

# 2010 Chicago United Corporate Diversity Profile



## Human Capital and the Cost of Recession



A SURVEY OF CORPORATE DIVERSITY IN THE CHICAGO METROPOLITAN AREA

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## A Letter from the President

*Truth fears no trial.*

That is the proverb that comes to mind as I contemplate this addition of the *Chicago United Corporate Diversity Profile*, the fourth of its kind since 2004.

If we are to effectively address the vexing issues at the intersection of race and business, as Chicago United has sought to do for more than 40 years, then we must look analytically at the truth and do so without fear of trial or judgment.

Chicago United's nationally-recognized *Corporate Diversity Profile* (CDP) is a bi-annual survey that measures racial diversity specifically in the leadership ranks of large corporations, on corporate boards and in executive level management. It is a benchmark for corporations to measure their progress in this area.

First, a few words about the CDP and the truth: Corporate Chicago has made significant strides in leveraging the abundant expertise and intellect of business people of color in its managerial and executive ranks. However, as the 2010 Profile reveals, there remains much room for improvement, especially given the setbacks dealt by the recent recession.

The primary research that forms the CDP makes it a valuable tool for large and small enterprises, policy makers, academicians and all advocates for greater diversity and inclusion. The 2010 CDP is unique in that it includes the Federal Reserve Bank of Chicago's comparative analysis of the impact of past recessions on employees of color. In order to understand the total impact of the recession, we consider not only employment losses, but also foregone employment which is the expected employment growth that did not occur due to the recession.

I thank the Fed for this important contribution, one that will provide guidance as we design and implement ways to open the pipeline for executives of color. Now, I'd like to offer a few thoughts about fearlessness. I regularly express my thanks for the continued investment of time and financial resources that our members place in Chicago United. However, I'll take this opportunity to emphasize how genuinely proud I am of our members, most especially those who have participated in the survey that allows us to present the Profile.

Some companies may choose not to participate in such a survey, especially during a recession when corporate cutbacks have impacted employment. Indeed, past Profiles have predicted that it will take decades for companies to achieve racial parity in C-suites and boardrooms. So, companies participate in the survey knowing that the data will likely bear tough truths.

That is why the business landscape owes a debt of gratitude to the companies that have answered the questions posed in the CDP survey. Their transparency and forthrightness lead the way towards a more competitive region, one that is increasingly influenced by customers and partners of color. The CDP depends on this active, courageous participation in order to serve as a guidepost and to light the path towards heightened competitiveness through more inclusion of qualified people of color.

I am an advocate for strong businesses. That is why I stand with our CDP participants. I believe them to be true leaders whose commitment to diversity and inclusion is worthy of emulation. We supporters of diversity and inclusion face doubt, skeptics, and other sorts of obstacles as we close the gap between race and business. Our goal, greater parity in all corners of business and commerce, will be achieved thanks to those who help create resources like the *2010 Corporate Diversity Profile*.

Respectfully,



Gloria Castillo  
Chicago United

## The Chicago United Corporate Diversity Profile Survey

The *Chicago United Corporate Diversity Profile Survey* was launched in 2001. It was the first survey of its kind to measure racial diversity specifically in the leadership ranks of large corporations. It examines the racial composition of corporate boards and executive level management. *The Corporate Diversity Profile* serves as a benchmark for Chicago corporations to measure their progress in these areas. The inaugural survey was followed by the second edition published in 2002. Given the considerably slow rate of change in racial diversity in corporate leadership ranks, Chicago United made the decision to transition to a biennial survey and published the third installation in 2004, followed by the fourth in 2006, and the fifth in 2008.

Response to the 2008 *Corporate Diversity Profile's* Call to Action led to the launch of Chicago United's Diversity Officer Roundtables. The roundtables, an invitation-only forum for human resource and diversity professionals, offer discussion of specific topics, sharing of case studies, and best practices relevant to advancing corporate diversity in Chicago's business community. More than 30 corporations have participated in the roundtable discussions. Chicago United would like to thank members of the Chicago Inclusion and Diversity Alliance, as well as human resource and diversity practitioners representing Chicago's leading companies, for sharing their insights and for their support of the roundtables. We would like to extend a special acknowledgement to the following companies for generously sharing their best practices and providing facilities for the roundtables; Allstate Corporation, Aon Corporation, Baxter International, Blue Cross Blue Shield of Illinois, Ernst & Young, Harris Bank, Hewitt Associates, Hyatt Corporation, Illinois Tool Works, Northern Trust, and R.R. Donnelly. The insights shared by these diversity and human resource professionals have aided Chicago United in understanding the current state of diversity and inclusion in Chicago's leading corporations beyond the survey responses.

In reviewing this document, please note that the respondents to the 2010 *Corporate Diversity Profile* survey include a different mix of companies from the respondents to the 2008 *Corporate Diversity Profile* survey. Hence, the comparison of the 2010 *Corporate Diversity Profile* publication to its predecessor is not a year to year comparison as each profile is specific to the responding companies.

Chicago United is proud to present its sixth installation of the *Corporate Diversity Profile* publication, which includes a qualitative review of corporate Chicago's views on diversity and its impact on their organizations.

## 2010 Corporate Diversity Profile Acknowledgements

Chicago United would like to thank Ernst & Young for their generous support of the 2010 *Corporate Diversity Profile*. Under the guidance of Warren M. Smith, midwest people leader, Ernst & Young, the survey was collected, tabulated and analyzed. In addition, Chicago United acknowledges the contribution of the Federal Reserve Bank of Chicago and Maude Toussaint-Comeau, senior business economist, who contributed insights and research on past recessions, executive leadership in the region, workforce demographics and forecasts. We would also like to extend a special note of thanks to Kevin Connelly, chairman, Spencer Stuart for his ongoing support of Chicago United and the *Corporate Diversity Profile*. His industry insights and review of the census data contributed significantly to this project. Editing was conducted by Chicago United Director of Member Engagement Teresa Sarna. Chicago United Consultant Perika Sampson was the project manager and primary author of the 2010 *Corporate Diversity Profile*.

## ► WHERE WE STAND...2010

Since the publication of the *2008 Corporate Diversity Profile*, Chicagoans have collectively witnessed a new era in diversity from LaSalle Street to Pennsylvania Avenue. As a result of the city's commitment to diversity and inclusion in both the public and private sectors, we have had the opportunity to present diverse professionals to the Nation. Chicago's racial and ethnic history has experienced challenges. In the face of those challenges, it has been the commitment of the city's leading corporations and institutions to embrace the city's rich diversity and engage all of its talent while promoting diversity and inclusion that has led us to this more progressive time in history. Unfortunately, despite more than 30 years of affirmative action and corporate diversity initiatives, access to the C-suite is still elusive in Chicago and in corporations across the country. Seasoned, diverse professionals continue to be underutilized in U.S. corporations. Underutilization of the country's diverse workforce does not adequately support a nation struggling to regain its economic dominance nor does it support its efforts to leverage innovation and creativity in the marketplace. Corporations that have not made the necessary investment to diversify their middle and senior management ranks will be forced to compete for high-performing diverse professionals in a tight labor pool even with record unemployment rates.

The *2010 Corporate Diversity Profile* highlights critical workforce diversity challenges that Chicago corporations must face in order to compete regionally, nationally, and globally. Upon reviewing the responses to the *2010 Corporate Diversity Profile* survey, we noted that there was no change in representation of people of color at the corporate director level, a slight increase at the CEO level, and a slight improvement in representation at the senior vice president level. Consistent with EEOC data, there has been some improvement at the vice president, director and senior manager levels for Hispanics and Asians. Additionally there was a downward trend in the ranks of senior management, reducing total numbers in the most senior positions and increasing the workforce numbers in more managerial positions. This trend is consistent with what Americans across the country are doing, accepting lower wages and reduced title recognition in order to keep their jobs or secure employment.

Given the depth of the 2007-2009 recession, Chicago United thought it would be valuable to examine the differential impact of the economic recession on racial groups. With the assistance of the Federal Reserve Bank of Chicago, we examined historical trends from 1974 to the present. Overall, the 2007-2009 recession has had a devastating impact on the nation's economy and a direct impact on nearly every American household. This recession has negatively impacted 55% of the U.S. labor force according to Pew Research Center's Social and Demographic Trends Project. By studying the effects of past recessions in addition to the 2007-2009 recession, this report indicates that overall there is a consistent, disproportionately negative impact of recessions on people of color. Many of the economic gains made in the previous economic expansion have been diminished as a result of the recent downturn. For example, minorities are at least 40% more likely to be unemployed than whites according to the Center for American Progress.

Companies should note the U.S. population trends as they look to recruit employees during the impending economic recovery. Not only is there an opportunity to engage diverse talent, there is also the prospect of garnering market share in an increasingly diverse marketplace. According to Nielsen, companies across the country have spent over \$5.4 billion in Spanish-language media while spending in African American media exceeded \$1.9 billion. It is important to recognize that past dollars spent on diversity and inclusion are significant investments for corporations across the country. The total diversity spend, corporate initiatives, and multicultural marketing must be considered as Chicago companies evaluate the return on investment for diversity and inclusion in both the workplace and the marketplace.

There has been minimal progress in achieving racial parity in the C-suite and professional ranks over the last 30 years. Investment in corporate diversity and inclusion is having some impact. Collectively minorities had been experiencing accelerated employment growth prior to the recession as illustrated in the foregone employment statistics presented by the Federal Reserve Bank of Chicago. In addition, executive recruiters have shared that they have received stronger requirements from companies asking for presentation of diverse slates of candidates for executive and corporate director positions.

Given the impact of the recession on minority groups, it appears that the estimated time to achieve equal representation in the executive ranks compared to workforce representation will be extended well beyond the 89 years estimated in the *2008 Corporate Diversity Profile*. It is imperative for corporations to move from programmatic diversity and inclusion strategies to those strategies that are tied to business objectives. Chicago United believes that the commitment to diversity and inclusion is a core strength of Chicago's leading corporations and it has been exhibited through these difficult economic times.

## ► WHERE WE STAND...2010

Chicago has seen increased racial diversity in executive positions in large firms between 2000 and 2008 per Equal Employment Opportunity Commission data. Specifically, there was an increase in the percentage of positions held by Hispanics and Asians. A review of trends by industries saw an increase in diverse representation in the healthcare industry, especially by African American executives. The manufacturing and transportation sectors saw an increase in the number of Hispanic executives. The professional services sector saw an increase in both Hispanic and Asian executives.

