



How leading companies in Minnesota are building racially equitable and inclusive workplaces

Insights from the Racial Equity Dividends Index

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Purposes of this session

- Deepen understanding of how Minnesota companies are building racially equitable workplaces
- Equip participants with knowledge to take action to build more racially equitable and inclusive organizations

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|----|---|---------|
| 1. | Welcome & Introduction to the Index | 10 mins |
| 2. | Insights on leading companies in MN | 15 mins |
| 3. | Workshop: exploring racial equity standards | 10 mins |
| 4. | Action steps | 5 mins |
| 5. | Q & A | |



Who We Are

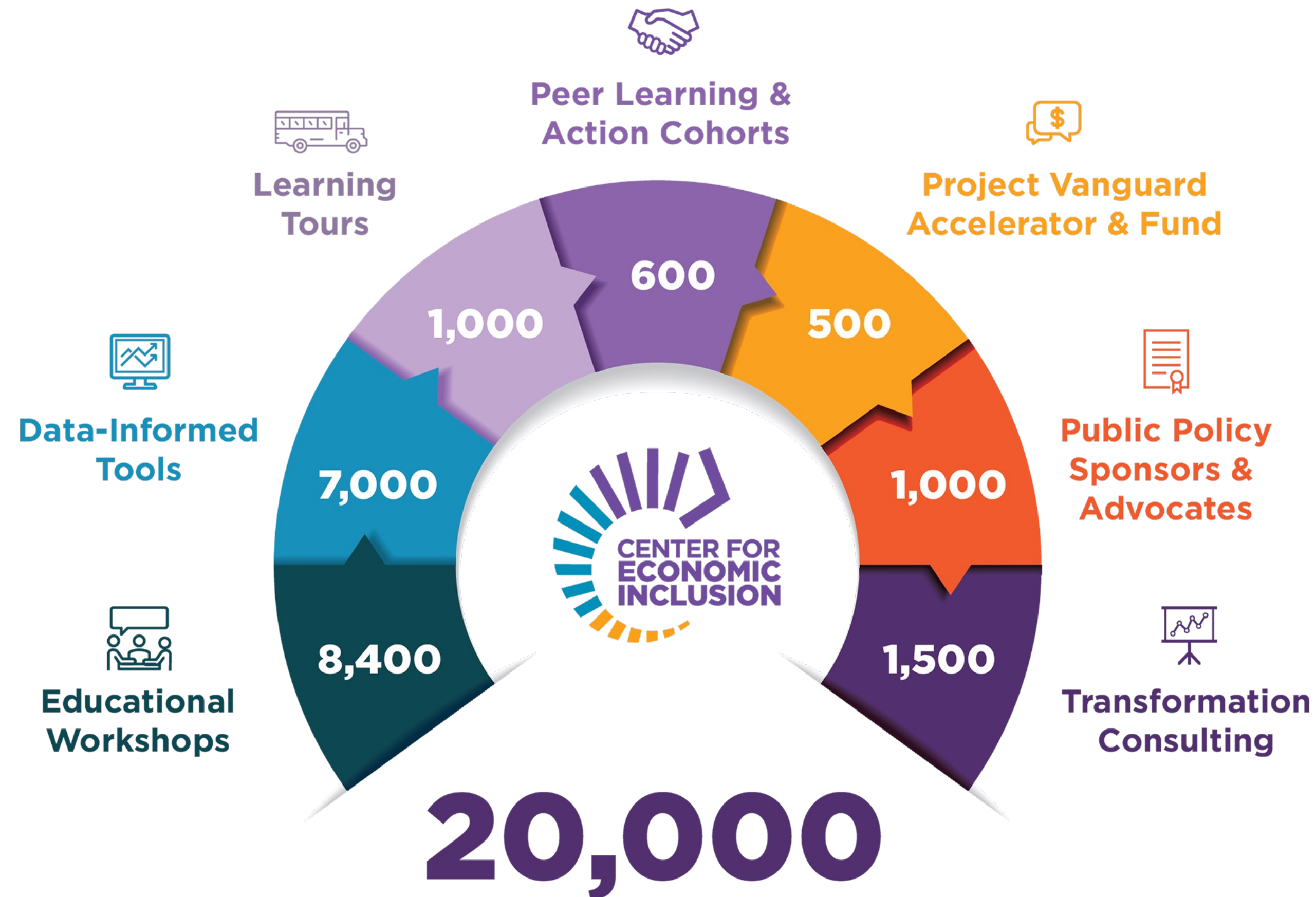
- Minnesota-based nonprofit founded in 2017
- We work with public and private sector partners to close racial wealth gaps and achieve shared regional prosperity.
- We move people and organizations from **awareness** about racial disparities and opportunities for equity and inclusion to taking meaningful, measurable **action** to foster **accountability** to build and sustain economies that benefit everyone.

We are your partners in building a better future for everyone.

Awareness.

Action.

Accountability.



