EVALUATING EQUITY

A Study of Diversity and Inclusion in Greater Philadelphia's Business Community
Countless studies have proven that diversity and inclusion (D&I) are good for business—a sound practice can encourage innovation, attract and retain talent, and promote workplace wellbeing. We know that diverse companies outperform their peers⁠¹ and foster more innovative, collaborative teams.⁠² Yet businesses still struggle to adopt policies and procedures within their organizations that advance inclusion.

As the country continues to evolve into a majority-minority population, employers have the opportunity to lead the nation by example and make the case for why inclusion of all races, ethnicities, sexual identities, and abilities is good for business.⁠³

The Chamber’s 2018 Diversity & Inclusion Self-Assessment Tool was one step to ensure equity in our regional business community by evaluating the current state of inclusion.
BACKGROUND

Although it can be difficult, it is necessary to start conversations around D&I to expand your perspective and evaluate if your organization is doing everything it can to contribute to an equitable workplace, workforce, and marketplace.

INCLUSION IS GOOD BUSINESS

- Company: Customers Bank
- Employee Size: 746
- Industry: Finance and Insurance

A full-service commercial bank spanning seven states and Washington D.C., Customers Bank leverages diversity policies to engage a diverse talent pool through recruitment, training, and development.

“Greater Philadelphia has so much potential. The city is already majority-minority and benefits enormously from our various perspectives, cultures, and lifestyles. Although it can be uncomfortable to discuss D&I in organizations, these conversations are necessary for change. If we come together, we can build a more inclusive region for all."

— Varsovia Fernandez, Philadelphia Market Executive, Customers Bank

HISTORY

In 2013, the Chamber launched the first iteration of the Diversity & Inclusion Self-Assessment Tool and surveyed a small sampling of organizations. For the 2018 edition, we requested responses from our entire membership and expanded the questionnaire to include information on all racial and ethnic minorities, as well as other underrepresented populations (LGBTQ community, people with disabilities, and women). Due to the nominal results regarding people with disabilities and the lack of employer information regarding the LGBTQ community, we excluded these results from some of our charts. The four companies featured in this summary currently have outstanding D&I practices based on their survey results.

REGIONAL DEMOGRAPHIC DATA

Philadelphia County has already reached majority-minority status but the entire region continues to evolve.

SURVEY RESPONDENT DATA

Although all of our respondents have an office in Greater Philadelphia, it was important for us to distinguish which of our members reported national results.

PHILADELPHIA COUNTY

GREATER PHILADELPHIA REGION

TRANSPARENCY

Talking about D&I can often be an uncomfortable conversation, causing many organizations and leaders to avoid the topic entirely. We encountered various barriers when requesting survey responses. A number of businesses were not confident in their current D&I practices and did not want to divulge the current state of inclusion in their organizations. Others reported that since it is unlawful to request race, ethnicity, ability, or gender, they did not have that information and did not feel comfortable identifying their employees.
EVALUATING EQUITY: A Study of Diversity and Inclusion in Greater Philadelphia’s Business Community

CORPORATE CITIZENSHIP

When asked if their organization sets internal goals for corporate citizenship, specifically on providing resources and volunteer services to diverse communities, half answered yes while the other half answered no.

Of the half that answered yes, 82% met those internal goals.

EMPLOYEE RESOURCE GROUPS (ERGS)

ERGs are one component of an organization’s workplace strategy that can go a long way. Usually managed by HR or an organization’s D&I practice, ERGs can provide support to various underrepresented populations within a workplace.
EVALUATING EQUITY: A Study of Diversity and Inclusion in Greater Philadelphia’s Business Community

A diverse regional population does not necessarily equal a diverse workforce, as our research indicates. Although diverse leadership generally indicated a more diverse staff, people with disabilities were often overlooked in their recruitment plans.

LEADERSHIP
Board of Directors
The majority of organizations surveyed did not have a plan in place to recruit more of these underrepresented populations to their board of directors.

