

THE GREAT DIVIDE

HOW FINANCE EXECUTIVES VIEW THE JOB OF CREATING A DIVERSE WORKPLACE.

CFO magazine first surveyed its readers on the topic of gender and racial diversity six years ago. This year's survey of 210 executives again finds that companies have not made great strides in this area, although women are faring better than minorities. Most respondents say that there are more women in the finance department than in any other part of their companies. However, a full 40 percent admit that diversity is no bigger a concern now than it was six years ago.

The survey covers a wide mix of industries and company sizes. A third come from manufacturing, 12 percent from the service and consulting sector, and 10 percent from retail or wholesale. Nearly 28 percent of respondents are from companies with more than \$1 billion in revenues, the same amount from companies under \$25 million, and 29 percent counted revenues between \$25 million and \$99 million.

CONTRIBUTORS:
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JOSEPH McCAFFERTY,
AND CHRISTINA NYBERG

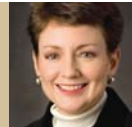
Numbers may not add up to 100, due to rounding.

Melissa Ballenger, Controller,
Washington Mutual

Andrea Forster,
Controller, Pepsi Bottling

Susan Grafton,
Controller, Best Buy

FACES OF CHANGE AT THE TOP 500 COMPANIES*

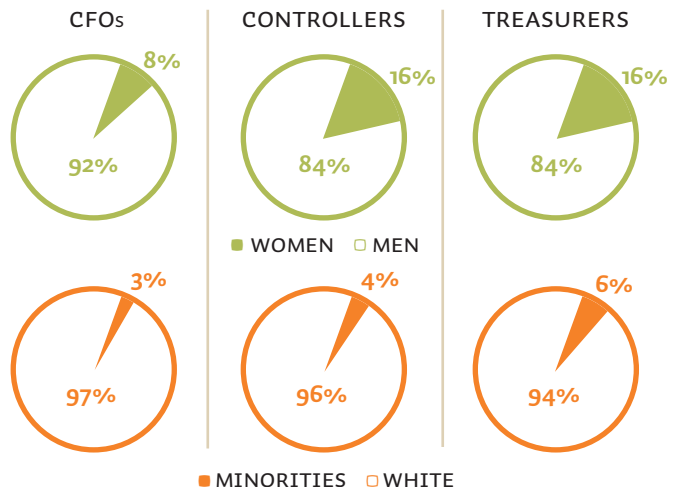


Meng Chew,
Treasurer, Medtronic

Lynn Good, Treasurer,
Duke Energy

LONELY AT THE TOP

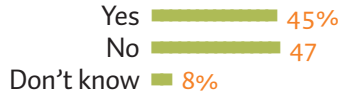
Women and minorities hold few of the top finance positions at the Fortune 500.



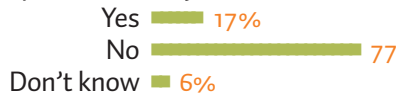
Note: Minority categories based on U.S. Census Bureau definitions. *A representative sample only

1. Does your company have any of the following?

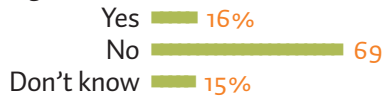
A formal corporate diversity policy statement:



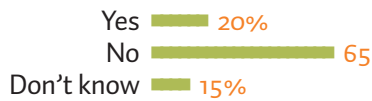
A corporate diversity officer:



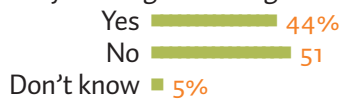
A diversity task force comprised of management:



Mentoring programs targeted at minorities:

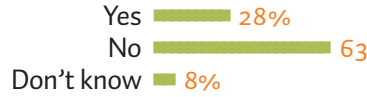


Diversity training for managers:

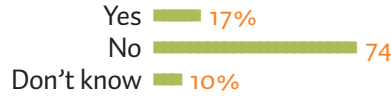


2. In which of the following do you or other finance executives participate?

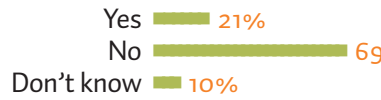
Creation of a formal corporate diversity policy statement:



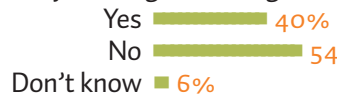
A diversity task force or council comprised of management:



Mentoring programs targeted at minorities:



Diversity training for managers:



3. Compared with your company as a whole, does your finance department have a higher or lower percentage of members of the following groups?