20,000
people take anti-racist action
to create a racially just, inclusive, and
economically vibrant regional economy
for 3,000,000 people by 2028

Team



Linda Agnes



Nashan McKelton



Tiffany Wilson-Worsley



Andrea Ferstan



Joseph Leadley



Saroeun Earm



Tamara Pinckney



Kimberly Anderson



Pshorrwon Pshorr



Hal Reynolds



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Karen Cusey



Maggie Dalton



Alvina Kasin



Betsy Ohrn



Pearl Dobbins



Alex Brewer



Suzanne Kelly



Tim Boudreaux



Megan Garrido



Nathan Arnosti



Kowsar Mohamed



Heidi Dodd



Rebecca Toews



Shanisa Williams



Isaac Russell



Kira Lee Hutson



Heather Worthington



The Racial Equity Dividends Index

A tool to help companies achieve the dividends of racial equity



Measuring business performance against 43 racially equitable standards across 7 dimensions:



Leadership



Hiring



**Culture, Retention
& Advancement**



Procurement



**Products
& Services**



**Philanthropy
& Investment**



**Public
Policy**

Racial equity outcomes across:



People

- Workforce diversity at different levels
- Family-sustaining wages
- Hiring, promotion, retention rates



Procurement

- Supplier diversity
- Spending with minority business enterprises

About the Racial Equity Dividends Index for the private sector

- Helps organizations build racially equitable workplaces
- Issued annually; completed once per organization
- Each participant receives a score report
- An annual Index report is published on our website
- Organization scores are confidential
- High-scoring organizations are celebrated





39% of respondents received points for this question

A tool for action: Index score reports



2023 RACIAL EQUITY DIVIDENDS INDEX SCORE REPORT
Company Alpha

2023 OVERALL SCORE: **30.0 out of 100 points**
2023 PERCENTILE (ALL ORGANIZATIONS): **39%**
2023 PERCENTILE (PEER ORGANIZATIONS): **13%**

Introduction
By completing the 2023 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. The report shares how your existing practices, workforce demographics, and supplier spending compare with peers and offers an initial roadmap for how your organization can make measurable progress. Thank you for being a partner in the goal of building racially equitable and inclusive workplaces in Minnesota.

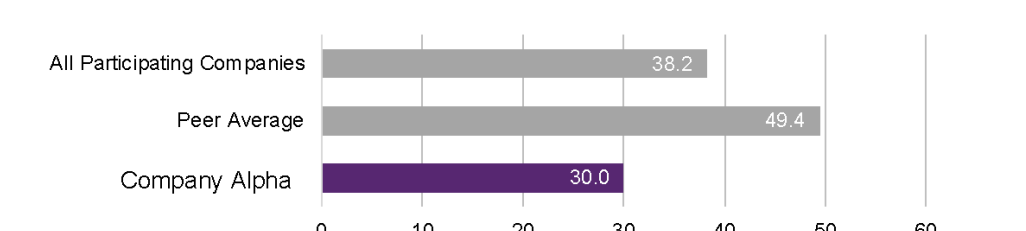
Scoring
All 43 multiple-choice questions about racial equity standards in the 2023 Index survey are weighted equally and scored out of 100 possible points. Organizations score full points for each "Yes" answer given, indicating the presence of a racial equity standard, and zero points for other answers. Questions with answers of "not applicable" are excluded from scoring. Racial equity outcomes data related to workforce demographics and supplier spending are included for comparison purposes, and do not affect an organization's score.

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Peer Comparison
This score report benchmarks Company Alpha's scores against other participating **Midsize companies**.

PEER DEMOGRAPHICS	Headquartered in Minnesota?	Number of full-time employees in Minnesota	Total number of full-time employees
Midsize companies	8 of 8	1,189 (avg)	1,429 (avg)
Company Alpha	Yes	185	723

INDEX SCORE COMPARISON



Company Alpha's Score Overview
12 out of 43 racial equity standards fully in place¹

Category	Standards Fully In Place	Total Standards
HIRING	3/7	7
CULTURE, RETENTION & ADVANCEMENT	4/9	9
LEADERSHIP	2/6	6
PROCUREMENT	0/8	8
PHILANTHROPY & INVESTMENT	1/4	4
PRODUCTS & SERVICES	0/4	4
PUBLIC POLICY	2/5	5

¹ Shaded sections reflect "Not Applicable" responses

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HIRING
Your Score: **3 out of 7** (peer average: 4.5) ■ Yes ■ Somewhat ■ Somewhat less ■ No ■ Not sure

Question	Your Answer	Peer Answers
Does your organization invest in local talent pipelines through paid internships, training partnerships with community colleges or workforce development providers, scholarships for students who are not related to employees, or other substantial career exposure opportunities?	Yes	100%
Has your company eliminated the use of prior salary information to inform pay and hiring decisions?	Yes	88% Yes, 13% Somewhat
Does your organization intentionally recruit from racially diverse talent pools, including schools, workforce development programs, and other community-based organizations with high shares of Black, Indigenous, Hispanic, and/or Asian people?	Yes	88% Yes, 13% Somewhat
Does your organization set enterprise-wide goals for hiring, retaining, and advancing workers of color and hold organizational leadership accountable for meeting these goals?	Somewhat	63% Yes, 38% Somewhat
Actions your organization currently takes:		
We set goals across our organization for hiring a racially diverse workforce	✓	100% of peers took this action
We set goals across our organization for retaining employees of color	⊕	63% of peers took this action
We set goals across our organization for promoting employees to produce racially diverse leadership teams	⊕	50% of peers took this action
We take action to hold leadership accountable for meeting these goals	⊕	63% of peers took this action