AVERAGE BOARD OF DIRECTORS COMPOSITION

<table>
<thead>
<tr>
<th></th>
<th>Minorities (racial, ethnic)</th>
<th>Women</th>
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<tr>
<td>Small</td>
<td>24%</td>
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<td>76%</td>
<td>63%</td>
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When it came to recruiting underrepresented populations to their board of directors, middle market companies outperformed their peers.

Executive Team (executives, directors, partners, c-suite)
When asked if the organization had a plan in place to recruit more underrepresented populations to their executive team, the responses were evenly split between yes and no.

AVERAGE EXECUTIVE TEAM COMPOSITION

<table>
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<tr>
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<td>20%</td>
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<td>Medium</td>
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<td>59%</td>
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<td>Large</td>
<td>80%</td>
<td>72%</td>
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</table>

The larger the organization, the more likely they had a plan in place to recruit more underrepresented populations to their executive team.

EMPLOYEES
Our data and similar international studies show that there is more diversity at entry and mid-level positions but representation declines as underrepresented populations face barriers when advancing to more senior positions.11

AVERAGE EMPLOYEE COMPOSITION

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Similar to leadership recruitment, the larger the company, the more likely they were to have recruitment plans in place.

ORGANIZATIONS WITH BOARD OF DIRECTORS RECRUITING PLANS
By Company Size

<table>
<thead>
<tr>
<th></th>
<th>Minorities</th>
<th>People with Disabilities</th>
<th>Women</th>
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<tbody>
<tr>
<td>Small</td>
<td>49%</td>
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<td>72%</td>
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ORGANIZATIONS WITH EXECUTIVE TEAM RECRUITING PLANS
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INCLUSION IS GOOD BUSINESS

- Company: The Kimmel Center for the Performing Arts
- Employee Size: 135
- Industry: Arts, Entertainment, Hospitality, and Accommodation

As one of the region’s most impactful performing arts centers, the Kimmel Center team weaves diversity and inclusion internally and throughout their public performances and events.

“Having a variety of viewpoints improves organizational decision making. When our board and staff are diverse, we are more attuned to the varied needs in the Greater Philadelphia community. The Kimmel Center believes we are stronger when we are more diverse and inclusive— it makes good business sense. Having diversity among employees gives us an array of perspectives and attitudes access to a wider range of creative ideas.”

— Anne Ewers, President & CEO, The Kimmel Center for the Performing Arts

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A diverse supplier network leads to inclusion of all kinds of organizations, provides equal economic opportunity, and bolsters regional competitiveness. Our research indicates that although our members strive to promote inclusive supplier practices, we still have work to do to ensure equity across supplier lines.

### REGIONAL SUPPLIER DEMOGRAPHICS

Based on public data, minority- and women-owned businesses are underrepresented regionally.12

<table>
<thead>
<tr>
<th></th>
<th># of Companies</th>
<th>Percentage</th>
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<tbody>
<tr>
<td><strong>BY GENDER</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equally male-/female-owned</td>
<td>10,624</td>
<td>10%</td>
</tr>
<tr>
<td>Female-owned</td>
<td>19,270</td>
<td>18%</td>
</tr>
<tr>
<td>Male-owned</td>
<td>77,700</td>
<td>72%</td>
</tr>
</tbody>
</table>

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<tr>
<th><strong>BY RACE</strong></th>
<th># of Companies</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority-owned</td>
<td>16,490</td>
<td>15%</td>
</tr>
<tr>
<td>Non-minority-owned</td>
<td>90,297</td>
<td>84%</td>
</tr>
</tbody>
</table>

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<tr>
<th><strong>BY ETHNICITY</strong></th>
<th># of Companies</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Hispanic-owned</td>
<td>2,892</td>
<td>2%</td>
</tr>
<tr>
<td>Non-Hispanic-owned</td>
<td>104,661</td>
<td>97%</td>
</tr>
</tbody>
</table>

### SUPPLIERS & VENDORS

61% of our respondents answered questions about procurement.