### Top Executive Jobs All Industries

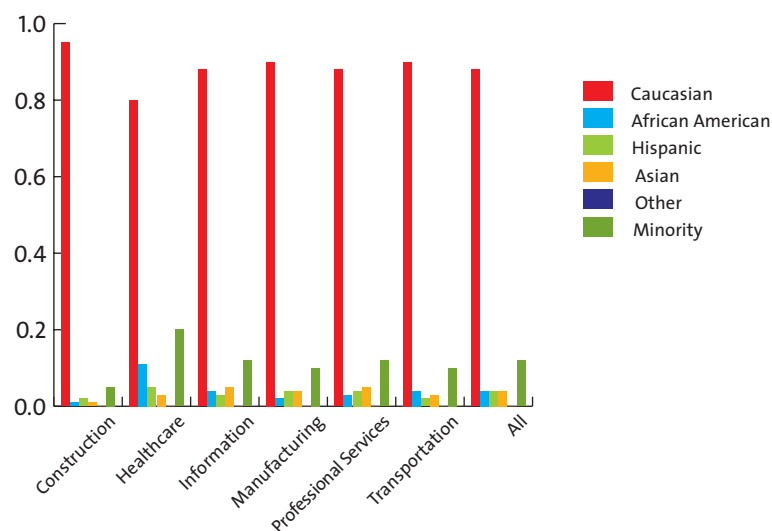
	Caucasian	African American	Hispanic	Asian	Other	Minority
2008	0.80	0.08	0.07	0.05	0.00	0.2
2006	0.81	0.08	0.06	0.05	0.00	0.19
2004	0.82	0.08	0.06	0.04	0.00	0.18
2002	0.83	0.08	0.05	0.04	0.00	0.17
2000	0.83	0.08	0.05	0.03	0.00	0.17

### Racial Distribution In Top Executive Jobs by Industry 2008

	Caucasian	African American	Hispanic	Asian	Other	Minority
Construction	0.95	0.01	0.02	0.01	0.00	0.04
Healthcare	0.80	0.11	0.05	0.03	0.00	0.19
Information	0.88	0.04	0.03	0.05	0.00	0.12
Manufacturing	0.90	0.02	0.04	0.04	0.00	0.10
Professional Services	0.88	0.03	0.04	0.05	0.00	0.12
Transportation	0.90	0.04	0.02	0.03	0.00	0.09
All	0.88	0.04	0.04	0.04	0.00	0.12

Note: Rows may not total 100 due to rounding.

### Racial Distribution in Top Executive Jobs by Industry in Chicago



Source: Equal Employment Opportunity Commission

Despite the aforementioned increases, the results of systematic exclusionary tactics in a number of key industries have prevented minorities from securing entry-level positions and have limited access to executive positions. Hence, more than 90% of all executive positions in construction, manufacturing and transportation are held by whites. Despite some recent improvement, healthcare, information, and professional service executive positions are also dominated by whites.

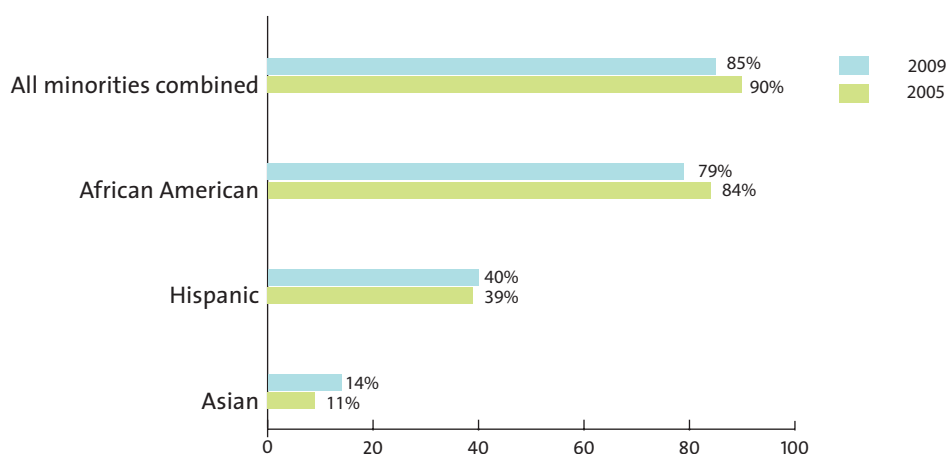


## ► DIVERSITY IN CHICAGO BOARDROOMS – THE RESULTS

The 2007-2009 recession has highlighted the need for a renewed focus on corporate governance. Shareholders increasingly demand strong active boards as well as independent directors with a diversity of knowledge, expertise, and backgrounds to better manage risk and provide objective financial and operational oversight.

With the Securities and Exchange Commission's 2009 ruling (Item 407(c) of Regulation S-K) requiring public companies to offer transparency of their diversity policies for board nominees, it is expected that there will be an increase in the number of diverse directors. There is a fundamental need for corporations to increase diversity on corporate boards. In an increasingly complex and diverse domestic and global marketplace, the ability to draw on a wide range of perspectives, backgrounds, skills, and experience is critical to a corporation's success.

**Top 200 Boards with at Least One Minority Director**



Source: SpencerStuart, 2009 Board Index

Regrettably, minority representation on corporate boards remains about the same as was reported in the 2008 *Corporate Diversity Profile*. Spencer Stuart's 2009 Board Index highlights that among corporate boards at the largest 200 of S&P 500 companies, minorities; African Americans, Hispanics and Asians, account for 15% of all directors, which represents no increase in representation since 2005. Nearly 10% of corporate directors are African American, and 79% of corporate boards have at least one African American director, a number that is down from 84% in 2005. About 4% of directors are Hispanic. Approximately 40% of boards have at least one Hispanic director, up one percentage point since 2005. Just over 1% of directors are Asian. Up from 9% in 2005, 14% of boards have at least one Asian director.

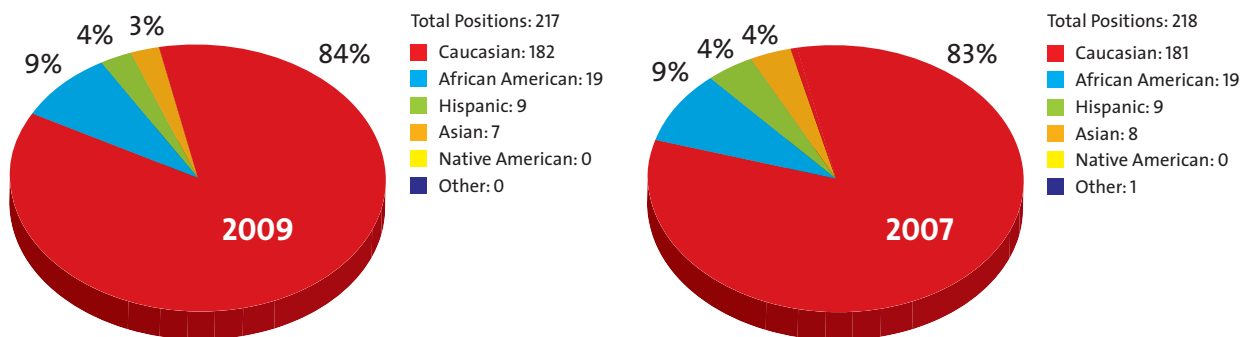
Spencer Stuart's findings are disturbing as African American, Latinos and Asians represent 10%, 4% and 2% of corporate board seats respectively, while they make up a combined 34% of the U.S. population. While representation is important, performance is critical. In a growing body of research, there are a number of studies that highlight the correlation of board diversity to corporate performance. Over a 5-year period, a high ratio of diverse corporate boards outperformed the Dow Jones and NASDAQ indices per California Public Employees' Retirement System's Investment Committee's examination of key metrics. The key metrics measured by CALPERS include return on equity, return on sales, and return on invested capital. These findings would indicate that diversity on corporate boards contributes to a company's ability to obtain optimal performance.

**“At Aon we believe a commitment to diversity from the boardroom, to senior management and throughout our global organization allows us to focus on hiring the best, building the best, and being the best.”**

**Gregory C. Case, CEO, Aon Corporation**

The demand for independent directors and the limitations of some chief executive officers ability to participate on corporate boards should, in theory, lead to a number of open director positions for diverse candidates. Responses to the *2010 Corporate Diversity Profile* survey indicated that only 6% of Chicago corporations anticipate adding corporate directors in the next 12 months, although 16% responded that increasing diversity on their corporate board is a goal. A significant challenge to gaining diversity on corporate boards is the slow and frankly low turnover of corporate directors. Typically corporate directors are not retiring before the compulsory retirement age, which for many companies is age 70. Given the nature of relationships amongst CEOs and corporate directors, it is typical for diverse professionals to have minimal access in that arena which limits their chances to be positioned for corporate director opportunities.

### Board Members Chicago Metro Companies



Source: Chicago United 2010 Corporate Diversity Profile Survey

Survey Questions	RESPONSES		
	Yes	No	Not Sure
We anticipate adding corporate directors within the next 12 months.	6%	38%	56%
We anticipate increasing the diversity on our corporate board within the next 12 months.	16%	26%	58%

An informal survey of executive recruiters found that companies are still looking for directors who have been chief executive officers. As so few diverse professionals have CEO-level experience, it is necessary for them to distinguish themselves in other ways. Respondents to the *2010 Corporate Diversity Profile* survey ranked business unit leadership, profit and loss responsibility, and cross functional experience as the top three qualifications for corporate directors and senior management. A track record of developing talent and industry expertise round out the top five qualifications desired of a corporate director.

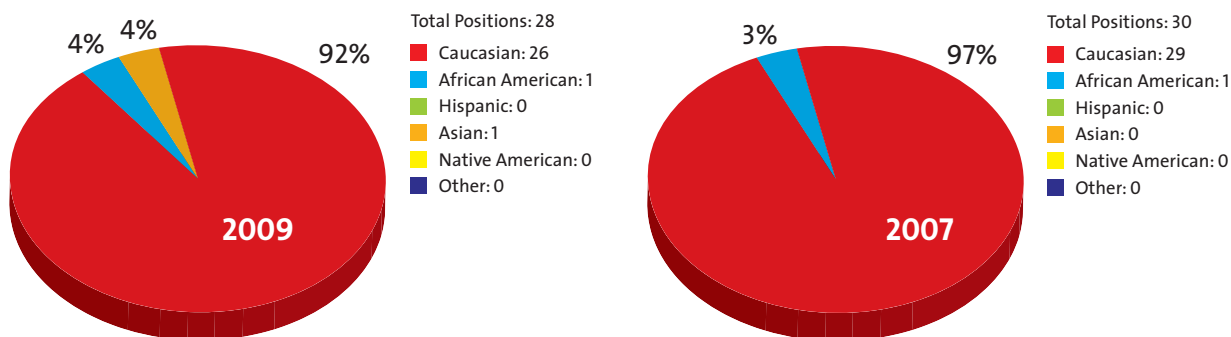
## ► C-SUITE REPRESENTATION

**“At Northern Trust, diversity is fundamental to our success. Diversity sparks innovation, enhances engagement with clients and staff, and strengthens relationships with the community.”**

**Frederick H. Waddell, Chairman and Chief Executive Officer, Northern Trust**

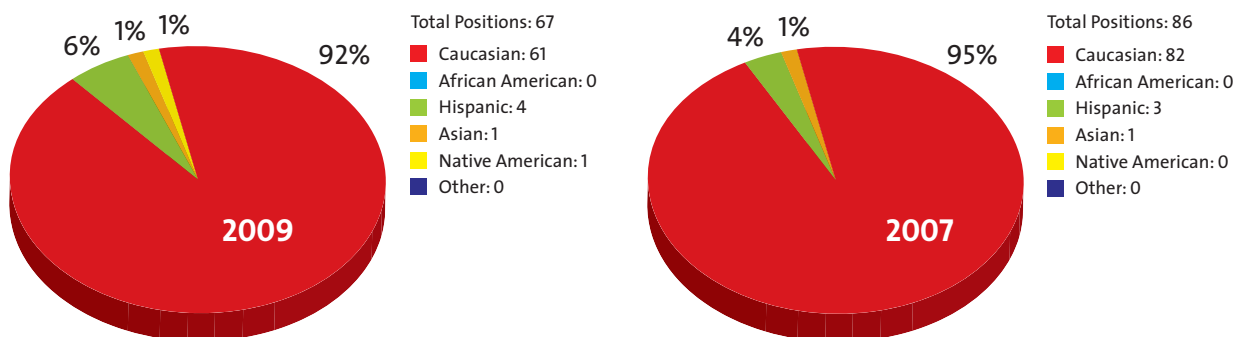
Although there has been a gain reported in the Chairman/CEO office, Chicago’s most progressive corporations have named additional diverse professionals to key roles in both national and global operations. It is important to note that Frank Clark is the chairman and chief executive officer of ComEd and also serves on the ComEd Board of Directors. Clark is included in the survey as ComEd’s parent company, Exelon, participated in the survey. In 2008, William H. Osborne was named president and chief executive officer at Federal Signal. Federal Signal is not represented in the 2010 *Corporate Diversity Profile* survey. And in 2010, Don Thompson was named president and chief operating officer of McDonald’s Corporation. Thompson was named after the reporting period for the 2010 *Corporate Diversity Profile*.

