



**Greater Sacramento  
Urban League**

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December 31, 2020

Vanessa Countryman  
Secretary, Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 200549-0609

Re: Support for File No. SR-NASDAQ-2020-081, Related to Board Diversity

Dear Secretary Countryman:

Thank you for the opportunity to comment on NASDAQ's proposed rule change related to board diversity. Since 1968, the Greater Sacramento Urban League (GSUL) has been the urban solution to empower Sacramento residents to achieve economic self-sufficiency. Today, more than ever, we stand strong for equity and justice and to empower individuals to succeed and communities to thrive. We are committed to supporting policies and practices which eliminate barriers to building healthy communities, equitable access to education, services, jobs and healthy environments. The Greater Sacramento Urban League proudly supports NASDAQ's proposal to achieve greater gender, racial, and ethnic diversity in corporate leadership.

As this country continues to battle dual pandemics impacting the physical health of all Americans and the equitable inclusion of persons of Black/African American descent into mainstream society, we have witnessed since the beginning of continued social unrest, corporations which have publicly messaged their support for diversity and Black lives. However, this public support does not translate to diversity within a company's ranks and does not manifest in meaningful structural change. According to the USC Race and Equity Center, "Black employees in every industry tend to be concentrated in the lowest paying, least powerful positions... All of this strongly conveys to Black professionals that their lives do not matter at work — hence their doubtful reactions to company statements about George Floyd."

To put this into perspective, 80% of the 1,033 available board seats on Fortune 500 companies were filled by White or Caucasian directors and 59.6% of those directors were White men. Similarly, out of the 1,222 new board members of Fortune 100 companies, 77% of new directors were White or Caucasian and 51% of those directors were white men. Boards that lack racial, ethnic, and gender diversity not only work to reinforce systemic racism in our country, but they also hinder potential financial growth for the company and limits responsiveness to market shifts. The Harvard Business Review states that a diverse board contributes to better decision making, improves company governance, and responds to market shifts more effectively. A recent report by McKinsey & Company found that ethnically diverse companies are 35% more likely to outperform other companies that lack a diverse workforce. These reports show that diversity at the board level impacts diversity at all levels of the company.

Without a diverse board it is increasingly difficult to attract diverse talent which then reinforces unconscious biases at the managerial and staff level. Even when staff from underrepresented communities are hired, the turnover rate is high due to feelings of isolation and prevalence of microaggressions. A culture shift in the boardroom cultivates an environment that values different



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perspectives and is more likely to hire and retain racial and gender minorities at all levels within the company.

This proposal is a continuation of our work in California to ensure diversity and hold companies accountable. As a strong supporter of California State Assembly Bill (AB) 979, which amended California law to guarantee representation of underrepresented communities in the boardrooms of public companies effective January 1, 2021, [ORGANIZATION] was part of the movement towards monumental change in a state whose economy outperforms most industrialized nations. It is for these reasons that [ORGANIZATION] supports SR-NASDAQ-2020-08.

Sincerely,

Cassandra H.B. Jennings  
President and CEO  
Greater Sacramento Urban League