#### INCLUSION IS GOOD BUSINESS

- Company: Connexus Technology
- Employee Size: 17
- Industry: Information Technology, Software, and Data Integration

As a minority-owned business with experience as a purchaser and vendor, Connexus Technology believes that when diverse suppliers are engaged, all aspects of your business benefit.

“When you work with diverse vendors and suppliers, you have the potential to uncover new business opportunities and markets to serve. Business owners with fresh perspectives bring different approaches to problem-solving, which adds value to our services and customers. It’s important that large companies and smaller diverse suppliers work together, so we can create greater economic opportunity for our region.”

— Lawrence A. James, President & CEO, Connexus Technology

Based on our data, respondents are doing well with supplier diversity, while larger companies lead inclusive procurement efforts.

#### PROCUREMENT (AVERAGE % OF SUPPLIERS & VENDORS)

- 29% Minority-owned
- 36% Women-owned

#### ORGANIZATIONS WITH SUPPLIER & VENDOR ENGAGEMENT PLANS

<table>
<thead>
<tr>
<th>By Company Size</th>
<th>Minority-owned</th>
<th>People-with-Disabilities-owned</th>
<th>Women-owned</th>
<th>LGBTQ-owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>60% 40%</td>
<td>25% 75%</td>
<td>35% 65%</td>
<td>30% 70%</td>
</tr>
<tr>
<td>Medium</td>
<td>70% 30%</td>
<td>30% 70%</td>
<td>35% 65%</td>
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INCLUSION IS GOOD BUSINESS

The Chamber’s Diversity & Inclusion Committee discuss the importance of D&I to their organizations.

“Diversity and Inclusion are pillars of the Kenney Administration. They are essential components to building a skilled, productive workforce and I commend the work of the Chamber to advance our workforce diversity and better address the needs of Philadelphia in the 21st century.”
— Nolan N. Atkinson, Jr., Chief Diversity & Inclusion Officer, Office of the Mayor, City of Philadelphia

“At AmerisourceBergen, fostering a diverse and inclusive culture is key to attracting and retaining the best talent, creating competitive advantage, and advancing our purpose and strategy.”
— Hyung J. Bak, Senior Vice President, Group General Counsel and Secretary, AmerisourceBergen Corporation

“At The Franklin Institute, we’re committed to creating and supporting an inclusive employee and volunteer workforce. We believe diversity and inclusion is vital to providing a world-class experience for all visitors and employees and essential to addressing educational disparities in our community. It is both a business and moral imperative.”
— Larry Dubinski, President & CEO, The Franklin Institute

“At The Tactile Group, we’ve found that while our diversity in thought and experience allows us to come up with more creative ideas, it’s the empathy embedded in our authentic inclusion of our diverse perspectives that binds us as a team and allows us to most efficiently develop great ideas into effective solutions.”
— Marc Coleman, President, The Tactile Group

“Diverse and Inclusive Growth is vital to the future of Philadelphia!”
— Harold T. Epps, Director of Commerce, City of Philadelphia

“D&D needs to be a part of leaders’ everyday vocabulary. I am fortunate to work for an organization where the executive team promotes an inclusive work environment. When leadership is engaged, those practices trickle down and help organizations foster healthy company cultures.”
— Varsovia Fernandez, Philadelphia Market Executive, Customers Bank

“AT FS Investments, we’ve long been committed to achieving greater diversity and creating an environment where all of our colleagues feel they can contribute value and thrive personally. We continually challenge our assumptions and practices with the ultimate goal of creating a more diverse, welcoming, inclusive, and productive organization. To us, it’s both good business and the right thing to do for our colleagues, clients, investors, and community.”
— Mike Gerber, Senior Managing Director, FS Investments

“Our mission is to provide the highest caliber of legal services while creating an environment where everyone on our team can reach their full potential by not having to choose between thriving in their careers and having fulfilling personal lives.”
— Francine Friedman Griesing, Founder, Griesing Law, LLC