### Chairman/CEOs Chicago Metro Companies



Source: Chicago United 2010 Corporate Diversity Profile Survey

### Presidents Chicago Metro Companies

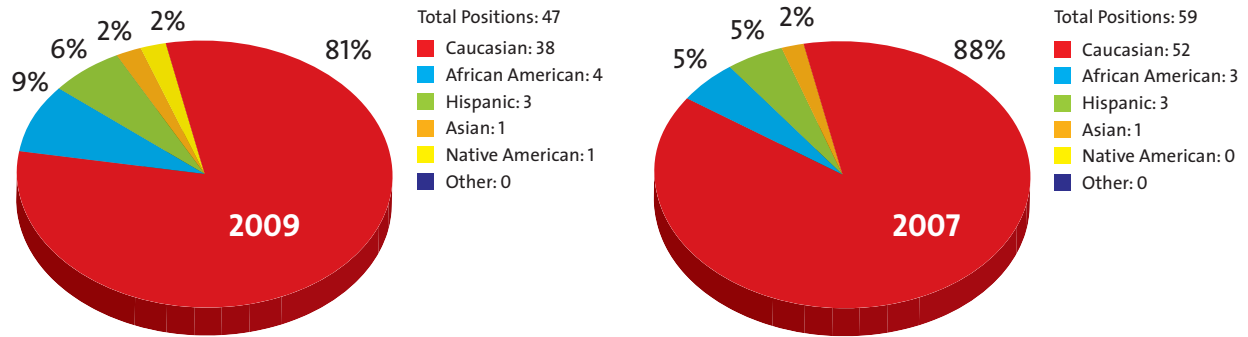


Source: Chicago United 2010 Corporate Diversity Profile Survey



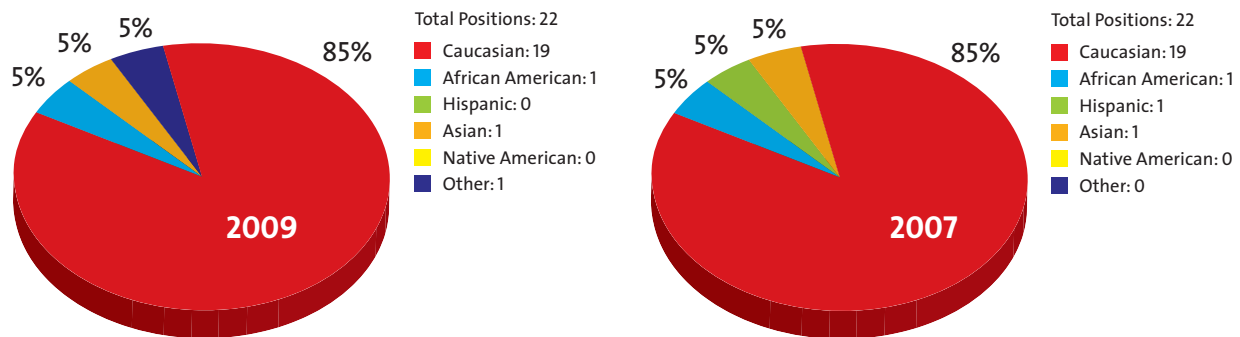
The small percentage of diverse professionals in the C-suite highlights the need to review succession planning and professional development strategies for diverse professionals. To determine the impediments to the progress of diverse professionals, corporations should continue to review on-boarding, leadership development, and retention challenges. As corporations review these concerns, a renewed focus should be placed on career and succession planning as well as access to assignments on the C-suite track.

### Chief Operating Officers Chicago Metro Companies



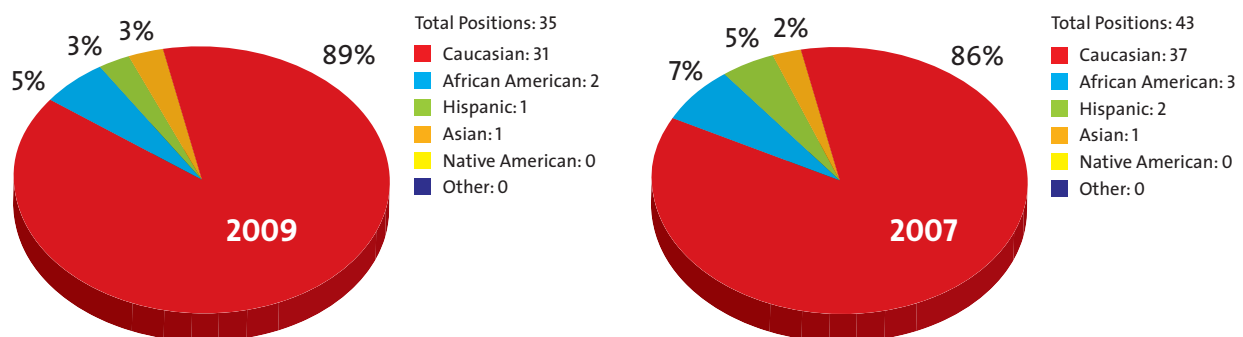
Source: Chicago United 2010 Corporate Diversity Profile Survey

### Chief Financial Officers Chicago Metro Companies



Source: Chicago United 2010 Corporate Diversity Profile Survey

### Senior Executive Vice Presidents Chicago Metro Companies



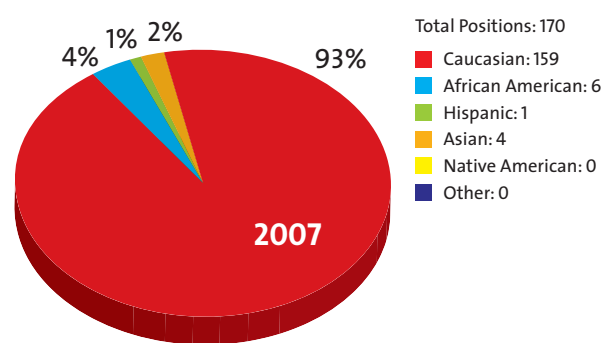
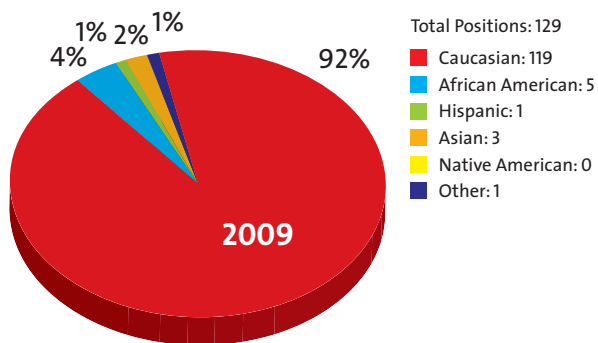
Source: Chicago United 2010 Corporate Diversity Profile Survey

## ► C-SUITE REPRESENTATION *continued*

**"Out of our diversity comes our city's greatest strength."**

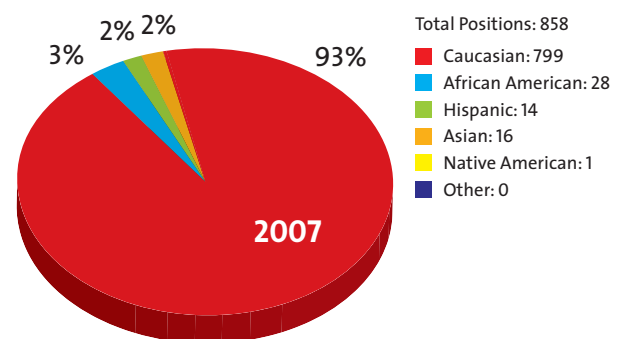
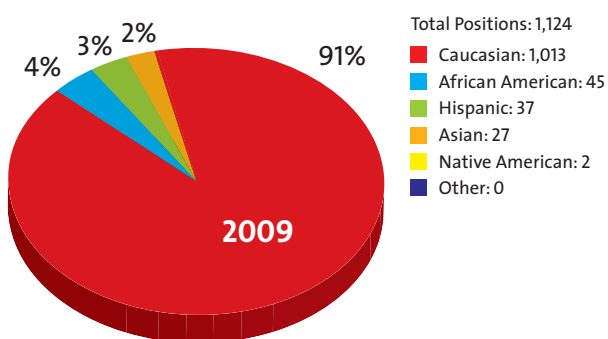
**Richard M. Daley, Mayor**

### Executive Vice Presidents Chicago Metro Companies



Source: Chicago United 2010 Corporate Diversity Profile Survey

### Senior Vice Presidents Chicago Metro Companies



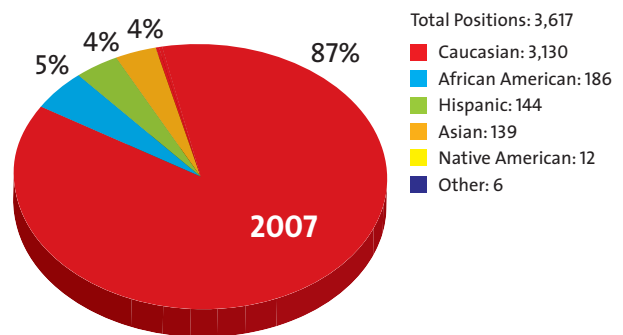
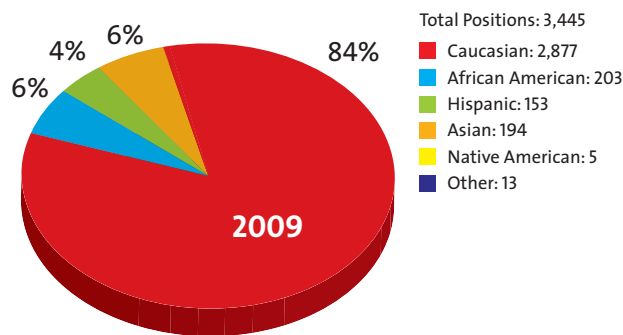
Source: Chicago United 2010 Corporate Diversity Profile Survey

## ► THE TALENT PIPELINE

“Abbott is a company committed to maintaining a diverse and inclusive workforce that reflects the diversity of our many stakeholders. Fostering a diverse workplace and inclusive environment allows us to embrace different ways of thinking and doing business that are vital to our future success.”

