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# ***THE ROLE OF BUSINESS & INDUSTRY IN ACHIEVING RACIAL & ECONOMIC JUSTICE***

Brenda Covington-Johnson, BSCE '95

## *Audience Poll*

Please participate in 2 pulse survey questions:

Go to

**[www.menti.com](https://www.menti.com)**

and use the code:

**59 04 00**

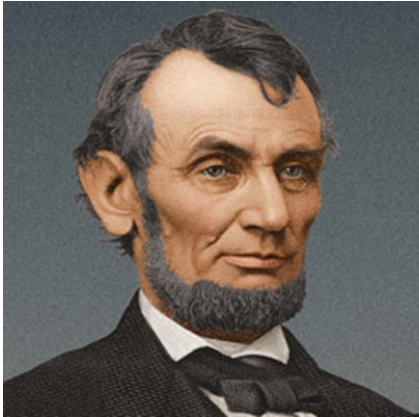


# ***THE PATH TO INJUSTICE***

An overview of historic systems and policies rooted in racism and discrimination

# *Racial & Economic Justice: The Path to Injustice*

An overview of historic systems and policies based in racism and discrimination



## Civil War Era:

- The Homestead Act, 1862
- The Morrill Act, 1862
- Pacific Railway Act, 1862

## Reconstruction (1863 – 1877):

- Emancipationists
- White Supremists/KKK
- Reconciliationists
- Memphis Riots
- New Orleans Massacre



## Great Depression Era:

- Greenwood (Tulsa) District, 1921
- First New Deal, 1929 – 1933
- Second New Deal, 1935 – 1936

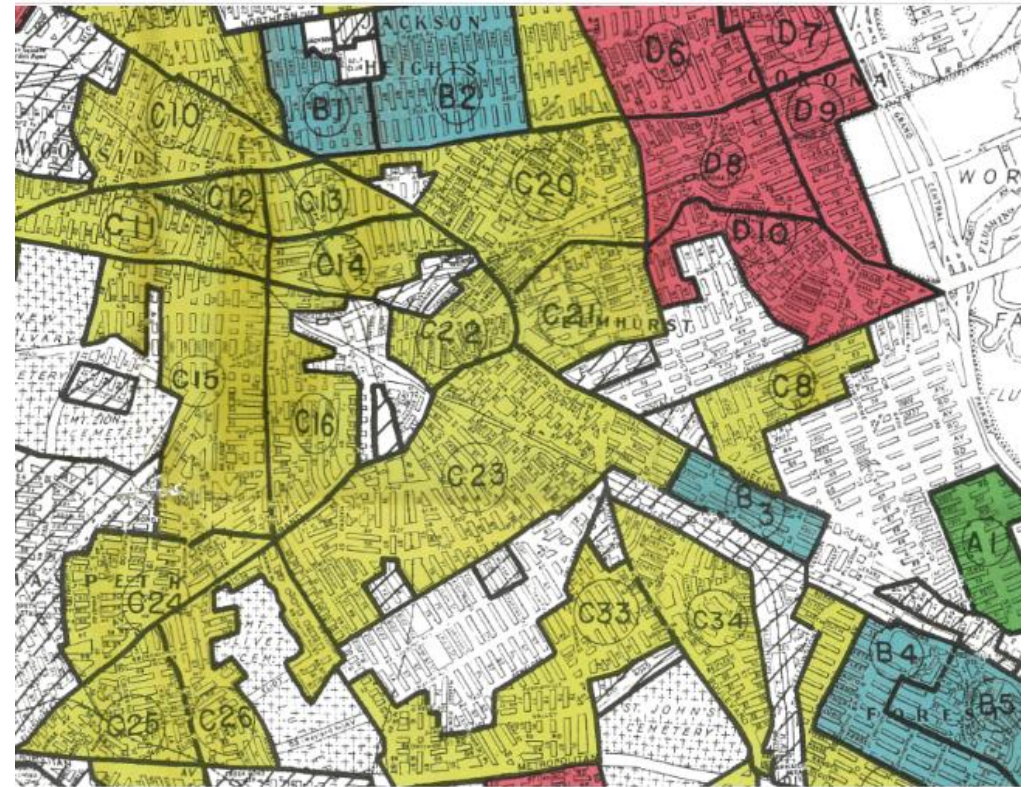
# *Racial & Economic Justice: The Path to Injustice*

An overview of historic systems and policies based in racism and discrimination

## Jim Crow & Post Civil Rights Era:

- San Antonio Independent School District v. Rodriguez, 1973
- Zoning Laws
- Banking & Finance

**REDLINING** - a practice that arose from the New Deal in which black neighborhoods were delineated to discourage lenders from issuing mortgages in those areas.