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Insights from Minnesota companies

**22 businesses employing 96,000
Minnesotans and 414,000 employees globally
participated in the Racial Equity Dividends Index
in 2023**





8

**Small
Companies**

< 500
Full-time
Employees



6

**Midsize
Companies**

500-5,000
Full-time
Employees

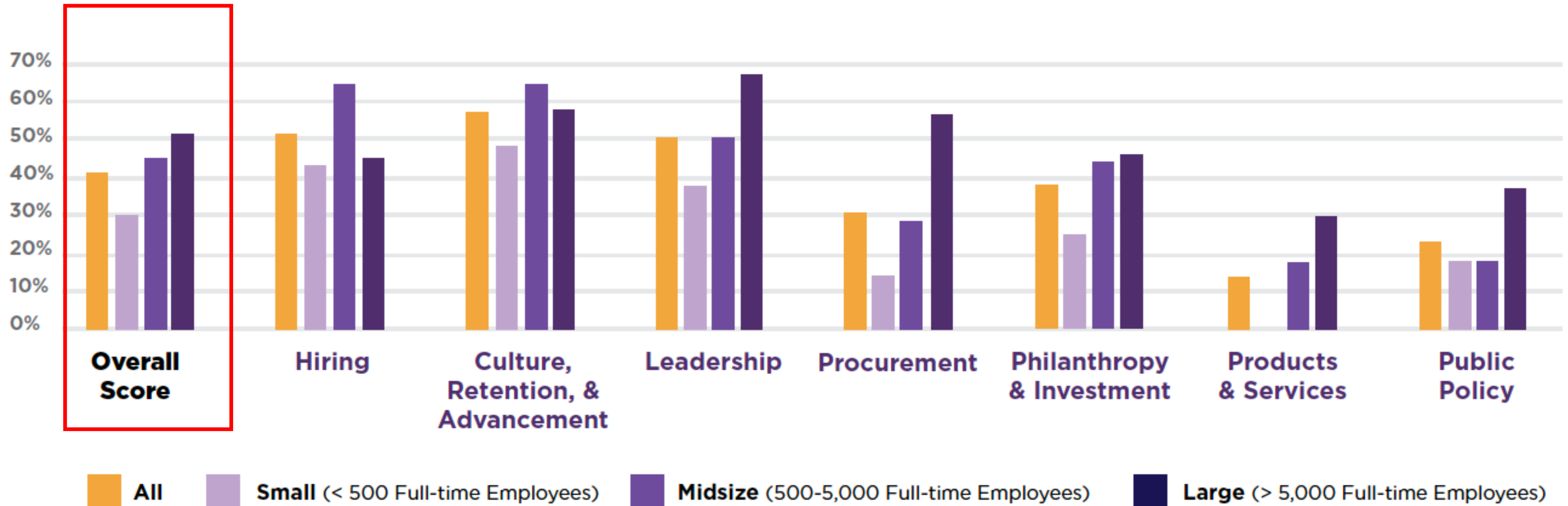


8

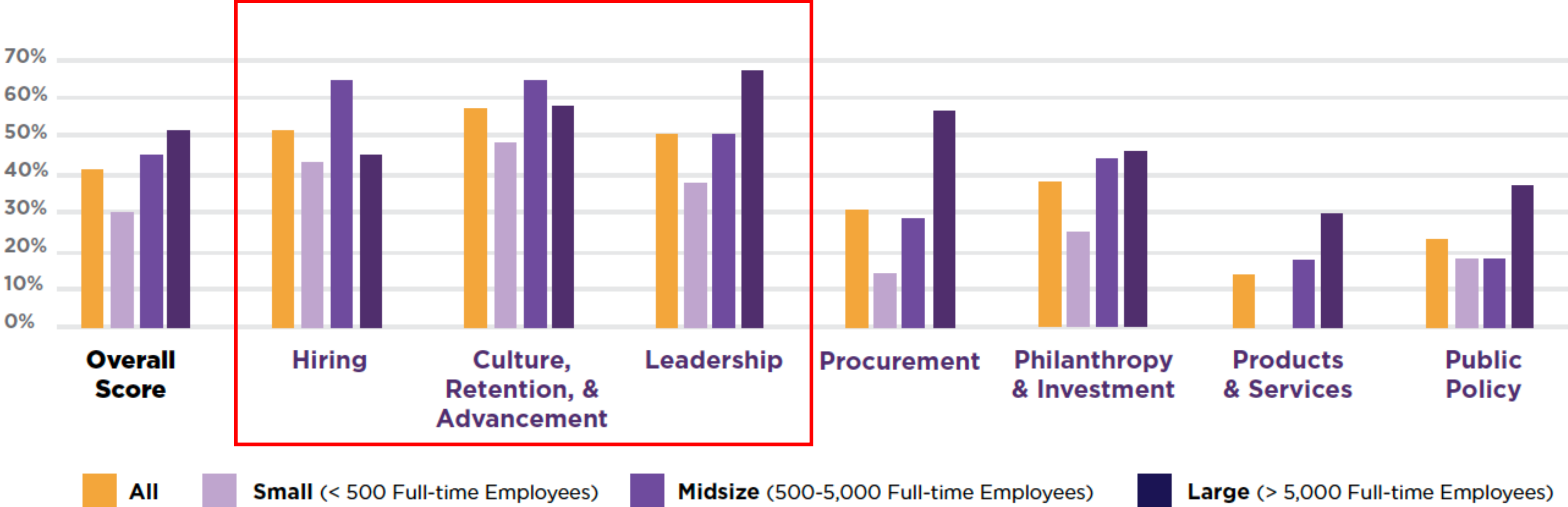
