

VOICES UNHEARD

Increasing Latinx Representation on
America's Corporate Boards



1.800.423.3932 | www.diversifiedsearch.com

KEY FACTS

- Hispanics in the U.S., if they were a country, would rank as the world's eighth-largest economy (GDP of \$2.3 trillion in 2017, and higher today), greater than Brazil, Italy, or Canada.
- Roughly one million U.S. Hispanics turn 18 every year, a rate that is expected to continue for the next 20 years. (Taylor, et al., 2012) Average age of Latinos is 29, versus 41 for non-Latinos. (LDC US Latino GDP Report, 2019)
- As young Latinos enter the workforce and the older non-Latinos leave it, the Latino GDP will account for an increasing portion of the total U.S. GDP growth, projected to be 30 percent of total U.S. GDP growth by 2020.
- Latino entrepreneurs accounted for 86 percent of new business formations in the country during the last half decade. (Stanford Latino Entrepreneurship Initiative, 2015)
- Latinos accounted for 70 percent of the US workforce's increase in the first half of this decade and Latinos will account for the vast majority, 74 percent, of the 10.5 million workers added to the labor force from 2010 to 2020.
- Hispanic families bought 56 percent of homes purchased in the last year. (Hispanic Wealth Project, 2016)
- Hispanic consumers account for 70 to 100 percent of sales growth for automakers, including Honda, Ford, Chevy, Hyundai, Kia and Toyota.

HISPANICS ARE THE NEW MAINSTREAM CONSUMER, AND IF YOU'RE NOT ADDRESSING THEM, YOU'RE NOT GOING TO BE IN BUSINESS."

SOL TRUJILLO,
CHAIRMAN OF TRUJILLO GROUP INVESTMENTS AND
BOARD MEMBER OF WESTERN UNION AND WPP

SNAPSHOT : HISPANICS ON CORPORATE BOARDS

	Year	Total seats	Total Hispanic seats	% Hispanic	Total female Hispanic seats	Companies lacking any Hispanic directors	% of total companies
Fortune 500 companies	2011	5,493	119	2.2	NA	338	67.6
	2016	5,360	142	2.6	35	379	75.8
	2017	5,345	152	2.8	43	367	73.4
	2018	5,670	174	2.8	46	347	69
Fortune 1000 companies	2011	10,250	164	1.6	NA	870	87.0
	2016	9,868	228	2.3	60	826	82.7
	2017	9,966	243	2.4	79	799	79.9
	2018	10,166	275	2.7	86	769	77

THE GOOD NEWS

- The rate of first-time directors keeps growing, and of multiple seat-holders keeps decreasing.
- The overall percentage of Latino board members has improved.
- Latina representation numbers are leading the way, including in the Fortune 1000, where they have increased 33 percent.
- The rate of corporate boards without any Latinx representation is improving: Among the Fortune 1000, it's now below 80 percent.

THE BAD NEWS

- The overall percentage of Latinx directors has remained flat, at 2.8 percent in the Fortune 500 and 2.4 percent in the Fortune 1000.
- This imbalance continues despite the fact that Latinos now comprise 18 percent of the total U.S. population.
- Nearly 80 percent of Fortune 1000 corporations still lack Latinos on their boards; the figure is 73 percent for Fortune 500 companies.
- Latinas still represent less than 1 percent of all board seats.

WHAT DOES THE FUTURE HOLD?

- ESG issues are becoming more important.
- Large Latino entrepreneurs are becoming more attractive board candidates.
- An increasing focus on cybersecurity and a higher appetite for general counsels favors Latino representation.
- Current trends on gender equity could help Latinas and hurt Latino males.

MANY PATHS TO THE BOARDROOM

CORPORATE

The most natural route to the boardroom is through the C-suite. This is the area where the business imperative dictates the importance of building a solid foundation with Hispanic executives.

GOVERNMENT SERVICE

Government service has also catapulted a number of Hispanic business leaders into the boardroom.

PRIVATE EQUITY FIRMS

Many PE firms look for independent directors when anticipating IPOs or other portfolio-company exits.

ENTREPRENEURIALISM

Individuals seek increasingly responsible experiences, remaining mindful of board opportunities, as boards look for people with a demonstrated high level of achievement.

NONPROFIT BOARDS

Volunteerism and giving back through nonprofit boards can bring attention to expertise and capabilities, leading the way to other board seats.

BOARDROOM

VICTOR ARIAS, JR.



ROLE AT DIVERSIFIED SEARCH

Victor is a Managing Director in the firm's Dallas-Fort Worth office, and serves as a member of its Board of Directors Practice and also co-leads the firm's Consumer and Retail Practice.

EXPERIENCE AND EXPERTISE

Victor joined Diversified Search from RSR Partners, where he served as a managing director in the firm's Dallas office and as a senior member of its Board Recruiting Practice. Prior to that he was with Korn Ferry, where he had served as senior client partner since 2007 and was the global leader of the Diversity and Inclusion Initiative. Aside from his board practice specialization, Victor also has deep expertise in the consumer products and real estate sectors in both the U.S. and Latin America. Previously, Victor served as partner at Heidrick & Struggles from 2004 to 2007. He also served as a co-managing partner of the Diversity Services Practice. Prior, Victor was a partner at Spencer Stuart.

OUTSIDE DIVERSIFIED SEARCH

Victor earned his MBA from Stanford University and BBA from University of Texas at El Paso where he was named Distinguished Alum in 2009. He is a trustee emeritus for the Stanford University board of trustees, the current chairman of the Stanford Latino Entrepreneurship Initiative, and prior member of the Stanford GSB Advisory Council. He serves on the UTEP Development Board and is a past White House Fellows Commissioner. Victor served on the board of Popeye's Louisiana Kitchen (NASDAQ: PLKI) for 15 years until his retirement in 2016. He is also past national president and co-founder of the National Society of Hispanic MBAs, prior member of the Notre Dame Institute of Latino Studies board, and a founding board member of the recently formed Latino Corporate Directors Association, a membership group for Hispanic corporate directors.

Victor and his wife Sandy live in Dallas. They have three adult children.

ABOUT DIVERSIFIED SEARCH



Founded in 1974 by our Chair, Judith M. von Seldeneck, in 2019 Diversified Search was recognized as one of the top 10 executive search firms in the nation by Forbes. The firm boasts 16 focused industry and functional practices and has 11 offices nationwide, and through its membership in AltoPartners, the global alliance of international search firms, has search capabilities in 57 cities in 34 countries around the world. In 2019 Diversified Search established The Diversified Search Group, comprised of Diversified Search and its acquired firms of BioQuest, specializing in life sciences search; Koya Leadership Partners, specializing in nonprofit and higher education search; and Grant Cooper, specializing in healthcare services search. Founded on a mission of increasing diversity and inclusion in the C-Suite, today The Diversified Search Group is considered a leader in placing diverse executives for clients that include some of the nation's leading Fortune 500 companies.

OUR BOARD OF DIRECTORS PRACTICE

More than 50 percent of all of our board searches over the past five years involved a successful diverse candidate.

Our Board of Directors Practice consists of more than 20 seasoned professionals with deep and broad experience in board recruiting and advisory services. We assist companies across every major industry sector.

Our services include board recruiting, design and build-out of entire boards, board assessment and gap analysis, succession planning, and corporate governance consulting.



5605 N. MacArthur Boulevard
10th FL
Dallas, TX 75038

972.819.2055

WWW.DIVERSIFIEDSEARCH.COM