Credit: pbs.org (2020)



# *Racial & Economic Justice: The Path to Injustice*

The current movement to end systemic racism and economic injustice

## 21<sup>st</sup> Century:

- Gentrification
- Credit & Debt Financing Systems
- Employment Practices
- Healthcare Systems
- Education Systems
- Law Enforcement & Criminal Justice Systems

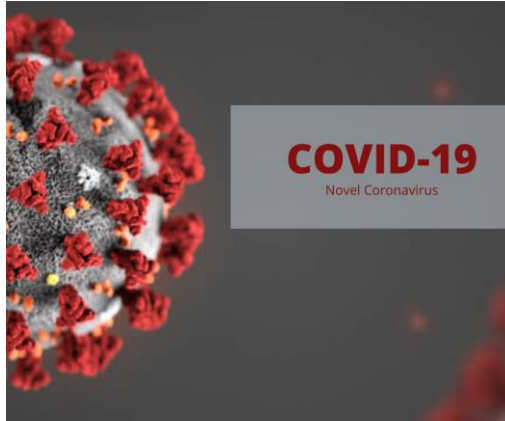


# ***WHERE ARE WE NOW...2020***

A discussion of current systems perpetuating racism and economic injustice



# *Racial & Economic Justice: Where We Are (2020)*



Stephanie Keith/Getty Images; A mural painted by artist Kenny Altidor

# ***DATA & STATISTICS***

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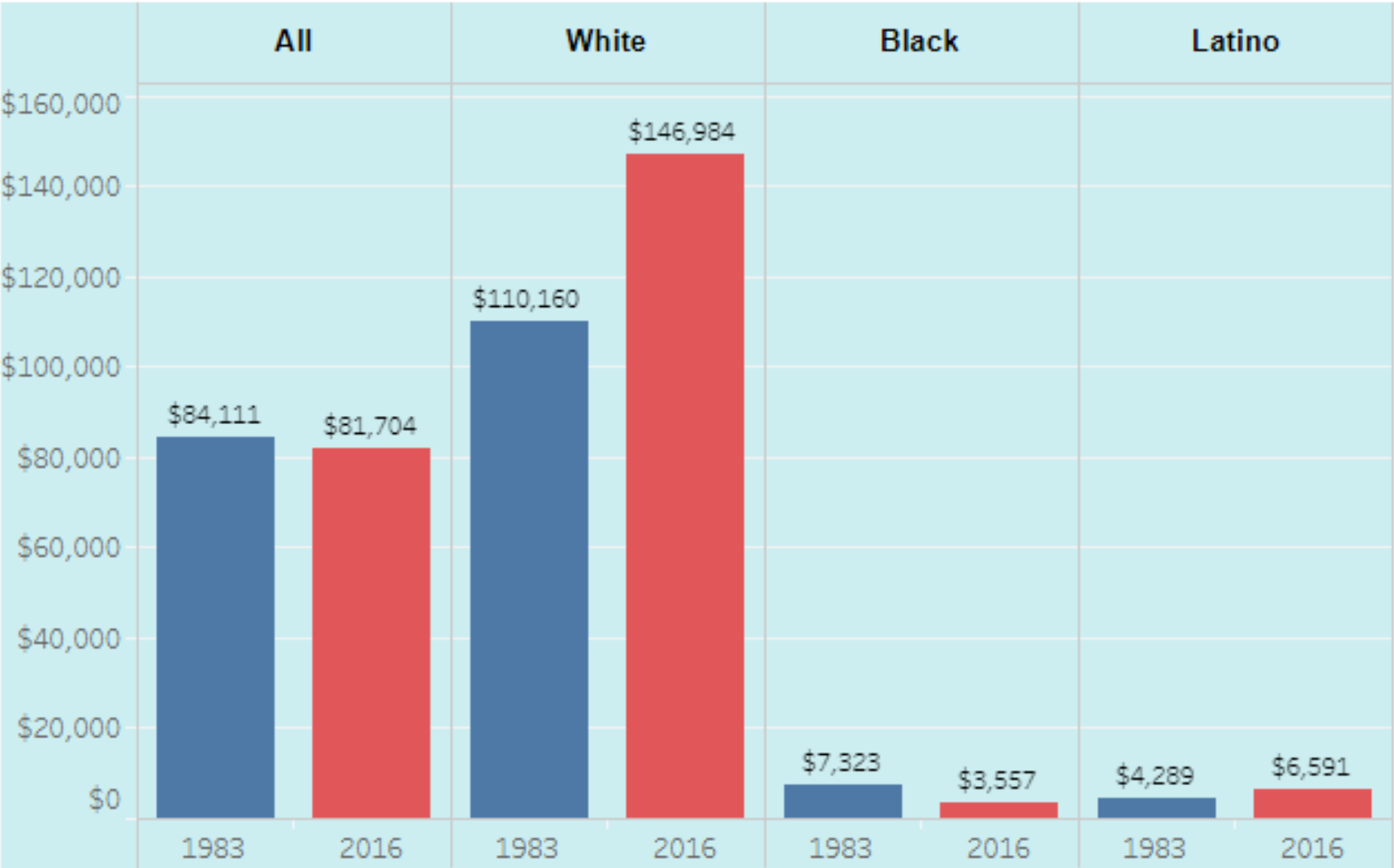
## **Median Family Income by Race**

