



SpencerStuart

2019 U.S.

Spencer Stuart Board Index

S&P 500 Boards: Trends Over One,
Five and 10 Years

S&P 500 Boards: Trends over One, Five and 10 Years

	2019 ^a	2018 ^b	2014 ^c	2009 ^d	5-year % change	10-year % change
Board composition						
Average board size	10.7	10.8	10.8	10.8	-1%	-1%
Independent directors	85%	85%	84%	82%	1%	4%
Average age of independent directors	62.7	63.0	63.1	61.7	-1%	2%
New independent directors						
Total number	432	428	371	333	16%	30%
Women	46%	40%	30%	17%	53%	171%
Minorities	23%	19%	12%	12%	92%	92%
Average age	57.5	57.2	57.6	56.5	0%	2%
Active CEO/chair/president/COO	18%	19%	22%	26%	-18%	-31%
Retired CEO/chair/president/COO	17%	17%	19%	17%	-11%	0%
Financial backgrounds	27%	26%	20%	18%	35%	50%
All other corporate executives	23%	21%	23%	21%	0%	10%
First-time directors						
% of all new directors	27%	33%	39%	16%	-31%	69%
Average age	54.2	54.7	55.0	53.7	-1%	1%
# of first-time directors	118	140	145	54	-19%	119%
Women directors						
Women as % of all directors	26%	24%	19%	16%	37%	63%
Boards with at least one woman director ^e	99%	99%	95%	89%	4%	11%
CEO profile						
% of CEOs serving on one or more outside boards	41%	45%	46%	49%	-11%	-16%
# of women CEOs	25	27	23	16	9%	56%
Boards where CEO is the only non-independent	62%	59%	58%	50%	7%	24%
Average age	57.9	57.6	56.9	55.7	2%	4%
Average tenure with company	19.9	19.3	18.3	14.6	9%	36%
Chair independence						
CEO is also chair	47%	50%	53%	63%	-11%	-25%
Independent chair	34%	31%	28%	16%	21%	113%
Boards with lead or presiding director	75%	80%	90%	95%	-17%	-21%
Board meetings						
Average number of board meetings	7.9	8.0	8.1	9.0	-2%	-12%
Median number of board meetings	7	7	7	8	0%	-13%

	2019 ^a	2018 ^b	2014 ^c	2009 ^d	5-year % change	10-year % change
Retirement age						
Boards with mandatory retirement age	71%	71%	73%	75%	-3%	-5%
<i>Boards with mandatory retirement age of 75+</i>	46%	44%	30%	15%	53%	207%
<i>Boards with mandatory retirement age of 72+</i>	96%	96%	92%	75%	4%	28%
Committee meetings (average number)						
Audit committees	8.4	8.4	8.6	9.1	-2%	-8%
Compensation committees	6.0	6.2	6.3	6.6	-5%	-9%
Nominating committees	4.7	4.6	4.7	4.4	0%	7%
Audit committee chair						
Active CEO/chair/president/COO	5%	6%	8%	13%	-38%	-62%
Financial exec/CFO/treas/public acct exec	43%	42%	37%	25%	16%	72%
Non-employee director compensation						
Total average compensation ^f	\$304,856	\$298,981	\$263,748	\$212,750	16%	43%
Average annual retainer ^g	\$126,200	\$124,306	\$107,383	\$75,893	18%	66%
Median annual retainer ^g	\$100,000	\$100,000	\$85,000	\$60,000	18%	67%
Boards paying retainer of at least \$100,000	58%	56%	42%	18%	38%	222%
Boards paying board meeting fee	9%	10%	25%	43%	-66%	-80%
Average board meeting fee	\$2,402	\$2,190	\$2,229	\$2,122	8%	13%
Boards offering stock option program	11%	12%	18%	37%	-39%	-70%
Boards paying equity in addition to retainer	77%	77%	78%	79%	-1%	-3%
Committee compensation						
Boards paying committee chair retainer	97%	97%	95%	89%	2%	9%
Average committee chair retainer	\$22,132	\$21,036	\$18,196	\$14,461	22%	53%
Boards paying committee member retainer	46%	45%	39%	36%	18%	28%
Average committee member retainer	\$11,854	\$12,027	\$10,549	\$9,278	12%	28%
Boards paying committee meeting fees	12%	13%	27%	45%	-56%	-73%
Average committee meeting fees	\$1,755	\$1,688	\$1,715	\$1,579	2%	11%

