median tenures of 4.6 years and 6.1 years, respectively.

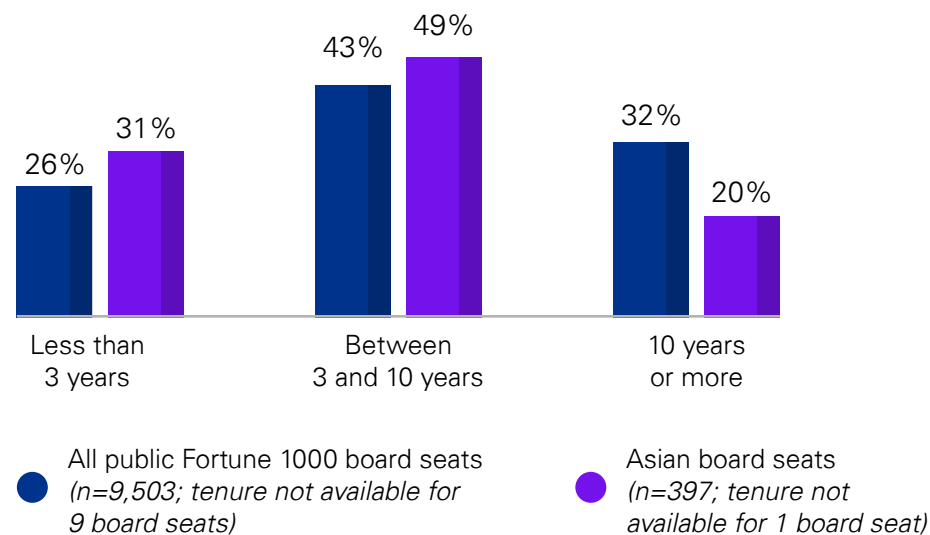
Tenure of Asian directors serving on public Fortune 1000 boards

n=397 board seats; tenure not available for 1 board seat



Director tenure

Comparison of board seats held by Asian directors to board seats held by all public Fortune 1000 directors



Note: Does not equal 100% due to rounding.



Asian board leaders

An Asian director serves as
board chair at

24

public Fortune 1000
companies.

8

of these Asian board chairs are
also the CEO of the company.

Asians serve as the lead
independent director on

5

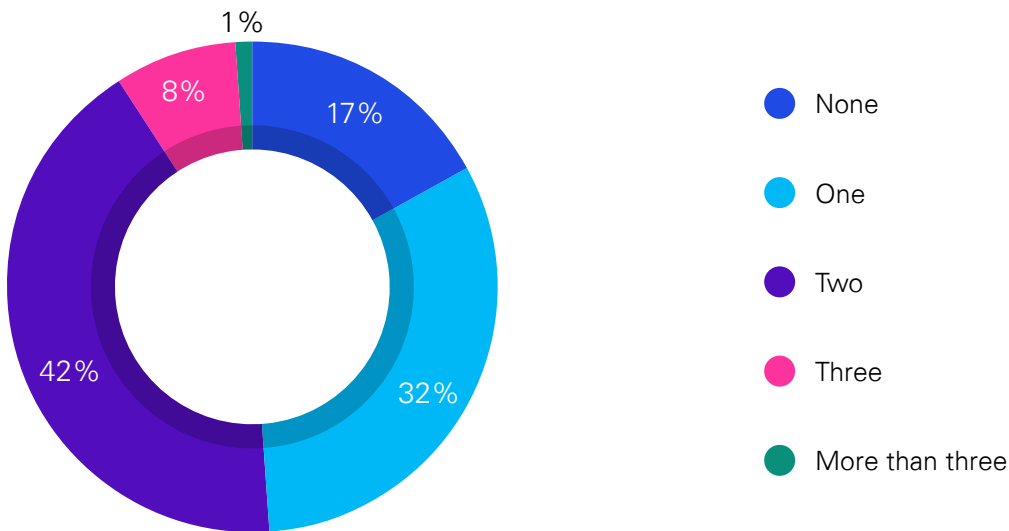
public Fortune 1000 boards.

