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# The Racial Equity Dividends Index: Private Sector

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# Agenda

- About the Center for Economic Inclusion
- Overview of the Racial Equity Dividends Index
- Opportunities for partnership



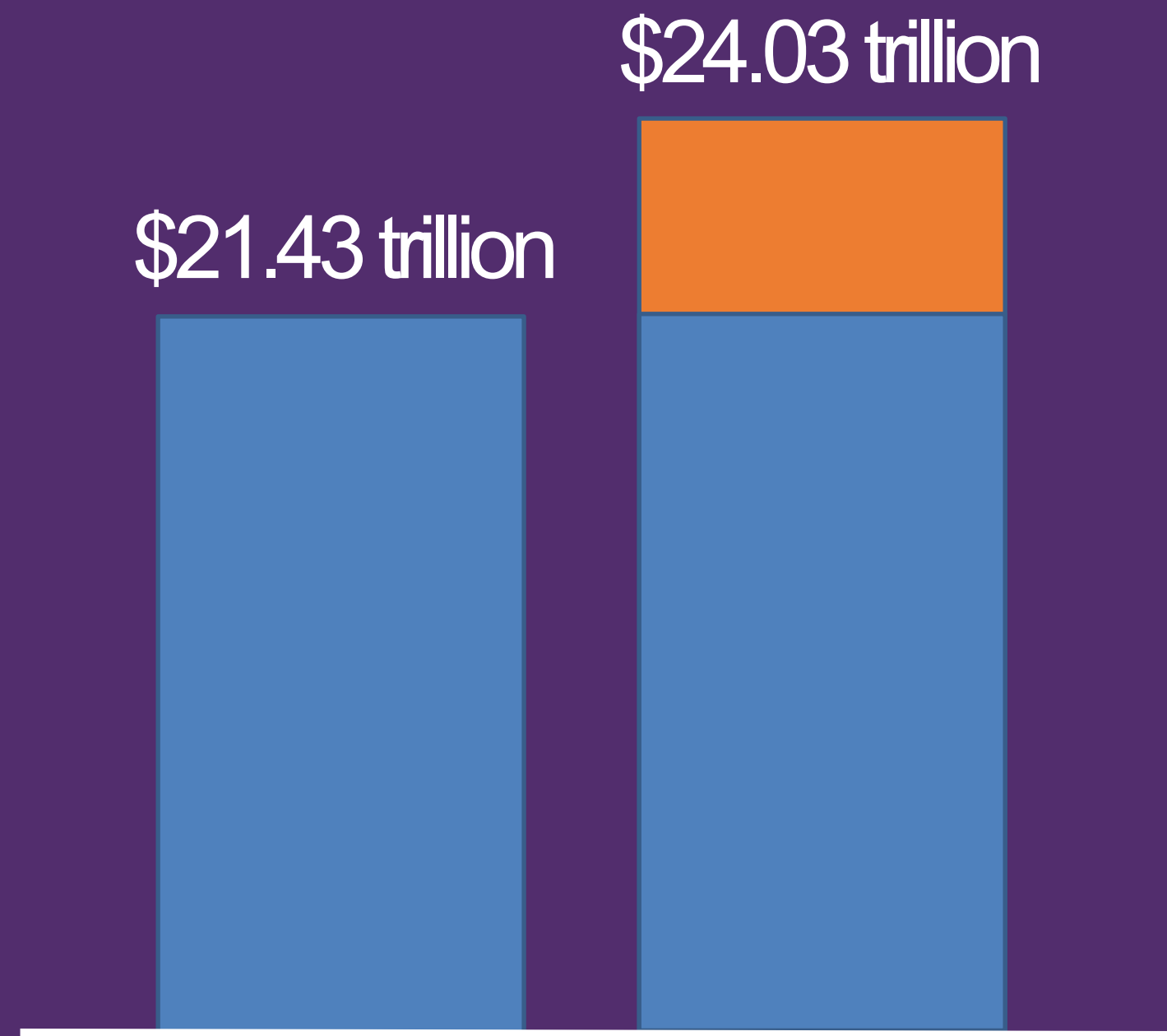
# Our Purpose

- The nation's first organization created exclusively to **build regional economies that work for everyone.**
- We build new systems for **racial and economic justice and equitable wealth.**
- We equip public and private sector leaders with the knowledge and tools to close racial wealth gaps and build **racially equitable and inclusive regional economies.**