**"The median White family has 41 times more wealth than the median Black family and 22 times more wealth than the median Latino family."**

*-Institute for Policy Studies, Racial Wealth Divide Report (2019)*

# Racial & Economic Justice: Where We Are (2020)

US Median Wealth by Race, 1983 and 2016



-Institute for Policy Studies,  
Racial Wealth Divide Report, 2019

# 3%

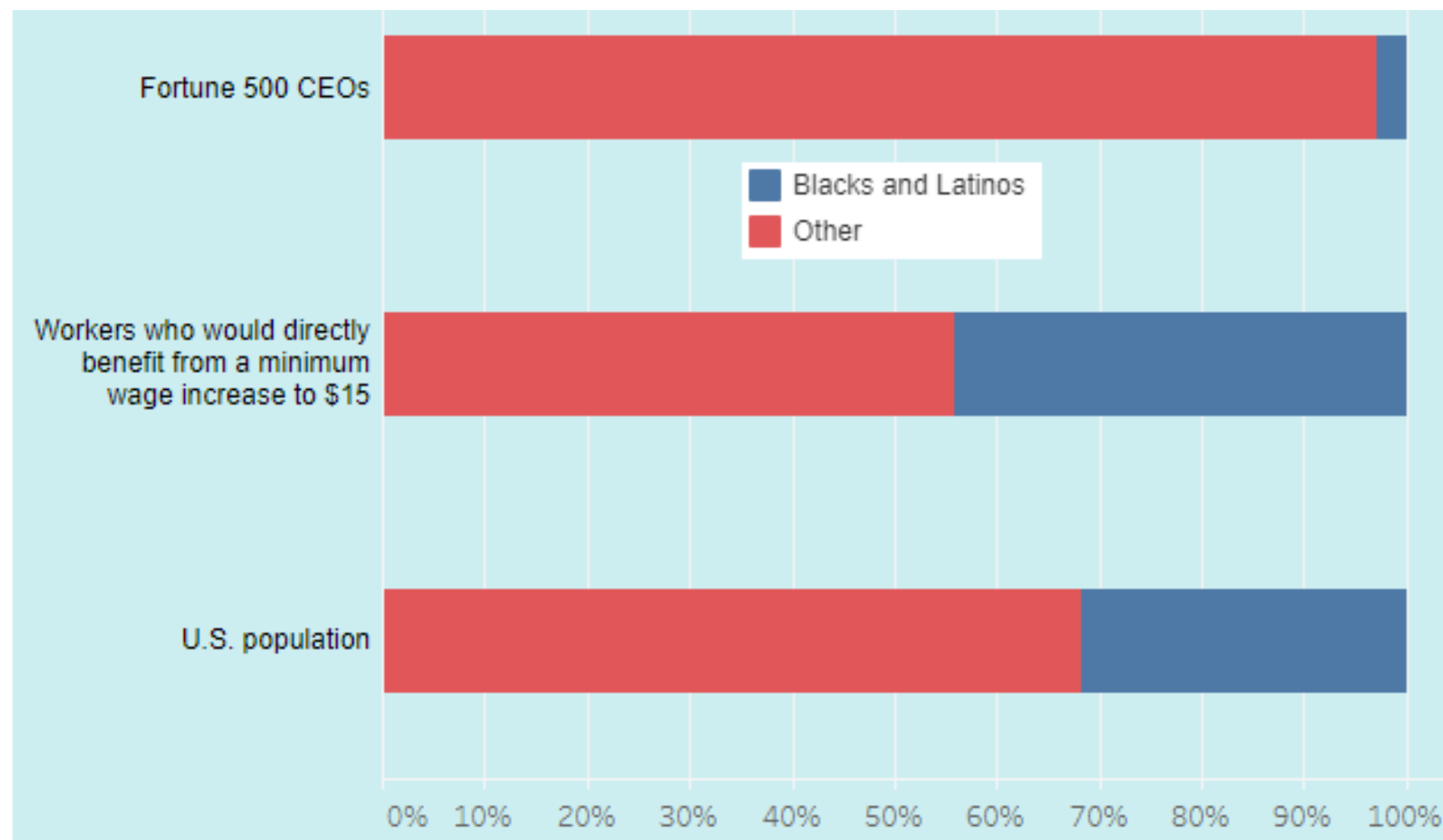
## Diversity in Leadership

In 2018, Fortune 500 CEOs included just  
4 Black people and 10 Latinxs,  
less than 3% of the total.