^a Data based on proxy year May 16, 2018 through May 15, 2019.

^b Data based on proxy year May 20, 2017 through May 15, 2018.

^c Data based on proxy year May 15, 2013 through May 19, 2014.

^d Data based on proxy year June 1, 2008 through May 15, 2009.

^e At the cut-off date of our analysis, two boards had no female directors. They have since both added one.

^f Based on non-employee director compensation tables included in 491 (2019), 484 (2018), 493 (2014), and 488 (2009) proxies. Includes all board and committee retainers and meeting fees, non-executive chairman and lead/presiding director supplemental fees when applicable, and the value of equity compensation and all other compensation paid to non-employee directors in fiscal year 2018. Retiring and new directors are included when paid compensation for at least three quarters of the year. Excludes directors who left the board within the first quarter of the year and directors who joined the board in the last quarter of the year. Also excludes retirement payouts to former executives.

^g Not including stock beyond retainer.

ABOUT SPENCER STUART BOARD SERVICES

At Spencer Stuart, we know how much leadership matters. We are trusted by organizations around the world to help them make the senior-level leadership decisions that have a lasting impact on their enterprises. Through our executive search, board and leadership advisory services, we help build and enhance high-performing teams for select clients ranging from major multinationals to emerging companies to nonprofit institutions.

Privately held since 1956, we focus on delivering knowledge, insight and results through the collaborative efforts of a team of experts — now spanning more than 60 offices, over 30 countries and more than 50 practice specialties. Boards and leaders consistently turn to Spencer Stuart to help address their evolving leadership needs in areas such as senior-level executive search, board recruitment, board effectiveness, succession planning, in-depth senior management assessment, employee engagement and many other facets of organizational effectiveness.

For more than 30 years, our Board Practice has helped boards around the world identify and recruit independent directors and provided advice to board chairs, CEOs and nominating committees on important governance issues. We serve a range of organizations across geographies and scale, from leading multinationals to smaller organizations. In the past year alone, we conducted more than 750 director searches worldwide, and in North America one-third of those assignments were for companies with revenues under \$1 billion.

Our global team of board experts works together to ensure that our clients have unrivaled access to the best existing and potential director talent, and regularly assists boards in increasing the diversity of their composition. We have helped place women in more than 2,100 board director roles and recruited more than 750 minority executives around the world.

In addition to our work with clients, Spencer Stuart has long played an active role in corporate governance by exploring — both on our own and with other prestigious institutions — key concerns of boards and innovative solutions to the challenges facing them. Publishing the *U.S. Spencer Stuart Board Index (SSBI)*, now in its 34th edition, is just one of our many ongoing efforts. Each year, we sponsor and participate in several acclaimed director education programs, including:

- » Next-Gen Board Leaders (NGBL), an initiative designed to foster a community of current and aspiring directors to spark discussion around the challenges, opportunities and contributions of a younger generation in today's boardrooms
- » The Global Institutes, sponsored by the WomenCorporateDirectors (WCD) Foundation
- » The Corporate Governance Conference at Northwestern University's Kellogg School of Management
- » The New Directors Program, a unique two-year development program designed to provide first-time, non-executive directors with an exclusive forum for peer dialogue on key issues and "unwritten rules" of corporate boards, produced in partnership with the Boston Consulting Group, Frederick W. Cook & Co., Davis Polk, Lazard and PricewaterhouseCoopers

