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# THE FUTURE OF EQUITY IN



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# 1

## Background & Objectives



# Background & Objectives

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Disparities in the U.S. inhibit longer, healthier, and more productive lives and obstruct the health, security, and financial resilience that enable people to thrive equitably as they age. AARP aims to be part of the solution with two key goals:

- ❖ Reduce health disparities especially among communities of color and other vulnerable groups.
- ❖ Reduce wealth and income gaps by race and other sociodemographic factors.

To this end, AARP has embarked on a comprehensive research study exploring systemic disparities in current workplace practices and identifying future work trends that may be affected by or impact disparities.

On behalf of AARP, VSI conducted a series of in-depth interviews among senior executives in large corporations and start-ups. These interviews were designed to help AARP better understand how employers are thinking about disparity (if at all), and what desire and/or power executives in different business areas have to develop and implement solutions within their companies that address health and wealth disparities both in their workplace and among their customer bases.



## Participant Profile

RIVA-certified Master Moderator Brenda Lee of VSI conducted a **total of 18 one-hour virtual one-on-one interviews** from July 13 - October 4, 2021

- ❖ 14 work in large corporations
- ❖ 4 are founders or co-founders of start-up companies
- ❖ 10 male
- ❖ 8 female



# 18

one-hour virtual  
one-on-one  
interviews

14

Work in large corporations

4

Founders/Co-founders of Start-up Companies

10

Men

8

Women



## Corporate titles include:

Chief Human Resources Officer

Director/VP/Head of Diversity, Equity & Inclusion

Chief Technology Officer

Product Development

VP/Head of Research/Marketing & Innovation

People Partner





# 2

## Key Takeaways



# Disparity is described as the gap between the “haves” & the “have nots”

- ✦ Respondents tended to refer to disparity as an “imbalance” or “inequality”, a significant difference in access to or availability of wealth, resources, education and/or opportunities. Several noted that these differences can result in markedly different outcomes and can keep people from achieving a better life.

“ *Does it start with educational disparity? Does that lead to career disparity which then leads to economic or financial disparity? So it’s almost like where do you start?* ”

- ✦ Across the board, respondents noted that economic, social, environmental or racial inequities, as well as disparities in education, employment, housing, mobility and healthcare are all interconnected, and that a combination of disparities are often present at the same time. Several described this as a cyclical process or a downward spiral, where one type of disparity inevitably ends up leading to others.







*Disparity... words that it triggers are inequity and inequality. They mean different things but they both come to mind. Haves and have nots. I think primarily through the lens of social determinants, so health, wealth, education.*



Financial or wealth disparity was top-of-mind, but disparities in healthcare were also seen as a key issue

- ✦ On an unaided basis, respondents mentioned financial or wealth disparity most often as an example.

“ *Large wealth/income gaps lead to issues across the board.* ”

- ✦ Several respondents, unprompted, also brought up the impact of lack of mental health care for some groups.

“ *I think mental health availability & resources are all so limited when you're lower income.* ”

- ❖ While health disparities were not immediately mentioned, when asked directly a majority of respondents agreed that both disparate access to healthcare as well as differences in the quality and type of healthcare received were important areas of disparity as well. Several noted that because employment and healthcare are often bound together, disparity in employment can lead to disparity in healthcare.

*“ We know there’s a disproportionate impact on people of color in terms of their access to employment. And in the US, employment and access to healthcare are inextricably linked because traditionally we get that through our employers. ”*





# Disparities are seen as systemic as well as generational

- ✦ Several respondents noted that disparity “doesn’t occur in a vacuum”, and that many inequities are rooted in discriminatory practices throughout U.S. history. One shared the example that at one time, Black men weren’t able to become pilots because prestigious flight schools did not accept them. He explained that this type of situation happened in many industries and that “it takes decades to catch up.”

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*We were taught to get a high school diploma and that was OK. There are people that are taught to get a bachelor’s degree or masters. I think all those different teachings and learnings impact your ability to create generational wealth. The current climate is the intersectionality of all those things.*

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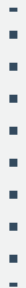
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Respondents also reiterated their belief that disparities are often the result of lack of access in key areas, which has consistently been denied to many minority groups through the years, and which has resulted in disparate outcomes for individuals and families within those communities.



