

April 20, 2021

The Honorable Maxine Waters
Chair
House Committee on
Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Patrick McHenry
Ranking Member
House Committee on
Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairwoman Waters and Ranking Member McHenry:

The undersigned request your committee pass H.R. 1277, the “Improving Corporate Governance Through Diversity Act of 2021.” We thank Representative Gregory Meeks for reintroducing this important legislation, which passed your committee and the House of Representatives in the 116th Congress with strong bipartisan support.

Our associations and members support efforts to increase, gender, racial, and ethnic diversity on corporate boards of directors, as diversity is important to institutional investors and other stakeholders, as well as to good corporate governance. According to PwC’s 2019 Annual Corporate Directors survey, 94% of board directors surveyed indicated that a diverse board brings unique perspectives, 87% responded that diversity enhances performance, and 84% responded that it improves relationships with investors. In addition, 76% of directors agree that board diversity enhances the performance of the company. More recently, institutional investors and other stakeholders have pointed to growing research demonstrating the link between diversity and financial performance, innovation, productivity, and market share.

The “Improving Corporate Governance through Diversity Act of 2021” would establish a model to organically boost diversity on boards through disclosure. The legislation would also establish an advisory group that would carry out a study and provide recommendations on private sector strategies to increase gender, racial, and ethnic diversity among boards of directors.

We urge you to consider H.R. 1277 favorably and look forward to working with you on this important legislation.

Sincerely,

U.S. Chamber of Commerce
American Bankers Association

Nareit

The Real Estate Roundtable
Retail Industry Leaders Association

Bank Policy Institute
National Investor Relations Institute

National Bankers Association

Financial Services Forum

TechNet

cc: Members of the House Committee on Financial Services