**Large
Companies**

5,000+
Full-time
Employees

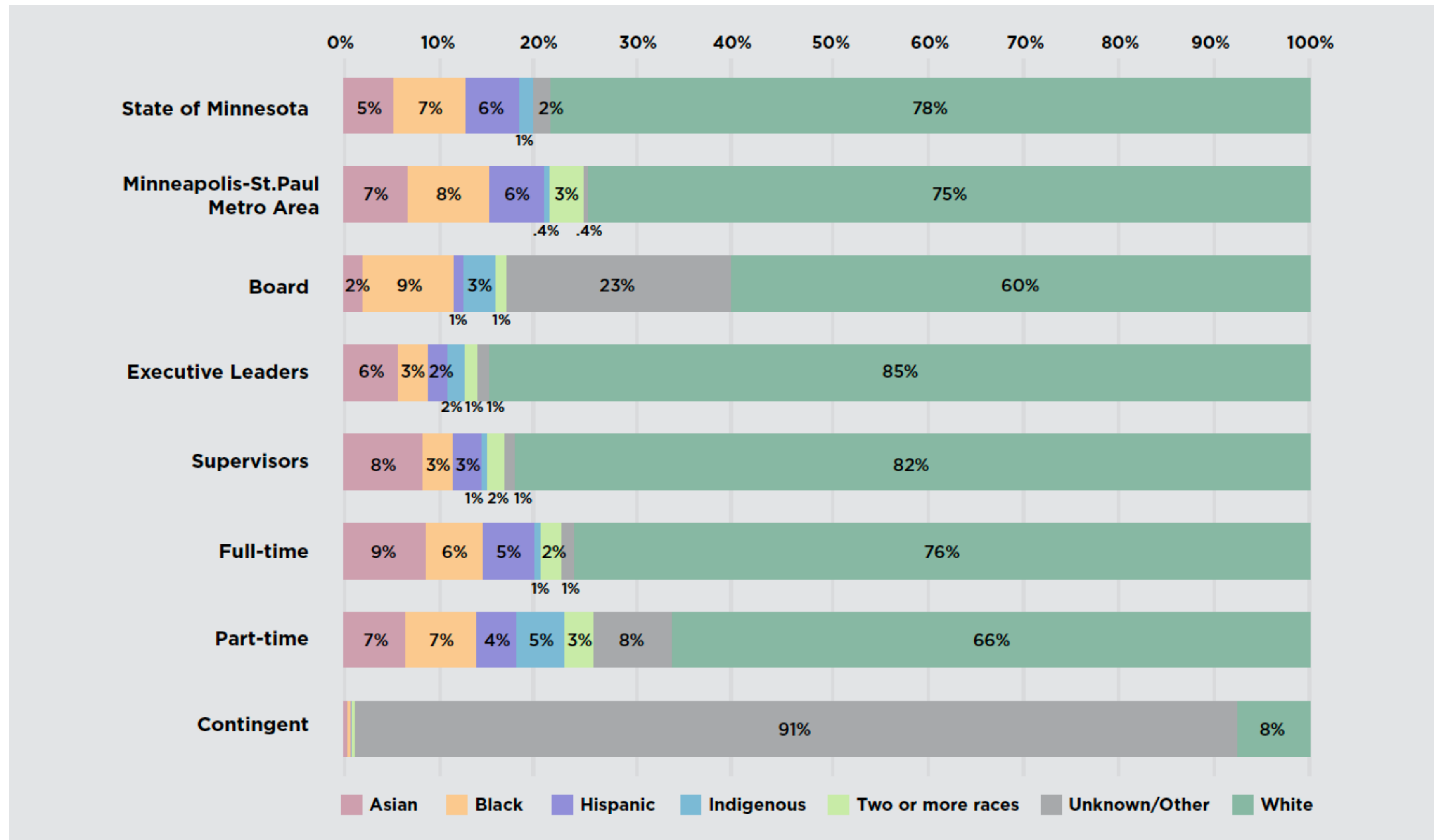
2023 Racial Equity Dividends Index scores by category and company size



2023 Racial Equity Dividends Index scores by category and company size



Workforce demographics of 2023 Index participants



Leadership

0%

of companies have senior leadership teams that reflect the racial demographics of their region.

