



Vanessa Countryman
Secretary, Securities and Exchange Commission
100 F Street, NE

January 11, 2021

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. On behalf of the California Legislative Black Caucus, I am pleased to express the Caucus's support for NASDAQ's proposal to achieve greater gender, racial, and ethnic diversity in corporate leadership. If approved, this proposal would impact the 3,300 listed Nasdaq companies. A recent Porter Novelli research study revealed that 71 percent of Americans believe companies have more responsibility than ever today to address social justice issues. Following the nationwide outrage in protest to the murder of George Floyd, a national dialogue began to address the impacts of systemic racism outside of the criminal justice system. Given these concerns, corporations publicly stated their desire to take a closer look at their boards' racial and ethnic makeup.

Several research studies support the beneficial impacts of broadening diversity on company boards and executive-level leadership. Concerning revenue, companies with greater racial and ethnic diversity are more likely to have financial returns above national industry medians. For instance, according to the McKinsey's reports on corporate diversity in 2014, 2017, and 2019, studies found that companies in the top quartile for gender diversity on executive teams had an increase in profitability – 15% more in 2014, 21% more in 2017, and then 25% more as of 2019.

Known for its diversity, California is the fifth-largest economy in the world. Yet, many of the board members in the state are still white and male. As recently as last year, the CLBC prioritized legislation to address this very issue. Assembly Bill 979 (Holden) amended California law to guarantee representation of underrepresented communities, requiring at least one person of color to serve as a board director. Signed into law last year by Governor Gavin Newsom, this legislation became effective January 1, 2021, and will impact the board rooms of over 600 publicly held companies with California headquarters.

Throughout its over 50-year history, the CLBC and African-American members of the legislature have been instrumental in crafting and supporting legislation to promote racial and gender equality as well as, among other things, advance an agenda that focuses on employment and economic security. Considering the success of AB 979, we see this proposal and its diversity disclosure requirements as an additional step to ensuring corporations provide equitable opportunities for African Americans.



We believe that when there is a conscious effort to celebrate diversity and promote equity for African Americans, this country demonstrates the best of our core democratic values.

It is for these reasons that the CLBC offers support for SR-NASDAQ-2020-08.

Respectfully,

A handwritten signature in black ink, appearing to read 'Steven Bradford', is placed below the word 'Respectfully,'.

Senator, 35th District of California

Steven Bradford

Chair, California Legislative Black Caucus