

Young Female, and CEO

A recent report shows that incoming CEOs at S&P 500 companies are getting younger, and women are securing more of these top jobs.

By Sarah Lynch, Staff Reporter



The C-suite is taking on a new look: Newly appointed CEOs at S&P 500 companies are trending younger, and more women are joining their ranks.

A recent report from the global executive search and leadership consulting firm Spencer Stuart shows that the average age for new CEOs at S&P 500 companies dropped from 55.9 years old in 2021 to 53.8 years old in 2022--the largest year-over-year drop in more than two decades. Almost 30 percent of those CEOs are younger than 50.

This marks a notable departure from the pandemic years; the average age of CEOs at their appointment peaked in 2021. About one in six new CEOs were older than 60, which Spencer Stuart attributed to boards valuing "CEO candidates with more experience to draw on" to guide companies through turbulent times.

But these recent figures from large companies could indicate a broader shift in business priorities at the C-suite level. Though younger CEOs may lack experience, research supports the premise that they can increase innovation -- for instance, achieving more patent citations than their older counterparts.

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Joelle K. Jay, executive coach and partner at the Leadership Research Institute, says that CEOs in the current business environment need "flexibility, resilience, energy, the ability to see things new, to be able to change the vision or to paint a picture of what's possible." She says these qualities might suit younger CEOs.

But the bigger seismic shift, in Jay's view, is the increase in women securing CEO positions. The Spencer Stuart report shows that 13 percent of new CEOs were women in 2022 compared with 6 percent in 2021. Women also held the top job in more than 10 percent of Fortune 500 companies in January 2023, a first in the list's decades-long history. While that representation remains disproportionately low, this recent data highlights the headway being made.

"Women are stepping up and saying, 'I've done the work. I have my business. I want to step in, and I want to make things happen.' It's very exciting," Jay says.

The current economy--with fears of recession, a slew of recent layoffs, yet a tight labor market--might favor older, more experienced CEOs again. Nevertheless, with more women leaders in place and a demonstrated preference shown toward younger CEOs, the Spencer Stuart report deems this data "a positive shift among boards away from 'the proven leader' (typically white and male) and toward high-potential leaders who are likely to drive outsize impact over a longer runway."



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