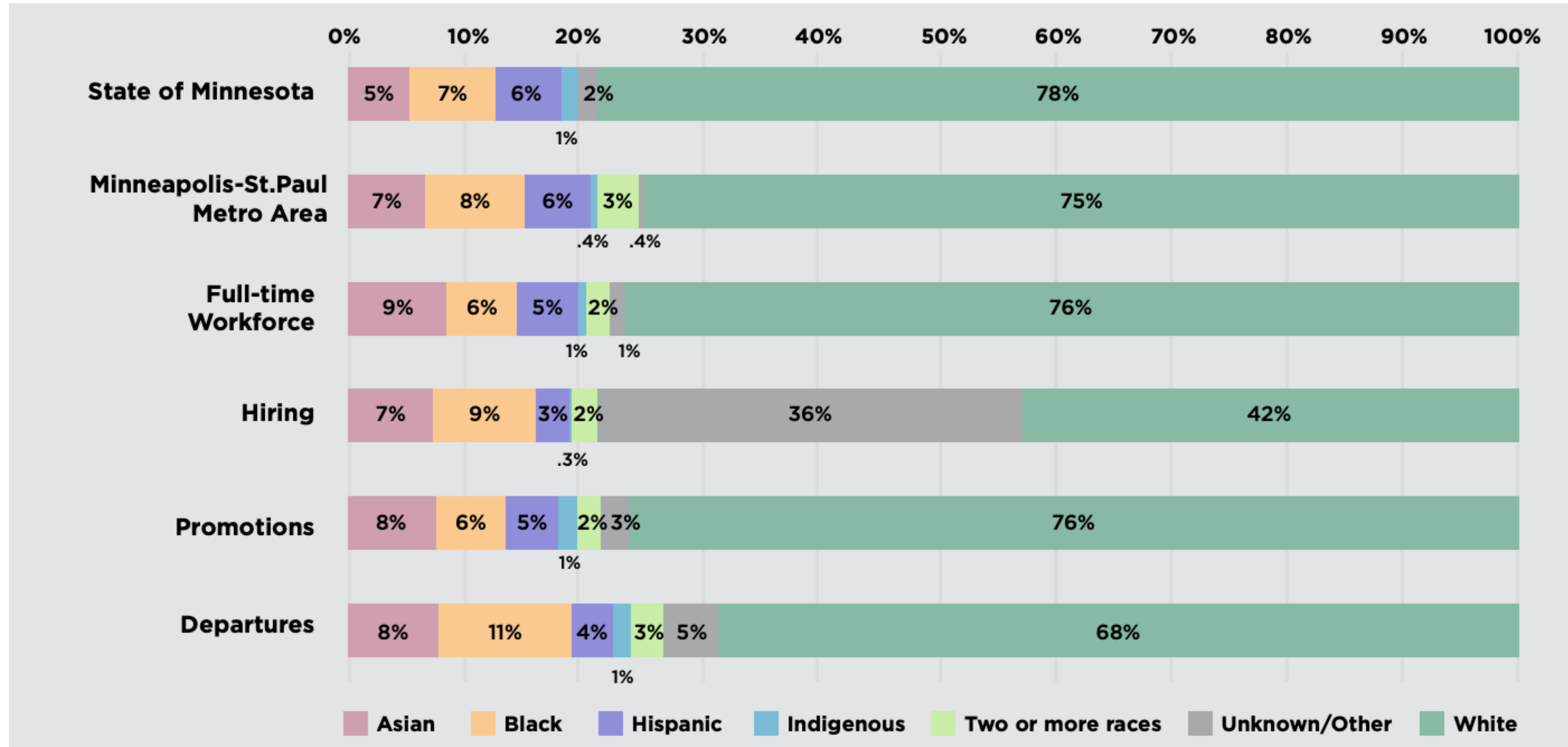
41%

of companies publish data on the racial demographics of their workforces.

Promising practices for racial equity in Leadership

Gillette Children's leadership reviews its workforce racial diversity and retention goals every other month and share detailed data by department with leaders annually. The organization has also contracted with the Center for Economic Inclusion to develop its first biannual Diversity, Equity, and Inclusion report.

Hiring, Promotion, & Departure rates across 2023 Index participants



Hiring

50%

of companies set enterprise-wide goals for hiring, retaining, and advancing Black and Brown workers within their organizations.

Promising practices for racial equity in Hiring

Grant Thornton has implemented a national Diversity Recruiting Strategy team. The goal of this team is to embed diversity recruiting into everything the company does, so it is not just viewed as isolated diversity recruiting events, but a key part of all recruiting efforts.

The Minnesota Twins Baseball Club incentivizes accountability for diverse hiring by tying efforts to leadership bonuses.

Culture, Retention & Advancement

55%

of companies provide formal mentorship opportunities specific to Black, Indigenous, Hispanic, and/or Asian workers.

14%

of companies pay all employees a family-sustaining wage for Minnesota.

Promising practices for racial equity in Culture, Retention & Advancement

U.S. Bank has enhanced an existing sponsorship program to support emerging leaders who are women and professionals of color, identifying the following goals: increase visibility of protégés with senior and executive leadership; advance succession readiness for people of color and women leaders; and increase retention, engagement, and promotion rates among the emerging leader talent pipeline. The company has also standardized criteria for identifying high potential leaders based on annual assessment of results achieved, demonstrated leadership behaviors, and expected contribution within the next few years.