**“** *Access is inequitable for particular groups based on things like, if you're of a culture that is not of the dominant culture here, if there are language barriers so it makes that access harder.* **”**





# The AARP definition of health disparities was seen as accurate but not complete

- ❖ Respondents were exposed to the following statement about health disparities:

*Health disparities are defined as differences in health outcomes between groups and may include things such as how many people in a particular group have access to affordable medical care, quality foods, and other aspects of a healthy lifestyle. This differential access is closely linked with social, economic, and environmental disadvantages.*

- ❖ A majority of respondents agreed with the statement, particularly the inclusion of multiple factors that can impact health disparities. However, a few expressed their belief that the issue was even more complex than was represented in the statement, which did not include any reference to disparity as systemic and generational.



*“ I think it’s spot on. Different groups have different outcomes, fundamentally because of access to qualified medical care, food quality. ”*

*“ It seems rather benign in comparison to how much it impacts beyond just the present but the future and, also the way it perpetuates a cycle. Generationally people don’t get out of this cycle of poverty. Disparity doesn’t go away, it just continues. ”*

*“ What’s missing is the acknowledgment of how systemic factors are affecting those disadvantages. ”*









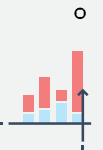
# Addressing disparities was cited as a core value for all organizations, but the paths were often quite different

- ✦ For most working in large companies, disparities and diversity were often used interchangeably. Addressing the issue was often described as an internal effort to make their hiring policies, compensation benchmarking, promotions, health care offerings or benefits more equitable toward specific underrepresented segments, such as women or minorities. In some instances, there may have been a government or community affairs department leading efforts to address disparities outside of the business, but this was rarely connected/related to the internal DEI efforts.

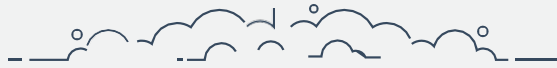
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*Part of what I've done at any company I've worked in is create a diversity dashboard with data to show disparity and gaps, whether is representation or pay, promotions.*

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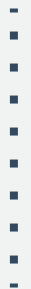




- ❖ A few large companies, saw themselves as playing a pivotal role in addressing disparities outside the company as well as within it. It is important to note that these “above and beyond DEI” efforts were often related to an individuals’ personal commitment to this cause.

*“ For industries or individual businesses, the bigger they are, the bigger your responsibility to contribute to solving some of this disparity. ”*

*“ Because I don’t think charity is scalable, but businesses are. So how do we make businesses with purpose to solve the biggest problems for humanity? Whether that’s access to clean water and sanitation, or taking climate action, or achieving gender equality, or achieving greater racial and social justice. ”*



Respondents who run startups noted that addressing disparities is part of the company's DNA

- ✦ In the case of the innovator startups interviewed, these firms were often established as a response to perceived disparities; their reason for being was to address a disparity outside their company, not just to promote diversity or inclusion within it. Several noted that their firms were launched either during the pandemic – in response to changes in the workforce and the way work is conducted – or were created with the express mission to help solve problems of inequity they saw in particular industries, such as healthcare.

“ *My startup is trying to not only level the playing field when it comes to how all individuals connect to work but also to give companies a mechanism for getting more diversity in the door and use a different model that's fast and precise because that's what the economy needs in the future.* ”

*“ Our mission is to help solve the inequity (in our healthcare system). It’s as simple as that. ”*

- ❖ It is important to note that because of the small size of these companies, their teams work very closely together. This seems to have created an environment where diversity of thought (which comes from actual diversity) is highly valued and appreciated.

*“ Sitting alone in a room with 4 guys trying to make high level decisions that could impact millions of students isn’t a safe call. We need other voices to be able to inform the decisions we’re making. ”*

DEI initiatives are often described as providing solutions to address company or industry disparities

- ✦ In many of the large companies interviewed, addressing internal DEI issues was seen as the primary work to address inequity within the company or industry. Successful DEI initiatives was seen as a way to increase diverse perspectives (gender, economic, age, ethnicity) within the company to better innovate and solve problems.