Only the full economic participation of people of color will unlock our region's potential for growth





"The U.S. economy would be \$2.6 trillion larger if gaps in labor market opportunities and returns [by race and gender] were eliminated."

- Buckman, Seitelman, Choi, and Daly, "The Economic Gains from Equity," San Francisco Fed, 2021



# Team



Linda Agnes



Andrea Ferstan



Tiffany Wilson-Worsley



Jonathan Johnson



Tawanna Black



Tim Boudreaux



Suzanne Kelly



Tony Tolliver



Saroeun Earm



Tamara Pickney



Henry Walker



Sarah Milnar



Isaac Russell



Karen Cusey



Maggie Dalton



Betsy Ohrn



Shoreé Ingram



Nathan Arnosti



Heidi Dodd



Priscilla Stallings



Michele Pletcher



Kowsar Mohamed

# The Racial Equity Dividends Index

A tool to help companies achieve the dividends of racial equity

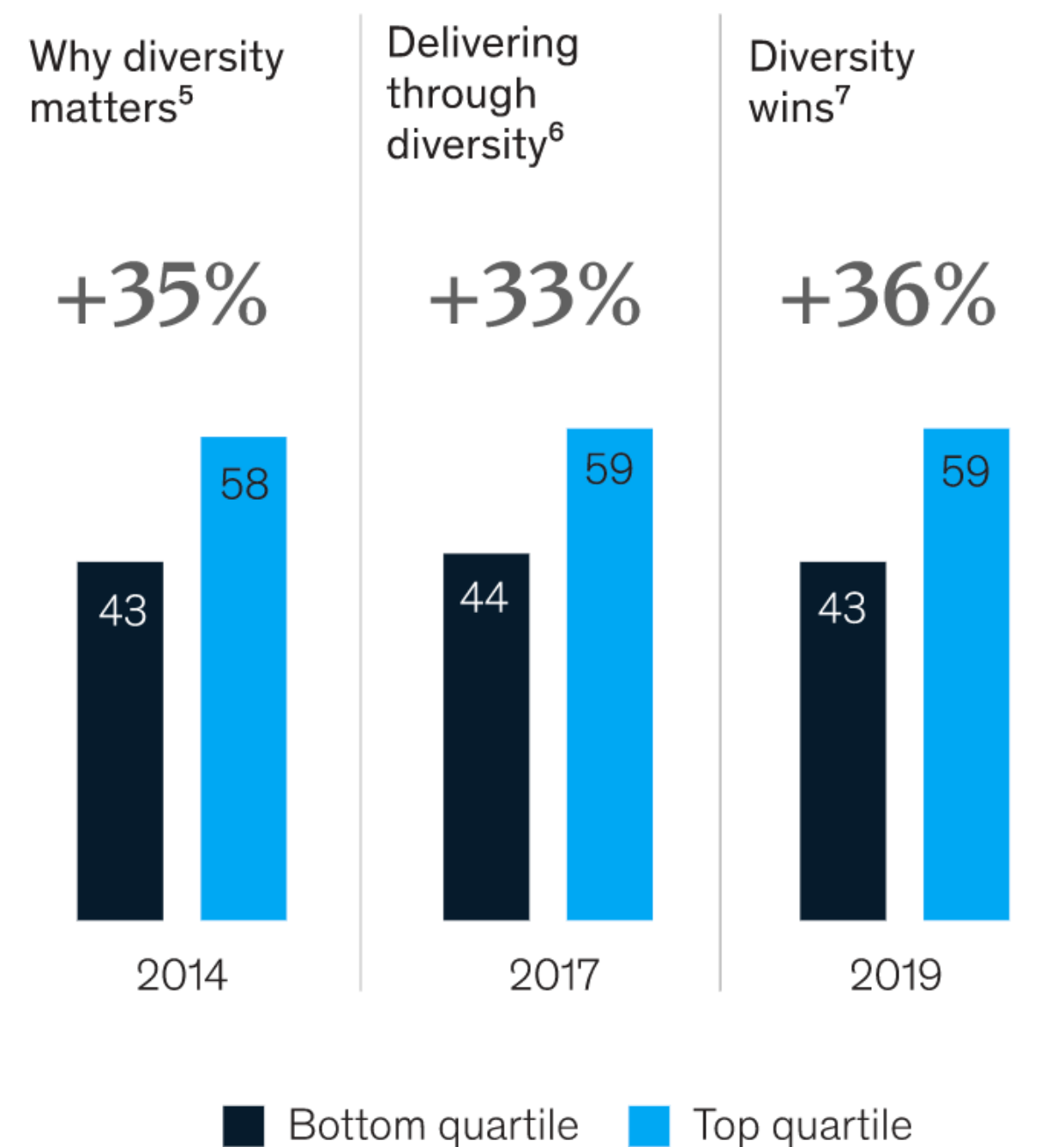




The business case for diversity in executive teams remains strong.

Likelihood of financial outperformance,<sup>1</sup> %

By ethnic diversity



“Racial diversity is associated with increased sales revenue, more customers, greater market share, and greater relative profits.”

- Professor Cedric Herring, the University of Illinois at Chicago, *American Sociological Review*, “Does Diversity Pay? Race, Gender, and the Business Case for Diversity,” 2009



# Responsive to what companies need

“There’s strong interest from business leadership in benchmarking their progress on racial equity and seeing practical, tangible data.”



We believe that what gets  
measured gets done.





Best Place To Work For Disability Inclusion



## Measuring business performance against **43 racially equitable standards across 7 domains:**



**Leadership**



**Hiring**



**Culture,  
Retention &  
