

MILWAUKEE WOMEN inc

THE TIME IS NOW

FOR GENDER DIVERSITY
IN CORPORATE LEADERSHIP

EXECUTIVE SUMMARY
2005 CENSUS

www.milwaukeewomeninc.org

MILWAUKEE WOMEN inc

Milwaukee Women inc (MWi) was formed in 2002 to advance women into leadership positions and promote greater female representation in corporate leadership. MWi is a collaborative effort whose Steering Committee is composed of representatives from Milwaukee's leading women's professional organizations, corporations, non-profit organizations and academic institutions.

MILWAUKEE WOMEN inc was formed to:

- ◆ Accelerate the advancement of women in key leadership positions.
- ◆ Change the face and quality of leadership through the advancement of women.
- ◆ Encourage and support catalytic action by partnering with other organizations that share these goals.

PARTNERSHIPS

In 2004 MWi came to the attention of similar organizations conducting research geared to promote women leaders in their states. MWi became a founding member of the InterOrganization Network (ION), a group of regional women's organizations that share a common mission. Each organization publishes census reports on the status of women directors and executive officers in their states. This enables MWi to take the information it has about Wisconsin companies and compare it to other markets. MWi sees ION as a vital partner in promoting the advancement of women in Wisconsin's corporations. The coordinated efforts of ION are generating benefits beyond those attainable by MWi acting on its own. Current ION members include: The Boston Club (MA), The Chicago Network (IL), The Forum of Executive Women in Philadelphia (PA), Board of Directors Network in Atlanta (GA), the Women's Leadership Forum in Detroit (MI) and Women's Executive Leadership in Miami (FL).

THE CASE IS CLEAR

Companies that recruit, retain and advance women have a competitive advantage in the global marketplace. A study released by Catalyst last year is the latest to confirm what scores of previous studies spanning three decades have shown: Companies that employ more women in high positions are more profitable.¹ Catalyst's research reveals that companies with a greater representation of women in senior management positions financially outperform companies with proportionally fewer women at the top levels. Diversity makes good business sense.

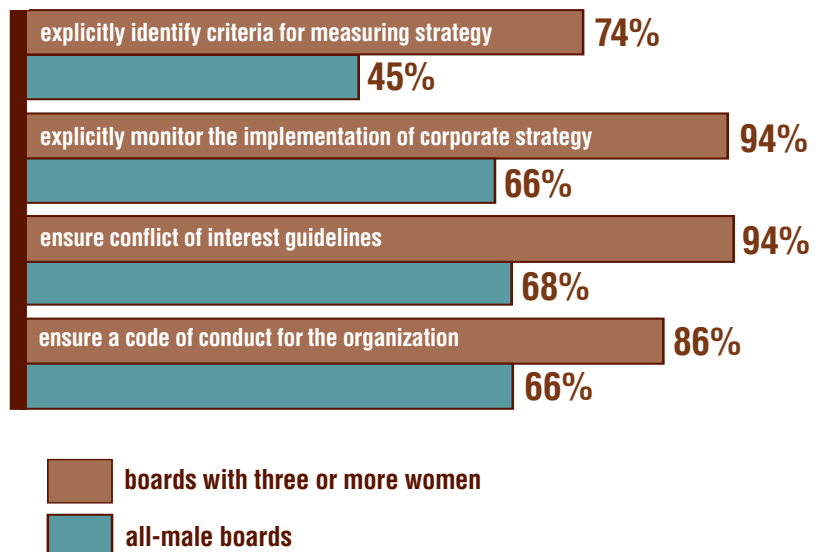
Diverse leadership brings valuable breadth of perspective to decision making. Research also supports links between diversity and good governance. It's time for CEOs to realize that gender and racial diversity within their boards and executive offices will help improve their companies' bottom line.

"Research from America, Britain and Scandinavia shows a strong correlation between shareholder returns and the proportion of women in the higher executive echelons. While this does not establish a causal relationship, it does suggest that a corporate culture, which fosters women's careers, can also foster profitability."