Women:



About the same



African-Americans:



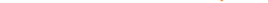
About the same



Hispanic/Latin Americans:



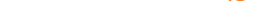
About the same



Asians:



About the same



Other non-whites:



About the same



Linda J. Hurt, Treasurer, Burlington No. Santa Fe

Susan Kreh, Controller, Johnson Controls

Judy C. Lewent, CFO, Merck

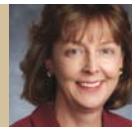
Susan McFarland, Controller, Capital One Financial



Peter Hong, Treasurer, Alcoa



Pamela K. Knous, CFO, Supervalu



Cathie Lesjak, CFO, Hewlett-Packard

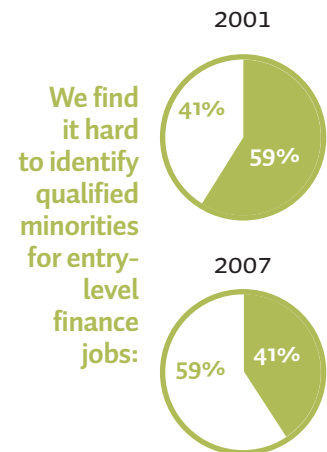
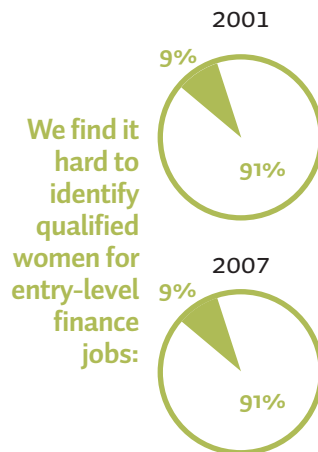
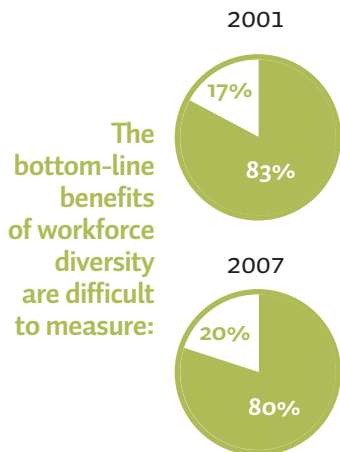


Christine McCarthy, Treasurer, Walt Disney



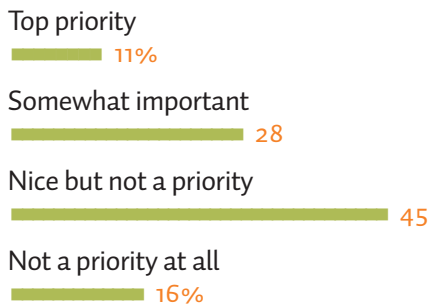
THEN AND NOW

How diversity views and practices have changed over the past six years.

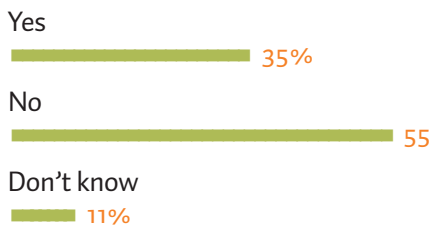


■ AGREE □ DISAGREE

4. How important is it for your company to have a diverse executive team in the finance department?



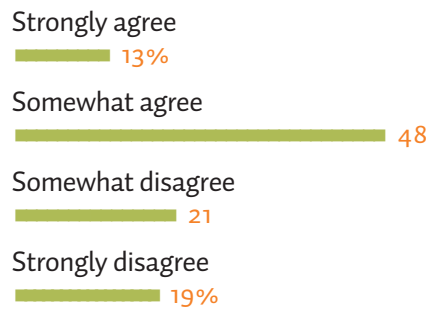
5. Does the finance department work closely with HR or your diversity officer to increase departmental diversity?



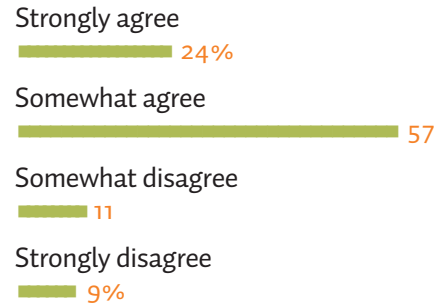
6. Are management bonuses linked to meeting diversity goals?



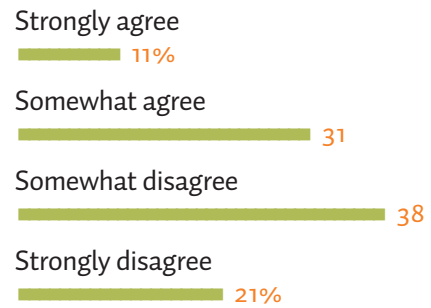
7. A diverse workforce is a much bigger concern at our company than it was five years ago.