Advancement**



**Procurement**



**Public  
Policy**



**Philanthropy &  
Investment**



**Products/  
Marketplace**

### **SAMPLE QUESTIONS**

“Does your organization pay all employees a family-sustaining wage?”

“Does your organization have a MBE procurement strategy with measurable goals?”

## People

- Workforce racial demographics (*Board, Executive Leadership, Supervisors, all full-time staff, part-time staff, contingent workers*)
- Employees earning a family-sustaining wage
- Retention
- Promotion
- Benefits

## Procurement

- Number of MBE suppliers
- Spend with MBE suppliers

The 40 participating companies  
in the 2022 Index employed more  
than 200,000 Minnesotans

*(and 765,000 workers globally)*



**RACIAL EQUITY DIVIDENDS INDEX 2022**

# SCORE REPORT

Company ABC

**OVERALL SCORE: 50 out of 100 points**  
**PERCENTILE (ALL ORGANIZATIONS): 70%**  
**PERCENTILE (PEER ORGANIZATIONS): 40%**

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### Introduction

By completing the 2022 Racial Equity Dividends Index survey, you and your organization have taken an important step to assess your progress towards building, and benefiting from the dividends of, racially equitable workplaces. This score report is designed to provide leaders at your organization a clear understanding of what opportunities exist to strengthen organizational policies and practices to build inclusive workplaces. It also shares how your existing practices compare with peers and offers an initial roadmap for how your organization can keep moving forward. **Thank you for being a partner in the goal of building racially equitable and inclusive workplaces in Minnesota.**