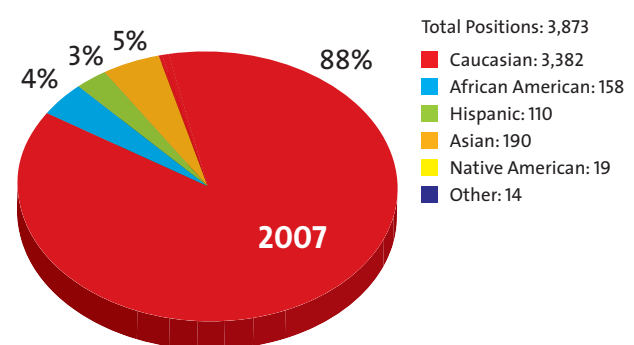
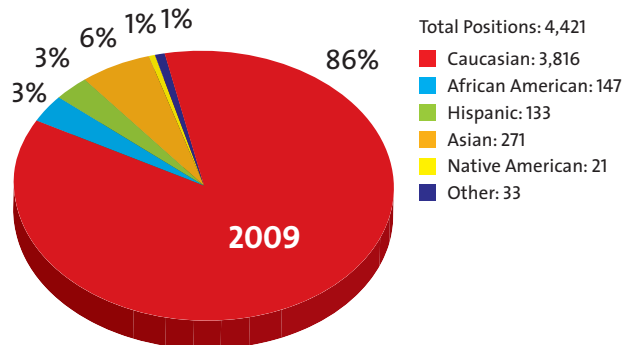
Miles D. White, Chairman and Chief Executive Officer, Abbott Laboratories

### Vice Presidents Chicago Metro Companies



Source: Chicago United 2010 Corporate Diversity Profile Survey

### Directors Chicago Metro Companies

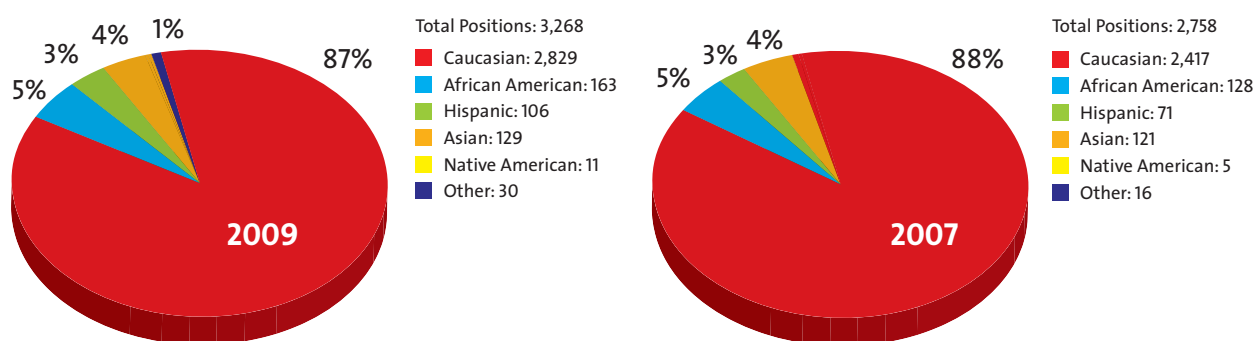


Source: Chicago United 2010 Corporate Diversity Profile Survey

## ► THE TALENT PIPELINE *continued*

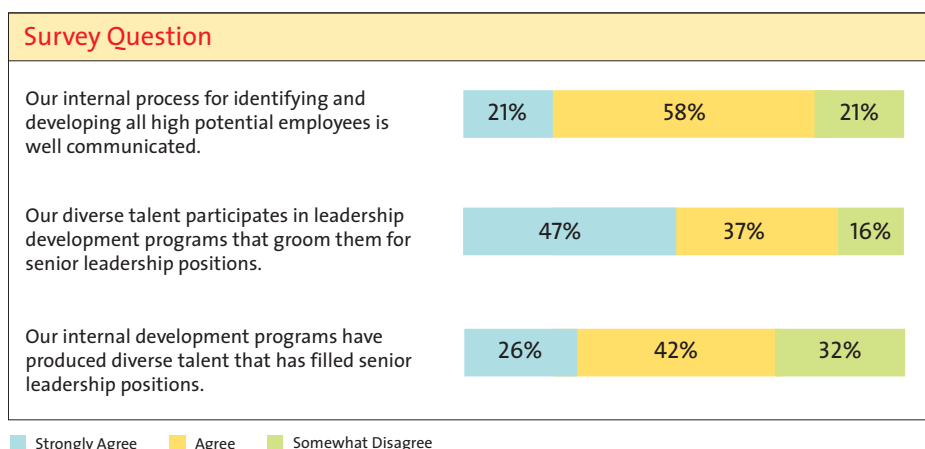
Diversity and human resource practitioners believe the key to improving the number of diverse professionals in senior leadership is to ensure that there is a deep bench of diverse talent poised for increased responsibility when opportunities arise. For long-term sustainability, corporations must look beyond recruitment. The most critical components of the equation include retention and professional development. Most important is the implementation of strategies to improve on-boarding and the corporate experience for diverse professionals.

### Senior Managers Chicago Metro Companies



Source: Chicago United 2010 Corporate Diversity Profile Survey

Prior to the economic downturn, Chicago's corporations appeared to have made some progress in the hiring of diverse candidates. As these corporations prepare for the economic recovery, career and succession planning will go a long way towards achieving diversity, recruitment, and retention goals.



## HISTORICAL IMPACT OF RECESSIONS ON THE DIVERSE WORKFORCE

To provide a comprehensive picture of the impact of the 2007-2009 recession, Chicago United engaged the Federal Reserve Bank of Chicago to examine the impact of the current and past recessions on racial groups. The analysis highlighted that during the 2007-2009 recession employment loss stood at more than 4% for the civilian labor force. This loss dwarfed those of the past five recessions, which were between 1% and 2%. The African American, Asian and Hispanic workforce tend to be disproportionately affected by unemployment during times of recessions irrespective of their education levels. The 2007-2009 recession seems to have been no exception.

The following chart outlines national employment statistics by educational attainment and race.

### Employment Status of the Civilian Noninstitutional Population 25 Years and Over by Educational Attainment, Race and Ethnicity

	Less than a high school diploma		High school graduates no college		Some college or associate degree						Bachelor's degree or higher	
					Total		Some college no degree		Associate degree			
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
<b>White</b>												
Civilian noninstitutional population	20,653	20,550	50,101	50,515	41,877	42,210	27,281	27,137	14,597	15,073	47,910	48,628
Employed	9,036	8,497	29,495	28,372	28,615	27,697	17,873	16,983	10,742	10,714	36,228	35,854
Employment-population ratio	43.8	41.3	58.9	56.2	68.3	65.6	65.5	62.6	73.6	71.1	75.6	73.7
Unemployed	807	1374	1570	2800	1211	2177	840	1465	371	713	888	1583
Unemployed ratio	8.2	13.9	5.1	9	4.1	7.3	4.5	7.9	3.3	6.2	2.4	4.2
<b>African American</b>												
Civilian noninstitutional population	3,629	3,644	7,918	7,866	6,335	6,586	4,379	4,519	1,956	2,067	4,372	4,488
Employed	1,234	1,096	4,719	4,375	4,411	4,277	2,972	2,855	1,439	1,422	3,423	3,363
Employment-population ratio	34.0	30.1	59.6	55.6	69.6	64.9	67.9	63.2	73.6	68.8	78.3	74.9
Unemployed	209	297	482	710	355	557	260	394	95	162	141	266
Unemployed ratio	14.5	21.3	9.3	14	7.4	11.5	8	12.1	6.2	10.3	4	7.3
<b>Asian</b>												
Civilian noninstitutional population	1,028	1,096	1,847	1,828	1,517	1,538	879	915	639	623	4,856	4,892
Employed	439	448	1,139	1,028	1,061	1,013	602	579	459	434	3,651	3,622
Employment-population ratio	42.8	40.8	61.6	56.2	69.9	65.9	68.5	63.3	71.9	69.6	75.2	74.0
Unemployed	30	41	51	83	42	92	24	57	18	35	106	214
Unemployed ratio	6.4	8.4	4.3	7.5	3.8	8.3	3.8	8.9	3.8	7.5	2.8	5.6
<b>Hispanic</b>												
Civilian noninstitutional population	9,555	9,763	7,526	7,736	4,983	5,103	3,371	3,421	1,612	1,682	3,414	3,543
Employed	5,426	5,233	5,232	5,069	3,721	3,656	2,484	2,414	1,236	1,242	2,736	2,729
Employment-population ratio	56.8	53.6	69.5	65.5	74.7	71.7	73.7	70.6	76.7	73.8	80.1	77.0
Unemployed	485	831	344	589	195	370	142	255	52	115	97	166
Unemployed ratio	8.2	13.7	6.2	10.4	5	9.2	5.4	9.6	4.1	8.5	3.4	5.7

Source: Bureau of Labor Statistics, numbers in thousands  
Unemployed ratio of the civilian labor force.

## HISTORICAL IMPACT OF RECESSIONS ON THE DIVERSE WORKFORCE *continued*

Chicago United acknowledges that the length, breadth, and depth of the 2007-2009 recession have affected all Americans deeply. The impact of the recession on Americans includes unemployment, reduced pay and/or hours, and underemployment due to involuntary moves to part-time work. In addition, the housing market collapse and extreme stock market reductions have reduced the wealth of the average American household by an estimated 20%, according to government data. The Federal Reserve Bank of Chicago's analysis highlights the employment change, foregone employment, and the total effect of the recession on employment for all Americans.

Employment change considers the level of employment at the start and at the end of the recession. This measurement alone is incomplete because it assumes that there would have been zero employment growth had there been no recession. In order to understand the total impact of the recession, we must also consider not only employment losses, but also foregone employment which is the expected employment growth that did not occur due to the recession. As defined by Howard J. Wall, vice president and economist with the Federal Reserve Bank of St. Louis, "Foregone employment is lost opportunity – it is the increase in employment that would have existed had there not been a recession."

The most direct way to represent foregone employment is to assume that employment would have grown at a typical rate prior to the economic downturn. Foregone employment may be measured in the aggregate for the total US workforce or segmented by demographic. We have included foregone employment by demographic, because, like employment change, different segments of the population experience job growth and job loss at differing rates. By representing job loss and foregone employment we better understand the total effect of the recession.

Foregone employment also provides a picture of how employment fluctuations affected minorities through several economic cycles. During times of economic expansion and low unemployment, business utilizes the minority workforce to a higher degree and accelerates employment opportunities. When there is economic contraction and high unemployment, minorities experience job loss at two to three times their white counterparts.

**Total Percentage Effects of Recessions on U.S. Employment**

	Employment Change	Foregone Employment	Total Effect
Q2 2007 - Q4 2009	-5.5	-2.2	-7.6
Q2 2001 - Q1 2002	-1.2	-1.3	-2.5
Q2 1990 - Q4 1991	-1.2	-2.2	-3.4
Q3 1981 - Q1 1983	-1.5	-5.2	-6.7
Q2 1980 - Q3 1980	-1	-2.2	-3.2
Q4 1974 - Q2 1975	-1.7	-2.2	-3.9

Foregone employment is lost opportunity—it is the increase in employment that would have existed had there not been a recession. The total effect is employment change plus foregone employment.