Committee service

Committee service is an important way for directors to contribute to the vital work done by the board. Similar to all public Fortune 1000 directors, a majority of Asian directors serve on more than one board committee. The percentage of Asian directors who don't serve on any committees has decreased five percentage points since this study was last conducted in 2020.⁷

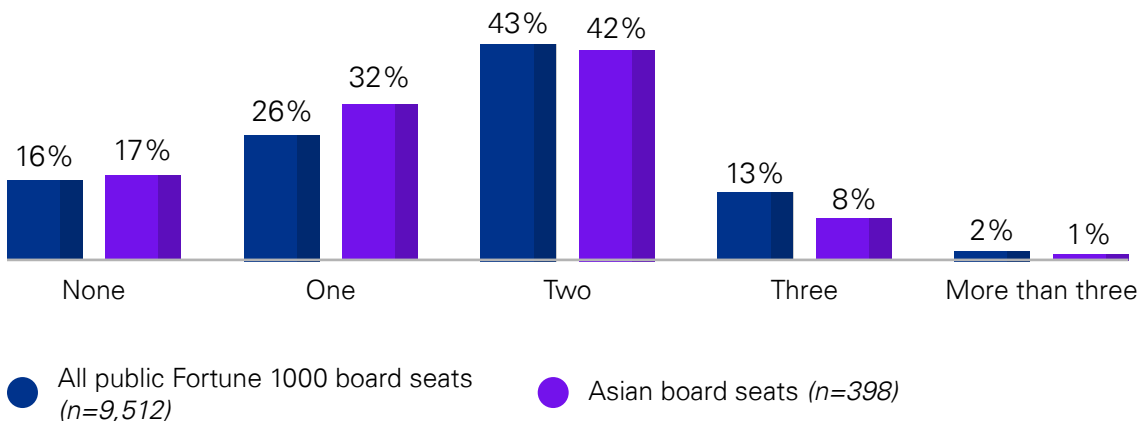
Number of board committees on which Asian directors serve

n=398 board seats



Number of board committees

Comparison of board seats held by Asian directors to board seats held by all public Fortune 1000 directors

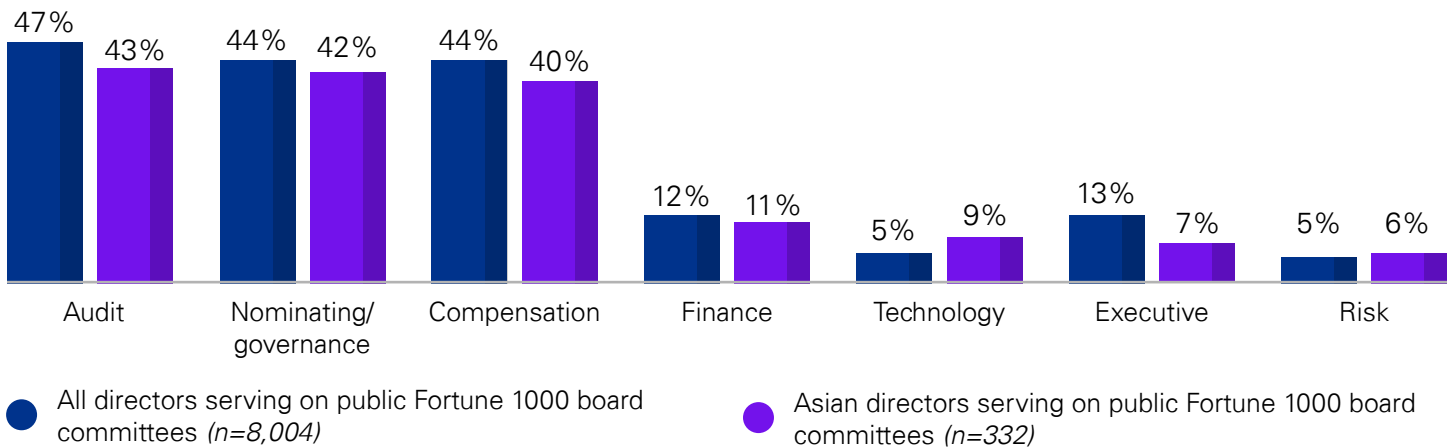


⁷ KPMG BLC, Asian representation on Fortune 1000 boards, 2020, p. 10.

The Asian directors who serve on committees are most likely to serve on the three core committees. Among the other committees, Asian directors are more likely to serve on the technology committee when compared to the overall population of public Fortune 1000 directors. However, Asian directors are less likely to serve on the executive committee. This may be attributable to nearly one-third of Asian directors having joined their boards within the past three years—with longer-tenured directors and those with prior board leadership experience more likely to serve on the executive committee.