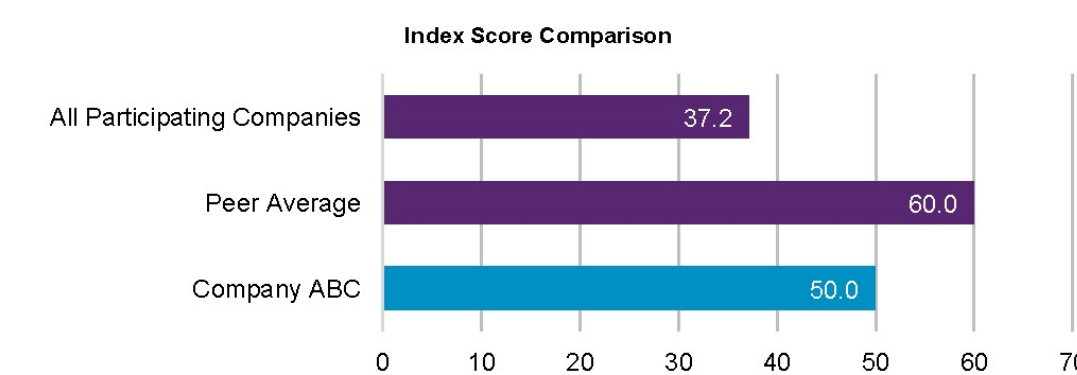
On scoring: all 36 multiple choice questions in the 2022 Index survey are weighted equally. Organizations score full points for each "Yes" answer given, and no points for all other answers. Questions with answers of "not applicable" are excluded from scoring.


### Peer Comparison

This score report benchmarks Company ABC's scores against other participating **Peer Group 1** companies.

	Headquartered in MN	Number of full-time employees in MN	Total number of full-time employees
Peer Group: Peer Group 1	9 of 10	7,500	23,000
Company ABC	Yes	6,000	18,000

**Index Score Comparison**












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## HIRING

**Your Score: 4 out of 6** (peer average: 2) ■ Yes ■ Somewhat ■ No ■ Not sure

Question	Your Answer	Peer Answers
Does your organization set <b>enterprise-wide goals for hiring, retaining, and advancing</b> workers of color and hold organizational leadership accountable for meeting these goals?	■	
Does your organization intentionally <b>recruit from racially diverse talent pools</b> , including schools, workforce development programs, and other community-based organizations with high shares of Black, Indigenous, Hispanic, and/or Asian people?	■	
Does your organization take <b>ongoing actions to remove bias from application processes</b> , including through regular training, blind resume reviews, racially diverse interview committees, ban the box / re-entry policies, etc.?	■	
Does your organization <b>publish salary information</b> for job postings?	■	
Does your organization <b>evaluate applicant pools based on the share of applicants of color</b> before beginning an interview process?	■	
Does your organization <b>invest in local talent pipelines</b> through paid internships, training partnerships with community colleges or local workforce development providers, scholarships for students who are not related to employees, and/or other substantial career exposure opportunities?	■	



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# FAQs

- All private sector businesses are eligible to register
- The Index survey is completed once per company
- Company scores are confidential
- Tiered pricing keeps the Index affordable to all:

< 500 FTEs:	\$1,500 per company
500 – 5,000 FTEs:	\$2,000 per company
5,000+ FTEs:	\$3,500 per company



## Registration deadline: February 24, 2023

	DEC	JAN	FEB	MAR	APR	MAY	JUNE
Registration	Active	Active	Active	Completed	Completed	Completed	Completed
Survey Release	Completed	Completed	Completed	Active	Completed	Completed	Completed
Index Results Release	Completed	Completed	Completed	Completed	Completed	Completed	Active



“Do the best you can  
until you know better.  
Then when you know  
better, do better.”

***MAYA ANGELOU***

# Take action!

## Partnership Opportunities:

1. **Register for the Index.** Registration is now open on our website through Feb 24
2. **Promote Shared Accountability.** Help us spread the word!
3. **Sponsor costs for other participants.** Subsidize costs for partners & suppliers
4. **Go deeper with consulting support.** Center staff are ready to support your Index strategy implementation





Thank you!