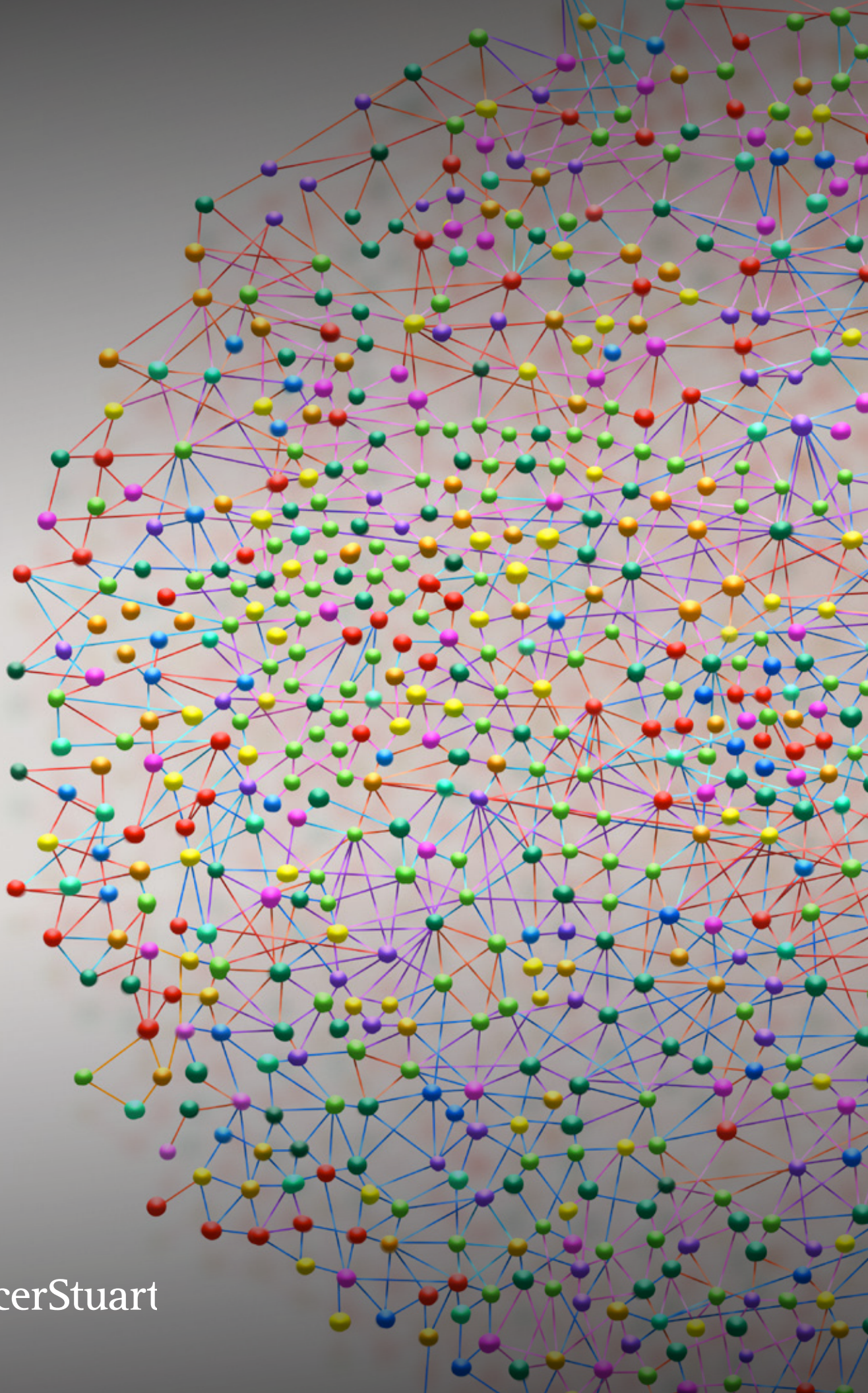
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