Board committees on which public Fortune 1000 directors serve

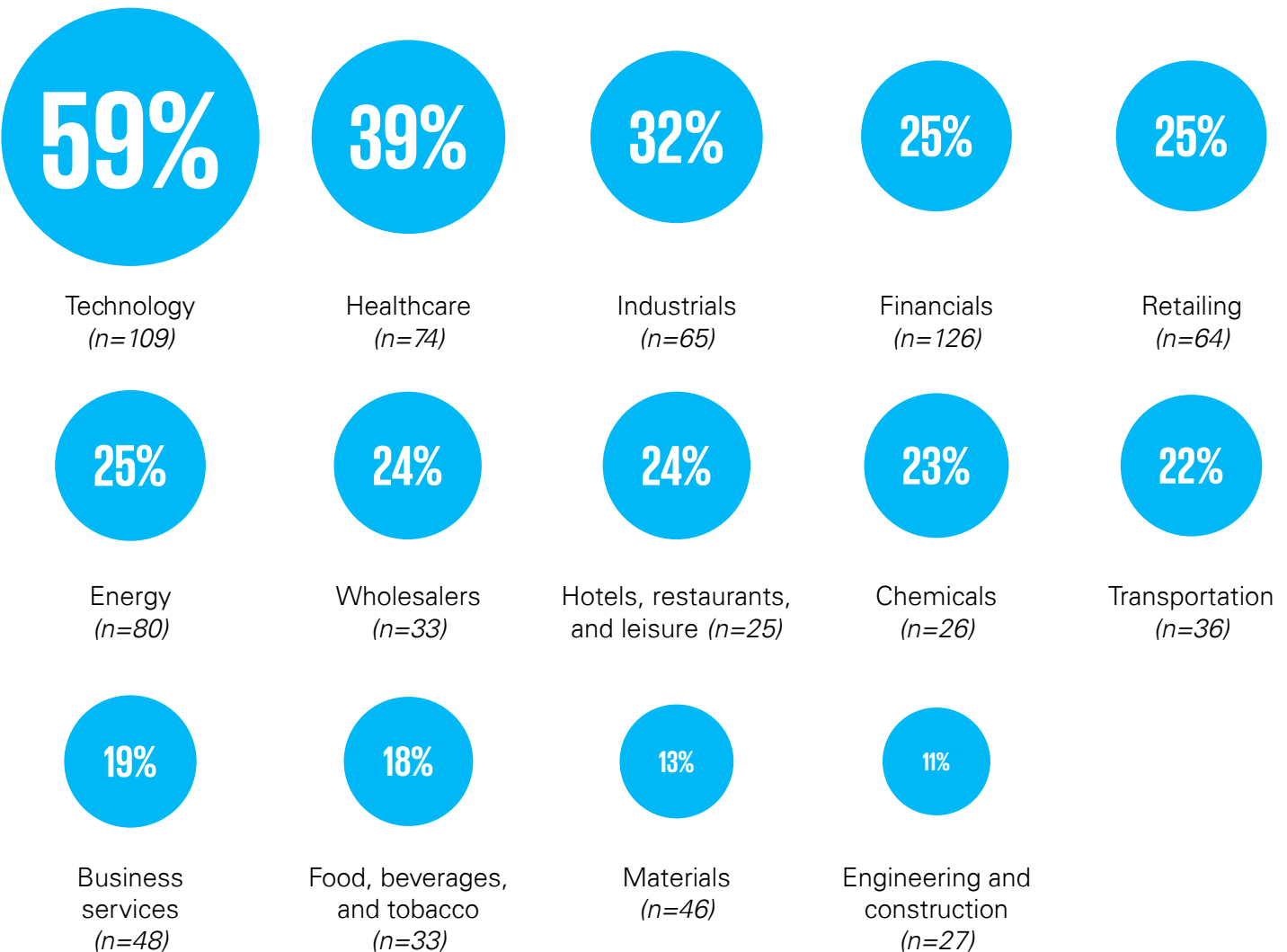
Multiple committees possible



Comparison by industry⁸

Technology, healthcare, and industrials companies are the most likely to have an Asian director on the board. Fifty-nine percent of technology companies have at least one Asian director sitting on the board, as well as 39 percent of healthcare companies and 32 percent of industrials. According to data from the U.S. Bureau of Labor Statistics, the technical, healthcare, and science fields rank among the top five fields with the highest representation of Asian workers.⁹ Therefore, it may not be surprising that Asians would possess the relevant expertise desired for directors in these industries. And, according to a recent KPMG BLC survey, directors cite relevant industry experience as the second most important criteria to consider when recruiting new board members, after C-suite experience.¹⁰

