

DiversityInc CEO Carolynn Johnson's Oral Statement
House Financial Services Committee Diversity & Inclusion Subcommittee Hearing
Thursday, March 18, 2021 at 10:00 AM EST

Chair Waters, Ranking Member McHenry, and members of the Committee – thank you for the opportunity to participate in today's hearing. It is an honor to testify before you on the importance of making workforce data disclosures mandatory. This topic is my life's work.

As the Chief Executive Officer of DiversityInc – which is a business publication dedicated to transparency and the business benefits of diversity and a warehouse of workforce data for major employers. We have built this data warehouse over 20 years as part of the annual DiversityInc Top 50 competition. This effort is an editorial, empirically data-driven ranking which focuses on US operations for employers with at least 750 employees. The survey consists of 276 questions that yield more than 1400 data points and measures:

1. Human Capital Diversity Metrics
2. Leadership Accountability
3. Talent Development
4. Workplace Practices
5. Supplier Diversity
6. Philanthropy

As a Black woman, wife of a civil servant, daughter of a veteran who proudly served to protect all of us, and mother of two children under the age of 10 – I am uniquely positioned for such a time as this.

As this Committee is now considering legislation that would close some of the gaps in how regulated entities disclose their workforce data, let us focus on three crucial areas.

First, looking at the lack of data on diversity, equity, and inclusion. Ironically, one year and one day ago, on March 19, 2020, the US Securities and Exchange Commission Office of Minority and Women Inclusion hosted a webinar^[1] that included an overview of the 2018 Diversity Assessment Report. The self-assessment—sent to 1300 registrants—investment advisers, broker-dealers, municipal advisors, and self-regulatory organizations—received only 38 responses—covering only 5% of firms asked to submit a company self-assessment report^[2].

Second—and this is the good news— other industries have been openly talking about their efforts and showing how they are necessary to achieve ethical corporate governance, profitability, and return on equity. Examples of these companies that complete the DiversityInc survey and rank highly are Johnson & Johnson, AT&T, Kaiser Permanente, Novartis Pharmaceuticals Corporation, Marriott International, Inc., Hilton,

Eli Lilly and Company, ADP, Accenture, TD Bank, CapitalOne, and more. All other ranked companies can be seen by visiting DiversityInc.com.

The third is the proof that we already have of the benefits of how diversity data can exact change. Let us take a closer look at affirmative action. Here are the history and the facts. In 1961, President John F. Kennedy's Executive Order 10925 used affirmative action for the first time by instructing federal contractors to take – quote – "affirmative action to ensure that applicants are treated equally without regard to race, color, religion, sex, or national origin" – end quote[3].

However, it was not until October 1967—following pressure from the surging Women's Movement—that President Lyndon B. Johnson amended the order to include gender provisions[4].

That gender provision – the collection and required disclosure of gender diversity data – made all the difference.

The numbers, presence of women in management, named as CEOs and Directors of Boards of publicly traded companies, prove it:

After two decades of affirmative action and the data being collected and analyzed without bias, it was white women who held the majority of managerial jobs, compared to African American, Latino, and Asian American women – the supposed beneficiaries of these policies—according to a 1995 report by the California Senate Government Organization Committee[5].

Today, women are more educated and thriving in the workforce than ever before, and according to a Washington Post article from 2019, for the first time earned more bachelor's, master's, and PhDs than men.

Yet—we would not know that without the data.

Thank you again for the opportunity to appear before you today.

I can answer any questions you might have.

[1] https://www.sec.gov/video/webcast-archive-player.shtml?document_id=031920-diversity-assessment-report

[2] https://www.sec.gov/files/DAR_Webinar_March_2020.pdf

US Securities and Exchange Commission | Office of Minority and Women Inclusion
Diversity Assessment Report Collection 2018

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[3] https://www.aaaed.org/aaaed/history_of_affirmative_action.asp

[4] <https://books.google.com/books?id=7Ae2BvGX4jQC&lpg=PA143&dq=women%20affirmative%20action%201967%20women's%20movement%20pressure%20johnson&pg=PA143#v=onepage&q=women%20affirmative%20action%201967%20women's%20movement%20pressure%20johnson&f=false>

[5] <https://www.sfgate.com/news/article/State-Study-Tracks-Diversity-Affirmative-action-3040217.php>