THE ECONOMIST
 "Helping Women Get to the Top"
 Cover Story 7/23/05

GOVERNANCE FINDINGS FROM COMPANIES WITH THREE OR MORE WOMEN DIRECTORS²

- ◆ 74% explicitly identify criteria for measuring strategy (versus 45% of all-male boards)
- ◆ 94% explicitly monitor the implementation of corporate strategy (versus 66% of all-male boards)
- ◆ 94% ensure conflict of interest guidelines (versus 68% of all-male boards)
- ◆ 86% ensure a code of conduct for the organization (versus 66% of all-male boards)



DIVERSITY IN WISCONSIN'S LARGEST COMPANIES

In 2003 Milwaukee Women inc commissioned a study of board and executive management gender diversity in the 50 largest Wisconsin-based public companies ("Wisconsin 50").³ A census was conducted on all 50 companies to identify the gender composition of corporate boards and executive suites.

The research, entitled *Diversity and Tomorrow's Profits: Women in Corporate Leadership*, was released in May 2004. The research set a benchmark and framework for monitoring the progress of women in corporate leadership within Wisconsin's largest companies. The report found that the progress toward diversity in Wisconsin's corporate boardrooms and executive suites was slow and left Wisconsin lagging behind regionally and nationally.

WOMEN'S CLOUT IN THE UNITED STATES⁴

85% of consumer purchases are made by women

55% of married women earn half or more of their families' income

47% of all investors are women

46% of privately held companies are owned by women

46% of the workforce are women

The number of women in boardrooms and senior executive offices of Wisconsin's corporations has lagged far behind women's growing influence as consumers, wage earners, investors and business owners.



Compares to women's clout in Wisconsin's public boardrooms and executive suites...

Only 11% (47/436) of board directors are women

Only 11% (54/489) of executive officers are women

In 2005 MWi studied Wisconsin's corporate leadership again to further evaluate the impact of women within Wisconsin's corporate economy. MWi partnered with the University of Wisconsin-Madison School of Business to update the census of gender and ethnic diversity among directors and key executives within the Wisconsin 50.

Wisconsin's economy is composed of a disproportionately high number of successful privately held companies in comparison to other states.⁵ The 2005 report offers new data solicited from more than 30 of Wisconsin's prominent private companies. These private companies have a significant impact on Wisconsin's economy. Research gleaned from this data helps to better gauge female representation within Wisconsin's top corporate leadership positions.

The results of this study should encourage Wisconsin's companies to move toward greater diversity in their leadership ranks. Those companies will likely enjoy greater financial success and Wisconsin will benefit from a stronger economy and a more attractive environment in which to live, work and do business.

PRIVATE COMPANIES SURVEYED FOR THE 2005 CENSUS⁶

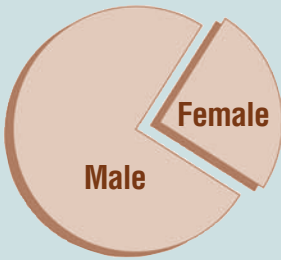
More than 30 leading privately held companies were contacted for information. The following companies provided the UW Survey Center with information:

ABC Supply Co. Inc.	Grede Foundries Inc.
Acuity	Johnson/Diversey Inc.
Air Wisconsin Airlines Corp.	KI
American Family Mutual Insurance Co.	Kohler Co.
Ashley Furniture Industries Inc.	Menasha Corp.
Associated Milk Producers Inc.	Northwestern Mutual
Bemis Manufacturing Co.	Quad/Graphics Inc.
The CUNA Mutual Group	Reinhart FoodService
The F. Dohmen Co.	Robert W. Baird & Co. Inc.
Foremost Farms USA	Roundy's Inc.
General Casualty Cos.	Trek Bicycle Corp.