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



⁸ Industry classifications were provided by Ascend. Charts do not include the following industries, which have fewer than 25 companies in the Fortune 1000: aerospace and defense; apparel; communication services; consumer discretionary; consumer staples; food and drug stores; household products; information technology; media; motor vehicles and parts; and telecommunications.

⁹ According to data provided by the U.S. Bureau of Labor Statistics for 2020, Asian workers hold 23% of computer and mathematical jobs, 14.9% of jobs in the sciences, 13.6% of architecture and engineering jobs, 10.1% of personal care and service jobs, and 9.4% of healthcare practitioner and technical occupations. U.S. Bureau of Labor Statistics, Labor force characteristics by race and ethnicity, 2020, Table 8, November 2021 (pp. 31–52).

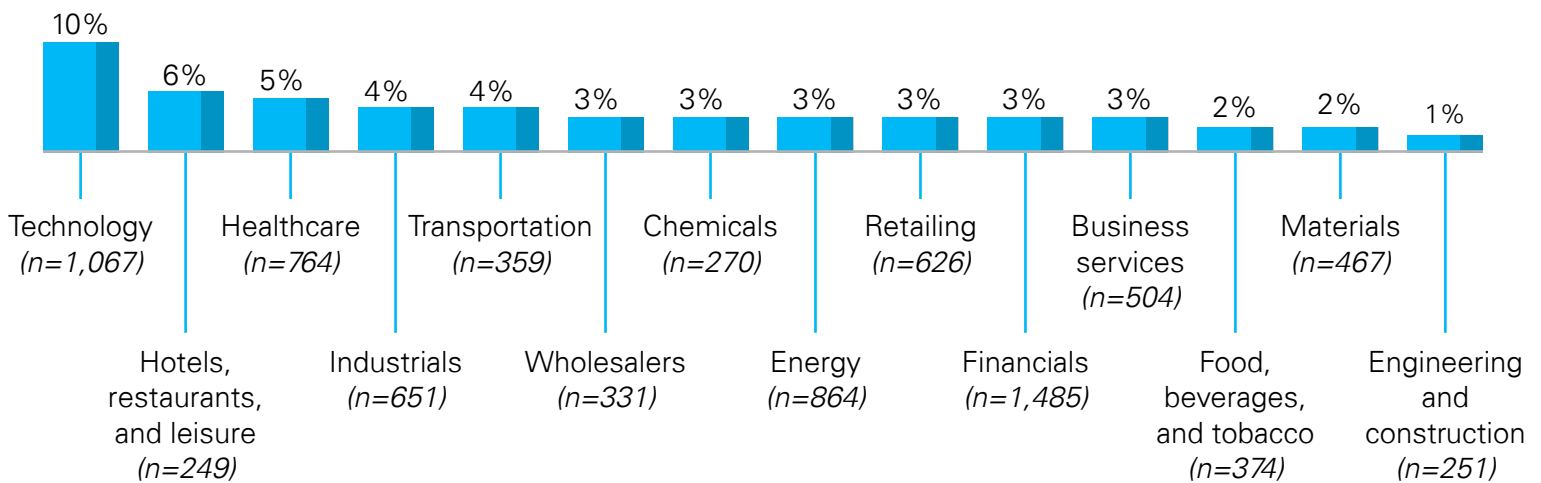
¹⁰ KPMG BLC, *Poised for change? Boardroom Diversity Survey, 2022*, p. 5.

Even with high levels of representation in the workforce, Asians don't always have similarly high representation at the most senior levels of corporate leadership. An Ascend study analyzing historical EEO-1 report data found that despite being the "largest racial cohort of professionals" among San Francisco Bay technology companies, Asians are the least likely to be promoted to the manager and executive levels at these companies.¹¹

This trend continues at the board level, with the tech industry as a particularly stark example despite its ranking as the industry with the highest percentage of Asian representation. Although 23 percent of the employees in tech and related fields are Asian,¹²—Asians hold only 10 percent of board seats in this industry.