*“ When I think of diversity, inclusion and equity, I think about it as the difference between having a seat at the table, a voice at the table and a decision at the table. Disparity is when you’re at the table and you don’t really get to speak. To me, disparity feels like the lack of diversity. ”*

*“ Equity (in DEI) is the answer to disparity. ”*





- ❖ These organizations feel that they need diversity in perspectives to address issues of disparity and inequity internally and in some cases more universally.

“ There are so many different areas under diversity. Typically, it’s race, ethnicity, gender. In terms of equity, we make sure that policies and procedures that are in place provide equal possible outcomes for everyone. ”

”



# DEI work was seen as key to business growth and success

- ✦ In many companies, a more equitable workplace is considered vital to attract, maintain and grow a talented and diverse employee pool.
- ✦ However, it is also seen as important in creating new business opportunities by developing innovative products that will appeal to a national and/or global audience, because they are developed by people with diversity of thought and perspective that represents and reflects their consumers.



“ *If we do not (have employee diversity), I’m not sure how the company competes in the market and commands the price value that we do. In order for us to produce unique solutions, we need to have diversity of thought into those solutions across dimensions. We need gender diversity, ethnic, educational, experiential diversity. If you want to be innovative, you have to be diverse.* ”

“ *This is a big priority for organizations not just to get numbers and metrics up. It’s also potentially to drive commercial value.* ”

# A proactive approach to DEI is also seen as beneficial to a company's relationship with its customers & employees

- ✦ Many respondents stated that their customer base and potential employee pool can also be positively impacted by having a well-defined company strategy for addressing diversity.

- ✦ In today's environment, this has become particularly important, as younger generations of consumers are more aware of economic, racial and other inequities, and many have come to expect companies to demonstrate that they are actively pursuing justice around these issues. Younger employees also expect the companies they work for to positively impact communities.

“

*There are real business results that are derived from our DEI strategy. Any organization that embarks on a DEI journey has to first understand the value that is created to their customers... consumers want to know that their organizations are committed to social impact.*

”



“

*If you're a company from a purely marketing or visual standpoint that is not supporting patrons of color and issues of equity, people may not be interested in your business.*

”

...



# Addressing diversity issues requires buy-in from people at all levels of the organization

- ✦ A majority agree that when attempting to improve diversity, equity and inclusion within an organization, everyone needs to support the program. Many note that it is one thing to have a set of diversity metrics or targets, but if DEI is to be truly achieved, it's everyone's job to support the initiatives, from the CEO down.

- ✦ Respondents also note that when dealing with DEI issues, it is important to have a corporate culture where employees are allowed to ask questions and to speak their mind in order to deal with potential issues or problems from the bottom up.

“

*If DEI is a core value of the company, then everybody understands it and everybody does it, and it will move forward because that's the consensus.*

”

- ✦ This is another area where the innovator firms were unique. Along with their business models being based on addressing disparities, without a formal DEI strategy, they seem to hire a diverse group of employees who are bought into DEI from the start.

**“** Oftentimes companies bring in people like me which is an incredibly important first step, but where that work in my opinion comes to a halt is where you don't have that leadership buy-in.

**“** Give (employees) the flexibility and ability to speak up...and the freedom to challenge the status quo...and that's probably where you're going to get your best solutions.

**”**

**”**



# For the most part, DEI initiatives are managed by a dedicated department with its own separate budget

- ❖ In large organizations, this department frequently reports up through Human Resources. However, for the most committed organizations it is often reporting directly to the CEO.
- ❖ In most cases, DEI objectives and goals are seen as most successful when distributed throughout the organization.

*“ I think (DEI) should sit at the very top and report directly to the CEO. How organizations structure their DEI strategy sends a very clear message to (people within the) organization. ”*

*“ Having like-minded people is a key part, being active from all the way up to the CEO and the Board, who play a significant part, but all the way down to the working levels of the organization. ”*

Several respondents noted that within their organization, DEI training is mandatory. It seems that currently, Unconscious Bias training is a very popular course.

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*We do training around de-biasing, micro aggressions, addressing bias in the workplace, allyship.*

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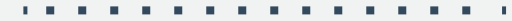


# Most organizations expect their vendors to align with their DEI goals

- ✦ The most prevalent examples of this alignment are when companies specifically ask their vendors about their diversity programs, and when recruiters are expected to present a pool of diverse candidates for positions.

