This is the Greenlining Institute’s seventh annual study of bank board diversity. This brief measures the racial, ethnic, and gender diversity of the boards of directors at the top 13 banks in California by market share. For the first time, we also examine the professional backgrounds of the directors at each bank.

Despite some improvements from last year, white and male leadership still predominates among the financial institutions studied.

Of the 13 financial institutions examined, only four (Bank of America, Wells Fargo, Union Bank, and US Bank) have at least one African American, Latino, Asian, and female board member. City National has no Asians, Latinos, or women on its board.

We sought board diversity data from the top 13 banks in California, ranked by their California Deposit Market Share. Together, these 13 financial institutions make up over 80 percent of the California market. For each, we obtained information about the name, race/ethnicity, and professional background of every board member from each company’s website. We then contacted each bank to confirm the accuracy of our analysis. We were unable to find board member data for three banks: OneWest Bank, Bank of the West, and Silicon Valley Bank.

**Gender**

Banking leadership is still clearly a male-dominated field. Every bank reviewed has a majority male board membership. First Republic Bank ranks highest in gender diversity with 40 percent female board membership, followed by Wells Fargo at 31 percent. City National ranks the lowest, with no female board members.
Race/Ethnicity

We applaud Bank of America, Wells Fargo, Union Bank, and US Bank for having at least one black, Asian, and Latino member on their boards. City National is the only bank we studied to have a Native American on its board. East West Bank, whose customer base is largely Asian, and Union Bank, which is foreign owned, have the highest percentages of non-whites. Not surprisingly, both of these banks have heavy Asian representation on their boards. Following them are Wells Fargo and US Bank, where racial and ethnic minorities comprise 31 percent and 29 percent of their boards, respectively.

Wells Fargo has shown the greatest improvement since last year, with the addition of one female board member, one Latino, and one Native Hawaiian/Pacific Islander. In one year, racial and ethnic minority representation on Wells Fargo’s board increased from 20 percent to 31 percent. Bank of America also added one Asian board member.

JPMorgan Chase ranks lowest in racial/ethnic diversity, with one black board member but no Asian or Latino representation. Citibank showed a dramatic decrease in diversity, with racial and ethnic minority representation on its board dropping by half, from 33 percent to 17 percent. Citibank no longer has any Asians on its board.
**Gender and Race**

East West Bank and Union Bank lead their peers in overall diversity, with people of color and/or women constituting 72.7 percent and 69.2 percent of their boards, respectively. They are followed by Wells Fargo (56.3 percent) and US Bank (42.8 percent).
Diversity by Professional Background

For the first time this year, Greenlining also conducted a preliminary analysis of the professional backgrounds of all board members. We based our analysis on the last known position held by each board member. In the interest of simplicity, we organized professions into six categories: government, financial services, other private sector (including the leadership of other major corporations), non-US-based, not for profit, and academia.

As expected, the vast majority, almost 80 percent, of board members represent the financial services industry or come from other large private corporations. Four banks (Wells Fargo, Citibank, JPMorgan Chase, and First Republic Bank) have nonprofit leaders on their boards, and five (Union Bank, US Bank, Citibank, Wells Fargo, and First Republic Bank) have academic representation on their boards. Only two, Wells Fargo and Citibank, have a board membership that includes all six sectors.
The establishment of the Offices of Minority and Women Inclusion, which monitor the racial, ethnic, and
gender diversity of the workforce and senior management of all federal financial regulatory agencies and their
regulated entities, ensures that the diversity of the major financial agencies will soon be analyzed on the federal
level. We are pleased to see many financial institutions taking positive steps in the past year to increase the
diversity of their boards, but more needs to be done. In order to continue building boards that reflect the diversity
of California, we offer the following recommendations:

- **Expand Qualifications for Board Members**
  Employees of color in leadership positions within nonprofit and community-serving organizations represent an
  untapped resource for board member recruitment. Restricting membership to executive management from the
  private and government sectors unnecessarily excludes otherwise qualified applicants. Considering more leaders
  with nonprofit backgrounds could increase the number of diverse professionals ready to step into leadership roles.

- **Support Professional Development**
  Providing professional development support, whether through internal programs or by funding external curricula,
  will create a pipeline that increases the number of diverse executives who may become board members later in
  their careers. Skills that employees learn through the course of their employment can enhance their performance
  and help those with high potential to advance to executive management ranks—a level which they may not
  reach without the additional support. Investing in the professional development of diverse employees can lay
  the foundation for long-term increases in board and executive management diversity.

- **Create a Commitment from the Top**
  Every bank CEO should make a voluntary commitment to include at least one African American, Latino, and
  Asian American leader on his or her firm’s board. This should include a specific commitment to include board
  members from a broader range of professional backgrounds and experience. Such a commitment could preempt
  further regulatory interventions and set the standard for all Fortune 500 companies.

- **Ensure a Diverse Applicant Pool**
  In previous reports, Greenlining has praised the National Football League’s “Rooney Rule,” which requires that
  at least one minority candidate be included in the applicant pool for any senior position. We echo Sen. Robert
  Menendez (D-New Jersey) in recommending that all major financial institutions implement the Rooney Rule
  for new board and executive committee positions.

  In an era when consumers are looking more and more for banks to prove that they have consumers’ best
  interests at heart, it is imperative for those banks to demonstrate that their leadership reflects and understands
  the needs of an increasingly diverse customer base. We believe that such diverse leadership will both strengthen
  banks’ relationships with their customers and help financial institutions adapt more quickly to our rapidly
  evolving society.

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2. Bank of the West did not reply to our data request in time, Silicon Valley Bank declined to participate in this report, and OneWest Bank replied that as a private company, they are not required to make their board data public.