

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 140612)

RESOLUTION

Authorizing the Committee on Finance to hold public hearings into the possible investment of City Funds and Pensions Funds with the Pax Ellevate Global Women's Index Fund and other similar entities that support and promote gender diversity in the board room and in company management.

WHEREAS, The Pax Global Women's Leadership Index is an index of companies around the world that are leaders in policies that help advance women through gender diversity on their boards of directors and management and through other policies and programs. This Index is the first of its kind in the United States focusing on investing in the highest-rated companies advancing women's leadership; and

WHEREAS, Every company listed in the fund has at least one woman on their board of directors, and 69% of companies have at least three women on their board of directors, far outpacing the global average of just 13%. This fund allows investors to embrace gender diversity in a truly novel way, and have companies see that inclusivity and diversity of leadership is a hallmark of a successful business. Investors can now literally put their money where their mouth is when it comes to gender diversity; and

WHEREAS, The Pax Ellevate Global Women's Index Fund has also performed quite well, with average annual returns of over 6%, compared with similar returns from the MSCI World (Net) Index and the Lipper Global Large-Cap Core Funds Index; and

WHEREAS, This effort is being spearheaded by Sallie Krawcheck, a former Bank of America and Citigroup Executive who now heads Ellevate, a global professional women's network dedicated to promoting networking and education for professional women and to the economic engagement of women worldwide; and

WHEREAS, A 2011 Catalyst study found that companies with three or more women directors outperformed companies with no women on the board by 84% on return on sales, 60% return on invested capital, and 46% on return on equity. A 2013 Harvard

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University study found that companies with three or more female directors had significantly stronger profit margins and returns on equity than boards with no diversity; and

WHEREAS, In 2013, with the leadership of Bill sponsor Blondell Reynolds Brown, City Council passed Bill 130457, which created a mandatory disclosure for City contractors pertaining to the gender diversity of their executive boards; and

WHEREAS, In Philadelphia specifically, the Forum for Executive Women has found that leadership positions for women are still not the norm in business. Of the 100 largest companies in Philadelphia, women made up only 12% of the board seats, 12% of the executives and 10% of the top earners. While all are improvements since 2005, there is still much to be done to increase gender diversity at the highest levels of business; and

WHEREAS, Investing in the Pax Ellevate Global Women's Index Fund would once again show how important gender diversity in leadership is considered in Philadelphia. Philadelphia should lead on this issue, put our money where it counts, and where it can make a difference; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee on Finance is hereby authorized to hold public hearings into the possible investment of City Funds and Pensions Funds with the Pax Ellevate Global Women's Index Fund and other similar entities that support and promote gender diversity in the board room and in company management.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the nineteenth day of June, 2014.

**Darrell L. Clarke
PRESIDENT OF THE COUNCIL**

**Michael A. Decker
CHIEF CLERK OF THE COUNCIL**

Introduced by: Councilmembers Kenney, Blackwell, Quiñones Sánchez, Reynolds Brown, Tasco and Bass

Sponsored by: Councilmembers Kenney, Blackwell, Quiñones Sánchez, Reynolds Brown, Tasco, Bass, Goode, Oh and Greenlee