WISCONSIN 50⁷

Johnson Controls Inc.
 Manpower Inc.
 Kohl's Corp.
 Harley-Davidson Inc.
 WPS Resources Corp.
 Rockwell Automation Inc.
 Wisconsin Energy Corp.
 ShopKo Stores Inc.
 Alliant Energy Corp.
 Fiserv Inc.
 Marshall & Ilsley Corp.
 Snap-on Inc.
 Oshkosh Truck Corp.
 MGIC Investment Corp.
 Briggs & Stratton Corp.
 The Manitowoc Co. Inc.
 A.O. Smith Corp.
 Banta Corp.
 Joy Global Inc.
 Modine Manufacturing Co.
 Sensient Technologies Corp.
 Associated Banc-Corp
 Wausau-Mosinee Paper Corp.
 School Specialty Inc.
 Plexus Corp.
 Journal Communications Inc.
 Fresh Brands Inc.
 Regal-Beloit Corp.
 Actuant Corp.
 Brady Corp.
 OshKosh B'Gosh Inc.
 Madison Gas & Electric Co.
 The Marcus Corp.
 Midwest Air Group Inc.
 Marten Transport Ltd.
 Johnson Outdoors Inc.
 Anchor BanCorp Wisconsin Inc.
 Gehl Co.
 Weyco Group Inc.
 Strattec Security Corp.
 Twin Disc Inc.
 Badger Meter Inc.
 Ladish Co. Inc.
 Bank Mutual Corp.
 National Presto Industries Inc.
 Renaissance Learning Inc.
 Northland Cranberries Inc.
 The OilGear Company
 The Ziegler Cos. Inc.
 Badger Paper Mills Inc.

THE NUMBERS SPEAK FOR THEMSELVES



Today, 25% of the Wisconsin 50 companies have no female representation at the board or executive officer level.

"We embrace diversity at all levels because we want our management to reflect our employee base and our markets. But diversity doesn't happen by accident. It requires a focused commitment and action."

Paul Beideman
President and CEO
Associated Banc-Corp

New research reveals that in Wisconsin, board and executive diversity remains limited. Progress has stalled, with very few Wisconsin companies creating gains in women's representation on boards or as executive officers from 2002-2005.

Today, 25% of the Wisconsin 50 companies have no female representation whatsoever at the board or executive officer level.

IN THE BOARDROOM:

- ◆ Since 2002,⁸ Wisconsin has experienced only miniscule (1.5%) growth in the number of women board directors in public companies.
- ◆ 84% of the public companies studied had no change in their numbers.
- ◆ Only five companies gained at least one women director.
 - *Associated Banc-Corp leads the group of top performers with a gain of two women directors.*
- ◆ Two companies had a decrease in the number of women directors.
- ◆ With one exception – Associated Banc-Corp – all other companies with zero female board members in 2002 continue to have zero female board members in 2005.
- ◆ Women hold only 11% (47/436) of the board seats of the public companies studied in 2005.
- ◆ Women of color fare even worse, holding less than 2% of all board seats in the public companies studied in 2005.
- ◆ Women hold only 13% (28/216) of the board seats of the 22 private companies studied in 2005.
- ◆ There are NO (0%) women directors on the boards of one-third of the public and private companies studied in 2005.



PUBLIC COMPANIES THAT INCREASED THE NUMBER OF WOMEN DIRECTORS FROM 2002-2005

Companies	Women Directors 2002	Women Directors 2005	% Change
Associated Banc-Corp	0/10*	2/12	+16.7%
Alliant Energy Corp.	3/10	4/10	+10.0%
WPS Resources Corp.	1/8	2/9	+ 9.7%
Manpower Inc.	1/8	2/11	+ 5.7%
Marshall & Ilsley Corp.	1/19	2/19	+ 5.2%

**Number of women directors compared with total directors.*

PUBLIC COMPANIES WITH NO WOMEN DIRECTORS IN 2002 AND 2005

The Manitowoc Co Inc.	Weyco Group Inc.
Joy Global Inc.	Strattec Security Corp.
Wausau-Mosinee Paper Corp.	Twin Disc Inc.
Plexus Corp.	Badger Meter Inc.
Fresh Brands Inc.	Ladish Co. Inc.
Regal-Beloit Corp.	Bank Mutual Corp.
Gehl Co.	