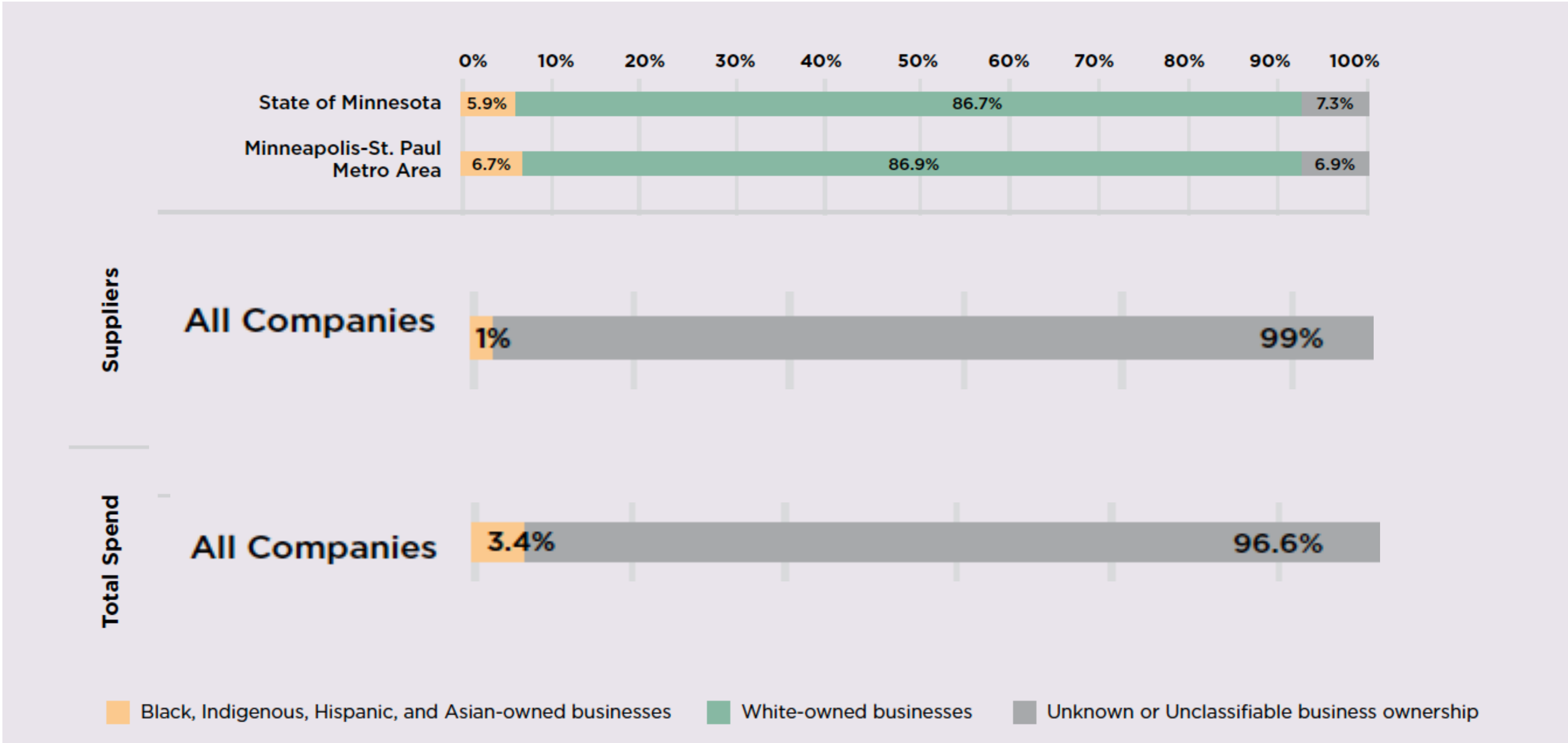
EXTERNAL CASE STUDY

Bank of America leads on wages, benefits, and career development

Bank of America has established itself as a leader on fair wages. The company made a pledge to set its minimum hourly pay to \$25 by 2025, and has recently raised its by minimum wage to \$22 an hour. These raises build on a series of substantial pay increases for its lowest-paid workers since 2017, when the company raised wages to \$15 per hour. The company also announced that all of its U.S. vendors are now required to pay their employees dedicated to the bank, at or above \$15 per hour.

Sheri Bronstein, Chief Human Resources Officer at Bank of America, noted that “we make broad-ranging investments to attract and develop talented teammates who serve our clients and local communities every day, and who can build long, successful careers with our company.” In recognition of its commitment to paying all employees family-sustaining wages, Bank of America was ranked first overall in Just Capital’s 2023 company rankings.

Supplier diversity among 2023 Index participants



Procurement

50%

of companies have a Minority Business Enterprise procurement strategy with measurable goals.

29%

of companies require that all RFP processes seek out additional bids from Black, Indigenous, Hispanic, and Asian-led companies if no bids from these groups have been received.

Promising practices for racial equity in Procurement

Mortenson has taken steps to strengthen its supplier diversity by offering accelerated payments for small and diverse firms, creating retention plans for these firms, and eliminating bonding requirements through subcontractor default insurance.

