

2024 Spencer Stuart Consumer Sector Snapshot



Boards of 88 consumer companies (consisting of consumer discretionary and consumer staples) in the S&P 500 index tend to be younger than S&P 500 boards.

- » The average age of independent directors on consumer boards is 62.2 years, lower than the 63.4-year average for S&P 500 boards and youngest of all sectors.
- » The youngest average age of a consumer board is 47 years, the oldest is 73 years.
- » Consumer boards average 10.9 directors, slightly higher than the 10.8 average of S&P 500 boards.
- » Independence of consumer boards averages 83%, compared to 85% for S&P 500 boards.
- » The average board tenure of independent directors on consumer boards is 7.9 years, slightly higher than the 7.8 average for S&P 500 boards.
- » The longest-tenured consumer board averages 16 years.

New independent director backgrounds

The 88 consumer sector companies added 72 directors to the boardroom in the past year. More than half (56%) added at least one independent director, while 19% added more than one.

Consumer sector appointees averaged 54.8 years of age, lower than the 58.2 average for all independent directors joining S&P 500 boards and the youngest of all sectors. First-time directors represented 39% of independent directors joining consumer boards — higher than the 34% for the S&P 500. NextGen appointees (50 years or younger) comprised 24% of the sector's incoming class of directors, higher than the S&P 500 average of 14% and the highest of all sectors.

Nearly two-thirds (63%) of the independent directors joining consumer boards are actively employed, the second highest of all sectors and higher than the 52% of independent directors joining S&P 500 boards this year.

Compared to the S&P 500 incoming class of independent directors, consumer boards recruited in 2024 a higher percentage of functional leaders and financial professionals. Its recruitment of functional leaders was the highest of all S&P 500 primary sectors, and within the financial pro category, its recruitment of CFOs (active or retired) was the highest of all sectors.

NEW INDEPENDENT DIRECTOR BACKGROUNDS

	2024 Consumer	2024 S&P 500
CEOs	32%	30%
<i>Active</i>	21%	16%
<i>Retired</i>	11%	14%
Chairs/presidents/COOs	1%	3%
<i>Active</i>	0%	1%
<i>Retired</i>	1%	2%
Functional leaders	21%	16%
P&L leaders	7%	8%
Financial backgrounds	32%	29%
<i>Financial executives/CFOs/treasurers</i>	26%	15%
<i>Investment managers/investors</i>	4%	7%
<i>Bankers/investment bankers</i>	1%	5%
<i>Public accounting executives</i>	1%	2%
Academics/nonprofit executives	1%	2%
Consultants	1%	3%
Legal	0%	3%
Others	4%	6%
TOTAL		
<i>Active</i>	63%	52%
<i>Retired</i>	37%	48%

Board leadership

The chair and CEO roles are separated at 67% of consumer boards—higher than the 60% of S&P 500 boards. Executive chairs are in place at 22% of consumer boards, the highest of all sectors, versus 14% for the S&P 500. A third (34%) of consumer boards are chaired by independent directors, compared to 39% of the S&P 500, and two-thirds (67%) have independent lead directors compared to 66% of the S&P 500.

Board organization and process

Consumer board governance processes and structures generally align with the S&P 500 index.

DIRECTOR ELECTIONS AND STOCK OWNERSHIP

	2024 Consumer	2024 S&P 500
Annual elections of directors	90%	91%
Majority voting for directors	80%	89%
Stock ownership requirements for directors	91%	94%

The average size and meeting frequency of consumer sector boards and committees align with S&P 500 averages.

BOARD AND COMMITTEE SIZE AND MEETINGS

	2024 Consumer	2024 S&P 500
Board		
Size (avg #)	10.9	10.8
Meetings (avg #)	7.0	7.7
Board committees (avg #)	4.0	4.2
Audit committee		
Size (avg #)	4.4	4.5
Meetings (avg #)	7.6	8.1
Compensation committee		
Size (avg #)	4.0	4.3
Meetings (avg #)	5.4	5.7
Nominating/governance committee		
Size (avg #)	4.1	4.4
Meetings (avg #)	4.6	4.6

Similar to the S&P 500, the most common additional committees for the consumer sector are: executive; finance; science/tech/cyber; and environmental/health/safety.