8. The bottom-line benefits of workforce diversity are difficult to measure.



9. It is difficult to identify qualified minorities for entry-level finance jobs.



Marianne M. Parrs, CFO, International Paper



George Reyes, CFO, Google



Fernando Ruiz, Treasurer, Dow Chemical



Rhonda Seegal, Treasurer, Xerox



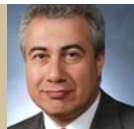
Kathleen L. Quirk, CFO, Freeport-McMoran Copper & Gold



Derica W. Rice, CFO, Eli Lilly



Mahesh Sankaran, Treasurer, Fifth Third Bancorp



Valerie Sheppard, Controller, Procter & Gamble



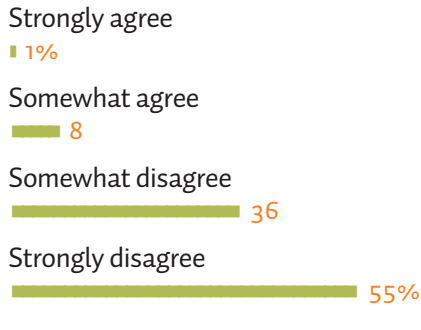
When CFO first surveyed Fortune 500 companies in 2001, there were **24** female CFOs and just **14** finance chiefs who counted themselves as members of minority groups. This year's research finds that while the number of women CFOs has grown to **38**, the number of minorities has stayed flat at **14**.

UNCOMMON WOMEN

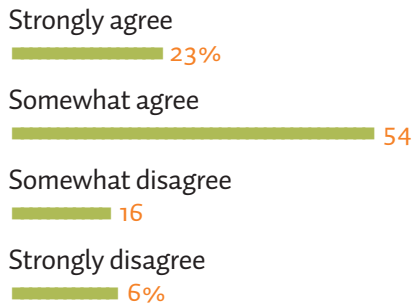
Female CFOs in the Fortune 500

- Elizabeth Acton, Comerica
- Kimberly Allen Dang, Kinder Morgan Energy
- Patricia M. Bedient, Weyerhaeuser
- Jean S. Blackwell, Cummins
- Safra A. Catz, Oracle
- Glenda Chamberlain, Whole Foods Market
- Janet F. Clark, Marathon Oil
- Susan Decker, Yahoo
- Linda Dimopoulos, Darden Restaurants
- Lisa J. Donahue, Calpine
- Margaret K. Dorman, Smith International
- Caroline Dorsa, Avaya
- Kathleen S. Dvorak, United Stationers
- Jody Feragen, Hormel Food
- Sharilyn Gasaway, Alltel
- Gretchen R. Haggerty, United States Steel
- Janet Haugen, Unisys
- Karen M. Hoguet, Federated Dept. Stores
- Barbara A. Klein, CDW
- Pamela K. Knous, Supervalu

10. It is it hard to find qualified women for entry-level finance jobs.



11. Finance is more successful at recruiting women than it is at recruiting members of minority groups.



12. If you agree that you have been more successful recruiting women candidates for jobs in corporate finance, to what do you attribute it?



“Virtually all clients say they’re interested in a diverse slate and make every effort to try to be inclusive of women and minorities. In terms of women, there’s continued progress, but less so for people of color, where the pipeline is not as well developed.”

KEVIN M. CONNELLY,
CHAIRMAN OF RECRUITING
FIRM SPENCER STUART

Cathy R. Smith,
CFO, Centrex

Carol Tome,
CFO, Home Depot

Max O. Valdes, Controller,
First American Corp.

Diane Wilfong,
Controller, Eastman Kodak



E. Follin Smith,
CFO, Constellation Energy

Karen A. Twitchell,
Treasurer, Lyondell Chemical

Leslie Varon,
Controller, Xerox

- Holly K. Koepfel, American Electric Power
- Cathie Lesjak, Hewlett-Packard • Judy C. Lewent, Merck
- Karla R. Lewis, Reliance Steel & Aluminum
- Gracia C. Martore, Gannett • Patricia A. McKay, Office Depot
- Dianne M. Neal, Reynolds American • Marianne M. Parrs, International Paper • Kimberly S. Patmore, First Data
- Georganne C. Proctor, TIAA-CREF • Kathleen L. Quirk, Freeport-McMoran Copper & Gold • JoAnn A. Reed, Medco Health Solutions • Cathy R. Smith, Centex • E. Follin Smith, Constellation Energy • Doreen A. Toben, Verizon
- Carol B. Tome, Home Depot • Lynn Wentworth, BlueLinx Holdings • Laura Wright, Southwest Airlines

A SMALL MINORITY

Few *Fortune* 500 CFOs are members of minority groups.

- James A. Bell, Boeing • Dinyar S. Devitre, Altria Group • Philip A. Garcia, Erie Insurance Group • William H. Hernandez, PPG Industries • René F. Jones, M&T Bank Corp.
- Roop Lakkaraju, Solectron • Oscar Munoz, CSX • Sunit Patel, Level 3 Communications • Mark Pompa, Emcor Group • Vasant M. Prabhu, Starwood Hotels • George Reyes, Google • Derica W. Rice, Eli Lilly • Joe Robles, USAA • Khanh Tran, Pacific Life