EXTERNAL CASE STUDY

JetBlue adopts a data-driven approach to supplier diversity

JetBlue has made longstanding commitments to racially diverse hiring strategies, but at the start of the Covid-19 pandemic, recognized that realigning and diversifying their supply chain was necessary. Spiros Kallinikos, a senior analyst at JetBlue said, “We realized that we needed to have more of a focus on diversity externally, and one of the best ways to do this is to make our supply chain more reflective of not just our customer base but our communities.” The company has implemented new initiatives to support supplier diversity, including a process to include at least one diverse supplier in every RFP and increase its diverse supplier base. This effort started with the leadership team’s buy-in. “Leadership support is No. 1,” Kallinikos said. “Including growth goals in our leaders’ objectives is key to supplier diversity success because then it becomes everyone’s responsibility. Those goals trickle down and get absorbed by everyone within the organization.” Kallinikos meets with eight leaders that oversee meaningful spend, including technical operations, airports, and HR, twice a year to review data on the company’s progress towards its supplier diversity goals. JetBlue set a goal to grow its underrepresented business base by 5 percent year over year.

JetBlue’s DEI team coordinates and advises on its supplier diversity program, educating internal stakeholders about supplier diversity initiatives and considering what additional steps they can take, including supporting greater racial diversity among Tier 2 suppliers.

Note: this case study has been adapted from [Supplier.io](https://www.supplier.io)

Products & Services

43%

of companies have conducted analyses on how existing products and services are serving Black and Brown consumers within the past three years and have acted on those findings.

Promising practices for racial equity in Products & Services

Allianz Life has worked to make its products more accessible by offering corporate and product content for Chinese and Spanish-speaking clients and has created a new role, Multicultural Director, to support access to the company's services in racially diverse markets.

3M has developed a Sustainability Value Commitments framework to inform the development of new products, and in 2021 added new commitments related to equity and social justice: specifically, to design products that provide solutions to historically marginalized groups. In 2022, 100% of new products entering the commercialization process incorporated at least one Sustainability Value Commitment.

Allina Health now distributes hair care products made by and for Black individuals in all of its in-patient units across all of its hospitals and clinics.

Philanthropy & Investment

64%

of companies identify racial equity as a priority in their philanthropic giving.

24%

of companies measure the share of their philanthropic funding going to Black, Indigenous, Hispanic, or Asian-led organizations and set goals for increased investment.

Example high-scoring business badge



Leadership

3M
Allina Health
Best Buy
Bremer Bank
Grant Thornton LLP
Mille Lacs Corporate Ventures
Mortenson
Pohlad Companies
United Properties
U.S. Bank

Hiring

Carousel Motor Group
Gillette Children's
Mille Lacs Corporate Ventures
Minnesota Twins Baseball Club
PAR Systems
U.S. Bank

Culture, Retention, & Advancement

3M
Allianz Life
Carousel Motor Group
Grant Thornton LLP

Procurement

3M
Mortenson

Products & Services

Bremer Bank
U.S. Bank

Philanthropy & Investment

Allianz Life
3M
Pohlad Companies
U.S. Bank

Public Policy

Allina Health



Workshop: Exploring racial equity standards

Workshop: exploring racial equity standards

- Review selected Index standards from table print-outs
- Select 1 standard that an organization you are connected to DOESN'T currently have in place
- Each person takes 30-60 seconds to share with your table: why do you think this racial equity standard matters? What would it take to implement this at your organization?
- If time allows, share further reactions and reflections with each other



■ Yes
 ■ Somewhat
 ■ No
 ■ Not Sure

QUESTION	COMPANY RESPONSES
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Leadership

Does your **organization's senior leadership** reflect the current racial demographics of your region?

- Asian
- Black
- Indigenous
- Hispanic
- White



18% of companies answered "yes"
14% of companies answered "yes"
5% of companies answered "yes"
5% of companies answered "yes"
95% of companies answered "yes"

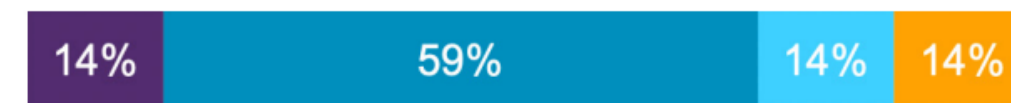
Hiring

Does your organization **require hiring managers to consider a racially diverse slate of candidates** during the application and interview stages?



Culture, Retention, & Advancement

Does your organization **pay all employees a family-sustaining wage** for Minnesota?



QUESTION	COMPANY RESPONSES
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Procurement

Does your organization have a **Minority Business Enterprise (MBE) procurement strategy** with measurable goals?



Products & Services

Has your organization **conducted analyses on how existing products and services are serving consumers of color** (including data on use among communities of color and whether products and services are meeting their needs) within the past three years and taken action to pursue identified opportunities?



Philanthropy & Investment

Does your organization **measure the share of its philanthropic funding** going to Black, Indigenous, Hispanic, or Asian-led organizations and set goals for increased investment?



Public Policy

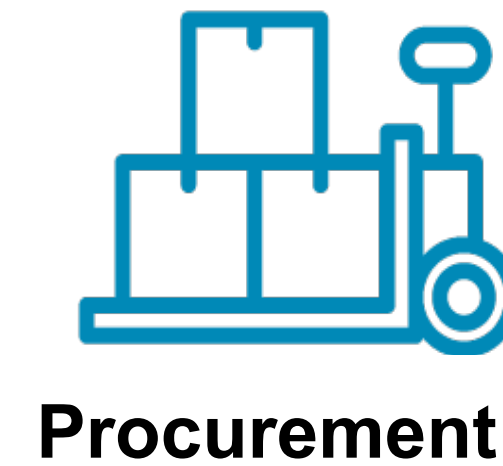
Does your organization **publicly disclose all direct and indirect political spending**, including contributions to trade associations, Chamber memberships, and politically-oriented nonprofits on a regular basis?