Outside the tech industry, the percentage of board seats held by Asians is not only lower than that of the professional workforce, but also lower than the percentage of Asians in the overall population. Asians make up 7 percent of the population¹³ and hold 13 percent of professional jobs in the U.S.,¹⁴ yet the percentage of board seats is between 1 and 6 percent, depending on the industry (see chart below).

Percentage of public Fortune 1000 directors who are Asian Comparison by industry



¹¹ Buck Gee and Denise Pack, *The Illusion of Asian Success: Scant Progress for Minorities in Cracking the Glass Ceiling from 2007–2015*, Ascend, p. 4.

¹² See note 9.

¹³ Asian population in the U.S. is as of 2020 and includes those who identify as "Asian alone" or "Asian in combination" with another race. United States Census Bureau, *Race and Ethnicity in the United States: 2010 Census and 2020 Census*, August 12, 2021.

¹⁴ Tina Kim, Denise Peck, and Buck Gee, Ascend, *Race, Gender & The Double Glass Ceiling: An Analysis of EEOC National Workforce Data*, December 2020, p. 5.

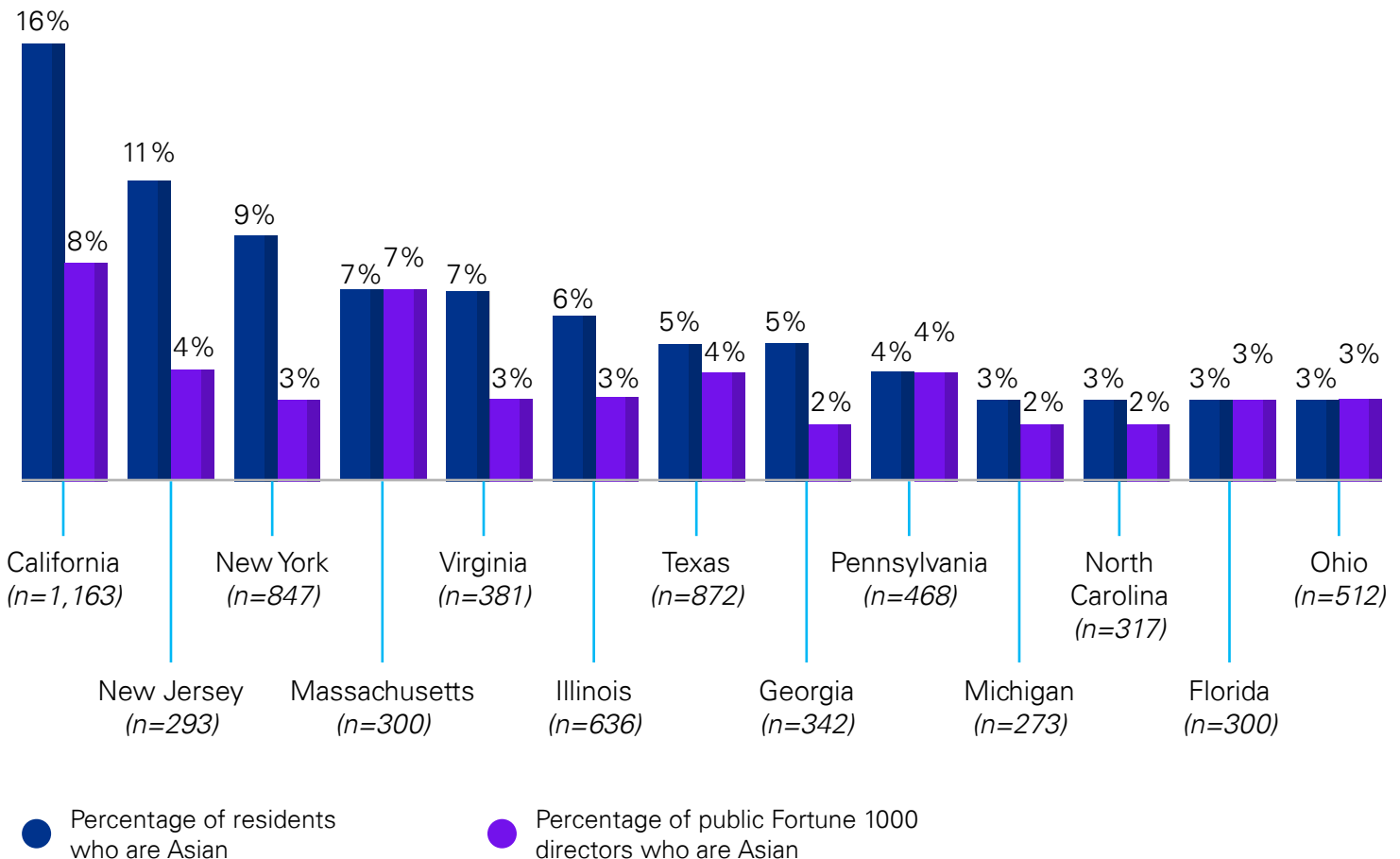
Comparison by state of corporate headquarters¹⁵