*-Institute for Policy Studies,  
Racial Wealth Divide Report, 2019*

# *Racial & Economic Justice: Where We Are (2020)*

## US Black and Latino Representation (2018)



Blacks and Latinxs comprise 31.7% of the U.S. population.

-Institute for Policy Studies,  
Racial Wealth Divide Report, 2019

# 77% vs. 3%

## Corporate HR Practices

77% of employers say that ensuring workforce diversity is a priority, but only 3% analyze this data to explore differences in pay and progression between different ethnicities and disabled and non-disabled employees.

*-Equality and Human Rights Commission  
(2018)*

# 1% vs. 80%

## Concentration of US Wealth

Over the past decade, the wealth of the top 1% of households has surpassed the combined wealth of the bottom 80%.

*-New York Times, "The America We Need"*



# *Racial & Economic Justice: Where We Are (2020)*

## Concentration of Wealth – America's Wealthiest Individuals



#1  
Jeff Bezos  
Amazon  
\$114 billion



#2  
Bill Gates  
Microsoft  
\$106 billion



#3  
Warren Buffett  
Berkshire  
Hathaway  
\$80 billion



#4  
Mark Zuckerberg  
Facebook  
\$69 billion



#5  
Larry Ellison  
Oracle  
\$65 billion



#6  
Larry Page  
Google  
\$55 billion

# Racial & Economic Justice: Where We Are (2020)

## Concentration of Wealth – America's Wealthiest Individuals

Other notables on the Forbes 400\*:

#11 - Alice Walton, Walmart, \$51 billion

#15 - MacKenzie Bezos, \$36 billion

#23 – Elon Musk, Tesla/Paypal, \$19 billion

#131 - Robert F. Smith, Vista Equity, \$5 billion

#275 – President Donald Trump, \$3 billion

#319 - Oprah Winfrey, \$2.7 billion



Alice Walton



Robert F. Smith



Oprah Winfrey

*Photo Credits:  
Forbes  
Boston Globe*



*\*The average net worth of a Forbes 400 member has risen to \$7.4 billion*

# ***HOW WE MOVE FORWARD***

Creating racial equity through workplace policies and relationships

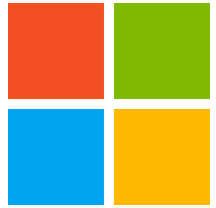


*“Businesses have to use every instrument at their disposal to reduce these barriers that existed.”*

-Ken Frazier, CEO of Merck

# Racial & Economic Justice: How We Move Forward

## How Companies are Leading in 2020



Microsoft is investing \$150 million in diversity and inclusion initiatives while working to double the number of Black employees in senior and leadership positions by 2025.



Bank of America has committed \$1 billion to address racial inequality to help communities hardest hit by the coronavirus pandemic.



Comcast pledged \$100 million over 3 years to fight injustice and inequality



Amazon committed \$10 million to support efforts to advance racial justice and equity for African Americans.



Walmart is investing \$100 million to create a new center on racial equity, addressing financial, health care, criminal justice and education.



PwC offers a 2-year fellowship program for some employees to work on policy issues that combat racial injustice and discrimination.



Michael Jordan & Jordan Brand pledged \$100 million over the next decade to groups working to end racial inequality.

# *Racial & Economic Justice: How We Move Forward*

Empowering Organizations to drive social change

## #1 Acknowledgement

1. Be transparent and honest about how your organization currently recruits, trains, mentors, pays and promotes black and under-represented employees
2. Admit shortcomings and oversights and embrace a willingness to invest time to listen, learn and reflect
3. Create safe spaces to discuss racism, micro-aggressions and biases that exist internally, ideally prior to issuing external brand statements



# *Racial & Economic Justice: How We Move Forward*

Empowering Organizations to drive social change

## **#2 Investigate & Audit**

1. Identify intrinsic bias in HR systems (recruitment, retention, pay, promotion, etc.) including automated systems
2. Perform anonymous “pulse” surveys of all staff regarding culture, opportunity, bias, inclusion and discrimination
3. Perform a pay equity audit across all positions and levels by race, ethnicity, and gender; identify and correct pay gaps; share the results