PUBLIC COMPANIES THAT INCREASED THE NUMBER OF WOMEN EXECUTIVE OFFICERS FROM 2002-2005

Companies	Women Executives 2002	Women Executives 2005	% Change
Snap-on Inc.	1/7*	4/10	+25.7%
Twin Disc Inc.	0/9	1/9	+ 11.1%
The Manitowoc Co. Inc.	0/8	1/10	+10.0%
Wisconsin Energy Corp.	2/16	3/16	+ 6.3%
Marshall & Ilsley Corp.	2/15	3/17	+ 4.3%

*Number of women executive officers compared with total executive officers.

PUBLIC COMPANIES WITH NO WOMEN EXECUTIVE OFFICERS IN 2002 AND 2005

ShopKo Stores Inc.	Regal-Beloit Corp.
Fiserv Inc.	Actuant Corp.
MGIC Investment Corp.	Anchor BanCorp Wisconsin Inc.
Joy Global Inc.	Gehl Co.
Sensient Technologies Corp.	Weyco Group Inc.
Fresh Brands Inc.	Ladish Co. Inc.

PUBLIC COMPANIES WITH NO WOMEN DIRECTORS AND NO WOMEN EXECUTIVE OFFICERS IN 2005

A.O. Smith Corp.	Weyco Group Inc.
Joy Global Inc.	Ladish Co. Inc.
Plexus Corp.	Northland Cranberries Inc.
Fresh Brands Inc.	The OilGear Company
Regal-Beloit Corp.	The Ziegler Cos. Inc.
Gehl Co.	Badger Paper Mills Inc.

“One of the important goals on the ‘to-do’ list for 2005 is that local companies must make progress toward increasing the number of women and minorities serving on boards. Accomplishing these goals will make Wisconsin a better place to live and do business.”

THE BUSINESS JOURNAL
1/7/05



PUBLIC COMPANIES WITH TWO OR MORE WOMEN EXECUTIVE OFFICERS IN 2005

Snap-on Inc.	4/10*
Renaissance Learning Inc.	2/5
Alliant Energy Corp.	5/15
Journal Communications Inc.	4/16
Manpower Inc.	2/10
Wisconsin Energy Corp.	3/16
Harley-Davidson Inc.	2/11
Marshall & Ilsley Corp.	3/17
Madison Gas & Electric Co.	2/12
Johnson Controls Inc.	3/19
WPS Resources Corp.	2/13
Kohl's Corp.	2/13

*Number of women executive officers compared with total executive officers.

“Having a diverse organization gives you a wider range of perspectives. People feel differently and think differently about things. Encouraging diverse points of view adds to the vibrancy of the environment and actually leads to better decision making. We wouldn’t all want to think like white males, because they represent a minority of the population.”

Edward J. Zore
President and CEO
Northwestern Mutual

“I didn’t go out looking for diversity within my cabinet. I went out looking for talent. And it’s no accident that men and women of exceptional ability also reflect the diversity of Wisconsin.”

Governor Jim Doyle
7/11/05

IN THE EXECUTIVE SUITE:

- ◆ Since 2002, women’s representation in executive ranks FELL by 0.5%.
- ◆ 70% of public companies studied had zero growth in women executive officers.
- ◆ 19% of public companies studied show a decline in the number of women executive officers.
- ◆ Fourteen public companies had no women executive officers in 2002.
- ◆ Twelve public companies mark no progress in female representation since 2002.
- ◆ Two public companies gained one women executive officer each since 2002.
- ◆ Women make up only 11% (54/489) of the executive officers in Wisconsin’s public companies – for every 10 men in the executive suite, there is only one woman. This compares with 20% of executive officers in the 22 private companies studied.

*For every 10 men in the executive suite,
there is only one woman.*

- ◆ Women of color fare even worse, holding less than 1% of executive officer positions in both public and private companies.
- ◆ Only 22% of the public companies have two or more women executive officers.
- ◆ Five public companies (11.6%) increased their number of women executive officers since 2002.
 - *Snap-on Inc. leads the group of top performers with a gain of three women executive officers.*
- ◆ Among public companies 36% have NO women in executive officer positions compared to 18% in private companies studied.
- ◆ 3% (16/489) of women hold a position that is considered one of the top six executive positions in what is commonly called the “C suite” (CEO, CFO, CIO, COO, General Counsel and President).
- ◆ The Wisconsin 50 reported a total of 250 highest compensated executive officers. Of those 250, only 5% (13/250) are women. These 13 women executives are employed by fewer than 20% (9/50) of the 50 public companies studied. Although a small number of women in business are moving into top executive positions, they are still not compensated at the same level as their male counterparts.