## Percentage Total Effect of Recessions on U.S. Employment by Race

	Caucasian	African American	Hispanic	Asian
Q2 2007 - Q4 2009	-6.8	-11.4	-12.1	-11.7
Q2 2001 - Q1 2002	-2.6	-3.3	-8.7	-9
Q2 1990 - Q4 1991	-2.9	-4.9	-7.5	
Q3 1981 - Q1 1983	-9.2	-6.8	16.9	
Q2 1980 - Q3 1980	-2.5	-3.7	-8.3	
Q4 1974 - Q2 1975	-3.1	-8	-12.8	

Source: Monthly Household Employment Data, Bureau of Labor Statistics and Haver Analytics

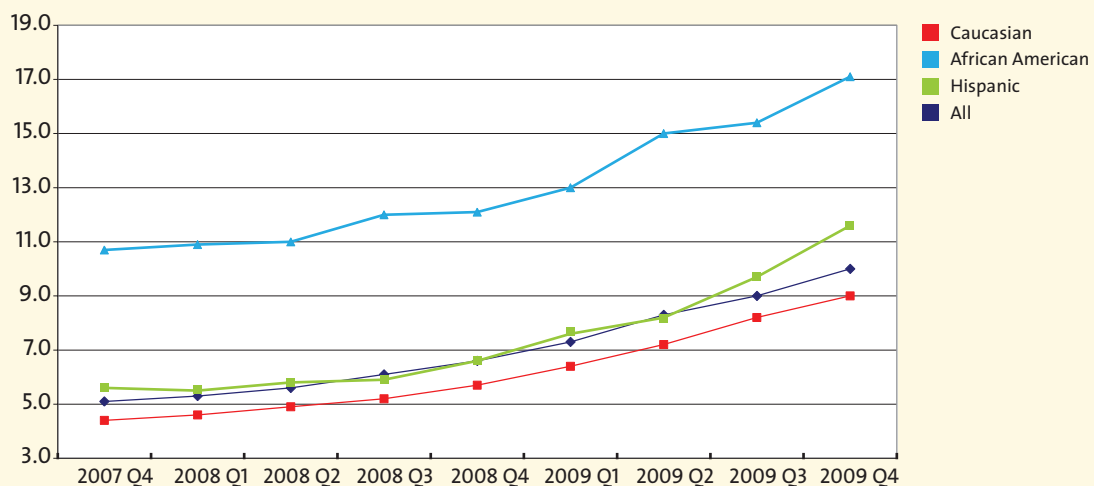
Note: Asian employment data was not tracked prior to the 2001 recession.

Upon reviewing the impact of the recession on the country's workforce by race, it is evident that there has been a disproportionate impact on people of color. The positive news from a diversity and inclusion perspective is that, collectively, people of color had been experiencing a period of accelerated employment growth prior to the recession as illustrated in the foregone employment statistics. The bad news is that the 2007-2009 recession impacted people of color at more than twice the rate of their white counterparts.

### Illinois Unemployment Rate Increases Largest Among Blacks and Hispanics

Unemployment rates increased among all racial groups between fourth quarter 2007 and fourth quarter 2009, with Blacks and Hispanics experiencing the largest gains and highest unemployment rates (see Chart 2). The unemployment rate for whites more than doubled, rising from 4.4% to 9%; the unemployment rate for white men went from 4.9% to 9.9%. During the same period, the unemployment rate for Blacks increased from 10.7% to 17.1%. Black men saw their unemployment rate climb from 13.1% to 20.2%, while the unemployment rate for Black women increased from 8.7% to 14.6%. The unemployment rate for Hispanics rose from 5.6% to 11.6% with Hispanic women reporting an increase of 7.9 percentage points (from 5% to 12%).

### Illinois Unemployment Rates by Race/Ethnicity (Four-Quarter Moving Averages)



Technical note: The data cited in this article were taken from the Current Population Survey (CPS), a monthly survey of households conducted by the U.S. Census Bureau for the U.S. Bureau of Labor Statistics. This article references four-quarter moving averages from the CPS instead of monthly estimates. This approach was taken because estimates at the state level are subject to large, monthly changes due to non-economic reasons such as sampling error and seasonal patterns in the labor force.

Source: "The Great Recession and its Impact on the Illinois Labor Force," The Illinois Labor Market Review, February 2010" submitted by Illinois Department of Employment Security, [http://lmi.ides.state.il.us/lmr/feb\\_10/feb2010.pdf](http://lmi.ides.state.il.us/lmr/feb_10/feb2010.pdf)

## ► HISTORICAL IMPACT OF RECESSIONS ON THE DIVERSE WORKFORCE *continued*

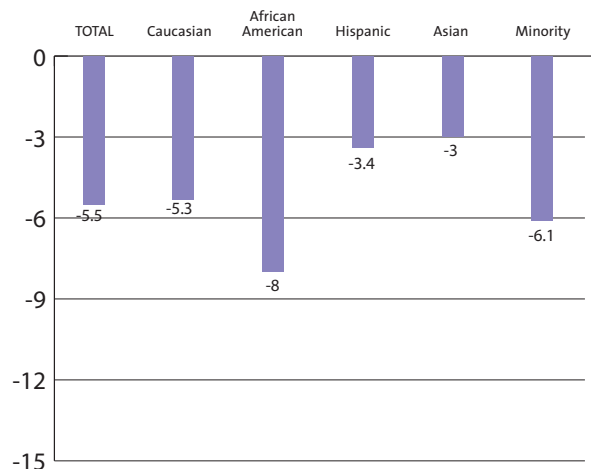
### 2007 – 2009 Recession

When the brutal, two-year long recession was declared officially over in September 2010, Americans were so beleaguered they barely noticed. Unfortunately, for many Americans this period marks a mere milestone in one of the toughest recessions in U.S. history. The 2007-2009 recession officially began in the fourth quarter of 2007 even though significant job losses were reported in the previous three quarters. The industries most impacted during this recession include construction, durable and nondurable goods manufacturing, retail, financial services, and hospitality (travel and leisure).

Nearly 15 million jobs have been lost as a result of the 2007-2009 recession. To achieve the pre-recession unemployment rate of 5%, nearly 10 million jobs will have to be created. The wake of the 2007-2009 recession has left 14 million unemployed, nearly 9 million underemployed and over 3.5 million who have given up looking for employment.

The following charts illustrate the total effect of the recession, change in employment, and foregone employment by race/ethnicity from the second quarter of 2007 through the fourth quarter of 2009. The total effect of the 2007-2009 recession is comprised of the change in employment plus foregone employment. For minorities, the rate of change was -14.6 versus -6.8 for whites. Job loss was particularly negative for African Americans in this recession. Nationally, the employment of whites fell at 70% of the rate of African Americans (5.3 % versus 8%).

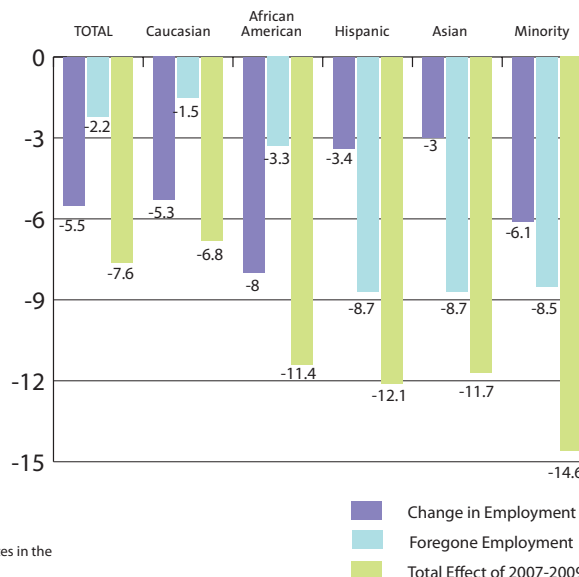
**Change in Employment Q2 2007 – Q4 2009**



Source: Monthly Household Employment Data, Bureau of Labor Statistics and Haver Analytics

Note: The National Bureau of Economic Research recession dates are Q4 2007 through Q2 2009. The dates in the chart reflect the household employment dates as estimated by using a Markov-switching model.

**Change in Employment, Foregone Employment and Total Effect of Recession Q2 2007 – Q4 2009**



The information in the charts represents the percentage change in employment from the beginning of Q2 2007 to the end of Q4 2009.

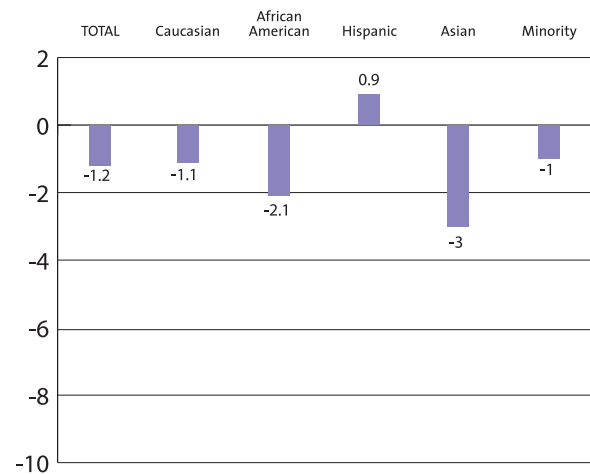
Foregone employment reflects regular employment growth prevented by the recession. For minorities, the impact of foregone employment during the period was greater than it was for their white counterparts as, collectively, the minority workforce had been experiencing a period of faster employment growth prior to the recession. Minorities experienced 8.5% foregone employment while in the same period foregone employment for whites was 1.5%.

## 2001 Recession

A national recession was officially declared in April 2001, ending a 10-year period of expansion of the U.S. economy. The economy experienced a significant decline in the second quarter of 2001. The recession was brought on by the burst of the dot-com bubble. Recovery was delayed by the September 11th terrorist attack. There were more than 2.1 million jobs lost during the period. During the 2001 recession, white employment fell 50% of the rate of African American employment (-1.1 vs. -2.1). The unemployment rate for white men was 3.7% while the rate was 3.6% for white women. During the same period, the unemployment rate for African American men was 8%, while the unemployment rate for African American women was 7%. The unemployment rate for Hispanic men was 5.2% and 6.6% for Hispanic women.

The following charts illustrate the total effect of the recession, change in employment, and foregone employment by race/ethnicity from the second quarter of 2001 through the first quarter of 2002. The total effect of the 2001 recession is comprised of the change in employment plus foregone employment. For minorities the rate of change was -8.6 versus -2.6 for whites.

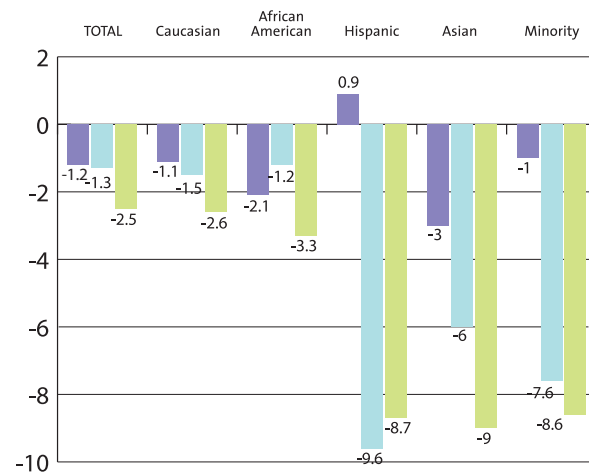
**Change in Employment Q2 2001 – Q1 2002**



Source: Monthly Household Employment Data, Bureau of Labor Statistics and Haver Analytics

The National Bureau of Economic Research recession dates are Q2 2001 through Q4 2001. The dates in the charts above reflect the household employment dates as estimated by economists using a Markov-switching model.