# *Racial & Economic Justice: How We Move Forward*

Empowering Organizations to drive social change

## **#2 Investigate & Audit**

4. Assess wages, benefits and other internal policies that may be disproportionately impacting employees of color
5. Review business practices and programs that negatively impact black and brown stakeholders and under-resourced communities
6. Analyze and discontinue products and services that harm communities of color (e.g. predatory lending)



# *Racial & Economic Justice: How We Move Forward*

Empowering Organizations to drive social change

## #3 Act

1. Require on-going implicit bias training for board members, leadership and all employees
2. Set specific targets to hire, retain, and promote a diverse workforce, leadership, and board members that mirror the diversity of:
  - the local community
  - the nation
  - or seeks to positively impact under-represented populations
3. Use technology to help with diversity and equity goals

# *Racial & Economic Justice: Where We Are (2020)*

## #2 Investigate & Audit

"It's true that what gets measured gets done, so businesses will welcome steps to help them collect diversity data, set targets and track progress, as well as understand the issues faced by different groups of workers."

*-Matthew Fell, Confederation of British Industry, UK  
Policy Director*



"Diversity is being invited to the party, inclusion is being asked to dance, and belonging is dancing like no one's watching. Belonging is the feeling of psychological safety that allows employees to be their best selves at work."

*LinkedIn, Human Capital Management  
Trends' Report (2018)*



# *Racial & Economic Justice: How We Move Forward*

How Business and Industry are empowered to drive social change

## #3 Act

4. Diversify your management teams
5. Ensure under-represented team members have more than a seat at the table
6. Create, maintain, and track an culture of belonging
  - Address microaggressions
  - Employ top-down and bottom-up support and accountability systems

# *Racial & Economic Justice: How We Move Forward*

How Business and Industry are empowered to drive social change

## #3 Act

7. Design products and services that create racially equitable outcomes
8. Pay a living wage
9. Commit to internal mentoring and apprenticeship programs
10. Create a diverse supplier pipeline
11. Engage in advocacy – perception, practice & policy

# *Racial & Economic Justice: How We Move Forward*

## Caterpillar, Inc. – A Case Study

- Caterpillar sought to attract a more diverse talent pipeline for all roles within their organization
- The manufacturing skills gap made recruitment of young people a challenge, as did the demographics of its Peoria, Illinois location where 19% of Black Americans are unemployed.
- Caterpillar partnered with Peoria Public Schools to pilot the “E<sup>4</sup>Life” program - addressing education, employment, economic foundation and soft skills
- Seven students completed the pilot program, and four of those were hired to full time roles.



# *Racial & Economic Justice: How We Move Forward*

## Caterpillar, Inc. – A Case Study

- Students benefited from mentors who helped them navigate expectations and organizational culture
- Corporate mentors engaged directly with students, broadening their understanding of their life experiences and challenges
- The school district has now adopted the Essential Skills training into the curriculum for the entire district of 6,000 students and Caterpillar has expanded the program to include STEM careers



Credit: talentwire.org

# *Racial & Economic Justice: How We Move Forward*

## Assessment & Solution Tools

### **Frontline Manager Training**

<https://gradsoflife.org/omt-tool/>

Identify the gaps in your frontline talent sourcing, recruitment, retention, and training strategies.

### **Opportunity Navigator**

<https://opportunitynavigator.org/>

Understand proven practices in Opportunity Employment that lead to positive outcomes for employees and for your business.

### **Talent Rewire**

<https://www.talentrewire.org/>

Engage employers and workforce partners to drive talent practice change and advance Opportunity Employment



# *Racial & Economic Justice: Empowering Alumni Leaders*

## **Call to Action: Alumni Leaders**

1. Be authentic and accountable; Forgive yourself quickly for mistakes. Continue onward.
2. Contribute to the movement in ways comfortable (and uncomfortable) to you
3. Commit to engaging one-on-one with you those you assume are most unlike you
4. Embrace allyship; leverage your influence and social capital to stand up against racism and injustice

## **Final Thoughts & Reflections**

- Social movements are experienced on a macro-level, but positive social change cannot occur without the courage of individuals (micro-level) to act in partnership
- Contribute to the movement in ways comfortable (and uncomfortable) to you
- Commit to engaging one-on-one with those you assume are most unlike you

## Alumni Leaders...



**be a Pillar of  
Strength for  
Purdue and  
beyond!**



***THANK YOU***

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