“Listening to the ‘voice of the customer’ is more effectively done by including a diverse range of perspectives in the conversation. Businesses grow and people thrive when we listen to and deliver for our customers.”
— Ric Harris, President and General Manager, NBC10 & Telemundo62

“Companies don’t thrive where people are always in agreement.”
— Michael K. Pearson, President & CEO, Union Packaging LLC

“The first sentence of constitution says, WE the people of the United States, in order to form a more perfect union. Inclusion is built into every part of Perryman Construction, as it is in the foundation of this country. Our job is to give inclusion and diversity the foundation to create exceptional value at every level.”
— Angelo Perryman, CEO, Perryman Construction

“Diversity and Inclusion increases flexibility and adaptability to serve a growing diversified market. A diverse workforce promotes creativity, innovation, and skilled workers for increased market share through competitive advantage.”
— Narasimha Shenoy, President & CEO, Asian American Chamber of Commerce of Greater Philadelphia

“Inclusion and diversity are fundamental to Accenture’s culture and core values. We believe that no one should be discriminated against because of their differences, such as age, ability, ethnicity, gender, gender identity and expression, religion, or sexual orientation. Our rich diversity makes us stronger – more innovative, more competitive, and more creative, which helps us better serve our clients and our communities.”
— Nicole Tranchitella, Senior Managing Director, Philadelphia Metro, Accenture

“Based on the diverse nature of our clients, our team must represent that same diversity for us to understand and meet our needs consistently and effectively.”
— Joan Waters, CEO, COFCO

“The Chamber recognizes that Philadelphia and the region cannot thrive unless we truly embrace diversity and inclusion within our workplaces. That is why we as business and civic leaders need to be intentional about including people from a diverse array of race, gender, age, ability, and socioeconomic background.”
— Rob Wonderling, President & CEO, The Chamber of Commerce for Greater Philadelphia
The Chamber is actively working to make diversity and inclusion a priority for the business community and, along with the support of our Diversity & Inclusion Committee, will develop tools and opportunities that promote diverse and inclusive business practices in Greater Philadelphia.

COMING UP
The Chamber will continue to engage our members to understand best practices in diversity and inclusion and share recommendations for the business community to find equitable solutions in their organizations.

Diversity & Inclusion Committee

CHAIR
Varsovia Fernandez
Philadelphia Market Executive
Customers Bank

VICE-CHAIR
Michael K. Pearson
President & CEO
Union Packaging LLC

Nolan N. Atkinson, Jr.
Chief Diversity & Inclusion Officer
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Hyung J. Bak
Senior Vice President,
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Robert Bogle
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Philadelphia Tribune Company, Inc.

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The Tactile Group

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Philadelphia Metro Accenture

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COFCO

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The Chamber of Commerce for Greater Philadelphia

* Ex-Officio Committee Member

REFERENCES
4 Since previous iterations of the survey contained much less survey respondents, comparative analysis was not necessary.
5 Approximately 2,000 member companies in Greater Philadelphia.
7 U.S. Census Bureau Data, 2017.
8 11-county region: Bucks, PA; Burlington, NJ; Camden, NJ; Chester, PA; Delaware, PA; Gloucester, NJ; Mercer, NJ; Montgomery, PA; New Castle, DE; Philadelphia, PA, and Salem, NJ.
9 Sectors were determined by NAICS codes.
10 Due to rounding, total percentage for many visualizations does not add up to 100.
THE CHAMBER OF COMMERCE FOR GREATER PHILADELPHIA

brings area businesses and civic leaders together to promote growth and create opportunity in our region. Our members represent eleven counties, three states, and roughly 600,000 employees from thousands of member companies and organizations. By bringing all kinds of businesses and leaders to the table—the new, the established, the big, the small, the growing, the thriving, the perennial, the innovative, and the experimental—we build community and find commonalities among us all.

We advocate for regional development, business-friendly public policies and economic prosperity. We support our members with practical, inspiring programs, resources, and events. And all that we do serves one clear, bold goal: to make Greater Philadelphia a great place for good business.