Legislation Details (With Text)

File #:	Res 1278-2020	**Version:**	*	**Name:**	Calling on all S&P 500 and Fortune 500 companies to adopt the Rooney Rule as part of their hiring practices, in an effort to increase diversity.
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Title:	Resolution calling on all S&P 500 and Fortune 500 companies to adopt the Rooney Rule as part of their hiring practices, in an effort to increase diversity.				
Sponsors:	Robert E. Cornegy, Jr., Keith Powers				
Indexes:					
Attachments:	1. Res. No. 1278, 2. April 22, 2020 - Stated Meeting Agenda with Links to Files, 3. Hearing Transcript - Stated Meeting 4-22-20, 4. Minutes of the Stated Meeting - April 22, 2020				

Date	Ver.	Action By	Action	Result
4/22/2020	*	City Council	Introduced by Council	
4/22/2020	*	City Council	Referred to Comm by Council	
12/31/2021	*	City Council	Filed (End of Session)	

Res. No. 1278

Resolution calling on all S&P 500 and Fortune 500 companies to adopt the Rooney Rule as part of their hiring practices, in an effort to increase diversity.

By Council Members Cornegy Jr. and Powers

Whereas, The Standard and Poor (S&P) 500 and Fortune 500 are two indexes that measure companies in the United States (US) based on market capitalization and revenue, respectively; and

Whereas, As S&P 500 and Fortune 500 companies generally make up some of the most valued and largest companies in the US, with about 330 companies being in both the S&P 500 and Fortune 500 in any given year, according to Fortune Magazine, it is important for these companies to have equitable and inclusive hiring practices to ensure diverse company board directors and chief executive officers (CEOs); and

Whereas, One such policy that would achieve this goal is a policy of the National Football League (NFL), known as the "Rooney Rule," which requires every team with a head coaching vacancy to interview at least one or more diverse candidates; and

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Whereas, According to the NFL, this policy has been expanded over the years to require teams to: interview at least one or more diverse candidates for general manager jobs and equivalent front office positions; interview at least one diverse candidate from the Career Development Advisory Panel list or a diverse candidate not currently employed by the team; continue to utilize best practices for considering multiple diverse candidates; maintain complete records and furnish such records to the NFL upon the NFL Commissioner's request; and ensure that if the final decision-maker is involved in the beginning of the hiring process, he/she must be involved through the conclusion of the process; and

Whereas, The need for the Rooney Rule within US companies is evident, as research indicates that the percentage of women in leadership positions in S&P 500 companies steadily shrinks as they enter higher positions, with women representing just 26.5% of executive/senior-level officials and managers, 21.2% of board seats, 11% of top earners and 5.8% of CEOs; and

Whereas, In addition, according to ISS Analytics, as of July 15, 2019, only 10 S&P 500 companies had boards comprised of at least 50% women; and

Whereas, A report by Deloitte LLP entitled "Missing Pieces Report: The 2018 Board Diversity Census of Women and Minorities on Fortune 500 Boards" indicates that racial and ethnic disparities exist within these companies, as, in 2018, 3,741 (66%) of the 5,670 Fortune 500 board of director seats were held by White men, while non-White men and women only held 912 (16.1%) of the total seats; and

Whereas, To urge companies to ensure gender, racial and ethnic diversity among company board directors and CEOs, on October 10, 2019, New York City (NYC) Comptroller Scott Stringer sent a letter to 56 S&P 500 companies that do not currently have a Rooney Rule policy in place, including AT&T Inc., The Boeing Company and the Walt Disney Co., to adopt such a policy; and

Whereas, As McKinsey & Company research suggests that companies with greater gender and ethnic board diversity have stronger financial performance and MSCI research suggests that gender diverse boards have fewer instances of bribery, corruption and fraud, it is wise for all S&P 500 and Fortune 500 companies to

adopt the Rooney Rule as part of their hiring practices and to increase diversity among their ranks; and

Whereas, In addition, many S&P 500 and Fortune 500 companies are headquartered in NYC, including companies like American Express Co., American International Group, Assurant, Inc., The Bank of New York Mellon Corp., BlackRock, Citigroup Inc., Fox Corporation, Goldman Sachs Group and MetLife, Inc., thus, calling on all S&P 500 and Fortune 500 companies to adopt the Rooney Rule would positively impact the city as a whole; now, therefore, be it

Resolved, That the Council of the City of New York calls on all S&P 500 and Fortune 500 companies to adopt the Rooney Rule as part of their hiring practices, in an effort to increase diversity.

KK
LS #13438
2/25/20