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Friday, December 15, 2023

Dear Corporate Leaders,

In the United States, the racial wealth gap continues to persist as a chasm of injustice keeping far too many Black Americans from essential economic opportunities. The economic state of Black America continues to suffer with underrepresentation in fast-growing high-wage industries, low probabilities of advancement, and a lack of representation in executive roles.¹ For years advocates have taken a front-row seat in this fight, working tirelessly to ensure the Black community prospers against these odds. It is past time to concentrate our efforts and equip our community with the necessary resources to close the racial wealth gap in America. The journey in front of us requires Corporate America to help drive an agenda that will power Black economic mobility. The Congressional Black Caucus is calling on Corporate America to join us in the necessary work to create a more racially inclusive economy. We are asking corporate organizations to reaffirm their commitments to diversity, equity, and inclusion, update us on their racial equity investments, and work with the Congressional Black Caucus to create legislative solutions that will help close the racial wealth gap.

Following the murder of George Floyd on May 25, 2020, we witnessed a nationwide response calling for long-overdue justice and accountability. Millions of Americans flooded the streets in protest and to advocate for an end to the cycles of violence against Black Americans that are perpetuated by systemic racism ingrained deeply in the United States. Leading these unjust systems were many corporations that stood by and not only benefited greatly from overtly racist policies, practices, and laws but also created their own systems of oppression that have continued to widen the racial wealth gap. This includes discriminatory hiring practices, the denial of financial opportunities to build success through corporate banking, and the exploitation of our community to build wealth for others.

¹ *The economic state of Black America: What is and what could be.* McKinsey & Company (2021, June 17) <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/the-economic-state-of-black-america-what-is-and-what-could-be>

Following the 2020 protests, many corporations pledged money, resources, and time to address these racial economic inequities across the country. In order to move forward and achieve the goals of these commitments we must evaluate where we are now.

It has been over three years since these corporations stepped forward and pledged over 50 billion dollars towards undoing years of oppression in which they have been an active participant.² Included in these pledges many corporations committed to diversity, equity, and inclusion (DEI) efforts within their organizations. The Congressional Black Caucus is asking corporations to reaffirm their commitments to DEI and reiterate their dedication to upholding these values in their daily decision-making processes. Although progress in this area has been made, studies have shown these minimal efforts toward diversity to be slow-moving and yet to have meaningful impact for the Black community.³ In the private sector, Black employees make up only 12 percent of the population and a mere 7 percent across the Senior Manager, Vice President, and Senior Vice President levels.⁴ We are troubled that some corporations that made pledges in 2020 have taken several steps in the opposite direction. This includes participating in performative actions such as hosting fake interviews for diverse candidates to give the appearance that they have increased DEI efforts.⁵ These actions cannot continue, and we call on Corporate America to denounce these practices and solidify their commitment to real change, real diversity, and to create increasingly more inclusive spaces for diverse populations to work and thrive. The American people are aligned with our call to action; a recent Harris Poll commissioned by the Black Economic Alliance Foundation shows that an overwhelming majority of Americans across races, ideologies, and generational lines believe that corporations should be taking active steps to ensure their businesses reflect the diversity of the country.⁶ Moreover, the business case for DEI has never been more evident; research makes clear that corporate DEI efforts improve profitability and performance.⁷ Instituting and upholding DEI values is beneficial to everyone.

² *Corporate America's \$50 billion promise*, The Washington Post, (2021, August 17) <https://www.washingtonpost.com/business/interactive/2021/george-floyd-corporate-america-racial-justice/>

³ *Corporate America promised to get more diverse. But it's still mostly White women making gains*, CNN, (2021, June 8) <https://www.cnn.com/2021/06/08/success/board-diversity-corporate-america/index.html>

⁴ *Race in the workplace: The Black experience in the US private sector*, McKinsey & Company, (2021, February 21) <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/race-in-the-workplace-the-black-experience-in-the-us-private-sector#/>

⁵ *At Wells Fargo, a Quest to Increase Diversity Leads to Fake Job Interviews*, The New York Times, (2022, May 19) <https://www.nytimes.com/2022/05/19/business/wells-fargo-fake-interviews.html>

⁶ *New Poll by The Black Economic Foundation/The Harris Poll: Corporate Diversity Initiatives Overwhelmingly Supported Across Racial, Ideological, and Generational Lines* (2023, August 23) <https://foundation.blackeconomicalliance.org/press-release/new-poll-by-the-black-economic-alliance-foundation-the-harris-poll-corporate-diversity-initiatives-overwhelmingly-supported-across-racial-ideological-and-generational-lines/>

⁷ *Diversity wins: How inclusion matters* (2020, May 19) <https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters#/>

In addition to reaffirming their commitment to DEI efforts, the Congressional Black Caucus is asking that these organizations share updates on their 2020 commitments to address racial and economic inequality. It is no longer acceptable to deliver promises without action. Eradicating inequitable policies within their structures, supporting advocacy organizations in their activism, and pledging to no longer support dangerous practices that threaten these efforts is the very least that can be done on behalf of Corporate America to close the racial wealth gap. The Congressional Black Caucus seeks a progress report regarding follow-through on the promises made. The murder of George Floyd, like many other police-related killings preceding and following, shook our community and lit a fire of activism in parts of the nation that may have otherwise never stepped forward. Most of these corporations took advantage of that season of activism and publicly vowed to fight alongside us. It is now time to hold these corporations accountable.

Finally, the Congressional Black Caucus looks to these corporations on how to collaborate legislatively. As the conscience of our Congress, the policies from our Caucus have consistently centered around issues of equity. Of these issues, closing the racial wealth gap has persisted as a top priority. White households hold 84% of total household wealth compared to just 4% held by Black households.⁸ The Members of our Caucus welcome an opportunity to work alongside corporations to generate policies that create perpetual accountability for Corporate America, help close this massive gap of inequality, and support the values of our Caucus. Together we can make long-standing, significant, and meaningful change.

We are calling on all corporations to re-affirm their DEI efforts and provide an update on their pledges to justice and equity by January 31, 2024. We anticipate a concerted effort by these corporations to work with our Members to create impactful policies that will direct our objectives of racial and economic justice. As part of the work ahead, we will continue our evaluation of Corporate America through an equity scorecard to assess progress, evaluate change, and engage in hearings led by Congressional Black Caucus members for additional oversight.

These inequities have endured for far too long. It is time for us to forge a partnership focused on true progress. Closing the racial wealth gap and driving Black economic mobility upward requires mutual understanding, trust, and commitment. We are looking forward to all the hard work that we will accomplish together.



Steven Horsford
Member of Congress

⁸ *The Black-White Wealth Gap Left Black Households More Vulnerable*, The Hamilton Project, (2020, December 8) <https://www.nytimes.com/2022/05/19/business/wells-fargo-fake-interviews.html>