THE CLIMATE IS RIGHT

The time for action is now. American companies are at a critical juncture on board diversity and there has never been a better time to increase the number of women and people of color on corporate boards and in executive suites. **Those that maintain the status quo will fall behind while others will move ahead.** Wisconsin's business community has a unique opportunity to create a bright future through inclusion, and to become progressive leaders nationally by optimizing all talent – male and female.

Recently enacted reforms will require most publicly traded companies to bring on new, independent directors, creating a historic opportunity for all corporations to achieve the goal of an independent and diverse board, including women and minorities.

American women account for half of the nation's workforce, college graduates and talent pool (over half of all financial managers in the U.S. are women, as are over half of auditors and accountants), and they spend \$3.7 trillion annually, more than the GDP of Japan.⁹

Although the percentage of Wisconsin's women corporate executives is disappointingly low, even in this elite group there are women who have not yet been tapped for board service. Beyond this group are women executives who do not carry the "executive officer" title, but who hold corporate positions comparable to many male board members.

In a complex global marketplace a wide range of viewpoints, backgrounds, skills and experience is valuable in helping companies to make the right strategic and operational decisions.

"Status quo is neither inevitable nor desirable."

Laura d'Andrea Tyson
Dean, London Business School
BUSINESSWEEK
3/28/05

"Sarbanes-Oxley has presented corporations with opportunities to bring on new independent directors who will likely come from talent pools that have been underutilized in the past, including women and people of color."

Steve Barth
Foley & Lardner

CALL TO ACTION

“In a period when nominating committees need to add more independent directors and their traditional pool of candidates is shrinking, women represent an underutilized resource. Even though companies have both the incentive and opportunity to add women to their boards, progress requires a conscious and proactive effort to recruit and appoint women.”

Barbara Krumsiek
President and CEO
The Calvert Group, mutual funds

A Message from Milwaukee Women inc

We urge you to take proactive steps to strengthen the leadership of Wisconsin’s business community by supporting more qualified women for key leadership positions.

- Commit to building a leadership team in your own organization that includes women and people of color.
- Develop and expand the talent pool of women leaders inside and outside of your organization by actively seeking out, mentoring and providing growth opportunities to a diverse group. The decline in the number of women executives since 2002 is striking and disturbing. Without a full pipeline of women with increasing corporate responsibilities and advancing careers, where will the future pool of women corporate leaders come from?
- Ensure parity in executive compensation.
- Develop and implement explicit written strategies or guidelines for adding women and people of color to your board.
- Don’t forget the adage “what stays the same falls behind.”

There is no better time for change.

In our view, board diversity ensures that different perspectives are at the table, and enhances the likelihood that corporations will make better decisions, meet higher standards and become better investments.

We will be monitoring your progress and look forward to working with you to achieve this important goal.

Thank you for your commitment to diversity.