PREVALENCE OF STANDING COMMITTEES

Committees	2024 Consumer	2024 S&P 500
Finance	24%	26%
Executive	25%	25%
Science/tech/cyber	14%	17%
Environmental/health/safety	13%	13%
Risk	3%	12%
Social responsibility	9%	7%
Legal	3%	5%
Investment	0%	3%
Strategy	2%	1%
Innovation	1%	1%

Turnover policies

A lower percentage of consumer sector boards have age and tenure policy limits compared to the S&P 500. A higher percentage have policies requiring the submission of a resignation in the event of a material change in circumstances.

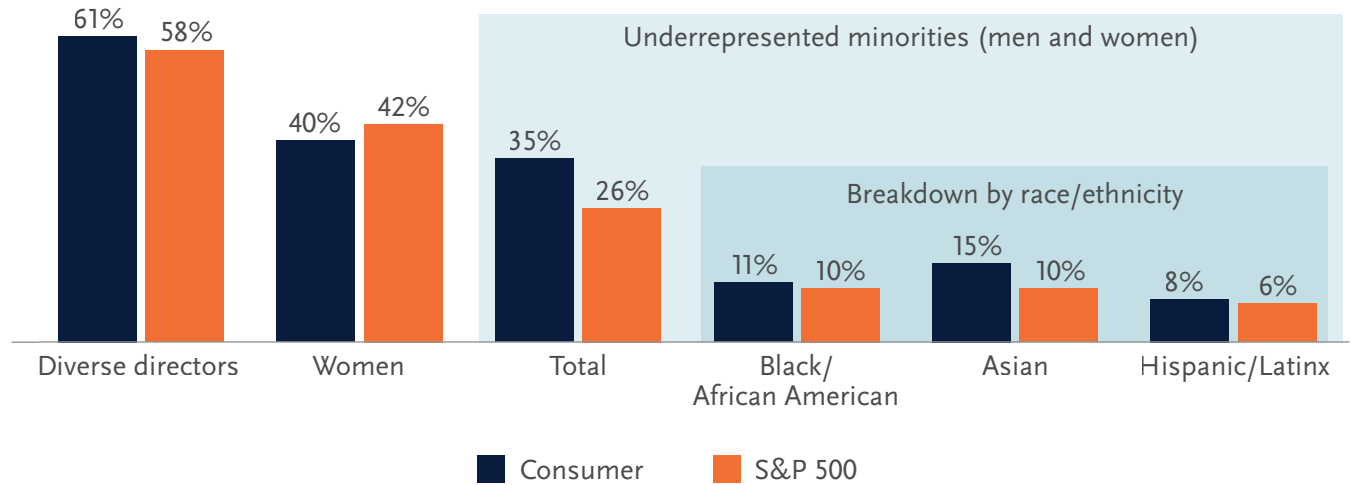
TURNOVER POLICIES

	2024 Consumer	2024 S&P 500
Mandatory retirement policy		
<i>% companies</i>	61%	67%
<i>Retirement age (avg yrs)</i>	73.7	74.1
Tenure policy		
<i>% companies</i>	7%	9%
<i>Tenure limit (avg yrs)</i>	15.8	14.7
Material change resignation policy		
<i>% companies</i>	91%	89%

Diversity — consumer incoming class

Directors from diverse communities — defined using the Nasdaq definition of directors who self-identify as female and/or an underrepresented minority (Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities), and/or LGBTQ+ — constituted 61% of the 72 independent directors joining consumer boards over the past year, compared to 58% of independent directors joining S&P 500 boards. Consumer boards appointed the highest percentage of Asian directors.