*“ Every RFP, and I think this is pretty standard across businesses, inquires about the state of diversity at that vendor corporation. Yes, we have supplier diversity teams that work almost exclusively with minority owned businesses. ”*

*“ People are now realizing that we mean business when it comes to being inclusive, so I think it also plays a role in the people that approach us. If they’re seeing how diverse we are, we’re going to most of the time find vendors that are also focused on that as well or would love to be a part of that. ”*



- ❖ Whether implicitly or explicitly, those vendors who are most aligned with the culture and goals of these firms tend to receive a greater share of their business as a natural outcome.
- ❖ This process seemed slightly different within the startup firms, who seemed to work with other firms who shared their values, but with less formal DEI procedures to follow.

# Several respondents shared innovative approaches to DEI initiatives at their own companies

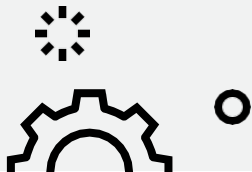
- ✦ Some participants noted that in order to increase diversity, companies need to be progressive and think outside the box. A few examples centered around hiring practices for new recruits. In one case an executive pushed to expand the base of colleges from which to recruit, while another put a mentorship program in place for those employees who might not be familiar with the industry and/or the corporate culture because they might be immigrants or the first in their family to work in such an environment.

*“ Personally, I have tried to force our college recruiting to go to HBCUs, instead of the routine top 10 or 20 schools. Why? Because it’s not as if those are the only places with the best students. Also, because if you only go there, you’re perpetuating this bias. ”*



- ❖ It is interesting to note that several respondents observed that larger companies were in a much better position to take innovative steps to address DEI issues because of their greater resources.

*“ What if culturally you are completely different than the people you are working with? That’s very common in tech. If you hire someone from a Native American college or HBCU, they will be like fish out of water in the tech industry. How do you help them navigate that? Establish the networks, connect them into other people and areas they might be interested in. ”*





# Others cited specific companies doing particularly good work around DEI

- ✦ Some of companies mentioned as having DEI models or initiatives considered to be particularly effective included Deloitte, Price Waterhouse Cooper, Accenture, USAA, Facebook and Starbucks.

*“ Facebook will create things like an engineer in residence program where they’re investing in college students, literally training them to be engineers to work at Facebook in the future. ”*

*“ I think Bristol Myers has done a very good job. They put more manufacturing in regions where economic disparity occurs. ”*

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*There's a pretty well-known video from Accenture called "Inclusion Starts With I" that's a nice opener for people to internalize diversity and understand why it's important and the difference it can make in how people feel.*

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# A few companies illustrated how they went beyond DEI in their efforts to address disparities worldwide

.....

“ We have a project in Nigeria to help girls access period products. Because once they enter puberty they stop going to school. Even in the US we have girls who enter their period and don’t want to go to school. How do we address this disparity in education?” ”

- ✦ A corporate executive described two key global disparity issues that they work to solve through both product innovation and partnerships: period poverty, which impacts education in the U.S. and around the world, and access to water and sanitation, which has health implications for women in Mumbai who have higher instances of UTIs because they don’t drink enough water in order to avoid using unsafe public restrooms.

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*Making sure our products can be accessed by all is a big focus.... Our goal is our science applied to life and improving lives. And so that's all lives. Which I'll admit is a little aspirational to improve every life on the planet, but I think it also speaks to equity. Our healthcare businesses and products and capabilities and technologies can reach all people.*

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- ❖ Similarly, another corporate executive shared how their goal to address inequities is to work toward improving access to their technologies and products for all people. He especially noted their efforts to not only increase production but to improve distribution of N-95 respirators during the pandemic.





And the startup companies showed how their business models themselves were a force for addressing disparities

- ✦ The leadership at these start-ups took direct aim at addressing disparities in healthcare, employment opportunities and education.

“

*We wanted to take a step further and realize access to healthcare does matter but ultimately also to reduce bias and improve the health equity gap there also needs to be some form of connection... between patients and providers.*

”

“

*If you don't have a degree, you probably don't have a resume and you're not on LinkedIn or Monster or Indeed. Our mission is to use technology to level the playing field and give everyone a mechanism for connecting to work.*

”

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