**Change in Employment, Foregone Employment and Total Effect of Recession Q2 2001 – Q2 2002**



Change in Employment  
Foregone Employment  
Total Effect of 2001-2002

The information in the charts represents the percentage change in employment from the beginning of Q2 2001 to the end of Q1 2002.

Foregone employment reflects regular employment growth prevented by the recession. For minorities the foregone employment during the period was 7.6%. For the same period foregone employment for whites was 1.5%. Hispanics had experienced an accelerated employment growth in the period prior to the recession resulting in 9.6% foregone employment. At the same time, there was a positive change of less than 1% in employment for Hispanics mitigating the total effect of the recession to a loss of 8.7%.

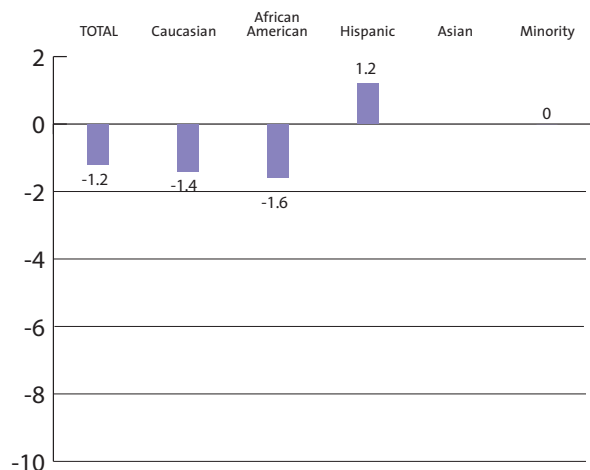
## ► HISTORICAL IMPACT OF RECESSIONS ON THE DIVERSE WORKFORCE *continued*

### 1990 Recession

The 1990 recession was officially declared in July 1990. It brought to a close the longest peacetime expansion of the economy in U.S. history. Unfortunately, the labor market continued to deteriorate for 19 months, long after the official end of the recession. The 1990 recession saw white employment falling at 90% the rate of African American employment (1.4% vs. 1.6%). The recession was brought on by an oil price crisis and the savings and loan crisis. There were more than 1.5 million jobs lost during this recession.

The following charts illustrate the total effect of the recession, change in employment, and foregone employment by race/ethnicity from the second quarter of 1990 through the fourth quarter of 1991. The total effect of the 1990 recession is comprised of the change in employment plus foregone employment. For minorities the rate of change was -8.5% versus -2.9% for whites.

**Change in Employment Q2 1990 – Q4 1991**

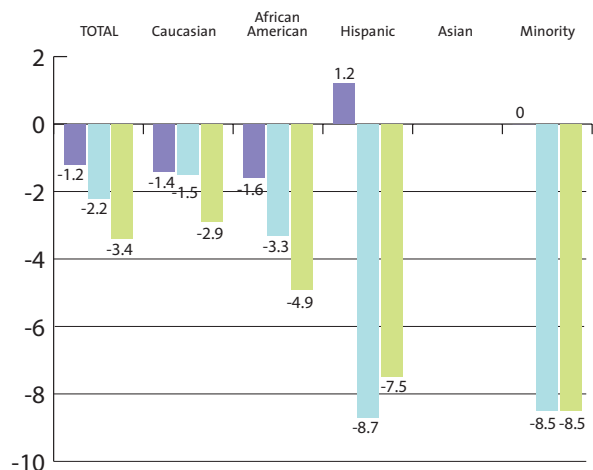


Source: Monthly Household Employment Data, Bureau of Labor Statistics and Haver Analytics

Note: Asian employment data was not tracked during this recession.

The National Bureau of Economic Research recession dates are Q4 1990 through Q1 1991. The dates in the charts above reflect the household employment dates as estimated by economists using a Markov-switching model.

**Change in Employment, Foregone Employment and Total Effect of Recession Q2 1990 – Q4 1991**



Change in Employment  
Foregone Employment  
Total Effect of 1990-1991

The information in the charts represents the percentage change in employment from the beginning of Q2 1990 to the end of Q4 1991.

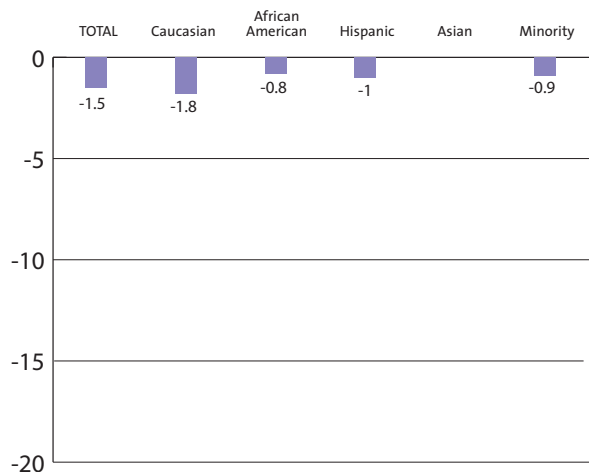
Foregone employment reflects regular employment growth prevented by the recession. For minorities the foregone employment during the period was 8.5%. For the same period foregone employment for whites was 1.5%. Hispanics had experienced accelerated employment growth in the period prior to the recession resulting in foregone employment of 8.7%. At the same time, there was a positive change of just over 1% in employment for Hispanics, mitigating the total effect of the recession for Hispanics to a loss of 7.5%.

## 1981 Recession

The 1981 recession was officially declared in July 1981 and it ended in November 1982. The recession resulted in whites being negatively affected more than African Americans in the workforce. The white change in employment ratio was -1.8% compared to -.8% for African Americans. The 1981 recession was primarily a result of the country's monetary policy that was intended to control inflation. There were more than 2.1 million jobs lost during the period. Manufacturing job losses peaked during the period.

The following charts illustrate the total effect of the recession, change in employment, and foregone employment by race/ethnicity from the third quarter of 1981 through first quarter of 1983. The total effect of the 1981 recession is comprised of the change in employment plus foregone employment. For minorities the rate of change was -15.9% versus -9.2% for whites.

**Change in Employment Q3 1981 – Q1 1983**

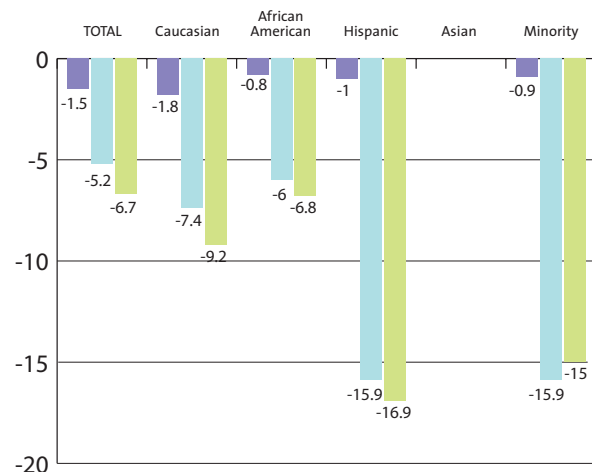


Source: Monthly Household Employment Data, Bureau of Labor Statistics and Haver Analytics

Note: Asian employment data was not tracked during this recession.

The National Bureau of Economic Research recession dates are Q4 1981 through Q4 1982. The dates in the charts above reflect the household employment dates as estimated by economists using a Markov-switching model.

**Change in Employment, Foregone Employment and Total Effect of Recession Q3 1981 – Q1 1983**



Change in Employment  
Foregone Employment  
Total Effect of 1981-1983

The information in the charts represents the percentage change in employment from the beginning of Q3 1981 to the end of Q1 1983.

Foregone employment reflects regular employment growth prevented by the recession. For minorities the foregone employment during the period was 15.9%. For the same period foregone employment for whites was 5.2%. Hispanics had experienced accelerated employment growth in the period prior to the recession resulting in foregone employment of 15.9%. Data is not available for Asians during this period.

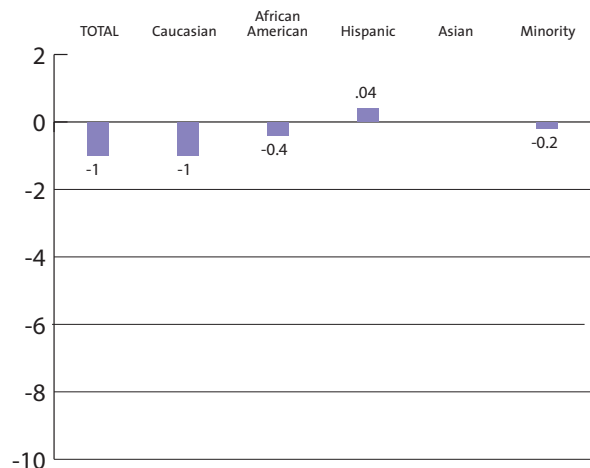
## ► HISTORICAL IMPACT OF RECESSIONS ON THE DIVERSE WORKFORCE *continued*

### 1980 Recession

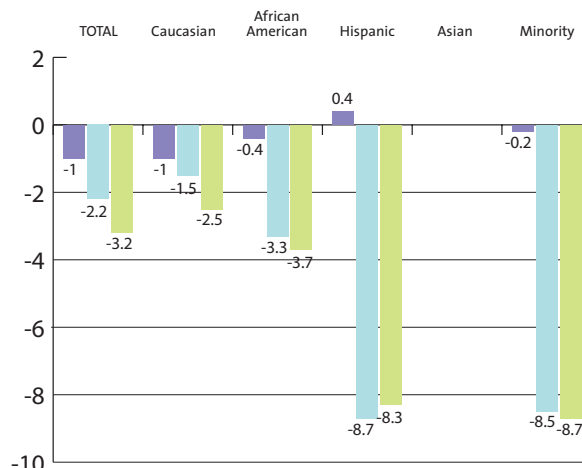
The recession was declared in January 1980 and ended in July 1981. The 1980 recession bares some similarity to the 2007-2009 recession as banks also failed at an alarming rate during that period. During the 1980 recession, white employment fell by more than 30% the rate of African American employment (-1% vs. -.4%). The 1980 recession was short and considered a mild recession. Unemployment rose to approximately 7.5% during the period.

The following charts illustrate the total effect of the recession, change in employment, and foregone employment, by race/ethnicity from the second quarter of 1980 through the third quarter of 1980. The total effect of the 1980 recession is comprised of the change in employment plus foregone employment. For minorities the rate of change was -8.7 versus -2.5 for whites.

**Change in Employment Q2 1980 – Q3 1980**



**Change in Employment, Foregone Employment and Total Effect of Recession Q2 1980 – Q3 1980**



Source: Monthly Household Employment Data, Bureau of Labor Statistics and Haver Analytics

Note: Asian employment data was not tracked during this recession.

The National Bureau of Economic Research recession dates are Q2 1980 through Q3 1980. The dates in the charts above reflect the household employment dates as estimated by economists using a Markov-switching model.

Change in Employment  
Foregone Employment  
Total Effect of 1980-1980

The information in the charts represents the percentage change in employment from the beginning of Q2 1980 to the end of Q3 1980.

