



Nasdaq Diversity Rules Take Hold on 2021 IPOs

Nasdaq's Diversity Rule, approved by the SEC last August, did what it set out to do: improve diversity on the boards of companies listed on the exchange. The rule requires most of their 3000 listed companies to have at least one woman and one person from a racial minority or who identifies as LBGTQ — or explain why they don't. Companies have been paying attention.

Women held 34% of the board seats in the 25 largest IPOs traded on Nasdaq in 2021. Two of the companies were Gender Balanced and more than half had three or more women. Six companies had two women directors, six had one and for the first time since reporting on this issue, all companies on the list had women on their boards. By comparison, of the 19 largest IPOs traded on Nasdaq in 2020, 22% of the board seats were held by women; one year later, women held 27% of the board seats in that cohort. As of December 31, 2021, there are 1,531 Russell 3000 companies on the NASDAQ exchange and all but 54 have at least one woman on their board.

5050 Women on Boards has been reporting on the status of women on IPO company boards since 2017. Our research extends back to 2014 when half of IPOs went public without a single woman director. [Thirteen of the 25 companies on the 2021 list are headquartered in California.](#) It's interesting to note that 11 of these companies have three or more women directors and two are Gender Balanced, indicating that the California law, which required companies headquartered in the state to diversify their boards, is working.

Corporate directors of color are underrepresented. They are also underreported. Until the SEC or another governance group requires gender and ethnic reporting it is difficult to get an accurate assessment. According to our most recent report (Q4 2021), only 6% women of color and 9% men of color hold board seats. The numbers are even lower when broken down by race and ethnicity. [ISS Corporate Solutions reports that between July 2020 and May 2021, 32% of newly appointed board members in the S&P 500 were Black, up from 11% in 2019.](#) According to Catalyst, in 2019, women of color represented 20.3% of the total US population. [By 2060, it is expected that women of color will be the majority of all women in the US.](#)

We live in a complex and changing world. Challenges that face companies today and tomorrow require forward thinking directors who bring a variety of outlooks and experiences to the boardroom. Diversity is a key ingredient to robust deliberations and solid decision making. We're not there yet. But we are heading in the right direction.



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~ Malli Gero
Co-Founder and Vice Chair
50/50 Women on Boards

2021 Top 25 IPOs (Nasdaq) By Market Share	# of Directors	% of Women
Rivian Automotive, Inc. Class A	7	42%
GlobalFoundries Inc.	10	20%
Bumble, Inc. Class A	11	72%
Robinhood Markets, Inc. Class A	8	37%
Applovin Corporation	8	37%
Shoals Technologies Group, Inc. Class A	8	12%
Qualtrics International, Inc. Class A	11	27%
Olaplex Holdings, Inc.	11	81%
TuSimple Holdings Inc.	8	37%
Ortho Clinical Diagnostics	11	18%
Marqeta, Inc.	9	44%
HashiCorp, Inc.	6	33%
Affirm Holdings, Inc. Class A	8	37%
Freshworks Inc.	8	37%
Fluence Energy Inc	12	41%
Petco Health and Wellness Company Inc	11	36%
Confluent, Inc.	9	33%
Gitlab, Inc.	8	37%
Thoughtworks Holding Inc	9	33%
LifeStance Health Group, Inc.	9	22%
Driven Brands Holdings, Inc.	8	25%
Diversey Holdings, Ltd.	10	10%
AvidXchange Holdings, Inc.	9	22%
Sana Biotechnology, Inc.	10	30%
Frontier Group Holdings, Inc.	11	18%

Methodology: Data obtained from The World Federation of Exchanges Ltd. (WFE) and based on market cap on the first day of trading on the NASDAQ US exchange. Board diversity data is based on Form S-1 filed by the companies with the Securities Exchange Commission (SEC) and updated with information from the companies' websites. 50/50 Women on Boards is committed to accelerating gender balance and diversity on corporate boards. We define "Gender Balance" as women holding half, or one more or one less, than half of the board seats.