As the COVID-19 pandemic persists and stakeholders remain highly focused on racial justice in light of recurring racially motivated attacks, oversight of human capital management is an increasingly important area of board oversight. Ensuring the board’s composition aligns with the demographics of the company’s workforce is one way to increase the effectiveness with which the board oversees workforce-related issues.

The chart below compares the percentage of board seats held by Asian directors of companies headquartered in each state—for those states where more than 25 public Fortune 1000 companies are headquartered—to the percentage of residents in that state who are Asian.¹⁶ Similar to our findings in 2020, in most cases the percentage of Asian residents exceeds the percentage of Asian directors. While Asians comprise an estimated 7 percent of the U.S. population,¹⁷ they hold 4 percent of public Fortune 1000 board seats.

Of the states included in the analysis, California has the highest percentage of Asian residents and also the highest percentage Asian directors.

Asian population compared to percentage of public Fortune 1000 directors who are Asian Comparison by state of corporate headquarters



¹⁵ This chart does not include states where fewer than 25 Fortune 1000 companies are headquartered.

¹⁶ World Population Review, Asian American Population by State 2022.

¹⁷ See note 13.

Methodology

This report presents an analysis of the Asian directors serving on the boards of 913 publicly traded companies on the 2021 Fortune 1000 list, which were also in the 2021 Russell 3000 Index (“public Fortune 1000 companies”). These companies collectively have 9,512 board seats. Since many directors serve on more than one of these boards, 7,818 unique individual directors serve in these board seats. The director universe is used when the analysis is related to the individual director (e.g., gender, age, number of public company boards), while the board seat universe is used when the analysis is related to features of board service unique to each board on which the director serves (e.g., tenure, committee service).

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’ 2021 proxy statements.

The Asian directors serving on public Fortune 1000 company boards were identified by Ascend Pinnacle from August 2021 to February 2022. Ascend Pinnacle used the following methodology:

- Asians are defined as all people of Asian or Pacific Islander ancestry, who trace their origins to the countries, state, and/or diasporic communities of Asia and Pacific Island geographic regions.
- 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.
- No surveys were provided to individuals for self-identification.

Among the public Fortune 1000 companies, 284 have at least one Asian director on the board. Among these 284 companies, 360 individual Asian directors occupy a total of 398 board seats.

About the authors

Annalisa Barrett is a senior advisor with the KPMG Board Leadership Center, where she plays a key role in the development of research and thought leadership and advises directors on emerging trends in corporate governance.

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About Ascend Pinnacle

Ascend Pinnacle is part of the broader organization known as Ascend and Ascend Foundation, the largest career lifecycle Pan-Asian nonprofit for professionals in North America. Established in 2005, Ascend's reach includes senior executives, professionals, and MBA/undergraduate students involved in chapters in the U.S. and Canada. Ascend Pinnacle hosts the Asian Corporate Directors Summit, an annual event for Pan-Asian corporate directors and senior corporate executives; the Aspiring Directors Academy, a board-readiness program tailored for Asian executives; regional roundtable events held in major cities throughout the year; and engages in thought leadership regarding corporate board and board diversity issues. The Ascend Foundation is a 501(c)(3) organization primarily engaged in research with a mission to educate, advocate, and enable Pan-Asian business leaders to reach their full potential. Learn more at ascendleadership.org/page/PIN.

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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