Foregone employment reflects regular employment growth prevented by the recession. For minorities the foregone employment during the period was 8.5%. For the same period, foregone employment for whites was 1.5%. Hispanics had experienced accelerated employment growth in the period prior to the recession resulting in foregone employment of 8.7%. At the same time, there was a slight positive change of .4% in employment for Hispanics, mitigating the total effect of the recession for Hispanics to a loss of 8.3%. Data was not available for Asians during this time frame.

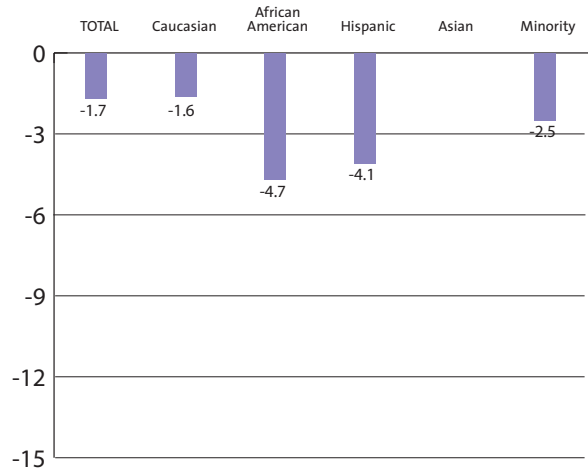


## 1974 Recession

The 1974 recession was declared in November 1974 and it ended in March 1975. The 1974 recession saw white employment falling by 30% of the rate of African American employment (-1.6% vs. -4.7%). There are strong similarities between the 2007- 2009 recession and the 1974 recession as it relates to the impact on employment. The recession was primarily a result of an oil crisis and a decline in housing starts during the period. More than 600,000 thousand jobs were lost during the period.

The following charts illustrate the total effect of the recession, change in employment, and foregone employment by race/ethnicity from the fourth quarter of 1974 through the second quarter of 1975. The total effect of the 1974 recession is comprised of the change in employment plus foregone employment. For minorities, the rate of change was -11% versus -3.1% for whites.

**Change in Employment Q4 1974 – Q2 1975**

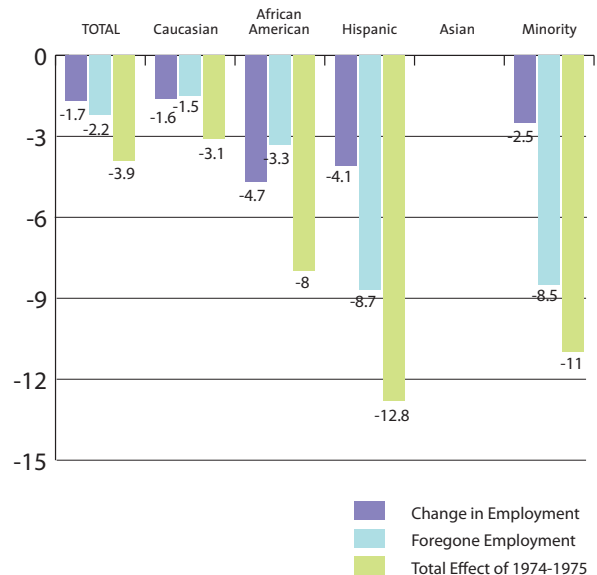


Source: Monthly Household Employment Data, Bureau of Labor Statistics and Haver Analytics

Note: Asian employment data was not tracked during this recession.

The National Bureau of Economic Research recession dates are Q1 1974 through Q1 1975. The dates in the charts above reflect the household employment dates as estimated by economists using a Markov-switching model.

**Change in Employment, Foregone Employment and Total Effect of Recession Q4 1974 – Q2 1975**



The information in the charts represents the percentage change in employment from the beginning of Q4 1974 to the end of Q2 1975.

Foregone employment reflects regular employment growth prevented by the recession. For minorities the foregone employment during the period was 8.5%. For the same period, foregone employment for whites was 1.5%.

## PANEL PERSPECTIVES

Chicago United engaged a panel of experts from Chicago's corporate and nonprofit communities as well as a renowned syndicated columnist to share their perspectives on the 2010 *Corporate Diversity Profile* census data as well as the historical recession data.

### *What does the historical recession data imply about the progress of diversity in the United States?*

This has been a terrible period for all workers. The most recent Displaced Worker Summary (August 26, 2010) suggests that high-tenure workers who lost a job through no fault of their own are, on average, facing substantial wage losses once they become reemployed. Much research suggests that these earnings effects are very long lasting, with residual effects a decade or more still quite visible. While recessions are tough on all groups, they are particularly difficult for workers with less human capital. One of the key advantages of education is the ability to move from job to job and thus insure against your particular occupation or industry facing hard times.

Daniel Aaronson, vice president and economic advisor, Federal Reserve Bank of Chicago

### *What is your perspective on diversity in Chicago corporations as is reported in the 2010 Corporate Diversity Profile?*

The Latino community's representation at the corporate level has flat lined, even while it has blossomed to represent 90% of the state's population growth and 75% of the Chicago region's labor market growth since 2000. These conflicting trends meet at a difficult intersection that illustrates a widening gap between our city's power structure and its people. It is critical that Corporate America begin to tap the tremendous leadership that exists within the Latino community and other communities of color. Aside from the obvious social benefits of parity in the executive suites, the diverse corporations of the future will be better positioned to tap the growing purchasing power, market share, and influence represented by Latinos and other groups. In fact, this data leads me to believe that many corporations are already losing out on Latinos' well-documented brand loyalty.

Sylvia Puente, executive director, Latino Policy Forum

### *What is one of the biggest challenges in building the diverse talent pipeline?*

Diversity within Chicago's executive business community continues to move at a snail's pace. Organizations, while openly committed to diversity and inclusion at the C-suite level, are struggling with the internal dynamics associated with translating this business imperative into strategies that engage all levels of their leadership team – most notably line management. It's this dynamic that has the greatest impact on the diverse talent pipeline since line management is most directly engaged with their teams and has the greatest opportunity to affect change within their sphere of influence.

Anthony Anderson, vice chair and midwest managing partner, Ernst & Young LLP

### *Given the projections for the economic recovery of the country and the Chicago region, what are your thoughts about the short-and long-term impact of the recession on Chicago's business community?*

Chicago has suffered a crash in economic productivity and confidence similar to the rest of the country. Fortunately, the metropolitan area is blessed with a more diverse and energetic economy than most cities, so it will continue to attract a skilled workforce to the city that can take advantage of various markets as they recover. Chicago's strengths include great universities, research hospitals, vigorous tourism, leading-edge technology, corporations, and a highly educated workforce. The long-term outlook is promising, despite short-term uncertainty.

Clarence Page, syndicated columnist, Chicago Tribune

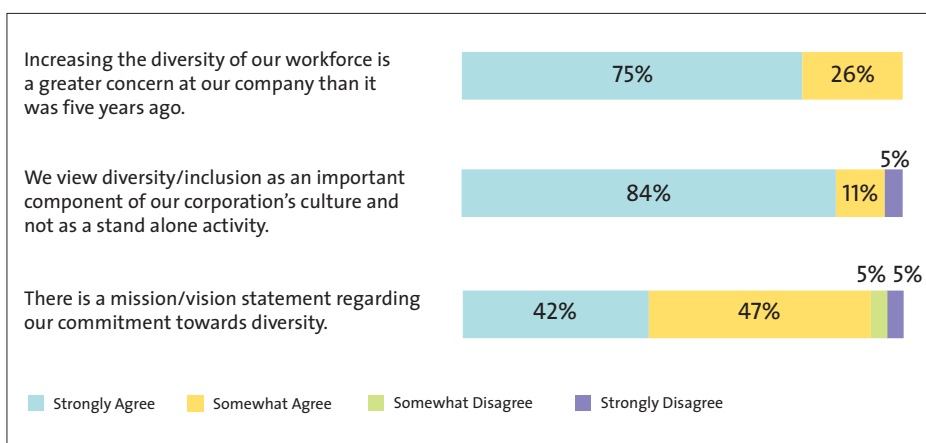
## ► COMMITMENT TO DIVERSITY AND INCLUSION

**“In banking, it’s difficult to keep a market advantage based on products and services alone; many of those things are fairly easy to duplicate. What’s harder, if not impossible, to duplicate is the human component... the people, across an organization, who distinguish themselves by their talents, experiences, perspectives and contributions.”**

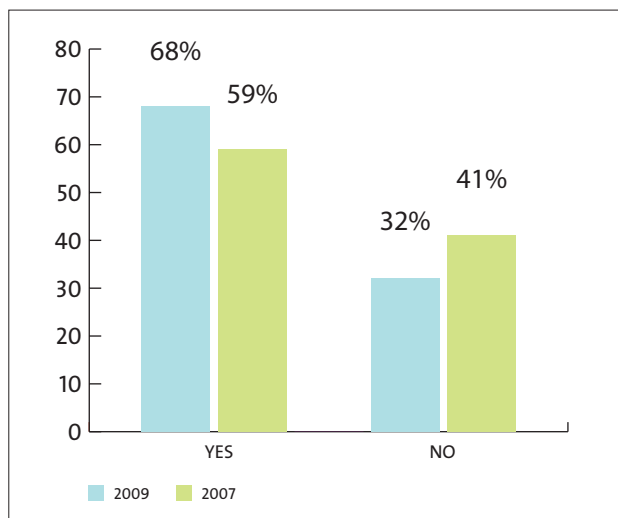
**Ellen M. Costello, Chief Executive Officer Harris Bancorp.**

Chicago’s diversity practitioners and human resource leaders remain steadfast in their commitment to diversity and inclusion, despite corporate economic challenges. The 2010 Corporate Diversity Profile survey respondents indicated that, overall, the economic decline appears to have had minimal impact on their commitment to diversity and inclusion. Attitudinal responses appear to prove that organizations are leveraging internal development to groom diverse talent. Even in these difficult times, practitioners highlight that scarcity of diverse talent continues to be a serious challenge for the region’s corporations.

### Organizational Climate



### Do organizations survey employees on the progress being made around diversity/inclusion efforts?



## ► COMMITMENT TO DIVERSITY AND INCLUSION *continued*

Corporations whose senior leaders are committed to diversity and inclusion and drive that message from the top down experience better results. They will be better positioned to sustain gains and leverage the benefits of diversity and inclusion, especially during the economic recovery period. Leading corporations are increasingly making senior management accountable for diversity and inclusion initiatives, as well as tying diversity goals to performance and compensation.

Survey Questions	RESPONSES		
	Yes	No	Not Sure
<b>2009</b> Senior Management Compensation is tied to diversity/inclusion goals	42%	58%	0%
<b>2007</b> Senior Management Compensation is tied to diversity/inclusion goals	35%	60%	5%

Survey Questions	RESPONSES		
	Strongly Agree	Agree	(Somewhat/Strongly) Disagree
<b>2009</b> We have developed action plans to drive our focus on diversity/inclusion	58%	37%	5%
<b>2007</b> We have developed action plans to drive our focus on diversity/inclusion	67%	29%	4%

Measuring return on investment is critical to sustainable diversity and inclusion. The ability to link diversity and inclusion results to the achievement of business outcomes is a primary measurement of return on investment. The alignment of diversity strategies, business outcomes, and engagement of a diverse workforce will not only payoff in the global marketplace, but also in shareholder value.