DIVERSITY OF INDEPENDENT DIRECTORS JOINING CONSUMER BOARDS



Diversity — consumer boards

Just over half (51%) of directors serving on consumer boards are diverse, compared to 50% for the S&P 500. Consumer sector boards has the highest percentage of female directors (tied with utilities sector) and the highest percentage of Hispanic/Latinx directors (tied with communication services and utilities sectors).

DIVERSITY OF ALL CONSUMER BOARD DIRECTORS

	Diverse directors	Women	Underrepresented minorities (men and women)				Boards with...	
			Black/African American	Asian	Hispanic/Latinx	Total	3 or more women	3 or more URM*
Consumer	51%	37%	13%	6%	7%	26%	92%	59%
S&P 500	50%	34%	12%	6%	4%	24%	91%	48%

* URM refers to underrepresented minorities

Diversity — board leadership

While a higher percentage of consumer sector independent chairs are women compared to the S&P 500, the sector lags the S&P 500 when it comes to female lead directors. The sector generally matches the S&P 500 on leadership positions of underrepresented minorities.

DIVERSITY — BOARD LEADERSHIP

	2024 Consumer	2024 S&P 500
Independent chair		
% women	27%	18%
% underrepresented minority	7%	7%
Independent lead director		
% women	15%	20%
% underrepresented minority	12%	11%

Consumer companies

- » Airbnb
- » Altria Group
- » Amazon.com
- » Aptiv PLC
- » Archer-Daniels-Midland Company
- » AutoZone
- » Best Buy Co.
- » Booking Holdings
- » BorgWarner
- » Brown-Forman Corporation
- » Caesars Entertainment
- » Campbell Soup Company
- » CarMax
- » Carnival Corporation
- » Chipotle Mexican Grill
- » Church & Dwight Co.
- » Colgate-Palmolive Company
- » Conagra Brands
- » Constellation Brands
- » Costco Wholesale Corporation
- » D.R. Horton
- » Darden Restaurants
- » Deckers Outdoor Corporation
- » Dollar General Corporation
- » Dollar Tree
- » Domino's Pizza
- » eBay
- » Etsy
- » Expedia Group
- » Ford Motor Company
- » Garmin
- » General Mills
- » General Motors Company
- » Genuine Parts Company
- » Hasbro
- » Hilton Worldwide Holdings
- » Hormel Foods Corporation
- » Kellanova
- » Kenvue
- » Keurig Dr Pepper
- » Kimberly-Clark Corporation
- » Lamb Weston Holdings
- » Las Vegas Sands Corporation
- » Lennar Corporation
- » LKQ Corporation
- » Lowe's Companies
- » Lululemon Athletica
- » Marriott International
- » McCormick & Company
- » McDonald's Corporation
- » MGM Resorts International
- » Mohawk Industries
- » Molson Coors Brewing Company
- » Mondelēz International
- » Monster Beverage Corporation
- » NIKE
- » Norwegian Cruise Line Holdings
- » NVR
- » O'Reilly Automotive
- » PepsiCo
- » Philip Morris International
- » Pool Corporation
- » PulteGroup
- » Ralph Lauren Corporation
- » Ross Stores
- » Royal Caribbean Cruises Ltd.
- » Starbucks Corporation
- » Sysco Corporation
- » Tapestry
- » Target Corporation
- » Tesla
- » The Clorox Company
- » The Coca-Cola Company
- » The Estee Lauder Companies
- » The Hershey Company
- » The Home Depot
- » The J.M. Smucker Company
- » The Kraft Heinz Company
- » The Kroger Company
- » The Procter & Gamble Company
- » The TJX Companies
- » Tractor Supply Company
- » Tyson Foods
- » Ulta Beauty
- » Walgreens Boots Alliance
- » Walmart
- » Wynn Resorts Limited
- » Yum! Brands



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