Your Excellency, Distinguished Guests, Ladies and Gentlemen,

Thank you, Rachel and Aparna for your gracious introduction and for organising this important forum on International Women's Day -- "Breaking Barriers" and turning gender policy into practice. I am honored to be included among such a distinguished group of panelists. Calvert's CEO, Barbara Krumsiek really wanted to be here, but could not because of a conflict in her schedule.

You might be asking why Calvert, an investment firm, is qualified to speak on gender equity. We are not a development agency nor a human rights organization. Nor do we hold ourselves out as gender experts.

But for nearly 30 years we have been a leader in the field of socially responsible investing. We look beyond compliance to other factors that contribute to the creation of long-term value.

We believe that companies committed to high standards of governance, corporate ethics, and social responsibility including gender equity are better positioned to meet the challenges and minimize the risks of operating in the new global economy.

In our view no nation can achieve its full economic and human potential if half of its population remains marginalized and disempowered, and no corporation can meet the demands of sustainable development while ignoring the untapped potential of women.

As a socially responsible investment firm, we are constantly trying to figure out what makes a company exemplary. We believe that gender equity that brings diversity of knowledge, values, beliefs and viewpoints promotes better understanding of the market place and that this understanding can lead to increased revenues and profitability.

Numerous studies have shown that heterogeneous groups support better decision making through consideration of diverse perspectives. Additionally, we have seen that allowing employees to balance work with the rest of their lives is not only good for families, but is good for business.

In 2004, Calvert in consultation with its partner UNIFEM launched the Calvert Women's Principles. What distinguishes these *Principles* from other initiatives is their focus on business corporations as vehicles for addressing gender inequalities and advancing the global empowerment of women.

To the best of our knowledge, Calvert's Principles are the first comprehensive attempt to take well-established human rights norms and standards affecting women and apply these directly and systematically to corporate behavior and investment strategies.

At present, Calvert and our partner UNIFEM are in discussion with the UN Global Compact about translating the Calvert Women's Principles into benchmarks, standards and reporting guidelines to help companies operationalize their gender goals and implement the Global Compact principles on labor particularly principle #6 calling for the elimination of discrimination in respect to employment and occupation.

We will also work together to bring more analytical rigor to the discussion of the business case for gender equity to help companies mobilize resources internally to empower women in the workplace.

In this regard, I would like to focus the rest of my remarks this afternoon on a groundbreaking study just released that I believe will substantially augment our arsenal of tools for making the business case for gender equity. This study based on 1.3 million workers in nearly 30,000 jobs in 74 metropolitan areas found:

> ***that women who work in firms that have women in senior management earn substantially more than women who work in firms where women have not broken through the glass ceiling.***

Let me say it again. Women senior managers are a major factor in higher pay for all women. The study's authors, sociologists Philip Cohen of the University of North Carolina and Matt Huffman of UC Irvine, found that when women become senior managers, female workers go from earning 76.9 percent of men's salaries to 91 percent. We have always had the anecdotal evidence to support this premise, but now our hunches are supported by facts.

Today the wage disparity gap cost American women $250,000 over the course of their lives. Add to this shortfall --- another $550,000 that women forfeit for the time they take off from paid work to care for parents and children and the consequences of spending a life of economic disadvantage become clear. Millions of women face the risk and increasingly the reality of being old and poor in America. The prospect is worse if you are a woman of color. Today 4 out of 10 single black women over 65 and nearly 5 out of 10 older single Hispanic women live in poverty, a rate twice that of white women (source Wiser).

This is why corporate commitment to gender equity and inclusiveness is so important. Growing private sector power has enormous economic consequences for women. But with economic clout comes responsibility.

It is the responsibility of senior leadership to set the tone for gender equity and inclusiveness starting with the board of directors, the CEO and the senior officers. And while progress is being made, many companies still lag behind. A look at women on corporate boards and in the executive suite shows how far we have to go.

- Women are virtually absent at the highest rank job of CEO accounting for just 2 percent of Fortune 500 CEOs.

- Women are also underrepresented on corporate boards, holding just 14.7 percent of Fortune 500 board seats.

- If you look at women of color, the number is even more discouraging – with just 3.4 percent of women of color represented on Fortune 500 boards.

And what we know now from this recent study of gender and income disparities is that when women break through the glass ceiling into the executive suites and the boardroom, it pulls up the pay for all women in the organization narrowing the long standing gender gap.

And there are other reasons why gender equity in business management makes sense. American Women account for nearly half the nation's workforce, college graduates and talent pool. They spend $3.7 trillion annually on consumer goods and services and constitute the number 3 market in the world, with purchasing power exceeding Japan. According to one source, they make up 83 percent of all consumer purchases and influence over 91 percent. For any company in the consumer products business, having some female acumen in management and governance sounds like a reasonable proposition to me.

In closing I must say that in many respects I am tired of being asked to prove that gender equity improves financial value. In so many ways, this is a disingenuous question. Let's change the subject of the sentence to anything else on the investment landscape and re- ask it: Prove to me that improved inventory turn over improves financial value." Prove to me that rising cash flow improves financial value." Anyone with a nodding acquaintance with investment decision making knows that tracing value unequivocally to any one factor is an exercise in ambiguity. What makes a company's stock a good investment? It is rarely ever one thing.

Another way I judge the soundness of any question is to turn it upside down and ask it backwards. How do organizations where men are disproportionately represented in leadership positions improve financial value? You can be sure that no one has ever asked me that.

Thank you.