Action steps

Measuring organizational performance on 70 racially equitable standards across 11 dimensions:



SAMPLE QUESTIONS

Does your organization follow a regular process at the onset of major initiatives to determine how to engage Black, Indigenous, Hispanic, and Asian communities?

“Does your organization have a diverse supplier strategy with measurable goals?”

Reckoning with America's History: Tour experiences are curated for both executive and management level leaders:



October
10 - 13



November 28
- December 1

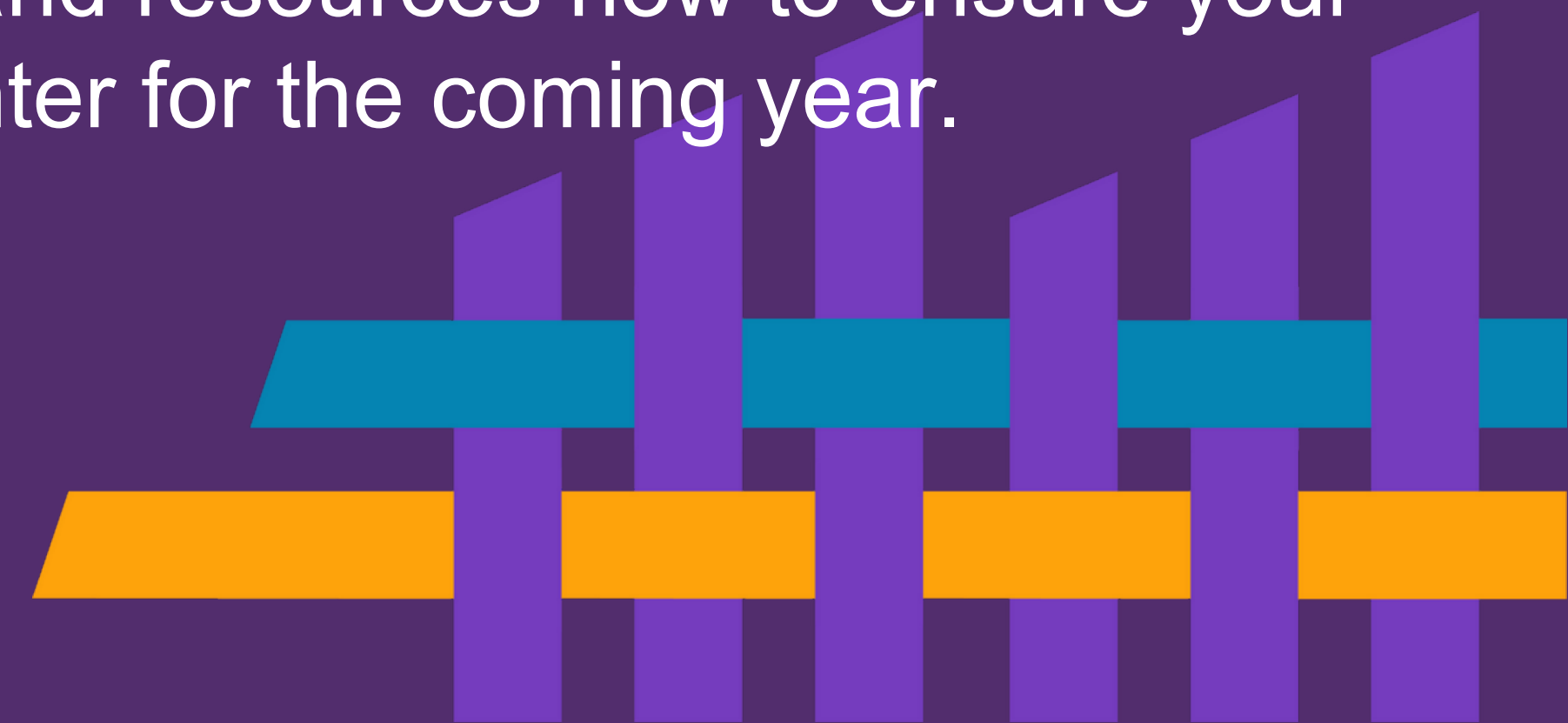


RECKONING FOR
TRUTH, TRUST, &
RACIAL EQUITY
TOURS



Take action!

1. **Contact us about participating in the 2024 Private Sector or Public Sector Index.**
2. **Register for the Truth, Trust, & Racial Justice Tours.** Tours take place in October & November.
3. **Ask about Center-led training on racial equity and inclusion.** Training sessions with Center consultants and strategists can get your decision-makers on the same page and moving forward.
4. **Go deeper with consulting support.** Leverage data from the Index to design a roadmap, implement new processes, and drive new outcomes.
5. **Build capacity for future work.** Consider allocating staff time and resources now to ensure your ability to participate in the Index or other consulting with the Center for the coming year.





We are your partners in building a better future for everyone.



Thank you!





Q & A



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