



To: House Economic Matters Committee
From: Rebecca Snyder, Executive Director, Executive Alliance
Date: February 24, 2021
RE: HB 1210 - Support

Executive Alliance focuses on creating opportunities for professional women in Maryland's boardrooms and executive leadership levels through education, advocacy and mentorship.

We are pleased to support the goals of HB 1210, which would require businesses who receive State capital grants, tax credits, or contracts valued at \$1 million to demonstrate that underrepresented communities are part of the organization's board or executive leadership or that support for underrepresented communities is in the organization's mission. This bill is an important step towards equity for underrepresented communities in Maryland's businesses. Diversity in a company's board and executive leadership team is good business sense. It is becoming commonly accepted that companies with above-average diversity have higher levels of innovation and profitability (<https://www.wsj.com/articles/the-business-case-for-more-diversity-11572091200>).

We believe that racial equity is critical to building diverse organizations. Representation of women and people of color lag behind national averages. Maryland can and should do better. In Executive Alliance's annual Census Report (see our latest report, released in December at https://executivealliance.org/wp-content/uploads/2020/12/H-1211-Census-2020_HI.pdf), we reported that women hold 19% of Maryland public company board seats, in contrast with 26% women in the S&P 500. The news is even worse for women of color. In Maryland, 17 women of color hold public company board seats (2.8% of board seats). In the Fortune 500, women of color hold 4.6% of board seats.

Executive Alliance believes that Maryland's organizations should reflect the diversity of the communities they serve and urges a favorable report.

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