Survey Questions	RESPONSES		
	Strongly Agree	Agree	(Somewhat/Strongly) Disagree
<b>2009</b> Measures exist to identify the financial and productivity benefits of having a diversity within the senior management ranks	5%	37%	58%
<b>2007</b> Measures exist to identify the financial and productivity benefits of having a diversity within the senior management ranks	5%	24%	71%

## ► MANDATE FOR SUSTAINABLE DIVERSITY & INCLUSION

Diversity plays a fundamental and profound role in the rich fabric of the city of Chicago. It is imperative for corporations interested in capitalizing on national and global market opportunities to engage a workforce that is reflective of the changing marketplace.

Forward-looking companies must be especially mindful of demographic changes that are already taking place in the United States. The following charts illustrate the current projections in population growth and buying power for the major ethnic groups in the US between 1990 and 2012.

**Population Statistics by Race**  
1990, 2000, 2008, and 2014

	1990	2000	2009	2014
TOTAL	249,622,814	282,171,936	306,935,614	322,212,566
White	209,366,661	228,604,110	244,493,339	254,196,585
Black	30,648,345	35,806,848	39,472,041	41,677,540
Native American	2,058,726	2,675,743	3,134,860	3,410,293
Asian	7,549,082	11,152,945	14,506,692	16,695,170
Multiracial	N/A	3,932,290	5,328,682	6,232,978

Source: Selig Center for Economic Growth, Terry College of Business, the University of Georgia, Third Quarter 2009

**Percentage Change in Population**

	1990-2009	1990-2014	2000-2009	2009-2014
TOTAL	23.0	29.1	8.8	5.0
White	16.8	21.4	7.0	4.0
Black	28.8	36.0	10.2	5.6
Native American	52.3	65.7	17.2	8.8
Asian	92.2	121.2	30.1	15.1
Multiracial	N/A	N/A	35.5	17.0

Source: Selig Center for Economic Growth, Terry College of Business, the University of Georgia, Third Quarter 2009

**Growth in Buying Power by Race**  
1990, 2000, 2008, and 2014 (billions of dollars)

	1990	2000	2009	2014
TOTAL	4270.5	7187.6	10717.8	13097.1
White	3816.2	6231.2	9125.2	11032.7
Black	318.1	590.2	910.4	1136.8
Native American	19.7	39.1	64.7	82.7
Asian	116.5	268.7	508.6	696.5
Multiracial	N/A	58.4	108.9	148.3

Source: Selig Center for Economic Growth, Terry College of Business, the University of Georgia, Third Quarter 2009

**Percentage Change in Buying Power**

	1990-2009	1990-2014	2000-2009	2009-2014
TOTAL	151.0	206.7	49.1	22.2
White	139.1	189.1	46.4	20.9
Black	186.2	257.3	54.3	24.9
Native American	227.8	319.3	65.4	27.9
Asian	336.6	497.9	89.3	36.9
Multiracial	N/A	N/A	86.6	36.2

Source: Selig Center for Economic Growth, Terry College of Business, the University of Georgia, Third Quarter 2009

**Hispanic Growth in Buying Power**  
1990, 2000, 2008, and 2014 (billions of dollars)

1990	2000	2009	2014
\$212	\$489	\$978	\$1,300

Source: Selig Center for Economic Growth, Terry College of Business, the University of Georgia, Third Quarter 2009

The Selig Center defines Hispanic as a person of Mexican, Puerto Rican, Cuban or other Spanish/Hispanic/Latino culture or origin, and is considered an ethnic category rather than a racial group.

The data drawn from the Center for Economic Growth at the University of Georgia confirms that ethnic minorities are expected to significantly outpace whites in population size over the given time period. Perhaps more importantly, the buying power of each of these minority groups is projected to increase even more dramatically. The buying power of African Americans, Asians, and Native Americans is expected to rise to \$1.9 trillion in 2014, which will be 14.6% of the total U.S. buying power. In contrast, the Hispanic buying power is expected to be \$1.3 trillion in 2014 with the estimate that one person out of every six living in the U.S. will be of Hispanic origin. Companies who are not cognizant of these trends or those who are simply unprepared for them may find themselves becoming increasingly less relevant in the marketplace.

## ► MANDATE FOR SUSTAINABLE DIVERSITY & INCLUSION *continued*

The changing face of the country requires a corporate imperative to tie diversity strategies to business objectives in order to achieve greater market share. Corporations currently spend billions of dollars trying to reach the multicultural markets. In 2009, over \$5.4 billion was spent in Spanish-language media while spending in African American media exceeded \$1.9 billion. The marketing and advertising investment corporations are making to attract diverse consumers should be aligned with a comprehensive diversity strategy. To ensure long-term sustainability, corporate diversity strategies should be integrated into the business strategy and leveraged across the organization.

The consumer market opportunity is clear, but the task of rebuilding after a deep recession is onerous at best given that employment growth typically lags a recession. The 2007-2009 recession is particularly difficult as employment growth was still slow-moving at the end of the third quarter 2010. In addition to the challenge of employing the nearly 14 million unemployed Americans, there is also the challenge for the underemployed. Those individuals who lost higher paying jobs and accepted lower paying positions to maintain employment will have a difficult time securing a position at their pre-recession wages.

Many of Chicago's leading companies implement comprehensive and profitable diversity and inclusion strategies with the commitment and advocacy of their chief executive officers and senior executives. A number of those companies have shared their best practices with Chicago United.

Allstate's methodology for crafting a profitable diversity strategy includes the alignment of diversity and inclusion with business objectives. When successfully integrated, diversity and inclusion can be leveraged to facilitate product and business development as well as sales processes leading to increased revenues and profitability.

Illinois Toolworks highlights accountability and the engagement of middle managers in the crucial role of motivating, retaining, and engaging employees to ensure the highest level of productivity and, ultimately, profitability.

Ernst & Young leverages the value of diversity through its Inclusive Leadership program. Inclusive leadership establishes standards for business practices and the work environment. Ernst & Young believes that with effective integration, inclusive leadership can lead to increased employee engagement, a firm employee commitment, and corporate unity.

The Chicago United 2010 *Corporate Diversity Profile* census data illustrates that overall there has been downward pressure in the job market that has impacted members of the workforce regardless of race. Companies responding to the survey indicated that this downward pressure was evenly distributed and therefore they did not lose ground in meeting their commitment to diversity and inclusion. While this survey of best in class companies indicates equal distribution of losses across all races, the national data implies that the country has lost ground in the effort to achieve parity in the workforce for all races.

The value of producing a biennial longitudinal study of corporate diversity is the opportunity to reflect on the previous surveys. In 2006, we noted the war for the talent. We highlighted the importance of recruiting and growing great talent. In 2008, the census data led us to focus on recruiting, retaining, and providing professional development for diverse talent. The recession challenges of 2010 remind us to continue the focus on diversity and inclusion in the corporate ranks. Recruitment and professional development are extremely critical to the overall success of Chicago's corporate workforce, especially as we face the prospects of the mass exodus of baby boomers into retirement. To ensure a return on investment on diversity and inclusion, companies must commit to increasing the utilization of diverse slates when recruiting and promoting professionals. This will allow them to gain and retain high-performing diverse talent and benefit from their unique perspectives on the mix of services offered, product development, and markets served.



## ► SURVEY METHODOLOGY

The 2010 *Chicago United Corporate Diversity Profile* is based on a survey of the top 125 public corporations in Chicago as determined by *Crain's Chicago Business* (2009)

To ensure confidentiality in the data gathering and analysis process, Chicago United engaged the services of Ernst & Young to collect the survey responses and provide tabulation and analysis. All individual survey data was kept completely confidential and only aggregate data, as presented in this report, was shared with Chicago United by Ernst & Young.

### Respondents

The companies listed below are those from the 125 largest public corporations in Chicago, as determined by *Crain's Chicago Business* (2009), that completed the 2010 *Chicago United Corporate Diversity Profile Survey*.

Abbott Laboratories*	Illinois Tool Works Inc.*
Allstate Corporation*	Kapstone Paper & Packaging
Aon Corporation	McDonald's Corporation*
Baxter International Inc.*	Motorola
Blue Cross Blue Shield of Illinois*	Nalco Holding Corporation*
Cabot Microelectronics Corporation	Navigant Consulting, Inc.
CDW*	Nicor Inc.*
Deere & Company	Northern Trust Corporation*
Exelon Corporation*	Smurfit Stone
Hewitt Associates, LLC*	

\*Participated in the 2008 *Corporate Diversity Profile*



**CHICAGO UNITED** is an advocacy organization made up of racially diverse CEOs and executive level management who increase economic opportunity for all races by promoting multiracial leadership development in corporate governance, the leadership pipeline and business partnerships. Through a fierce brand of constructive conversation,

Chicago United fosters inclusion and provides an opportunity for senior executives from all racial and ethnic groups to learn from one another, confront and break down racial barriers and achieve shared objectives. Chicago United's members range from emerging businesses to Fortune 500 corporations. These companies have a shared investment in the city and in building sustainable diversity in the workforce and leadership.



Closing the gap between race and business.®

**THE WORK OF CHICAGO UNITED IS MADE POSSIBLE BY THE SUPPORT OF OUR MEMBERS:**

Abbott	Federal Reserve Bank of Chicago	Odell Hicks & Company
Access Community Health Network	Federal Signal Corp.	OfficeMax Inc.
Advocate Health Care	Gladys R. Wilson & Associates	PNC Bank
Aon Corporation	Gonzalez, Saggio and Harlan, L.L.C.	Prado & Renteria CPAs Prof. Corp.
A. Pomerantz & Co.	Harris Bank	PricewaterhouseCoopers LLP
Ariel Investments, LLC	Hewitt Associates, LLC	Primera Engineers, Ltd.
Azteca Foods, Inc.	Hispanic Housing Development Corporation	Pugh, Jones, Johnson & Quandt, P.C.
Bank of America / Merrill Lynch	Holland Capital Management	Quarles & Brady
Baxter International Inc.	The Hollins Group	Ralph G. Moore & Associates (RGMA)
Beaman Incorporated	Infrastructure Engineering	Rush University Medical Center
Blackwell Consulting Services	Johnson, Blumberg & Associates, LLC	Sanchez Daniels & Hoffman LLP
Blue Cross and Blue Shield of Illinois	Katten Muchin Rosenman LLP	Sara Lee Corporation
Bonaparte Corporation	Keene Advisory Group	SDI (System Development.Integration, LLC)
BP America Inc.	Laner, Muchin, Dombrow, Becker, Levin and Tominberg, Ltd.	Sidley Austin LLP
Cabrera Capital Markets, LLC	LifeSource, Chicagoland's Blood Center	Smith Whiley & Company
Central City Productions Inc.	Loop Capital	Spencer Stuart
The Chicago Community Trust	Macy's Inc.	Synch-Solutions Inc.
Chicago State University	McDonald's Corporation	United Building Maintenance, Inc.
Chicago Urban League	Mesirow Financial	University of Chicago / University of Chicago Medical Center
City Colleges of Chicago	Mitchell & Titus LLP	University of Illinois at Chicago
Columbia College Chicago	MZI Group, Inc.	Urban Partnership Bank
ComEd, An Exelon Company	Neal & Leroy, LLC	USG Corporation
Crain's Chicago Business	Nicor	Washington, Pittman & McKeever, LLC
Creative Printing Services	NJW Companies	Weber Shandwick WorldWide
Endow, Inc.	Northern Trust	Wedgeworth Business Communications
Environmental Design International, Inc.	Northwestern Memorial Hospital	Wynndalco Enterprises, LLC
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