Milwaukee Women inc

Milwaukee Women inc

STEERING COMMITTEE

Jilaine Hummel Bauer, Principal, Bauer Consulting
Wendy Baumann, President, Wisconsin Women's Business Initiative Corp.
Marsha Block, Executive Director, Wisconsin Women=Prosperity Inc.
Sharon Canter, Chair, Milwaukee Women inc
Mary Louise Dean, Vice President, Zizzo Group Advertising & Public Relations
Danae Davis, Director, Diversity Affairs, Miller Brewing Co.
Cecelia I. Gore, Program Officer, Jane Bradley Pettit Foundation
Linda Gorens-Levey, Managing Director, Stark Investments
Kate Herman, Director of Advertising Sales, The Business Journal
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Kathleen A. Lawler, Vice President, Harley-Davidson Inc.
Christine Lidbury, Executive Director, Wisconsin Women's Council
Yvonne Lumsden-Dill, Executive Director, Women's Leadership Institute, Mount Mary College
Amelia E. Macareno, Senior Vice President, Merchants & Manufacturers Bancorporation
Kristine F. Martinsek, Martinsek & Associates
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Maureen A. McGinnity, Partner, Foley & Lardner
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Deborah J. Patel, Executive Director, Milwaukee Children's Choir
Sally Peltz, President, Legacy Redevelopment Corp.
Joan Prince, Vice Chancellor, University of Wisconsin-Milwaukee
Betty Quadracci, CEO/Publisher, Milwaukee Magazine and CEO, QuadCreative Group
Kristine Rappe, Senior Vice President/Chief Administrative Officer, Wisconsin Energy Corp.
Jo Ann Ratcheson, Director of Physician Relations, Columbia St. Mary's Inc.
Christine G. Rodriguez, President & CEO, Discovery World
Barbara J. Wyatt Sibley, Community Volunteer
Carol Skornicka, Senior Vice President & General Counsel, Midwest Airlines
Janet Slater, Senior Vice President, BloodCenter of Wisconsin
Lynn Sprangers, President, Brewers Charities
Mary Ellen Stanek, Managing Director, Robert W. Baird & Co. Inc.
Julia H. Taylor, President, Greater Milwaukee Committee
Deanna Tillisch, Director of Market Development, Northwestern Mutual
Mary Lou Young, Director - Global Community Relations, Rockwell Automation

FOOTNOTES:

1. Catalyst (2004), *The Bottom Line: Connecting Corporate Performance and Gender Diversity*. Catalyst is the premier nonprofit research and advisory organization working to advance women in business. www.catalystwomen.org
2. Ivey Business Journal, September/October 2004, *Leveraging Diversity to Maximum Advantage: The Business Case for Appointing More Women to Boards*.
3. Complete study can be found at www.milwaukeewomeninc.org
4. Statistics found in ION – Interorganization Network report, December 2004. Sources used include Business Women's Network Interactive, National Association of Securities Dealers, Center for Women's Business Research, U.S. Bureau of Labor Statistics. Full report can be found at www.milwaukeewomeninc.org
5. Wisconsin ranks among the top ten states in the number of high revenue generating private companies (Forbes 2004 list of America's Largest Private Companies).
6. A list was obtained from Wisconsin's Department of Commerce in 2005.
7. The companies were ranked by total revenue as listed in the 2005 Book of Lists published by The Business Journal, current as of 8/6/04. Three companies that had been acquired by firms headquartered outside of Wisconsin were removed from the list and three companies with the next highest revenues were added to the Wisconsin 50.
8. The first research report commissioned by Milwaukee Women inc used data from 2002. The 2005 research used data from 2004 Securities and Exchange Commission filings posted no later than 3/31/05. Follow-up phone calls conducted by UW Survey Center to verify the information for each company were completed by the end of March 2005.
9. Business and Professional Women's Foundation, 2005. *101 Facts on the Status of Working Women*.

FUNDING PARTNERS

MWi thanks the following funding partners, who believe diversity in leadership warrants research and discussion. Without their support, this study could not have been done.

FOUNDING RESEARCH PARTNER

Brico Fund

CORPORATE FUNDING PARTNERS

Associated Banc-Corp
Brewers Charities
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Jane Bradley Pettit Foundation
Journal Communications Inc.
Legacy Bank
Manpower Inc.
Marshall & Ilsley Corp.
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Michael Best & Friedrich LLP
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Quad/Graphics Inc.
Quarles & Brady LLP
Reinhart Boerner Van Deuren SC
Robert W. Baird & Co. Inc.
Rockwell Automation Inc.
Time Warner Inc.
Wisconsin Energy Corp.
and
Metropolitan Milwaukee Association of Commerce
Professional Dimensions
Rotary Club of Milwaukee Inc.
Tempo Milwaukee

Endorsed by The Greater Milwaukee Committee

Milwaukee Women inc works in partnership with Wisconsin Women's Business Initiative Corp.

MWi wishes to thank Van Do and Belinda Bao, graduate students at University of Wisconsin Business School, for their research work. Their work was supervised by Monika Wingate, Director of the A.C. Nielsen Center for Marketing Research.

Complete research report can be found on website:

www.milwaukeewomeninc.org

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